ISSUE

174

15 September 2015

FORTNIGHTLY

BIZ E– NEWSLETTER

India Focus

this issue

BUSINESS

Singapore's GIC invests 2k cr in 2 DLF projects

TNN | Sep 3, 2015,

NEW DELHI: Singapore's sovereign wealth funds GIC and DLF Home Developers, a subsidiary of India's largest real estate developer DLF, entered into a joint venture to invest in two upcoming projects in Delhi's Moti Nagar. The Rs 2,000 crore investment by GIC is part of a larger plan by DLF to raise around Rs 7,500 crore with talks underway to get investors for some other projects too, sources familiar with the discussions told TOI . DLF is also working on a REITs issue towards the end of the year as part of the fundraising plan. Bankers said lifting of Sebi's ban on fundraising by the company and the government's clarification on minimum alternate tax (MAT) on portfolio investors would buoy the REIT plan although several clarifications are still required. DLF has already sold stake in non-strategic ventures, including DT Cinema to PVR in a transaction valued at Rs 500 crore. The joint venture with GIC will develop over five million square feet, including one million square feet in the fifth phase of Capital Greens and four million square feet on SIEL land. ***Cont on P. 13***

TOP NEWS

Govt accepts Shah panel report, no retrospective MAT on FIIs

TNN | Sep 2, 2015

The government on Tuesday accepted the recommendations of a panel that minimum alternate tax (MAT) is not applicable to foreign institutional investors (FIIs), a move which is expected to boost investor confidence and help sentiment in the financial markets.

Finance minister Arun Jaitley told reporters that the government has accepted the recommendations of the A P Shah-led panel and will amend the Income Tax Act most probably during the winter session of Parliament. The announcement came late in the evening against the backdrop of a slide in the stock market.

"Through the amendment the government proposes to clarify that MAT provisions will not be applicable to FIIs/FPIs not having a place of business/permanent establishment in India, for the period prior to April 1, 2015," Jaitley said.

He said pending such an amendment, the Central Board of Direct Taxes (CBDT) will convey to field formations the decision of the government to accept the recommendation and hold off any further notices. The committee has recommended ***..Cont on P. 2***

India among few bright spots in global economy as per International Monetary Fund (IMF)

IBEF: September 07, 2015

India was declared as one of the few bright spots in the global economy by the International Monetary Fund (IMF) Chief Ms Christine Lagarde at the meeting of G20 Finance Ministers and Central Bank Governors. While discussing monetary policy uncertainties, Ms Lagarde noted that most places in the advanced world are facing problems while among the emerging economies, there are problems in China. However, among emerging economies, India seems to be the only country with any growth. India had earlier noted that the recent devaluation of major currencies followed by currency depreciation in a large number of emerging markets as having raised the risk of competitive devaluations. Such currency devaluations at a time when the global demand is sluggish may threaten the stability of global economy. India's central bank governor Mr Raghuram Rajan commented that global economies, witnessing sustainable growth, need to hike rates but not in a "one go, big bang" manner.

ECONOMY

Govt accepts Shah panel report, no retrospective MAT on FIIs

.. *Cont from P. 1*

that Section 115JB of the Income Tax Act may be amended to clarify the inapplicability of MAT provisions to FIIs/FPIs. Alternatively, the panel has suggested that a circular may be issued clarifying the inapplicability of MAT provisions to FIIs/FPIs.

"What applies post April 2015, that is no MAT on capital gain on FIIs, will also apply on pre-April 2015," Jaitley said. "Confidence among investors could be a consequence of this," the FM said when asked whether the step will boost investor confidence.

Experts lauded the government move saying it will help restore investor confidence. "This is an unprecedented move where the government has quickly stepped in to accept a taxpayer friendly recommendation especially considering the amount of potential tax demands which were being estimated. The decision will also help to further the government's position that it discourages tax terrorism and welcomes foreign investment in India," said Rajesh H Gandhi, partner at Deloitte Haskins & Sells LLP.

"The acceptance of the Shah committee report by the government will be viewed very positively by the foreign investor community and can help to boost sentiment and FII investment in the stock market. FIIs have been saved from the time and efforts in litigating this issue before courts and should be pleasantly surprised with the early resolution to the dispute," he said.

Gandhi said if the scope of the Shah committee was widened to cover all foreign companies, it would have helped to resolve the dispute for non-FIIs as well.

The tax department's notice to FIIs to pay MAT on capital gains had triggered a row with angry FIIs writing to the Centre to have a rethink. It had revived talk of "tax terrorism" by the government but the tax department had moved swiftly to contain the damage saying that MAT on the capital gains made by overseas funds in Indian stock markets would not be applicable, if the money was routed through countries such as Mauritius, Singapore and others with which India has signed double taxation avoidance agreements.

The government has maintained that the decision to levy MAT on foreign portfolio investors was taken not by the NDA government but by quasi-judicial bodies. The finance ministry had said that these rulings can be contested in higher courts, which will respect the due process and have the power to quash faulty decisions.

Sensing the anxiety among foreign investors and the barrage of criticism for launching a fresh round of "tax terrorism," the government put on hold fresh notices to FIIs on MAT.

Since October-November 2014, the income tax department had sent notices to about 70 FIIs to pay minimum alternate tax (MAT) for previous assessment years totalling Rs 603 crore. The notices from the I-T department was based on a ruling by a tax appellate authority in a 2012 case that involved transfer of shares by Castleton, a Mauritius-based FII, to a Singapore-based entity.

According to some estimates, if the I-T department opened all the cases going back up to seven years, the total tax obligation on FIIs would be in the range of Rs 30,000 crore to Rs 40,000 crore. This figure was later scaled down.

The move to issue notices had raised fears among FIIs that even though most of them are exempt from paying any tax in the country due to India's double tax avoidance treaty with countries such as Mauritius, Singapore, Cyprus and some other countries, the government will tax them under MAT.

On one hand this had led to legal cases against the government by FIIs and also FII selling aggregating about $2.5 billion between April and June this year. Following these developments the government set up the A P Shah committee to suggest whether FIIs should be taxed under MAT or not.

The dispute related to income tax assessment years prior to the current financial year which started on April 1, 2015. This is because in the last budget, Jaitley passed a law which said MAT as not applicable on FIIs' income from India.

"The decision to not levy MAT on FPIs, FIIs for period prior to April 1, 2015 is a very positive move for the investor community at large and will lead to more inflows in the country. What is encouraging is the speed with which clarity is emerging. The icing on the cake would be if clarification would also have been provided for MAT on all foreign companies other than FPIs and FIIs," said Girish Vanvari, national head of tax, KPMG, India.

India announces new partnership to accelerate Financial Inclusion

India Infoline News Service | Mumbai | September 02, 2015

The announcement comes on the First Anniversary of the Prime Minister Narendra Modi's flagship financial inclusion programme Pradhan Mantri Jan-Dhan Yojana (PMJDY).

The Government of India is joining the UN-based Better Than Cash Alliance. The announcement comes on the First Anniversary of the Prime Minister Narendra Modi's flagship financial inclusion programme Pradhan Mantri Jan-Dhan Yojana (PMJDY).

Under PMJDY, in one year, about 180 million new accounts have been opened, with deposits totaling more than \$3.4 billion (223 billion Rupees).

The new partnership with the Better Than Cash Alliance, made up of Governments, companies, and international organizations, is an extension of Indian Government's commitment to reduce cash in its economy. Digital financial services lower the cost of providing financial services and make it more convenient for poor people to access their accounts.

The Union Finance Minister of India Arun Jaitley said: "The scale of ambition of Pradhan Mantri Jan-Dhan Yojana has been much higher than for any other financial inclusion initiative in the past. The project has been instrumental in bringing almost all families of the country into the formal financial system and enabling citizens at grassroots level to perform financial transactions and keep their hard-earned money safe."

India's announcement comes ahead of next month's United Nations Special Summit in New York, when Prime Minister Shri Narendra Modi and other world leaders will launch the adopted Sustainable Development Goals (SDGs). Digital financial services are a key tool for the implementation of the goals, and advocates hope India's leadership inspires other governments to harness the power of digital payments as a strategy for achieving the SDGs.

Dr. Ruth Goodwin-Groen, Managing Director of the Better Than Cash Alliance said that India's leadership and progress are inspirational for countries around the world. He said that by making the digitization of payments to achieve financial inclusion a top priority, the Indian Government is showing its commitment to improving the lives of its people and driving inclusive growth.

One year ago, the Government of India had announced PMJDY with a goal of covering every household with a bank account in less than five months' time. The programme focuses on citizens excluded from the formal financial sector, including women, small farmers, and labourers. To ensure that these accounts are actively used, the Government is delivering financial products, such as credit for economic activity, as well as remittance facilities, insurance, and pension directly into the accounts.

The Union Finance Minister of India Shri Arun Jaitley said "We have been recognized by the Guinness World Records for opening over 1.8 crore (10 million) bank accounts in a single week. As a next step, the aim is to utilize these accounts for extending insurance, pension, and credit facilities to those who are currently excluded from these benefits."

Dr. Hasmukh Adhia, then Secretary, Department of Financial Services, Ministry of Finance, Government of India, said: "PMJDY has been a game changer in the country's financial inclusion efforts. The initiative has demonstrated that when we converge the efforts of all stakeholders, and work in unison with clearly defined goals, unprecedented results follow."The financial inclusion programme, along with Aaadhar biometric Unique Identity cards that make it easier for the Government to identify social benefit recipients and the widespread use of mobile phones, are driving financial inclusion in India. It is also resulting in cost savings. The fuel subsidy programme, which is the world's largest cash transfer programme, saved \$2 billion (131 billion Rupees) by paying cooking gas consumers directly into their bank accounts, according to a new paper by Columbia University.

India set for take-off, says economist Kaushik Basu

The Hindu

'It is possible for India to step up its exports and take major strides in the manufacturing sector, but for all this a combination of policies is needed.'

With no end to the global economic crisis in sight even after seven years, World Bank's Washington-based Chief Economist Kaushik Basu says it should be called the Long Depression. Excerpts from his e mail interview :

Delivering the C.D. Deshmukh lecture, you had predicted that there would be two difficult years ahead for Europe: when the repayments come up at the end of 2014 and the beginning of 2015. It turned out the way you had anticipated. Is more bad news coming?

My forecast of two difficult years has turned out to be true – this is one of those rare cases where you wish you got the forecast wrong. What I had not anticipated but is turning out to be the case is that the difficulties are persisting beyond the two years. With sovereign debt still high, growth low and unemployment high, the end of Eurozone's problem is not yet in sight. We at the World Bank had in June forecast a growth of 1.5% for 2015 for the Euro Area. But with the recent turbulence in China and given the strong trade links between China and Germany, the forecast will, I think, have to be revised downwards.

Do the developments in China, especially the devaluation, confirm that the world is now without an economic engine, stabiliser and a punching bag? What does the state of the Chinese economy imply for the world?

China has a difficult stretch ahead since it has to perform the balancing act of curtailing its large overall debt without slowing down the real economy too much – that's a fine line. Fortunately, the US economy, which grew at an impressive 3.7% in the second quarter of 2015, and now has unemployment down at 5.1%, is acting as a bit of an engine for the world. But the world economy today is too enormous to run on a single engine. It needs other drivers. Interestingly, the country that looks best placed to provide the second engine for the world economy is India.

French economist Thomas Piketty has swept the discourse on capitalism. Your thoughts on this new debate in the west and also what it means for the discourse in India...

Piketty's excellent book is a reminder to all of us that something is amiss in the way the world economy is trundling along. Conservatives argue that the bulk of human inequality is a consequence of individual choice, and that by hard work and effort the poor can make it. Nothing is further from the truth. The bulk of human inequality occurs at birth. There are millions of babies born into such abysmal poverty that they don't stand a chance of making it in life no matter how hard they work. This is one of the great injustices in the modern world. The extent of inequality that prevails in the world is unacceptable. It is important at all levels – governments, international organisations and individuals – to recognize this. I feel good that for the first time the World Bank has elevated the idea of sharing and inequality mitigation into one of its mission goals. It is important to realise that being very poor robs people of voice. Extreme inequality is not just bad in itself but it is an assault on democracy.

An argument also is that it isn't enough to give people access to capitalism and provide them with a safety net: the underlying system has to be reconfigured. Earlier, if a company C.E.O. dumped defined-benefits pension, you knew who to complain to. Today, it may be an unseen private equity fund.

The fundamental problem in the world is the total wage bill as a fraction of GDP is declining. In other words, with the advance of technology and automation, labor as a factor of production is becoming steadily less important. The big challenge of our time is to think of innovative ways in which we can bolster the incomes of labourers. If we fail to do this, this seemingly purely economic problem will no doubt spill over into political instability. This is indeed a root cause of some of the political turmoil around the world that we see today.

You have always held that economic growth doesn't automatically alleviate poverty. What would your advice be to those who believe that it does?

It is clearly in the self-interest of those who do well by the status quo to say growth is enough and that the poor should just wait for the benefits to trickle down. That's clever advice for guarding your own pocket. Fortunately, there are prominent voices, including from some very rich people, who have done well by the system but are honest enough to point out that there is something wrong with a system that leaves so many people out in the cold. We need direct government interventions in favour of the poor to make amends for this.

As the Chief Economic Advisor in the Manmohan Singh-led UPA Government, you had described your job as of a meta-advisor. Any policy advice for Prime Minister Modi…

I would tell the Prime Minister – and in fact I did tell him, during a very good meeting I had with him on the Indian economy – that India is on the cusp of a major take-off and we must not miss this opportunity. It is possible for India to vastly step up its exports, be a hub of global education, and take major strides in the manufacturing sector. But for all this a combination of policies is needed, ranging from exchange rate management to micro-level stimuli. India has a lot of expertise and very good minds. Government must reach out to them. Determination and passion are important but not enough to drive a complex machinery like the modern economy. They need to be backed up with data, analysis and strategic thinking. Take, for instance, even a simple phenomenon like a sharp rise in the price of onions. This cannot be ended by sending out baton-wielding police. We need research to understand its source and then device policies which will entail a mixture of microeconomic and macroeconomic interventions. Alongside such economic policies, I must also stress, India is a diverse society and we have to strive for greater inclusiveness so that all individuals, irrespective of their caste, race and religion, feel a part of society. This will then bring out the best in the people and help nurture the nation's development. Individual creativity is the biggest driver of growth.

In a lecture delivered in Chennai in 2007, you had argued that the first spurt of 9 per cent growth in 1975, the first year of the Emergency, was not a one-year burst. The initial breakaway from stagnation was born of the sharp rise in savings and investments largely owing to nationalisation of banks in 1969 by Ms. Indira Gandhi. Two subsequent "magical transformations" became the seeds for 10 per cent growth. These were the increased rate of savings around 2002 and the emergence of a new corporate culture. You had said that you first heard of the growing global respect for Indian companies from Lee Kuan Yew in Singapore. How is that road to 10 per cent growth looking now?

Very difficult. But this has little to do with India. The global economy is going through a difficult phase. The global growth slowdown we have seen since 2008 maybe less deep than the Great Depression, but it is turning out to be more protracted than the Great Depression was. We are now in the seventh year of this crisis and the end is not in sight. Maybe we should call this the Long Depression. Having said this, it has to be pointed out that India is one of the brightest spots in this firmament. It is expected that India will top the world's growth rates table of major economies this year. This has not happened before. It is possible for India today to consolidate its position in a way that it never could before. A 10% growth seems unlikely, but a sustained 8% per annum growth is possible. And that will transform the nation in twenty years, with per capita income breeching the $10,000 mark.

Will Chinese devaluation of Yuan impact US Fed's decision on rate hike?

The problem is not just the Yuan but with so many central banks currently injecting liquidity, a US rate hike may not be as effective. For one, it is unlikely to achieve the increase in interest rates across the US economy that would have occurred in a less globalized world. Easy money and low interest rates in other industrialized nations will partially dampen increases in interest rates in the US. The main thing that will happen as a result of a Fed rate hike is the dollar will get strengthened. This is the big dilemma the Fed faces and, for this reason, I hope the Fed will wait a bit more hiking rates. A US slowdown will be bad news not just for the US but for the world.

The world managed a coordinated fiscal stimulus in 2009 and 2010. Can we expect a coordinated monetary action?

I sincerely hope so. We live in too globalized a world for disparate monetary policies to be effective.

Finance minister Arun Jaitley promises ease of doing business, tax reforms

PTI | Sep 4, 2015,

Promising a rational tax regime and easier business environment, finance minister Arun Jaitley on Friday asked Turkish industry leaders to invest in India including in smart cities, textiles, food processing and renewable business sectors. In an interactive session with them on the sidelines of the G20 meeting of finance ministers and Central Bank governors, he said the government has made significant progress in improving ease of doing business in India and a lot more was being done in this regard.

"We have made significant progress on ease of doing business, although, I would not say as yet that we have perfected it," Jaitley said.

Committing himself to rationalizing the taxation regime, both in terms of direct and indirect taxes, he said a number of initiatives that offer significant investment opportunities have been announced for global investors including from Turkey.

"We are in the process of rationalizing our tax structures, both direct and indirect taxes ... We have very large natural resources ... we have expedited the clearances and more and more laws are being liberalized," Jaitley said while listing out the steps being taken by the government. The finance minister said India has benefited significantly from the decline in global oil prices.

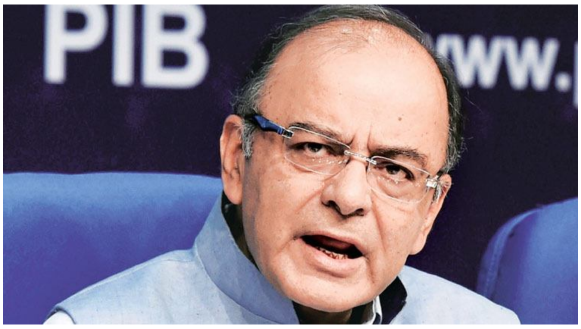
While a part of these benefits have been passed on to consumers and has helped lower the inflation, such benefits have also resulted into greater funding for infrastructure space. Still, the requirement for funds remain huge in the infrastructure space, where foreign investors can play a significant role, he added.

List of tax exemptions to be phased out in few days: Arun Jaitley

ENS Economic Bureau | New Delhi | September 10, 2015

Moving ahead with direct tax reforms, finance minister Arun Jaitley on Wednesday said the government would, in the next few days, issue a list of exemptions that would be pruned to help lower the corporate tax rate to 25 per cent over the next four years.

"Over the next few days we will come out with a list of exemptions, which we intend to phase out in the first place. Over the next four years corporate tax will come down by 5 per cent and lot of exemptions will get phased out. Slowly we will bring taxation levels to global standards and make tax assessment and returns simpler by just eliminating a lot of exemptions," he said.



The minister had in the Union Budget 2015-16 announced a roadmap to reduce the rate of corporate tax from 30 per cent to 25 per cent over the next four years.

It is extremely legitimate for any country to say my resources must come within the system, they must not remain parked outside the system. We were reasonable enough to put people on notice and gave them a fair opportunity to bring them in," he said at The Economist India Summit 2015, adding that various delegations have approached him to go easy on domestic black money laws as it aids in economic activities.

He also said that the government does not plan to resort to retrospective taxation and was trying to resolve all major taxation issues outside the judicial system barring one (Vodafone tax case) which would be resolved through the judicial process. Addressing the session where about half the invitees said the government could do more on reforms, the finance minister said there is a change in the popular mood. "If a legitimate number of people feel that growth can be faster, we must recognise that. The pressure is on the Opposition not to obstruct growth," he stressed.

Jaitley also clarified the government has not gone back on amendments to the Land Acquisition Act 2013 by letting the ordinance lapse, but has instead decided to move forward on an "alternative route" where in states can decide to change their respective laws. While India may be growing at 7 per cent to 7.5 per cent and be tagged as the fastest growing economy in the world, he said that there is an expectation of higher growth. "The expectations we built were logical…in adverse global situations, India must follow the reform path," he stressed.

Manufacturing Emerging As Leader of Industrial Growth: Finance Ministry

http://www.outlookindia.com/news/article/manufacturing-emerging-as-leader-of-industrial-growth-finance-ministry/912628

With July factory output data showing significant uptick year-on-year, the Finance Ministry today said the manufacturing sector is slowly emerging as a leader of the industrial growth and the economy is improving steadily.

The industrial production and Balance of Payments (BoP), along with the GDP numbers of first quarter of 2015-16 point towards "steady improvement" in the economy, the ministry said in a release.

The Index of Industrial Production (IIP) grew at 4.2 per cent in July 2015 against just 0.9 per cent expansion in July 2014.

In the first four months of 2015-16, the manufacturing sector output has risen by 4 per cent in 2015-16 as compared to 2.8 per cent in the similar period of last fiscal.

"IIP at 4.2 per cent for July 2015 is the second successive month of over 4 per cent growth : manufacturing sector is slowly emerging as a leader of industrial growth increasing by 4.7 per cent," the Finance Ministry said.

Economic Affairs Secretary Shaktikanta Das said improvement in IIP data for July is in line with steady improvement in the economic growth.

"July IIP data consistent with steady improvement in GDP numbers," Das tweeted.

The IIP data for capital goods and manufacturing sectors are "noteworthy", Das tweeted further.

On the BoP data released by the RBI, the Ministry said BoP position continues to be comfortable on a sustainable basis with a lower current account deficit at 1.2 per cent of GDP in the first quarter of 2015-16 as against 1.6 per cent of GDP in April-June 2014-15.

"Our robust external sector has facilitated the lower depreciation of the Indian Rupee vis-a-vis currencies of other major EMEs (Emerging Market Economies) in the recent bouts of global financial volatility.

"The industrial production and BoP data released today, along with the Q1 2015-16 GDP numbers point towards steady improvement in the Indian economy," the Ministry said.

The GDP grew at 7 per cent in the April-June quarter, up from 6.7 per cent recorded in the year-ago period.

The Ministry further said capital goods has registered an impressive growth of 10.6 per cent, boosted by positive growth in production of commercial vehicles, transformers, cylinders, and aluminium conductors, among others.

Consumer durables goods sector has, like last month, recorded double digit growth of 11.4 per cent, boosted by growth in passenger cars and gems and jewellery.

The Indian industry said it indicates a revival in industrial activity and reiterated the demand for a rate cut by the RBI to provide a fillip to industrial growth.

Government has launched 'Make In India' campaign to increase domestic manufacturing which in turn would spur job creation.

India could grow at 8% in FY16-20: Goldman Sachs

***Livemint**: September 15, 2015*

New Delhi: Access to banking, technology adoption, urbanization and structural reforms to power GDP growth, says report

Rising productivity could help India grow at a potential 8% on average during from fiscal 2016 to 2020, compared to 7% during fiscal 2012-15, under the new GDP series, investment bank Goldman Sachs said in a report on Monday.

Growth will be powered by greater access to banking, technology adoption, urbanization, improvement in education, e-governance-based ease of doing business and other structural reforms, the report said.

“The increases would be driven by an increase in investments, but mainly, faster productivity growth,” it said.

The report said that, by 2020, India’s economy could gain over 300 million more Internet users and 50 million more high school graduates. The country is reducing red tape by adding 200,000 bank accounts every day, and moving nearly 800 government services online, raising productivity.

“These changes can allow the economy to leapfrog a generation of creating physical infrastructure in retail, banking, and government services, and lead to a jump in productivity. In our baseline projections, the coming together of these forces can provide a substantial boost to GDP growth,” the report said.

“In fact, if the reforms are faster, the country’s potential growth could rise to 9% due to reforms to labour, infrastructure, and education,” it added.

Goldman Sachs's chief India economist Tushar Poddar said India's growth rate has typically been aided by higher productivity rather than by adding capacity through more labour forces and capital expenditure.

"India is traditionally a services-led country, but too much of debate is being subsumed by only manufacturing," Poddar said in the call, clarifying that services too needed to be in the focus, rather than stressing more on manufacturing-led growth. Increasing manufacturing may not help as much as desired as the world is already facing an oversupply in manufacturing.

But technology adoption, including adding more Internet and mobile users, will help the services sector boom. For example, in most emerging markets, in the past few decades, job creation in the services sector has been double than of manufacturing. In the case of India, there should be a greater focus on software than hardware and softer forms of capital expenditure should be given due emphasis, Poddar said.

"The Make in India initiative, Foxconn (Technology Group) coming to India... is fabulous," Poddar said, but now "there should be a little rethink on where the jobs are coming from".

"India's model is more bottom-up (increasing productivity) rather than manufacturing growth," he said.

Assuming an unemployment rate of 7% as estimated by the International Labour Organization, Goldman Sachs estimated that about 70 million of additional labour force can be absorbed in the economy as the economy grows to its potential.

Overall, India's productivity growth will come from addressing six key drivers—agriculture, infrastructure, micro environment (urbanization and ease of doing business), education, technology and governance, Poddar said.

Technology alone has contributed 1.9 percentage points to GDP growth over the past five years, and over the next five years, Goldman Sachs sees technology contributing 2 percentage points to GDP growth.

Similarly, governance structures have improved significantly and it now takes 30 days to start a business, down from 80 days 10 years ago.

However, the productivity growth in agriculture and infrastructure have been disappointing and they contribute lot less than they could.

"Over the past decade, infrastructure has contributed about 0.5 percent point to GDP growth. In our baseline, we assume that power consumption grows at 7.5%, and contributes 0.6 percent point to GDP growth," the report said.

Additionally, India's urbanization rate is slow, adding only 0.3 percentage point to the annual GDP growth rate, compared with China's 1.1 percentage points. But if initiatives such as the smart cities mission take off, urbanization itself will necessitate the growth of infrastructure and will lift up GDP growth rate.

Central govt allows automatic FDI route for white-label ATMs

***Business Standard**: September 10, 2015*

Central government approval will not be required now for foreign direct investment (FDI) in ATMs, set up by non-banking entities. The move would boost financial inclusion programme of the government and facilitate funding of infrastructure in this business.

The proposal, cleared by the Cabinet on Wednesday, is aimed at increasing financial inclusion since such ATMs, called white label, are generally set up in smaller cities, towns and rural areas.

"This decision will ease and expedite foreign investment inflows in the activity and thus, give fillip to the government's effort to promote financial inclusion in the country, including the Pradhan Mantri Jan Dhan Yojana," an official statement said.

It is expected that consequent to ease of investing in India, adequate funds would be available in white-label ATM operations, it said.

"This would help in the government's objective of enhancing ATM networks in semi-urban and rural areas," the statement said, adding that participation of foreign investors in the sector will contribute to furthering financial inclusion.

White-label ATM operators in the country include Srei Infrastructure Finance Ltd, Muthoot Finance and Vakrangee Software. In the past these ATM operations were struggling to be viable operations. "FDI will definitely help to improve the funding to the capital intensive WLA infrastructure business. Muthoot Finance is seeing this as a boost to the WLA business due to more long term funds flowing to this business," said George Alexander Muthoot, managing director, Muthoot Finance.

Last year RBI had allowed usage of international credit, debit and prepaid cards in these ATMs in a bid to make it a viable project. However, it was still felt that this was not sufficient to push the rollout of ATMs from the slow lane. "With the anticipated growth in ATMs in India through this reform, it is very clear that setting up and operating ATMs no longer remains the prerogative of just the existing banks. Even the private non-banking companies can now boast of not only having their own ATMs but also making a positive impact on the financial services system in India. Let us wait and watch the real implementation challenges of this very thoughtful reform," said Khushroo Panthaky, partner, Walker Chandiok and Company.

$250 billion opportunity to invest in renewables: Piyush Goyal

***Livemint**: September 01, 2015*

New Delhi: India has a $250 billion investment opportunity in the renewable energy space, said Piyush Goyal, minister of power, coal and renewable energy, at Mint's fifth energy conclave in New Delhi on Friday. This includes the peripheral transmission and generation segments as well.

India plans to have 100,000 megawatts (MW) of solar energy capacity by 2022. The government has also set a target of generating 60,000MW from wind power by then.

Renewable energy currently accounts for 13%, or 35,777MW, of the total installed capacity of 274,818MW.

India's push to boost wind and solar power production provides opportunities for global companies that have been hit by the plunge in international crude oil prices.

Lower oil prices can potentially derail, or at least delay, the world's shift to wind and solar energy, as it makes less economic sense to tap costlier renewable energy sources.

Speaking at the event, Goyal said that in the next two to three years, India will not be dependent on coal imports except for coking coal.

The Indian coal sector, with one of the five highest reserves in the world, today imports coal worth $20 billion a year, as domestic production lags demand—partly a function of the inefficiencies built up in the decades since nationalization.

"I would say not only for fuel but for equipment, technology, maintenance, servicing, innovation in the power sector, the coal sector and the renewable energy sector, except for coking coal, which is yet not explored adequately, I am confident that in the given three-four years, India will not have any import dependence at all," he added.

He added that India has done exceedingly well in terms of equipment and on the solar energy side.

"I don't think we'll have any more import dependence in terms of LEDs, energy efficiencies, in terms of equipment for the cells and modules that is raw material. I'm quite sure given the huge impetus the industry is focusing on or the government is trying, we shall soon have more manufacturing companies coming to India," he said.

Goyal said India will not have a single incandescent bulb in the country, and hopefully no CFLs (compact fluorescent lamps) either, in three years.

"I am talking about three years replacing seven years, 770 million LED bulbs in people's homes and just the programme we are looking at will save 100 million units of energy consumption—that is 10,000 crore units of electricity, and the benefit goes straight into your pocket," he added.

For India, the world's biggest greenhouse gas emitter after the US and China, the emphasis on solar and wind power is also expected to strengthen its standing at global climate change negotiations that will culminate in a summit in Paris in December.

Goyal also reiterated that India has around 18,500 villages that are still to be electrified. "In 1,000 days, we will have a situation where all 597,000 villages will have energy access. We have allocated central funds for it," he added.

He added that the government has taken a pledge to provide 24x7 power, which is the right of every citizen and will be taken up as a mission.

"I assure that every household will get energy. Especially the eastern part of India has been deprived of their rights. It has to be a shared responsibility that people staying in forests, tribals, villages in Uttar Pradesh and Bihar have access to these basic amenities. For any development, I believe it is important to have electricity. You can't have huge investments and say wait, you'll have to wait until electricity is made available to you," Goyal said.

Maritime sector to get investment promotion cell

***Business Standard**: September 04, 2015*

New Delhi: In a bid to attract investment into the maritime sector and provide facilitation services to global firms seeking to invest in India, the Indian Ports Association (IPA), in association with Ficci and shipping ministry, is planning to set up an investment promotion and facilitation cell. The shipping ministry's target for the sector is Rs 2.77 lakh crore worth of investments between

2010 and 2020.
The proposed cell will render advice and facilitate investments into the sector and will undertake investor targeting exercise in select countries. The cell will also maintain a database of relevant stakeholders (government and corporate) in India and abroad, and disseminate information about the opportunities in the country at different fora to attract foreign investors.
It will work in close coordination with the Indian embassies abroad, foreign embassies in India, state governments, investment promotion agencies, sector-specific associations and chambers in India and abroad.
"The cell will identify and target investors in three focus countries in the first year and two additional countries in each subsequent years. In addition to this, it will establish networking with maritime associations and trade bodies in India and in the target countries," said a person close to the development.
The cell will address investment-related queries and provide information on policy guidelines relating to port development, coastal shipping, shipbuilding and ship-repair, the person added. The cell will also participate in and make presentations at domestic events relevant to investment in maritime industry and also highlight opportunities in the sector to delegations visiting India.
Sources added the cell would plan investors' tour itineraries, help organise investor visits to states and accompany select delegations on visits within India. "It will also assist the investor in scouting joint ventures and technical partners," said a source.

Approval of National Offshore Wind Energy Policy

Press Information Bureau: September 10, 2015

New Delhi: The Union Cabinet chaired by the Prime Minister Shri Narendra Modi, has given its approval to the National Offshore Wind Energy Policy.
With this approval, the Ministry of New & Renewable Energy (MNRE) has been authorized as the Nodal Ministry for use of offshore areas within the Exclusive Economic Zone (EEZ) of the country and the National Institute of Wind Energy (NIWE) has been authorized as the Nodal Agency for development of offshore wind energy in the country and to carry out allocation of offshore wind energy blocks, coordination and allied functions with related ministries and agencies.
The approval paves way for offshore wind energy development including, setting up of offshore wind power projects and research and development activities, in waters, in or adjacent to the country, up to the seaward distance of 200 Nautical Miles (EEZ of the country) from the base line.
Preliminary assessments along the 7600 km long Indian coastline have indicated prospects of development of offshore wind power. With the introduction of the National Offshore Wind Energy Policy, the Government is attempting to replicate the success of the onshore wind power development in the offshore wind power development. The policy will provide a level playing field to all investors/beneficiaries, domestic and international. All the processes would be carried out in a transparent manner by NIWE.
The development would help the country in moving forward towards attaining energy security and achievement of the NAPCC targets.
The scheme would be applicable throughout the country depending upon offshore wind potential availability.

DIPP to help banks kick-start government's Start-Up India initiative

By ET Bureau | 11 Sep, 2015, 04.01AM IST

The Department of Industrial Policy and Promotion (DIPP) will start working closely with banks to kick-start the government's Start-Up India initiative in both rural and urban India. Commerce and Industry Minister Nirmala Sitharaman said the government would ensure that startups don't run out of money and that their equity requirements don't go unattended. The minister was talking to the media on the sidelines of a Ficci event.
The department is spearheading the Start-Up India initiative announced by Prime Minister

Narendra Modi in his Independence Day address. Sitharaman said DIPP would work with banks across the country, espcially in rural areas. "If each of these (bank) branches gives tribal or Dalit population something to start up with, it would take the whole startup and innovate India (initiative) thought to district level," she said.

DIPP is also working on ways to reach out to the urban educated and the deprived section of the society to build entrepreneurship. "All over the country, youngsters are coming up with ideas of entrepreneurship ... They don't have time to wait, we don't have time to lose," Sitharaman said. The commerce minister said there is a need for greater participation of industry in driving ahead the movement of Skill India.

"India needs an ecosystem where talent and skills can be nurtured. Through our .`10,000 crore fund of fund for startups, we will provide soft loans, capital to those who want to start fresh enterprises," she said.

The skill development and entrepreneurship ministry currently offers certified training in 31 different sectors under the Pradhan Mantri Kaushal Vikas Yojana. Sitharaman, in another event organised by the Confederation of Indian Industry, said India, which ranked 142 in the World Bank's 'Ease of Doing Business' index, is likely to fare better this year as the government has taken several steps to improve the standing.

BANKING/FINANCE

PM Narendra Modi's PMJDY makes India #1 in commitment to financial inclusion: Brookings

***Economic Times**: September 14, 2015*

New Delhi: Prime Minister Narendra Modi's push for financial inclusion has enabled India to earn the no. 1 rank in commitment to financial inclusion in the latest Brookings Institution's 2015 Financial and Digital Inclusion Project (FDIP) Report and Scorecard.

The report that aims at evaluating the access to and usage of affordable financial services by underserved people across 21 countries gave India ninth rank overall. The scorecard is prepared upon examining individual countries on four key parameters: country commitment, mobile capacity, regulatory environment, and adoption of traditional and digital financial services.

According to the report, India accounts for 21 per cent of world's and 67 per cent of South Asia's unbanked population. "Current guidelines, such as those for payment banks, and the overall JAM framework (Jan Dhan-Yojana, Aadhaar and Mobile numbers) are expected to facilitate a more enabling environment for digital financial services by allowing a multiplicity of providers to offer innovative financial services to underserved populations," the report states. It notes the importance of recent government initiatives in helping India enhance its access to formal banking services by the underserved population, remarkably. It goes on to commend the prime minister's Pradhan Mantri Jan-Dhan Yojana -- one of the biggest financial inclusion initiatives in the world -- for helping the country make huge strides in financial inclusion and financial literacy.

The initiative launched on August 28th, 2014 has already facilitated the opening of 185 million bank accounts as of September 2015. The report credited the government for its JAM (Jan-Dhan, Aadhar and Mobile) framework which seeks to allow government to transfer benefits and subsidies directly to the bank accounts of entitled households. "Further digitization of government payments could benefit both the government and recipients alike, as some sources project the government could save over $22 billion a year by paying subsidies for services like health care and education directly to the beneficiaries," the report states.

It goes on to acknowledge the various steps taken at regulatory levels to enhance the accessibility of Indians to mobile money and, further financial inclusion. India received a respectable seventh ranking on the regulatory environment component of the FDIP scorecard. The Reserve Bank of India's recent steps such as notification of guidelines for payment bank services in November 2014 and more recently, the provision of payment bank licenses to 11 applicants, including five mobile operators are seen by the report to be major steps towards making Indian financial services sector more open and inclusive, especially, for the underserved population of the country. Although, the report has commended the advances made in the regulatory environment of the country's financial system, it does suggest that there is room for improvement.

"Strong digital payments infrastructure, development of policies and regulations promoting digital financial services in India, and government's commitment to financial inclusion should allow India to better take advantage of its technological capacity and mobile penetration rates in order to increase financial inclusion in the country," the report said.

BUSINESS

India fastest growing among top 10 mkts

Sep 08 2015 : The Times of India (Delhi)

Michael Dell said the Indian operations of his namesake company was witnessing near unprecedented growth, and indicated that it was at least partly on account of the greater focus Dell could bring to its business after it went private two years ago.

"Last year (ended January 2015), the business grew 30%, the fastest growth among our top ten countries," he told the media on Monday on a visit to Bengaluru, where the company has its India headquarters.India is the third biggest market for Dell, after the US and China.

Dell said the India business was growing four times faster than the overall market. He said that the company in India held the highest market-share last quarter in servers, workstations and notebooks.

Michael Dell and private equity firm Silver Lake Partners completed a $24.9 billion buyout of the public shareholders of Dell in October 2013.

Dell said being a private company had allowed it to focus on a three to ten year vision, instead of getting bogged down by short-term stock market and investor pressures. "We have been able to build our R&D, our sales force capacity . About 20% of my time has been freed up, and I'm spending it on customers, products, team members. There was a 28% increase in the number of patents issued last year, and that's a staggering increase for a company of our size," he said. Dell's marketshare, he said, had grown for 11 successive quarters, and that this was happening for the first time in a decade.

Amit Midha, president of Dell Asia Pacific & Japan, said there had been a cultural change in Dell and noted in particular that the speed of decision making had increased significantly .Dell is now focusing on the enterprise IT infrastructure and software stack, as also continuing with its consumer PC business. Dell said though the PC market was shrinking, his company's share within it was growing. He said there was a lot of scope to increase PC penetration in India. "Only 10% of the households in India have a PC, compared to 35% in China and 64% in Malaysia," he said.

Dell in India has significantly expanded the number of exclusive stores, where it sells its PCs, and plans to aggressively expand it further. "It will be 825 by the end of the year, from 600 now," Dell said.

Dell India MD Alok Ohrie had told TOI earlier this year that only Cafe Coffee Day and Bata perhaps have more stores than Dell.

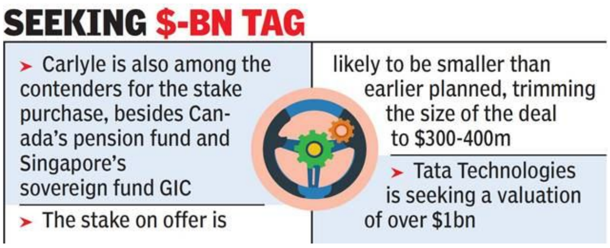
Canada fund, GIC eye Tata Tech stake

TNN | Sep 2, 2015, 05.16AM IST

The Canada Pension Plan Investment Board (CPPIB), one of the world's biggest pension funds, and Singapore's sovereign wealth fund GIC are serious candidates to buy a significant minority stake in Tata Technologies, the automotive and aerospace engineering design services unit of the Tata Group.

US private equity giant Carlyle is also among the contenders for the stake purchase in the 21-year-old company with an asking valuation of more than $1 billion as the stake sale process run by Citigroup gathers momentum, people directly familiar with the matter said.

Tata Technologies, which clocked consolidated income of Rs 2,644 crore and profit of Rs 334 crore last fiscal, is 70% owned by Tata Motors, the maker of Jaguar saloons and sporty Range Rovers, about 9 % by Alpha TC Holding, a fund majorly sponsored by Japanese investment bank Mizuho Securities, and 4% by private equity firm Tata Capital Growth Fund. The balance 17% is held by other Tata Group entities and employees and directors of Tata Technologies.



People familiar with the developments at the Warren Harris-led company said there appears to be indecisiveness by the major shareholder, Tata Motors, on the quantum of stake-sale in Tata Technologies. The fortunes of the

Pune-headquartered company, which started as a unit of Tata Motors, are significantly linked to the carmaker's revenues as it derives 40% of its income from the latter.

The stake on offer is likely to be smaller than originally envisaged, trimming the potential deal size to around $300-400 million, the people said, while adding that it was still premature to speculate on the details. Financial investors Tata Capital and Alpha Holding could exit while Tata Motors is unlikely to pare much stake while retaining majority control.

Global pension funds and sovereign wealth units prefer buying into well-known corporate brands. CPPIB, for instance, has invested in certain realty projects of the Shapoorji Pallonji Group. A Tata Motors spokesperson declined to comment on this report.

Tata Motors, which earns two-thirds of revenue from its British unit Jaguar Land Rover, has been impacted in recent quarters due to weak sales in China, the world's biggest car market, and in its home country.

Tata Technologies, however, over the years has been reducing its dependence on Tata Motors by expanding customers, sector coverage and geographical reach. The company, with over 7,800 employees, has ramped up its presence in automotive, aerospace, construction and heavy engineering industries, organically as well as inorganically by acquiring US-based Cambric and UK's Incat, among others, and is aiming to be a billion-dollar company in the near future. Tata Technologies raised Rs 141 crore ($30 million) from Alpha TC Holding and Tata Capital Growth Fund by selling 13% four years ago, valuing the company at $230 million. In context, the company's billion-dollar price tag appears a steep appreciation on the back of rising investor interest in engineering services outsourcing. Nasscom predicts that India-delivered engineering services outsourcing play will touch $38 billion, up from $15 billion currently. The latest stake sale in Tata Technologies follows the Rs 9,040-crore rights issue by Tata Motors and is part of India's largest automaker's strategy to improve its financials for funding growth and reducing debt.

Singapore's GIC invests 2k cr in 2 DLF projects.. *Cont from P. 1*

A source said land and construction would be DLF's responsibility with the funds received upfront from GIC, once the Competition Commission clears the deal over the next two-three months.

The money raised by the DLF subsidiary would be utilised partly for debt reduction and partly for capital expenditure. The projects, currently focused on residential development, are expected to be launched in a year and will be developed in phases over a five-year period. DLF already has a few projects in Moti Nagar, most of which are running months behind schedule.

"We hope that this investment is a beginning of a new relationship with GIC at the project level. We look forward to working together with GIC in many projects, both residential and commercial. Such project level investments shall lead to unlocking of embedded value in many of DLF's development projects," Saurabh Chawla, DLF's senior executive director for finance, said.

Siemens to invest over Rs 7,400 crore, add 4,000 jobs in India: CEO

Wednesday, 9 September 2015 - Agency: PTI

German engineering conglomerate Siemens on Wednesday said it will invest one billion euro (over Rs 7,400 crore) in India and add 4,000 jobs under 'Make in India' initiative.

After meeting Prime Minister Narendra Modi, Siemens AG President and CEO Joe Kaeser pledged "his support to Make in India initiative".

"Siemens is betting big on India with a plan to invest 1 billion euro and add 4,000 jobs to its existing workforce of 16,000 in the country," the company said in a statement. Siemens is a global powerhouse focusing on the areas of electrification, automation and digitalisation. One of the world's leading producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of systems for power generation and transmission as well as medical diagnosis.

Tata Sons and Singapore Airlines Invest Rs 500 crore in Vistara

Reuters

Tata Sons and Singapore Airlines (SIA) have infused Rs 500 crore in their new domestic airline Vistara. The investment is a part of the Rs 600-crore funding announced by the partners in the joint venture earlier in 2013.

The airline seems to have received its latest round of funding (of Rs 200 crore) last month, with the promoters getting fresh shares for their investment. In August, the carrier had appointed the former president of Nasscom Som Mittal and managing director of Kellog India Sangeeta Pendurkar as independent directors on the board. With their inclusion, the number of board members of Vistara has risen to five, with Prasad Menon, former managing director of Tata Chemicals, as Chairperson. Confirming the developments, an airline spokesperson said SIA Chief Executive Goh Choon Phong and Tata Sons Chairman Cyrus Mistry met in Mumbai last month.

"It was a regular courtesy meeting between the two," the spokesperson told Business Standard.

Launched in January, Vistara now covers 10 destinations in the country. The airline will introduce flights to Bhubaneswar next month, adding one more destination to its network.

"We will be inducting three more aircraft to our existing fleet of six by the end of the calendar year and have a fleet size of 20 by 2018," the spokesperson said. The Gurgaon-based airline is seeking a relaxation in the rules to begin operating international flights. Under the current policy, Indian airlines, which has operated domestic flights for five years and has a minimum fleet of 20 planes, is allowed to fly international flights.

"Vistara's growth and future funding requirement would hinge on how soon the government changes these rules, but so far it has been unable to take a decision because of pressure from Air India and other private airlines," the spokesperson said.

Mobvista to invest $100 million in India in next three years

***Livemint**: September 10, 2015*

Global mobile advertising and game publishing company Mobvista International Technology Ltd is planning to invest as much as $100 million in its India business by 2018 with an eye on the boom in e-commerce and ad-tech space.

The company which counts Flipkart, PayTM, OLX, Jabong, Freecharge, Yatra and Newshunt as its domestic clients, covers 200 countries with 10 billion daily impressions.

Currently, Mobvista provides videos, games, ringtones and pictures as value-added services in the Indian market.

"India accounts for nearly 20% of our total revenues," said Wei Duan, chief executive officer and founder of Mobvista, on the sidelines of the ongoing Global Mobile Internet Conference in Bengaluru.

He said the $100 million investment would help the company triple its India revenue by 2018. It is currently $60 million while the overall revenue is $300 million. Mobvista will reach $200 million in 2015.

Fueled by the rapid growth of smartphone and Internet penetration, ad-tech companies have deployed aggressive strategies to capture a bigger share of the nearly $1 billion advertising spend in India.

InMobi Technologies Pvt. Ltd is reportedly in talks to raise around $45 million to further expand its products over the next year. Digital media network company SVG Media Pvt. Ltd acquired Komli Media’s India business and global brand rights in August.

Mobvista is said to have shortlisted a few companies it intends to acquire to expand its business in India, Duan said, but declined to name them. “The budget for acquiring companies is besides the $100 million investments into India,” Duan said and added that it may also invest in start-ups.

Mobvista has raised $50 million investments from China’s Shanghai Media Group and Mango TV and NetEase Inc. Duan said that Mobvista will take its headcount in India up from three to 20 by 2016. The company has nearly 300 employees worldwide. Mobvista's Chinese advertisers include Baidu, Alibaba and Tencent, among others.

Cheetah Mobile eyes India market

***Livemint**: September 11, 2015*

New Delhi: Chinese phone app maker Cheetah Mobile Inc is looking to invest in tech start-ups, hire talent and expand its partner ecosystem in India, the company said on Thursday.

The Beijing-based firm, which is ranked the third -largest mobile utility application **..Cont on P.16**

Hitachi keen on making India its export hub

The Hindu Buisness Line

Hitachi India sees the country as its key strategic market and plans to make it an export hub. The Japanese firm is looking at various businesses for expansion in India, including IT, Healthcare, Transportation, Water, as well as Oil and Gas. Managing Director Kojin Nakakita spoke to *BusinessLine* regarding the company's growth strategy and how business in India, if less complicated, could make Japanese firms' contribution more visible. Excerpts:

How important is India for Hitachi globally, in terms of the overall business?

India is one of the most strategic markets.

As part of Hitachi's 2015 Mid-Term Management Plan, the management envisions a substantial contribution by overseas markets, in terms of contribution to the overall growth strategy.

It would be difficult to ascertain the exact percentage, but revenue in India was about ¥160 billion as of FY2014 and we target ¥210 billion at the end of this fiscal.

What are your future investment plans for Indian operations?

Presently, we are considering a lot of options. Expansion plans are being evaluated and analysed. IT, Healthcare, Transportation, Water, and Oil & Gas are the areas we will be focusing upon. Recently, we started one of our other manufacturing facilities in Chennai in the automotive space.

We will make India an export hub for a lot of our products.

What are the key areas and strategies you plan to focus on?

The future appears challenging, yet promising. Hitachi aims to globalise and localise operations by offering technological expertise to the society, and nurturing cities and towns to become self-reliant as well as combat rapid urbanisation issues.

I see sentiments are just right for carrying out business and expanding Hitachi's base in India.

What are the expectations from the Indian government in the context of growing Indo-Japan trade ties?

India has the right mix to become one of the largest economies but when you delve deeper into the system, one would shy away to offer a big commitment due to stringent tax regimes and laws. It is indeed a challenge to overcome issues prevalent in the current system related to customs, taxation etc. The moment Japanese companies feel comfortable and perceive that conducting business in India is not complex, Japan's contribution will be highly visible.

What is the size of the business that the smart cities mission presents for Hitachi?

Hitachi in collaboration with CII has formed a consortium that will create pilots and replicate them throughout the country for setting up 100 smart cities. Hitachi in this way is leveraging opportunities in each of the sectors. Once we kick-start delivering on the expertise we possess, visible transformations will be witnessed. The length and depth of the entire smart city project shall be observed post implementation.

Are you increasing the manufacturing capacity across businesses in tune with the 'Make in India' initiative?

Hitachi has been aggressively expanding its manufacturing base in India and feels the campaign is a successful step towards inviting more FDI, offering qualitative products to Indian people through localising the product, and exporting them from India.

Hitachi has set up its base in Gujarat, Chennai, and Neemrana (Rajasthan) to explore business opportunities in areas of water treatment etc, and is poised to further expand the manufacturing base.

We will provide new services to sustain the advancement of financial services in India, including settlement services for banking institutions, ATM operation services, as well as cash operation and management solutions. We will provide these mainly through Hitachi Payment Services. Furthermore, in the rail systems business, Hitachi will consider local production in collaboration with Indian companies, subject to project pipeline.

How are you looking to grow your consumer durables business?

Consumer durables are very much part of our growth story in India and we are rapidly progressing towards achieving the leadership position in the premium segment. The production of ACs is being carried out in Ahmedabad and Kadi. We would like to focus on expanding the same manufacturing facility.

Cont from P. 14..developer in India behind Facebook Inc. and Google Inc., has joined a slew of companies including Facebook, Twitter Inc and Instagram Inc., which have been eyeing the India market with their advertisement platforms.

Advertisement platforms have been the main source of revenue from India for online companies as a subscription-based revenue model hasn't picked up in the country yet.

Cheetah Mobile is best known for its mobile app Clean Master, which cleans junk files, boosts phone performance, enhances security and manages other apps. The company crossed 1,596 million app installations in June. Among its 494 million mobile monthly active users, 9% are from India, which makes India its largest user base.

To tap India's smartphone market, the world's fastest-growing, the mobile Internet firm is expanding its presence in India, eyeing the next half-a-billion smartphone users. It plans to turn the Indian office into "an important hub in Asia".

"The mobile internet market in India is growing rapidly with over 150 million users already accessing the Internet off their mobiles. In addition to being the fastest growing market for smartphones in APAC (Asia Pacific), India will soon become the most populous country. We see India as one of the most important market. With our wide range of utility applications...as well as our expertise in app monetization, we aspire to create a safer, speedier, and simpler environment for smartphone users in India." said Sheng Fu, CEO at Cheetah Mobile.

Over the next six months, the company is looking to partner with mobile phone manufactures and app developers in the country. The company is already working with India's home-grown mobile manufacturers including Micromax Informatics Ltd, with which it has a contract for pre-installation of its apps.

As a part of expanding footprint in India, apart from working with original equipment manufacturers) and app developers, the company will be investing in early-stage start-ups.

"We are looking to invest in early-stage technology start-ups in areas like data processing, analytics and big data. But we are not limiting it to that only," said Jie Xiao, senior vice president at Cheetah Mobile.

"We have a huge customer base globally, which we want to leverage to get consumer insights," Jie said. "For instance, our apps have access to our users' mobiles without invading their privacy. We can see the sort of apps that are downloaded or what kind of habits a particular user has. We can analyse that data to provide insights for our clients on our advertisement platform."

The Cheetah Ad Platform currently has over 500 clients globally, including Flipkart, Uber, Amazon, and Booking.com in India.

"From an app developer company, we are transforming into a big data analytics platform for advertising," she added.

Amazon sets up 7 new warehouses in India

Business Standard, September 10, 2015

Amazon now has 20 warehouses across 10 Indian states, with a storage capacity of nearly four million cubic feet, reports Tech in Asia

The ecommerce battle in India is being fought on many fronts. Discounts, personalisation, onboarding sellers, and so on. But the real race is in logistics. The winner will be the one who gives consistently better experiences to both buyers and sellers – with efficient warehousing, smart inventory management, and most of all, faster delivery. Today, the multinational behemoth announced seven new fulfilment centers (FCs) or warehouses in Ahmedabad, Delhi, Kolkata, Nagpur, Gurgaon, Pune, and Mumbai. Amazon now has 20 FCs across 10 Indian states, covering an area of over 1.6 million square feet with a storage capacity of nearly four million cubic feet.

What these FCs do is bring warehousing closer to sellers, and therefore, their goods closer to buyers. Transport is a huge bottleneck in India. So, right from June 2013 when it entered India, Amazon began investing in infrastructure to tackle the problem.

Amazon was forced to adopt a 100% open marketplace in India because of restrictions on foreign direct investment (FDI) in online retail. Its Indian ecommerce rivals Flipkart and Snapdeal also adopted the marketplace model which has proved to be a big factor in scaling up fast. The 20 FCs not only enable faster and quicker deliveries, they also allow Amazon to offer its Fulfilment by Amazon (FBA) service to more small and medium businesses in the 10 states where they're located. FBA saves sellers the hassles of storage, delivery, payments, and returns. "Sellers on our marketplace have been witnessing exponential growth largely powered by our Fulfilled by Amazon service contributing more than 75% of total units," says Amit Agarwal, VP and country manager of Amazon India.

India is Asia's growth engine, says GE chief Immelt

PTI | Sep 4, 2015, 06.54PM IST

NEW DELHI: With plans for more investments in line with the 'Make In India' initiative, US conglomerate General Electric's chairman Jeff Immelt is headed for India later this month.

Describing India as a "growth engine for Asia", Immelt said there is huge manufacturing potential in the country.

GE, which has diverse business interests spanning from manufacturing to healthcare, is keen to bolster its partnership with India and wants to be part of efforts to make the country a global manufacturing destination.

"India is a growth engine for Asia, and we see huge potential for the country in the manufacturing space," Immelt, the chairman and CEO, said in a statement.

"Infrastructure is a key driver of India's growth. We are keen to invest much more in India and in projects to boost its infrastructure in sectors such as rail, power and healthcare. These efforts will have a ripple effect on the overall economic growth in India and beyond," he noted.

GE has doubled its investment in the country over the last five years and the group is ensuring that investments and jobs created in India support the 'Make in India' initiative, the statement said.

"Over the last five years, GE has doubled its investment in India and delivered approximately $3 billion in economic value. The investments have ranged from supplier development programmes to new, large infrastructure projects and manufacturing facilities," it added.

It is also partnering with various Indian states for public-private partnerships and in the healthcare segment, GE already has PPPs with seven states.

"GE is further exploring a similar partnership with Bihar where GE feels that it can make a substantial difference," the statement said.

Earlier this year, GE announced a $200 million investment in the multi-modal manufacturing facility in Pune, Maharashtra.

The facility delivers localised products and solutions for Indian customers while also feeding GE's global supply chain. These investments supported the growth and development of over 1,000 suppliers in India, the statement read.

GE's Indian manufacturing facilities as well as the multi modal manufacturing facility in Pune are being leveraged as the global supply source for many of the group's businesses such as aviation, turbo machinery, wind turbines and diesel locomotives.

Reliance Capital and Singapore company to sell affordable luxury products online

By ET Bureau | 1 Sep, 2015, 04.00AM IST

Reliance Capital and a Singapore-based partner have made a strategic investment in a new online venture that will sell "more affordable" luxury clothing, accessories and household products. The investment in Luxuryhues.com was made through a joint venture in which Anil Ambani's Reliance Capital and investment banker Ravi Viswanathan are equal partners.

"Ecommerce activity in India has changed drastically and given the large young population in the country, opportunities in this space are many," Viswanathan told ET. He did not disclose the amount invested, citing confidentiality of the deal.

FORTHCOMING EVENTS >>>> *INDIA*

I. 30th India Carpet Expo

Date: 11-14 October, 2015

Venue: Varanasi, India

Organizer: Carpet Export Promotion Council (CEPC)

Contact : www.indiancarpets.com

Details: CEPC would like to invite prominent buyers from Singapore to attend this event. Selected Buyers will be eligible for the following complimentary package:

- Reimbursement of US $ 550 towards airfare, as a subsidy, for attending India Carpet Expo.
- Complimentary hotel accommodation up to 2 nights (Room rent with breakfast) in Varanasi between 10th to 14th October, 2015.

II. India Engineering Sourcing Show (IESS 2015)

Date: 24-26 November, 2015

Venue: Bombay Convention & Exhibition Centre (BCEC), Mumbai (India)

Organizer: Ministry of Commerce & Industry, Government of India & EEPC India

Contact : Mr. D. D. Roy (EEPC India) Tel : + 91 33 2289 0651/52/53 , Email: droy@eepcindia.net , URL : www.iesshow.in

Details: salient features of IESS 2015 are as follows: 400 Exhibitors / 500 Overseas Buyers / 10000 Trade Buyers ; Overseas Delegations; Dedicated B2b Sessions With Overseas Buyers; Dedicated Vendor Development Programmes; Global Sourcing Seminars; Display Of New Age Technologies; EEPC India is offering an attractive package to the participating delegates . Participants are required to register online at the earliest. Please refer to www.iesshow.in for further details.

III. INDIASOFT 2016

Date: 10-11 March 2016

Venue: Mumbai, India

Organizer: Electronics and Computer Software Export Promotion Council (ESC)

Contact : www.indiasoft.org

Details: There will be around 150 Indian IT companies displaying a world of innovations in various verticals of IT including Software Development, Software products Embedded Systems, Information Security, Web & Mobile Marketing, Cloud Computing, IoT/ M2M, etc. Under the “Focus ASEAN” Programme of the Department of Commerce, Government of India, the Export Promotion Council would bear economy class excursion air fare of selected software companies provided the selected companies are genuine software companies who have not participated in earlier INDIASOFT events .The visiting delegate will have to make his/her stay arrangements.

4th Year
BIGGER AND BETTER
Singapore INTERNATIONAL INDIAN SHOPPING FESTIVAL 2015
THE BIGGEST SHOPPING EXTRAVAGANZA IS BACK
Suntec Singapore Convention & Exhibition Centre, Hall 403 & 404
24th - 27th September 2015 | FREE ENTRY
Festival Highlights
• 200 Plus Stalls
• Celebrity Appearance
• Attractive Prizes
• Indian Food Festival
• Entertainment Unlimited
• Cultural Activities
Stand a chance to WIN a HYUNDAI SONATA VIII with a minimum purchase of S$30/- on a single receipt at our shopping festival NOW!
LUCKY DRAW *
* T & C Apply
NLB Public Libraries Singapore
Cultivate your love for Reading!
Borrow library books & enjoy story time for children
On 26th & 27th Sep, 11am-5pm.
UBER
FREE RIDE UP TO $20.
Sign up with the code SIISFEST2015 First-time riders only.
Not valid on Uber Taxi. Expires 27/09/2015
TRUE YOGA
First 20,000 registrations get 2 free session pass for True Yoga. Terms & conditions apply.
Organised By: தமிழ் முரசு tabla! de ideaz An sph event
Official Car Sponsor: KOMOCO MOTORS PTE. LTD. HYUNDAI
Official Hindi TV Channel: StarPlus
Supported by: HIGH COMMISSION OF INDIA SINGAPORE FIEO
Contact: +65 9675 6219 | 9004 7112 | To know more visit: www.siisfest.com

Notifications

Securities and Exchange Board of India

Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1428927142167.pdf

Change in investment conditions for FPI investments in Government Debt Securities

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1423136829975.pdf

Facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure.

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1418184464337.pdf

Ministry of Corporate Affairs

The Companies (Central Government's) General Rules and Forms Amendment Rules, 2014.

http://www.mca.gov.in/Ministry/notification/pdf/CCINotificationGSR815.pdf

Reserve Bank of India

Export of Goods and Services – Project Exports

https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9635&Mode=0

Foreign Exchange Management Act, 1999 – Import of Goods into India

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9567&Mode=0

Overseas Investments by Alternative Investment Funds (AIF)

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9396&Mode=0

Ministry of Finance

Auction for Sale (re-issue) of Government Stock Dated 15th December, 2014(295 KB)

http://finmin.nic.in/press_room/2014/AuctionSale15122014.pdf

Clarification regarding Acquisition & Transfer of Immovable Property in India by Foreign Nationals

http://finmin.nic.in/press_room/2014/clarification_Acquist_Transfer_Property_foreignnationals.pdf

Value of India's top 30 software product start-ups crosses $10 bn

Livemint

The top 30 software product start-ups in India are now valued at $10.25 billion, a 20% increase from October 2014, says the updated version of the India Software Products Industry Index–B2B, compiled by software products think tank iSPIRT.

In the updated version of the report, which doesn't disclose the amount each company is valued at, there are six new entrants—Accelya Kale, BrowserStack, CRMnext, Indix, InMobi and Knowlarity. The list also features public companies such as Accelya Kale and Ramco.

The report aims to highlight that there is a software products industry that is growing in parallel, if not at the same pace, with the consumer Internet side. Venture capital (VC) funding for enterprise start-ups has also picked up; so has merger and acquisition (M&A) activity. iSPIRT looked at more than 300 software product start-ups while compiling the index and spoke to more than 100 start-ups, investors and others for verifying valuations, which were estimated as of 30 June.

FAQs on Foreign Investments In India

The fortnightly FAQs will broadly cover the following areas

- ***I. Foreign Direct Investment***
- ***II. Foreign Technology Collaboration Agreement***
- ***III. Foreign Portfolio Investment***
- ***IV. Investment in Government Securities and Corporate debt***
- ***V. Foreign Venture Capital Investment***
- ***VI. Investment by QFIs***

I. Foreign Direct Investment (FDI)

Q. Is first level Indian investee company making downstream investment required to file FC-GPR?

Ans: No, it is not required. FC-GPR is not to be filed by the first level Indian Investee Company at the time of making downstream investment in second level Indian Investee Company. However, compliance has to be ensured as explained under Q 41.

Q. What are the extant pricing guidelines for FDI instruments?

Ans: In terms of extant FEMA regulations, foreign investment in an Indian investee company should be subject to pricing guidelines as stipulated by RBI/ SEBI from time to time. Earlier, the pricing guidelines for FDI instruments with optionality clauses was decided in terms of A.P.(DIR Series) Circular No. 86 dated January 9, 2014.

The extant pricing guidelines for FDI investment has since been reviewed vide A. P. (DIR Series) Circular No. 4 dated July 15, 2014 as under:

(i) In case of listed companies the issue and transfer of shares including compulsorily convertible preference shares and compulsorily convertible debentures shall be as per the SEBI guidelines and for FDI instruments with optionality clauses shall continue to be in accordance with A.P. (DIR Series) Circular No. 86 dated January 9, 2014, i.e., the non-resident investor shall be eligible to exit at the market price prevailing on the recognised stock exchanges subject to lock-in period as stipulated, without any assured return.

(ii) In case of unlisted companies, the issue and transfer of shares including compulsorily convertible preference shares and compulsorily convertible debentures with or without optionality clauses shall be at a price worked out as per any internationally accepted pricing methodology on arm's length basis.

Source: RBI

For Feedback & Comments, please contact:

Mr. Pradyumn Tripathi, First Secretary (Commerce),
High Commission of India,
31 Grange Road, Singapore- 239702.
Email : ma@hcisingapore.org ; com.singapore@mea.gov.in ; hcoffice@hcisingapore.org
URL : www.hcisingapore.gov.in