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BILATERAL

India's 67th Republic Day Celebrations



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TOP NEWS

PM launches Start-up India movement, unveils action plan for encouraging Start-ups

Press Information Bureau: January 18, 2016

New Delhi: The Prime Minister, Shri Narendra Modi, launched the Start-up India initiative in New Delhi. The launch by the Prime Minister this evening, was preceded by a day-long workshop on various aspects of entrepreneurship.

The Prime Minister visited a virtual exhibition and interacted with Start-up entrepreneurs. 10 outstanding Start-up innovators shared their thoughts and experiences before the Prime Minister delivered his address. He said that when he had launched the Start-up India Initiative on 15th August, the announcement had virtually gone unnoticed, but today it had registered with people.

He said successful start-ups are usually created by those who are driven by an idea, or an urge to solve a problem that people face. He said making money is not the primary objective, but is often a by-product. He said Start-up innovators are often driven by a sense of compassion for others.

The Prime Minister said he wishes to turn the youth of India from job-seekers to job-creators. He said if a Start-up can offer employment to even five people, it would be doing a great service to the nation. He mentioned some areas where youth innovators should focus, including crop wastage, and cyber security.

The Prime Minister unveiled the highlights of the Start-up Action Plan. He said a dedicated Start-up fund worth Rs. 10,000 crore will be created for funding of Start-ups. He said Start-ups will be exempted from paying income tax on their profit for the first three years. He said the Government is working on a simple exit policy for Start-ups. He also said the Government is working towards fast-tracking of Start-up patent applications.

He announced an eighty percent exemption in patent fee for Start-up businesses, and said a self-certification based compliance system for Start-ups would be introduced for 9 labour and environment laws. He said the Atal Innovation Mission will be launched to give a boost to innovation.



Startup India to be final break from licence raj; will scrap tax on seed funding: Jaitley

PTI

Startup India will be the final break from the conventional licence raj in the country said finance minister Arun Jaitley today announcing a few steps aimed at giving a bog boost to the entrepreneurial spirit in the country.

He said the government will act as the facilitator for the startups and won't have an interventionist approach.

"Startup India is the ultimate break that you have from the conventional license raj of India," the minister said at the launch of the event.

Elaborating on the point he said though India ended the licence raj in 1991 with the economic liberalisation, the government continued to exercise control over many key areas. This throttled the startups and entrepreneur spirit in the country. He also announced that the government will in the next Budget scrap the tax on seed funding by angel investors, which has been identified as a major impediment for entrepreneurs to get domestic funds

"We have already worked upon entrepreneurial friendly taxation. Some of this can be done through notification, some steps have been taken and other requires legislative consent that would be included when the finance bill is presented," said Jaitley.

He also said the government and the Reserve Bank of India will over the next few months add to banks' ability to lend.

Credit growth is critical to boost India's sluggish economic growth but has remained subdued, with banks struggling with crippling bad debts and insufficient capital.

"The Reserve Bank (of India) and the government, acting in tandem, are going to add to bankers' ability to lend with vigor and in greater amounts," Jaitley said without giving details.

On Friday, commerce and industry Minister Nirmala Sitharaman had said in Twitter chat that transparent tax regime, easier registration norms and simple exit policy will be provided to give a boost to start-ups.

The measure is aimed at easing up the process to start up and doing business in the country. The

move is aimed at preventing the exodus of startups from the country due to difficulties in doing business. According to certain estimates around 65 percent of the startups have moved out of India due to uncertain taxation.

An article in Inc42 said: "The tax treatment and difficulties of doing business in India, as startups scale, has made many startups migrate to countries like Singapore where there are less difficulties in taxation. Around 65% of successful startups, that began in India, have moved out of the country."

The government's initiatives have to be viewed in this context.

Finance Minister Arun Jaitley has already spoken in different contexts about simplifying taxation and initiatives are already in place, Sitharaman said in the chat.

"The government is working towards ensuring transparency, simplification and predictability in tax structure," she said while replying to question during the chat.

When asked what kind of support government would provide, she said: "Easier registration, compliance and exit (norms), a conducive tax regime, stronger incubation network and rest tomorrow".

"A greater synergy between the startups, venture funds, seed funds, incubators, industry and the government," she said.

The minister also said that school curriculum is becoming dynamic to include thoughts about start-ups. She said the Centre would reach out to the states also on promoting budding entrepreneurs. All stakeholder including state governments need to collaborate to make it a success, Sitharaman said, adding 'Startup India' would not only focus on tech start-ups, "all innovative ideas are welcome". She said that the 'Startup India' is an initiative to facilitate budding entrepreneurs. Further she said the government is taking several steps to improve ease of doing business and "the accent is still on it. Philosophy is to remove red tape".

When asked about issues which start-ups can solve for India, she said: "Through their innovative ways, drive and initiative they can address many consumer oriented challenges".

She also said that only 9% of start-ups in India are led by women. "We shall converse with them to lead them better," she added. She also said that failure should not be held against a startup.

IMF retains India forecast, cuts world growth

Business Standard: January 20, 2016

New Delhi: The International Monetary Fund (IMF) has retained India's growth projections at 7.5 per cent for 2016-17 and 2017-18 each, even as it cut its forecast for the global economy by two percentage points for 2016 and 2017 calendar years on depressed oil and commodity prices.

The World Economic Outlook Update by the IMF came on a day when data showed that the Chinese economy slowed in December, capping the weakest quarter of growth since the 2009 global recession.

Though China's economic growth projections have been retained at 6.3 per cent and 6 per cent for 2016 and 2017 respectively, the economic expansion would come down from 6.9 per cent in 2015. On the other hand, Indian economy is expected to grow at 7.3 per cent in 2015-16.

"Growth in China is expected to slow to 6.3 per cent in 2016 and six per cent in 2017, primarily reflecting weaker investment growth as the economy continues to rebalance. India and the rest of emerging Asia are generally projected to continue growing at a robust pace, although with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness," the IMF said in the Update.

The Fund scaled down world economic growth at 3.4 per cent in 2016 and 3.6 per cent in 2017. The comparative figures were 3.6 per cent and 3.8 per cent in the October outlook.

The IMF cut economic growth projection of emerging markets by 0.2 percentage points, higher than one percentage point in case of advanced economies, both for 2016 and 2017. However, global growth is likely to be marginally better in 2016 and 2017 compared with 3 per cent in 2015.

"The pickup in global activity is projected to be more gradual than in the October 2015 World Economic Outlook (WEO), especially in emerging markets and developing economies," the IMF said.

The projected pickup in global growth in the next two years - despite the ongoing slowdown in China - primarily reflects gradual improvement in countries that are currently in economic distress, notably Brazil, Russia, and some countries in west Asia. However, even the partial recovery could be frustrated by new economic or political shocks, the Fund said.

Advanced economies are expected to have grown by 1.9 per cent in 2015, slightly higher than 1.8 per cent a year ago. In 2016 and 2017, they are likely to grow by 2.1 per cent each.

Emerging market economies, on the other hand, expanded by about four per cent in 2015, much slower than 4.6 per cent a year ago. In 2016 and 2017, they would grow by 4.3 per cent and 4.7 per cent respectively. The growth rate witnessed in 2014 is expected to somewhat return only in 2017.

In advanced economies, the Fund said, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps.

On the other hand, "The picture for emerging market and developing economies is diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016-17," it said.

Even as IMF retained growth projections for India's economy for the current financial year, it should be noted that it represents stagnation in growth compared to 2014-15. Besides, it also implied that the growth would be only bit higher in the second half of the current financial year, since the first half yielded expansion at 7.2 per cent.

India's finance ministry now expects the economy to grow 7-7.5 per cent in the current financial year against 8.1-8.5 per cent projected by it earlier.

Data provided by IMF also showed that India will have to diversify its exports to developing countries since they would see increase in their imports in 2016 and 2017 compared to 2015.

World trade in volume terms was projected to grow by 3.4 per cent in 2016, 0.7 percentage points lower than earlier estimates, and 4.1 per cent in 2017, slower by 0.5 percentage points over the October estimate. The growth was 2.6 per cent in 2015.

Imports into the advanced world, were forecast to increase 3.7 per cent in 2016, which would be less by 0.5 percentage points over previous estimates, and 4.1 per cent the next year, lower by 0.4 percentage points than the October estimates. The imports were projected to have grown 4 % in

2015. Imports into the emerging markets and developing economies, on the other hand, were projected to grow 3.4 per cent and 4.3 per cent in 2016 and 2017, respectively against earlier estimates of 3.5 per cent and 5.4 per cent respectively. The imports were expected to have risen just 0.4 per cent in 2015.

Merchandise exports from India shrank for the 13th straight month in December, longest-ever such decline in the recent history.

UN Report : India to be fastest growing large economy in 2016-17

Business Standard: January 22, 2016

New Delhi: India is expected to be the fastest growing large economy in 2016-17, the World Economic Prospects 2016 Report by United Nations, launched on Friday, pointed out.

India's average Gross Domestic Product (GDP) growth has been estimated to grow by 7.3 per cent in 2016 and 7.5 per cent in 2017, up from 7.2 per cent in 2015. The calculations, made on a calendar basis but extrapolated for the fiscal year shows China increasing its GDP by 6.9 per cent and 6.5 per cent.

In comparison, GDP growth in South Asia - the geopolitical area covering the countries of India, Bangladesh, Pakistan, Nepal, Bhutan, Sri Lanka, Maldives and Afghanistan - is expected grow by 6.7 per cent in 2016 and 7 per cent in 2017. India's economy accounts for over 70 per cent of the GDP of South Asia.

"India is an exception in the global scene with improved macro economic foundations and economic reforms." said Nagesh Kumar, head of United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)'s South and South West Asia office.

Saying the Indian economy has shown a lot of resilience in maintaining growth during a time of ebbing global demand, falling commodity prices and weakening growth in emerging economies, Kumar pointed out a stimulating fiscal policy was the need of the hour. He said fiscal consolidation should not be a major worry at this point in time.

Falling crude prices, which is expected to slide further after Iran boosts daily export volumes of oil by 500,00 barrels has also found mention in the report as an important driver behind falling import figures and a balancing current account deficit. However, Kumar said over 20 per cent of India's exports are in the category of refined petroleum products which have also suffered from falling crude rates.

For South Asia, rising domestic demand and a slight uptick in external demand are expected to be the major reasons for growth. Domestic factors in certain countries like adoption of the constitution in Nepal and rebuilding efforts in Afghanistan are also expected to provide significant boost in this regard.

While Russia is expected to see GDP growth shrinking in the next two years by 3.9 per cent and .5 per cent respectively, Japan will have the lowest GDP increase in Asia-Pacific at .5 per cent and 1.1 per cent.

Govt working to make start, exit easy for startups: Nirmala Sitharaman

PTI



New Delhi: The government is working to make it easy for budding entrepreneurs to start a business or exit from it, giving boost to the Indian startup ecosystem, Union minister Nirmala Sitharaman said on Saturday.

“I understand that starting a startup is as much important as somebody wants to exit from it. The government is working to make the exit also (easy),” Sitharaman said at the ‘Startup India’ conference here.

She said finance minister Arun Jaitley is working “hard” on the Bankruptcy Code. The Insolvency and Bankruptcy Code 2015, which seeks to provide an easy exit option for insolvent and sick companies, has been referred to a 30-member joint committee of the Members of Parliament for further scrutiny. “I am sure with these (measures), we will be doing the right thing for the startups” so that they stay here in India “and not look at having a domicile somewhere else,” the commerce and industry minister said.

She also said that after the announcement by Prime Minister Narendra Modi about ‘Startup India’, the ministry was engaged with different departments to create an enabling ecosystem for such ventures in the country. “We...have to see how best we can remove the clutter in such a way that your (startups) core business interest are the ones in which you are going to focus rather than think about what compliance have to be attended to,” she added.

Further, the minister said that the number of youths looking for government jobs is fast coming down and those providing some employment are actually growing. “...that entrepreneurship is no longer being condemned in the name of ‘jugaad’. It is not ‘jugaad’. Indians have come

back to establish for themselves and to prove for themselves that they have something to contribute,” she added.

Speaking at the event, secretary in the department of industrial policy and promotion (DIPP) Amitabh Kant said that ‘Startup India’ initiative will help in turning youth from “job seekers to job creators”. Kant said that Indian startup system has taken-off and the country would soon see large number of young people joining the workforce.

World Bank country director Onno Ruhl said India needs to grow and innovate and create jobs as one million people enter labour force every month. “We will support the government in its effort to promote startups,” he said.

Government announces first batch of 20 smart cities from 11 States and Delhi

Press Information Bureau: January 29, 2016

New Delhi: The Government today announced the 20 winners of the Smart City Challenge competition for financing during this financial year. Announcing the cities here today, Minister of Urban Development Shri M.Venkaiah Naidu said that the winners were from 11 States and the Union Territory of Delhi and the selection was totally objective and transparent based on standardized processes.

Shri Naidu further said that Smart City Mission marks a paradigm shift towards urban development in the country since it is based on ‘bottom up’ approach with the involvement of citizens in formulation of city vision and smart city plans and the Urban Local Bodies and State Governments piloting the mission with little say for the Ministry of Urban Development. He also observed that it was for the first time in the country and even in the world that investments in urban sector are being made based on competition based selection of cities.

Informing that 1.52 crore citizens participated in shaping smart city plans of 97 cities and towns in the first round of competition, Shri Naidu said that this enthusiastic participation of people is a major positive outcome.

3 cities from Madhya Pradesh, two each from Andhra Pradesh, Karnataka, Tamil Nadu, Gujarat, Maharashtra and Rajasthan and one each from the remaining five made it to the winning list. The Minister informed that 23 States and UTs who could not make to the list of winners

will be given an opportunity to participate in a 'fast track competition'. Each top ranking city from these left out states can upgrade their smart city proposals and submit them by April 15, this year for inclusion in the mission.

Shri Naidu informed that the 20 winning cities and towns have proposed a total investment of Rs.50,802 cr over five years with all the cities proposing Public-Private-Partnership as a major vehicle of resource mobilization. 10 of the 20 cities have proposed to mobilise Rs.8,521 cr under PPP model while others have also indicated this option. A total area of 26,735 acres has been identified by these cities for making them smart through necessary interventions.

Elaborating on the advantages of Smart City Mission, Shri Venkaiah Naidu said that this leads to integrated urban planning by addressing the issue of infrastructure, land use planning, transport, urban design and architecture in a holistic manner unlike in the past. Stating that building a smart city is not a destination but a series of small steps in that direction, Shri Naidu said that the country has taken one such step today.

The Minister said that urban local bodies are taking a quantum jump to improve their capabilities and have resorted to SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of each city for coming out with city vision.

MNRE to unveil special solar zone policy in February

Livemint: January 22, 2016

New Delhi: The ministry of new and renewable energy (MNRE) will next month unveil a policy for creation of special solar zones across India having an area of at least 100 sq.km.

"Next month, we will come out with a policy for developing solar zones. These zones will have an area of 10X10 km," MNRE secretary Upendra Tripathy said at a conference in Delhi.

About 25% of the area of these solar zones will be marked for small and medium level enterprises which will develop small solar power projects less than 10 megawatt while another 25% will be set aside for a manufacturer of solar panels in the country, Tripathy said. The remaining 50% would be auctioned for solar parks.

He said the ministry would also explore option of hybrid zones which would have possibility of setting up both wind and solar power projects.

The policy would give a boost to Prime Minister Narendra Modi's Make in India programme as

well. The ministry would identify sunshine rich zones across the country. But the onus for providing land, however, would be on state governments.

The solar zone policy is besides the initiative of the International Solar Alliance (ISA) that Modi has taken. Modi and French President Francois Hollande will be laying the foundation stone of the secretariat of ISA on Monday in Gurgaon, on the outskirts of Delhi.

Tripathy said the plan is to mobilise \$1 trillion in investments for deployment of affordable solar energy by 2030 across tropical countries and the ISA is likely to be a reality within the next six months.

"All countries are hopeful that the final agreement or statute for ISA will be signed by June. After that, we need ratification of 25 countries, thereafter ISA will come into existence," said Tripathy.

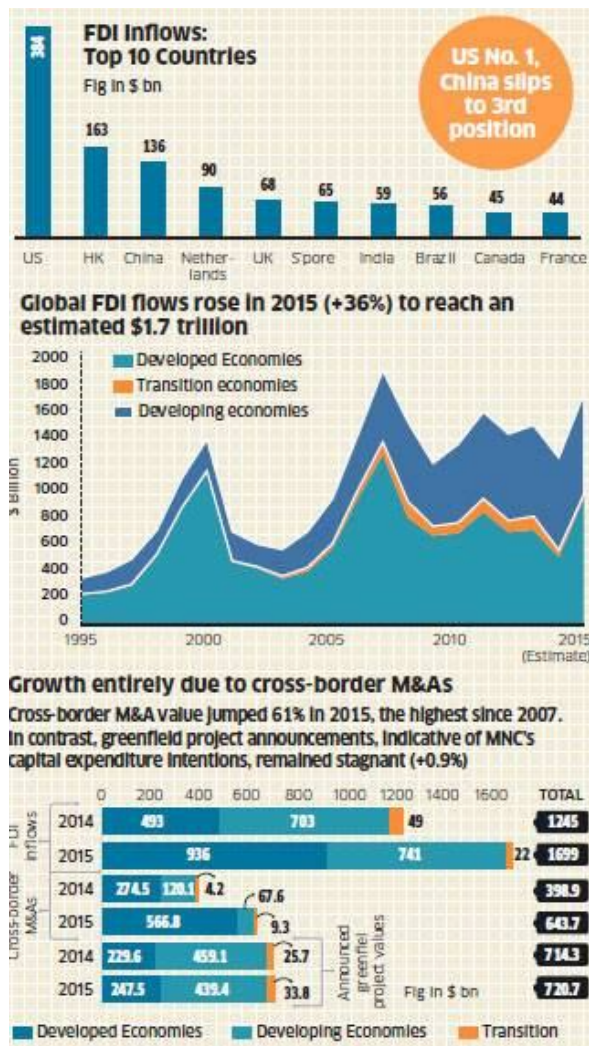
The solar alliance will organize renewable energy investment meets in different parts of the world. "There are plans to organize five such meets but the final call will be taken by ISA's steering committee. Till now, there have been two meetings of the steering committee of the ISA in Paris and Abu Dhabi. The date of the signing ceremony can be decided in the third meeting of the committee which is expected any time soon," he added.

The solar alliance aims to be a coalition of around 120 tropical countries called sunshine nations as they receive abundant sunshine throughout the year.

FDI flows to India doubles to \$59 billion in 2015: Report

UNCTAD

FDI flows to India nearly doubled to \$59 billion in 2015, largely boosted by steps taken by the government to improve investment climate, according to UNCTAD's latest report on global investment flows. Globally, FDI flows surged 36% to an estimated \$1.7 trillion, their highest level since the financial crisis of 2008-09. This sharp rise was on account of a higher cross-border M&A value and not because of rise in greenfield projects. Barring another wave of M&A deals and corporate reconfigurations, FDI flows are expected to decline this year, the report said.



FDI quality improves substantially with PM Narendra Modi's Make in India push

Economic Times: January 29, 2016

Mumbai: The quality of foreign direct investment (FDI) coming into the country has improved substantially, according to Reserve Bank of India data.

Much of this FDI materialised in the September 2014-November 2015 period after Prime Minister Narendra Modi launched the Make in India campaign and bettered portfolio inflows during the preceding 15 months.

Gross FDI inflows amounted to \$62.6 billion, 31% higher than \$47.6 billion in the preceding 15 months.

This is more than triple the amount of net portfolio inflows of \$14.3 billion in the same period. An analysis of the monthly trend in foreign investment inflows shows that in most months stable long-term FDI has been more than portfolio

inflows, which have been more volatile in the period.

Economists say the surge in FDI is largely due to several initiatives by the government to attract investment in the manufacturing sector. "FDI and portfolio flows over the past year-and-a-half suggest that conscious efforts of the government to encourage more stable direct investments are yielding results," said Saugata Bhattacharya, chief economist at Axis Bank. "At a time when global capital markets have become volatile, FDI flows reduce uncertainty about foreign capital outflows and, consequently, currency volatility."

The surge in FDI in India is significant given that investment across the world has fallen by 16%, said Amitabh Kant, secretary at the Department of Industrial Policy and Promotion, at a recent event.

Though a sizeable amount is estimated to have gone to the manufacturing sector, including consumer goods and food processing, among others, a section of the market feels that a portion of the FDI inflows could have come through the private equity route.

This seldom finds its way into greenfield projects but at the same time provide an important source of finance for entrepreneurs.

"A significant part of the higher FDI has come in as PE and VC funding, which helps finance entrepreneurs," said Bhattacharya.

Prime Minister Modi's Make in India initiative is aimed at turning the country into a global manufacturing hub to generate jobs, raise incomes and drive growth.

The government has been seeking to drum up investment as part of this effort. India's growth is being driven by public spending and consumption with private investment yet to kick in substantially.

FDI may rise 25% as FSSAI eases product approval norms: Harsimrat Kaur Badal

PTI Jan 17, 2016,

Foreign direct investment in the food processing sector is likely to go up by at least 25 per cent as FSSAI streamlines regulations to ease product approvals, Union Minister Harsimrat Kaur Badal has said. The Food Safety and Standards Authority of India (FSSAI) had laid down quality standards for only 370 products. The regulator's approval was a must for all other products.

Now that the approval process has been relaxed, products with ingredients that are approved by the regulator may not require any approval, which will lead to more innovation and product launches and promote traditional food, Badal told PTI.

"Our contention has all along been that proprietary food products, for which standards are not defined in the Food Safety and Standards regulations, but have approved and standardised additives should not require product-by-product approval. This approach espoused by the Food Processing Ministry has now found favour with the regulator," Badal added.

Proprietary food means an article of food that has not been standardised under the food safety and standards regulations.

FSSAI has also issued a notice for operationalisation of standards for proprietary food, under which the definition has been changed.

The proprietary food has now been defined as an article of food that has not been standardised under the regulations but which contains approved ingredients and additives. From now on, such products may not require regulatory approval.

However, the notice mentions that proprietary food does not include dietary supplements, nutraceuticals and genetically modified food products, among others. And the onus for the safety of food products will be on food business operators.

The regulator has also uploaded a list of more than 8,000 permitted food additives, the food items in which they can be used and the recommended maximum level.

"With these new regulations in place, the industry's concerns regarding product approvals will be addressed to a large extent. And I am optimistic that in coming months, there will be an increase of 25 per cent FDI in the food processing sector," Badal said.

She added that the Food Processing Ministry has been repeatedly taking up all these issues with FSSAI to find a solution to the problems being faced by the industry.

"I myself had also met Health Minister J P Nadda a few times on these issues," she said.

The minister had also written a letter to the Prime Minister in this regard.

The minister also mentioned that clarity on import of the products and introduction of risk-based inspection system is a noteworthy step, which would remove clutter for importers and others.

"Now, our efforts have yielded results. This will ease the process of doing and expanding business in the food processing sector," the minister added. The regulator has also notified that food items which have at least 60 per cent shelf life or more will only be allowed to import, a move aimed at checking dumping of products.

"Now, the regulator is moving in the right direction and we hope it will continue with the same," All India Food Processors Association Amit Dhanka said.

The legality of FSSAI's earlier product approval process was questioned by the Supreme Court last year, which stopped it on the ground that it was an advisory rather than a regulation.

Post ruling, FSSAI came out with a circular on August 26, saying the approval process will be accorded the status of regulation.

Indian food processing industry accounts for 32 per cent of the country's total food market, which is estimated at around USD 190 billion and ranked fifth in terms of production, consumption and exports.

The industry employs 13 million people directly and 35 million indirectly. In the last 15 years, the sector attracted FDI to the tune of USD 6,548 million.

FIPB clears 13 FDI proposals worth Rs 6,500 crore

Fri, 22 Jan 2016-06:37pm , New Delhi , PTI

Telecom tower firm Viom Networks' Rs 5,900 crore FDI proposal was among the 13 projects, totalling Rs 6,500 crore, that the foreign investment promotion board (FIPB) cleared on Friday.

The board cleared the proposal of ATC Asia Pacific Pte to acquire majority stake in Viom Networks involving Rs 5,900 crore. Alstom Manufacturing India's proposal worth Rs 400 crore and pharma firm Cipla's proposal of Rs 150 crore were cleared by the FIPB, sources said.

The FIPB had 26 FDI proposals on its agenda. The inter-ministerial panel FIPB, chaired by Economic Affairs Secretary Shaktikanta Das, can vet foreign direct investment proposals up to Rs 5,000 crore.

In October last year, American Tower Corporation (ATC) has signed pact to acquire 51% in Viom Networks at total enterprise value of around Rs 21,000 crore, including debt of about Rs 5,800 crore of Viom, a largest foreign direct investment in telecom sector the current fiscal.

Start-up India: Japan's SoftBank to invest \$10 billion in Indian firms

<http://www.ibtimes.co.in/start-india-japans-softbank-invest-10-billion-indian-firms-663417>

Japan's SoftBank plans to ramp up its investments to \$10 billion in Indian start-ups, its CEO Masayoshi Son said at the Start-up India event on Saturday.

"Have already invested USD 2 billion in Indian firms; will scale up investment to USD 10 billion," said Masayoshi Son.

At the event, Prime Minister Narendra Modi is expected to announce a Start-up India action plan to support early-stage companies in the country.

"India can be bigger in momentum than China in next 10 years; 21st century belongs to India," Press Trust of India quoted the SoftBank CEO as saying.

"Every market is different, I truly think this is really the beginning of Big Bang for India," Son added.

Nearly 48 CEOs from Silicon Valley have attended the event hoping that the Modi government will announce tax exemptions on capital gains and employee stock options to boost start-ups' growth in the country.

"If 1% of Indians became entrepreneurs half of our problems will be solved. Why should investors come to India via Singapore or Mauritius? India should simplify its tax policies to attract investments," The Economic Times quoted Kanwal Rekhi, founder of TiE - Global Entrepreneurship Organisation, as saying.

India is home to 18,000 startups, employing 3 lakh people at present, former Infosys director TV Mohandas Pai had said last month. Pai expects the number of startups to increase to 1 lakh, creating 35 lakh jobs in the next 10 years.

Modi, on his "Mann Ki Baat" radio programme on 27 December last year, had announced the government would launch the action plan for "Start-up India, Stand-up India" on 16 January, 2016.

"The action plan shall highlight initiatives and schemes being undertaken by the government to address various aspects relating to developing a conducive start-up ecosystem in the country," Department of Industrial Policy and Promotion (DIPP) secretary Amitabh Kant had said.

Business Standard: January 27, 2016

New Delhi: French companies are expected to invest over \$10 billion in the next five years, French minister of finance and public accounts, Michel Sapin, said on Monday.

He was speaking at a joint business session organised by the Federation of Indian Chambers of Commerce and Industry (Ficci) and attended by both Indian and French players in the defence, aeronautics, urban development sectors.

"The convergence in economic policy and business ties between India and France is robust and can only grow rapidly in the near future," said Sapin. Saying he regretted France's economic growth not being similar to India, he stressed the economic structure in both favour stability. He also pointed out both countries have managed to hold their own in times of high global market volatility.

Sapin said France is the third-largest investor in India and the figures are only expected to grow.

"The majority of these investments are meant for the industrial sector. This makes France a major player in Prime Minister Narendra Modi's Make in India programme. This complementarity can also been seen in the context of other programmes of the Indian government," he added.

The minister added that France has directed French Development Agency to earmark 60 per cent of total financial outlay to India. The agency operates in 70 countries and provides finance for development. In 2014, it committed 8.1 billion euros across the globe for various projects.

He met Finance Minister Arun Jaitley this morning and has invited him to visit France for starting an economic dialogue between the two countries which he hoped would turn into an annual event.

Sapin said there are currently around 400 French companies in India, with a total consolidated turnover of \$ 20 billion, adding French companies currently represent 10 per cent of the installed solar capacity in India.

Ficci president Harshvardhan Neotia said India and France cannot ignore the threat to its security. FICCI also signed a memorandum of understanding (MoU) with the NG group from France on the Terra Watt initiative in the area of renewable energy. There are currently around 400 French companies in India, with a total consolidated turnover of \$ 20 billion.

France will partner India to build three 'smart' cities

Business Standard: January 25, 2016

Chandigarh: France will help India develop Chandigarh, Nagpur and Puducherry as smart cities. Agence Française de Développement (French Development Agency) signed memorandum of understanding with the government of Union territory of Chandigarh, and government of Union territory of Puducherry and the Maharashtra government here on Sunday in the presence of French President Francois Hollande and Prime Minister Narendra Modi.

Chandigarh, designed by the French architect Le Corbusier half a century ago as a model city, is spread across 114 sq km and the urban infrastructure and green belt of the city provide it a distinguished status among India's planned cities.

On January 26, Modi is set to announce the official list of 20 smart cities to be developed in the first phase.

A delegation of 26 CEOs from France travelled to Chandigarh with Hollande and had discussions on CEO forums to explore partnerships in renewable energy, defence, information technology and aerospace.

Modi said French companies can exploit India's trained and affordable manpower to expand their manufacturing operations in the country. The French president committed annual investment to the tune of €1 billion to strengthen business relations with India.

An agreement between Airbus and Mahindra was also inked under Indo-French cooperation to manufacture helicopters within the Make in India initiative. French companies will also collaborate with public sector firm Engineering Projects India to provide integrated railways solutions. The railway stations of Ambala and Ludhiana will also be redeveloped with French partnership.

The French delegation evinced interest in the areas of renewable energy, infrastructure, transport, defence, and water treatment.

Edcast set to invest up to US\$ 50 mn in India, tie up with 500 institutions

Business Standard: January 21, 2016

New Delhi: Silicon Valley-based technology education startup EdCast plans to get into tie-ups with as many as 500 educational institutions and

invest up to \$50 million (Rs 325 crore) in India in 2016. The company creates knowledge cloud platforms that enable educators and institutions to deliver their content worldwide.

Indian-American serial entrepreneur Karl Mehta, who's the founder and CEO of EdCast, believes that around \$250 million (Rs 1625 crore) could be invested in education based technology in India this year. This is the new sector on the rise, Mehta said.

"Edcast would be spending anywhere between \$10-50 million in investments in India. We would spend even more as 4G services become readily available," he said.

At present, more than 40 universities, including Columbia University, Michigan State, Trinity College Dublin are using the startup's Knowledge Cloud, which was built using OpenEdX.

Mehta, who has been part of Prime Minister Narendra Modi's Startup India initiative and gave a number of recommendations, some of which were incorporated in the final Startup India Policy, said that he planned to train a million people in entrepreneurship in the next three years.

"We have to build digital content and curriculum, as unfortunately in India we do not have much educational content available online. Edcast is bringing that content from all over the world," Mehta said.

"Part of providing an enabling ecosystem for startups is to provide education. If entrepreneurs are not trained in entrepreneurship, the failure rate is going to be very high. So I am bringing the best entrepreneurship education from Silicon Valley as part of helping the Startup India initiative."

As far as expansion plans are concerned, the company wants to scale up its India operations and get into tie-ups with as many as 500 educational institutions in India. "We will include not only IITs and IIMs but also other colleges and universities in the program. We plan to create a large scale peer to peer social knowledge network. I want to train 500 million people in all kinds of different skills in India," he said.

EdCast, which already has a development centre in Mumbai, will open one in Bengaluru and increase the headcount to 500 from double digit now. It's expected to sign a couple of MoUs with the government.

EdCast and Mehta both plan to acquire a number of companies in 2016 in India. "It would be in areas such as education, skilling, learning and digital media segment," he said.

Amazon pumps Rs1,696 crore into Indian unit

Livemint: January 25, 2016

Bengaluru: Amazon.com Inc., the world's largest online retailer, has infused an additional Rs.1,696 crore into its Indian unit, arming it with more ammunition in its battle with local rivals Flipkart and Snapdeal to become the country's largest e-commerce firm.

The latest infusion, which came in December, is the single largest tranche of funds received by Amazon Seller Services Pvt. Ltd, the Indian unit of Amazon, since 2014, according to documents filed with the Registrar of Companies.

Amazon India has now received Rs.5,699 crore since July 2014, when Jeff Bezos, co-founder and chief executive officer (CEO) of Amazon, promised to invest \$2 billion in India over time, the documents show.

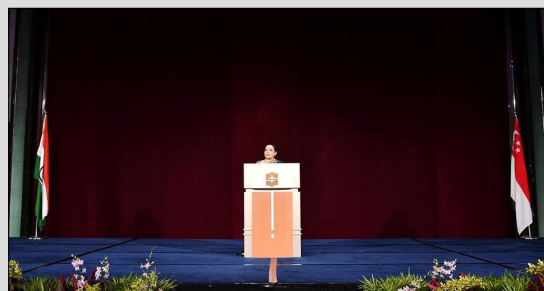
In comparison, rivals Flipkart Ltd and Snapdeal (Jasper Infotech Pvt. Ltd) have raised \$2.1 billion and \$1.3 billion, respectively, from investors in that period.

Since launching in India in June 2013, Amazon has applied its mantra of low product prices, wide product selection, and fast and reliable delivery to gain popularity with shoppers.

Among e-commerce companies, Amazon spent the most on advertising and marketing its brand last year. It's also investing hundreds of crores of rupees on building its supply chain network.

The logistics footprint of Amazon India grew three times to more than 2,100 cities and towns in 2015 and the company added eight warehouses last year, increasing its count to 21. It has the most warehouses and largest storage space among e-commerce firms in India, ahead of Flipkart, which has 17.

REPUBLIC DAY RECEPTION 2016



FORTHCOMING EVENTS >>>> INDIA

I. Global Partnership Summit Smart Cities-Smart India

Date: 10 February, 2016

Venue: Hotel Le Meridian, New Delhi, India

Organizer: The Associated Chambers of Commerce and Industry

Contact : www.assochem.org

Details: This will be the first of its kind forum in the country where focused deliberations will take place for the development of a smart city. The Summit will be inaugurated by Shri M Venkaiah Naidu, Hon'ble Union Minister for Urban Development, Housing and Urban Poverty.

II. Make in India Week



MAKE IN INDIA WEEK, MUMBAI

Showcasing the potential of design, innovation and sustainability across India's manufacturing sectors in the coming decade.

Date: 13-18 February 2016

Venue: Mumbai, India

Contact : www.makeinindia.com/mumbai-week

Details: The Government of India is organizing a landmark event “**Make in India Week**” It would showcase the people, policies and partnerships that are driving India’s new manufacturing revolution. The event is slated to offer unprecedented access, insights and opportunities to connect and collaborate with India and global Industry leaders/ visionaries, academicians, central and state administrations. “**Make in India Week**” would have spotlights on the following:

- **Make in India Center** would be the platform for exhibiting innovative products and manufacturing processes developed in India.
- **Asia Business Forum** would comprise of a series of seminars, CXO meets, roundtables and networking events on economic challenges, investment opportunities, design and innovation.
- **Hackathon** would be a 24 hour marathon event where coders, engineers and designers collaborate intensively for 24 hours to come up with ideas to solve urban design problems.

Notifications

Securities and Exchange Board of India

Introduction of system-driven disclosures in Securities Market

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1448970446882.pdf

Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1449125028827.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

Guidelines on trading of Currency Futures and Exchange Traded Currency Options in Recognized Stock Exchanges – Introduction of Cross-Currency Futures and Exchange Traded Option Contracts

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10172&Mode=0>

Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2015

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10173&Mode=0>

Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) (Amendment) Regulations, 2015

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10157&Mode=0>

Investment by Foreign Portfolio Investors (FPI) in Corporate Bonds

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10147&Mode=0>

Ministry of Finance

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

ISRO successfully launches India's fifth navigation satellite IRNSS-1E

Livemint: January 21, 2016

New Delhi: In its first launch this year, Indian Space Research Organisation (Isro) successfully put the IRNSS-1E in orbit using Polar Satellite Launch Vehicle PSLV-31. The 1,425 kg satellite was the fifth to be launched as part of the Indian Regional Navigation Satellite System (IRNSS) which will consist of a constellation of seven satellites.

After the PSLV-C31 lift-off at 9:31am on Wednesday from the Satish Dhawan Space Centre in Sriharikota and a flight of about 18 minutes 43 seconds, IRNSS-1E Satellite was injected to an elliptical orbit and successfully separated from the PSLV fourth stage. Once in orbit, the solar panels of IRNSS-1E were deployed automatically so that it can be controlled by Isro's Master Control Facility at Hassan, Karnataka.

"Congratulating the dynamism & determination of @isro & our scientists on successful launch of PSLV C31 & putting IRNSS 1E in orbit precisely," tweeted Prime Minister Narendra Modi.

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*

III. Foreign Portfolio Investment

Q. Whether the transfer of funds from NRE - PIS and NRO – PIS accounts to NRE /NRO accounts of the NRI (opened under provisions of Notification No. FEMA. 5/2000-RB dated May 3, 2000 amended from time to time), is allowed on account of sale/maturity proceeds of equity shares and convertible debentures purchased and sold under Portfolio Investment Scheme (PIS) through NRE-PIS and NRO – PIS accounts?

Ans. It is clarified that NRE-PIS and NRO-PIS are essentially NRE and NRO accounts respectively and so designated to keep the portfolio investment related operations of the account holder segregated for facilitating identification and compliance. As such, there is no prohibition on transfer of any balances held in a NRE-PIS account to a NRE account or in a NRO-PIS account to a NRO account, subject of course to payment of taxes, if and as applicable.

Q. Whether transfer of funds is allowed from NRE – PIS account of the NRI to his NRO account opened under the provisions of Notification No. FEMA. 5/2000-RB dated May 3, 2000, amended from time to time?

Ans. It is clarified that the transfer of funds on account of net sale / maturity proceeds of shares / debentures (net of all applicable taxes), may be allowed by the AD Bank from NRE – PIS account of a NRI to the said NRI's NRO account.

Source: RBI

For Feedback & Comments, please contact:

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