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NEWSLETTER

Consolidated FDI policy released

The Department of Industrial Policy & Promotion (DIPP) has released its latest edition of consolidated Foreign Direct Investment Policy incorporating all the changes in rules and procedures notified by the government over the past year.

The present consolidation subsumes and supersedes all press notes/releases/clarifications/circulars issued by DIPP, which were in force as on August 27, 2017. The consolidated policy lays down the general conditions on FDI, procedures for government approval and sector specific conditions on FDI.

Major Highlights:

On Start Ups

- A person resident outside India (other than an individual who is citizen of Pakistan or Bangladesh or an entity which is registered / incorporated in Pakistan or Bangladesh), may purchase convertible notes issued by an Indian startup company for an amount of twenty five lakh rupees or more in a single tranche.

- A start-up company engaged in a sector where foreign investment requires government approval may issue convertible notes to a non-resident only with approval of the government.
- The startup company issuing convertible notes shall be required to furnish reports as prescribed by Reserve Bank of India.

FDI in LLPs

- The New FDI Policy allows conversion of an FDI funded LLP operating in sectors/activities where (i) 100% FDI is allowed through the automatic route; and (ii) there are no FDI linked performance conditions, into a company, under the automatic route. Similarly, conversion of an FDI funded company operating in sectors/activities where (i) 100% FDI is allowed through the automatic route; and (ii) there are no FDI linked performance conditions, into an LLP, is permitted under the automatic route.

Branch office, Liaison office or Project Office or any other place of business in India

- For establishment of branch office, liaison office or project office or any other place of business in India if the principal business of the applicant is Defence, Telecom, Private Security or Information and Broadcasting, approval of Reserve Bank of India is not required in cases where Government approval or license/permission by the concerned Ministry/Regulator has already been granted.

MasterCard working with India for low-cost Payment tech

Leading global payments company MasterCard is working closely with the Indian government and industry to drive low cost payment technologies and popularise the country's digitisation programme. "To date, there are more than 300,000 merchants who have deployed Bharat QR, the world's first globally inter-operable payments solution.

Reserve Bank of India (RBI) and Indian Banks Association launched Bharat QR on February 21 this year to boost digital transactions. The solution was developed by MasterCard in collaboration with National Payments Corporation of India (NPCI), Visa and American Express.



There was an 86 per cent increase in merchants accepting card payments on a daily basis compared to pre-demonetization period. RBI's data showing 70 per cent growth in point of sale terminals in six months, from 1.5 million in September 2016 to 2.5 million in March 2017.

MasterCard has a huge staff deployed in India who are working on developing some software products which are used uniquely for India and some of these are used globally.

Government notifies e-way bill, exempts vegetables, fruits out of its ambit

The Government has notified the e-way bill keeping some items of mass consumption such as vegetables, fruits, food grains, meat, bread, curd, books and jewellery out of its ambit.



An e-way bill is required to transport any item worth more than Rs 50,000 within the country. It is proposed as a permit of sorts in electronic format that will have details of the goods being transported. E-way bill can be generated by registered supplier or recipient or the transporter. Generation and cancellation of e-way bill may be permitted through SMS as

well.

These will provide the framework for the transport of goods under the goods and services tax (GST) regime.

E-way bill will also not be needed in case of goods transported by a non-motorised conveyance and where the goods are being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by customs. In case of multiple consignments, transporter needs to generate a consolidated e-way bill. If goods are transferred from one vehicle to another then transporter would be required to generate a new e-way.

State of Startups: India's top funded ventures for 2017

In the investing and venture capital community, there is a concept of spray and pray. This is essentially about making a lot of investment, mostly smaller in size, across many companies and hoping some of the bets you placed yield substantial result.

For the investing community in India, 2017 clearly marks a period in time when they were looking at deriving value from their investment. Compared to 2015 and 2016, the first six months of 2017 saw a lesser number of investments in Indian startups, but what is significant is that the amount invested in 2017 is significantly higher.



Investments this year has been marked by big ticket funding like the \$1.4 billion being invested in Paytm by Softbank, another \$1.4 billion in Flipkart by Tencent, Microsoft, eBay, Naspers and \$404 million in Ola by FalconBSE 0.00 % Capital and SoftBank Group. This is the first time that two startups have raised over a billion dollar in investment during the first half of the year.

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