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NEWSLETTER

“Mega Merger between Idea Cellular and Vodafone”

The Kumar Mangalam Birla group announces the merger of Idea Cellular with Vodafone India. The merger between Idea and Vodafone will translate into India’s largest telecom operator.

A merger under discussion between Vodafone Group Plc.’s India unit and Idea Cellular Ltd. would create a new leader in one of the world’s most competitive mobile-phone markets. For rivals, there’s a silver lining: bandwidth on the cheap. That’s because a transaction may compel the carriers to shed some spectrum and subscribers to ensure regulatory approval under India’s competition rules.



Idea-Vodafone together may own around 51% in the merged entity and may also invite offers from private equity funds for stake sale in the resulting company.

“Amazon to sell food online”

Global e-commerce giant **“Amazon”** has sought Government's approval for online retailing of food products produced and manufactured in India.

As per the proposal, the Company will open a wholly-owned subsidiary in India to carry out the business. It will stock food products and sell online. Currently, the Government permits 100% FDI in the food processing sector. As per norms, a foreign company can open a wholly-owned subsidiary in India to retail food products produced and or manufactured in the country by way of opening stores or online.



The US-based Company has proposed to invest about Rs. 3,400 crore for the purpose to encourage FDI in India for a stronger food supply chain, also, the proposal is being considered by the Ministry of Commerce & Industry.

Amazon has an optimistic attitude towards India on introducing new features for customers and sellers. Furthermore, Amazon is investing in areas *like* marketing and promotions and expanding infrastructure in India.

“Abolition of FIPB under Budget 2017”

The **Foreign Investment Promotion Board** (FIPB) offered a single window clearance for applications on Foreign Direct Investment (FDI) in India that are under the approval route. In order to encourage Foreign Direct Investment (FDI), the Finance Minister of India has announced **abolition of the FIPB**.

The sectors under automatic route did not require any prior approval from the FIPB and are subject to only sectoral laws. The Reserve Bank is expected to formulate Standard Operating Procedure (SOP) for approval of FDI proposals by ministries following the government decision to phase out FIPB.



The proposal for setting up norms for FDI approvals in sensitive sectors, which are currently under Government approval of the FDI policy, was discussed at a recent inter-ministerial meeting. In order to further mend ease of doing business, the Government has decided to abolish FIPB and form a new mechanism for expeditious clearance of foreign investment proposals.

Once the FIPB is abolished, the onus of approving FDI proposals would be on the ministries and regulatory authorities concerned.

“Make in India, Sell in India”

In a bold reform move, the Government of India is considering a major overhaul of the foreign direct investment policy that could end up freeing the sensitive **multi-brand retail** segment. Now FDI could be freed up for multi brand retail, if the foreign retailers sell goods with the *“Made in India”* label. The Government is looking at adopting an innovative manner to liberalize the politically sensitive sector to 100% FDI, and that is by following a policy of *“Make in India, Sell in India”*.



Corporate Office

B- 7/1, Safdarjung Enclave Extn.

New Delhi-110029, India

T. +911126101906, 41354615

F. +911126171201

E. info@maheshwariandco.com

Mumbai

Level 8, Vibgyor Towers, C-62

Block-G, Bandra Kurla Complex

Mumbai – 400098, India

T. +91 22 40907271

Lucknow

IIND Floor, YMCA Complex

13 Rana Pratap Marg,

Lucknow – 226001

Uttar Pradesh

T. +91 522 2209390

F. +91 522 2209749

Network Offices

Bangalore

Chennai

Hyderabad

Pune

Kolkata

www.maheshwariandco.com