

JANUARY, 2017

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NEWSLETTER

Reliance Group and Dassault's joint venture gets CCI approval

The Competition Commission of India (CCI) allowed a joint venture between Anil Ambani-led Reliance Group and French aircraft manufacturer, Dassault Aviation. The joint venture, ***Dassault Reliance Aerospace Pvt. Ltd***, between Reliance Aero structure and Dassault was announced.

In September, India inked a deal to buy 36 Rafale aircraft from Dassault for Rs. 59,000 crore. The agreement has a 50% offset clause. Of this Rs. 24,500 crore, 74% will have to come from India in goods and services, which could mean a boost for the government's efforts to promote the local manufacture of defence equipment.



A filing with the CCI stated that Reliance Aero will hold a 51% stake in the joint venture and the remaining 49% will be held by Dassault.

'FDI in gaming industry will aid its growth'

The **All India Gaming Federation (AIGF)** has suggested allowing Foreign Direct Investment in the Indian gaming industry, which it says will open the doors to superior technology providers and shall aid its growth.

Currently 13 Indian states offer lottery, six states allow horse racing, and two states currently allow and offer some sort of casino based gaming.

Without access to an appropriate amount of attractive gaming facilities today, the Indian gaming market is far from reaching its potential. In the long term, Indian States and the federal government must consider and recognize the significant economic contributions that integrated casino resort developments can bring to their communities in the form of job growth, tax revenue and tourism.

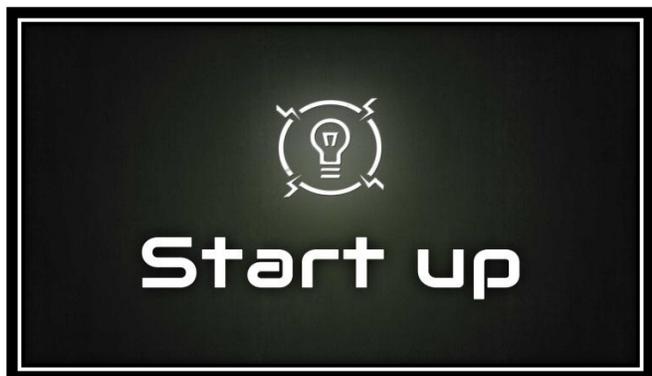


The All India Gaming Federation (AIGF) has said that one of the most efficient ways to do the same is by allowing Foreign Direct Investment which will open doors to superior technology providers & shall aid in the growth of gaming industry which at present is at a nascent stage.

Startups To Issue Convertible Notes

In January, 2017 *the Reserve Bank of India (RBI)* notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Fifteenth Amendment) Regulations 2016 amending the Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations 2000.

The Amendment opens up an important avenue of fund raising for Indian startups and is likely to make them more attractive to early stage Foreign Investors who are accustomed to invest by way of Notes. The redemption feature of the Note is also expected to make startups more accountable. In a way, the Amendment permits a certain minimum guaranteed return to Foreign Investors, which the Regulations do not otherwise permit.



Despite the path-breaking features set out above, the Amendment is expected to have *positive impact on the overall foreign investment into India*, as it is applicable only to entities defined as 'startups' by the Department of Industrial Policy and Promotion (*DIPP*).

Investment in Diamonds, Gold and Ornaments

As per the Ministry of the Commerce and Industry, India has attracted USD 418 million foreign direct investments (FDI) during April 2014 - September 2016 in ***diamond, gold and ornaments***. Also, Mauritius-based Highdell Investments has invested USD 193.18 million in Kalyan Jewellers.

It is one of the focus sectors in the '***Make in India***' initiative of the government. The gems and jewelry sector in India is one of the largest in the world and contributes to about 29% of the global consumption.



In 2014-15, the sector constituted 13.3% of the country's total merchandise exports. The industry currently employs around 4.5 million skilled and semi-skilled workers across India and is expected to provide employment opportunities to more than 8.23 million persons by 2022.

Also, a '*jewelry park*' is being developed at Mumbai to encourage the local handmade workers and factories in Zaveri Bazar, Dahisar areas of the city to relocate them in the park and develop their trade. This will help in improving living standard of the workers and small scale manufacturers and improve the work environment in which the workers currently operate.

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