

JAN, 2018

MAHESWARI & CO.
Advocates & Legal Consultants



NEWSLETTER

INDIA CAN BE AN INVESTMENT HUB FOR FIRMS LEAVING CHINA

India can seize the opportunity to provide "alternative investment hub" for the American companies which are downgrading their operations in China, said US Ambassador.

The five pillars to take Indo-US partnership forward are stronger defence ties; strategic economic relationship; energy & environment; inclusive development and cooperation in the region. The US envoy in particular emphasized on India's role in Indo-Pacific region and opportunities in economic partnership.

A number of US companies have reported increasing difficulties in conducting business in the largest market in the region, China. Accordingly, some companies are downgrading their operations there, while others are looking with great interest at alternative markets. India can seize the strategic opportunity through trade and investment to become an alternative hub for US business in the Indo-Pacific region."



FUTURE FOCUS: MAKE IN INDIA 2.0 TO STRESS ON ROBOTICS, GENOMICS

The Government is set to launch second round of its flagship Make in India programme with the focus this time on futuristic segments such as robotics, genomics, chemical feedstock and electrical storage. The Government's industry department is in the process of formulating a five-year roadmap for each of the priority sectors to be covered under Make in India 2.0.

The motive is to 'Make in India' to be more futuristic and prepared for the global economic opportunities that will arise a few years from now. The Government will utilize existing mechanisms to collate information and devise strategies under the new round, instead of forming all-new committees.

The Make in India initiative has so far focused on 25 sectors, including automobile, textiles, construction and aviation, with an aim to boost local manufacturing and create jobs. Round two is being launched at a time when the manufacturing industry seems to have lost some steam, in part due to a tepid global economy. In fiscal 2017-18, India's manufacturing sector is expected to expand 4.6%, according to the Central Statistical Office, compared with 7.9% last year.



The Department of Industrial Policy & Promotion (DIPP) now wants to sharpen Make in India's focus to a few areas with long term potential to move India upwards in the global supply chain. The government will identify the need for policies and regulations at the central state and local level, such as fiscal concessions and incentives and single window approval mechanisms for each sector.

The exercise would also involve identifying availability of raw material, land, skilled manpower and market linkages as some of the pre-requisites to achieve the vision for each sector. Attracting large anchor investors, providing physical connectivity through road, railways, airports and ports would also be part of the vision document.

100 PER CENT FDI IN SINGLE-BRAND RETAIL TRADING **UNDER AUTOMATIC ROUTE**

Tech giant Apple and Chinese handset makers like Xiaomi and Oppo could turn out to be big beneficiaries of Government allowing 100 per cent FDI in single brand retail under automatic route. Setting up own stores helps brands offer closer engagement with customers, something that will come handy for these global giants seeking to woo customers in the hyper- competitive Indian handset industry.

According to Counterpoint Research Associate Director Tarun Pathak, Chinese players as well as companies like Apple have engaged with customers through multi-brand outlets and with their own stores, they can manage the end-to-end experience for the customers. While the move itself is a positive for handset makers like Apple, pricing of devices will play a crucial role in the success of the brand in the Indian market.

Till date, 49 per cent FDI was allowed under automatic route, while beyond that government approval was required. It has now been decided to permit 100 per cent FDI under automatic route for SBRT (single brand retail trading). As part of changes in FDI norms in the SBRT, the Government has also relaxed mandatory local sourcing requirement of 30 per cent, which has been a long standing demand from foreign brands. Under the relaxed norms, a foreign retailer will be able to get credit from incremental increase in sourcing for its global operations from India towards the mandatory 30 per cent local sourcing requirement for its business in the country.



Corporate Office

B-7/1,SafdarjungEnclaveExtn.

NewDelhi-110029,India

T. +911126101906,41354615

F.+911126171201

E.info@maheshwariandco.com

Mumbai

Level8,VibgyorTowers,C-62

Block-G, BandraKurlaComplex

Mumbai - 400098,India

T. +91 2240907271

Lucknow

IIND Floor, YMCA Complex

13 Rana Pratap Marg,

Lucknow - 226001

Uttar Pradesh

T. +91 5222209390

F. +91 5222209749

Network Offices

Bangalore

Chennai

Hyderabad

Pune

Kolkata

www.maheshwariandco.com