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NEWSLETTER

India takes the 'Pride of Place'

India has crossed the \$300 billion foreign direct investment (FDI) milestone between the years 2000-2016, firmly instituting its credentials as a **'Safe Investment Destination in the World'**.

Thirty three per cent of the FDI came through the **Mauritius** route, ostensibly as the investors wanted to take advantage of India's *Double Taxation Avoidance Agreement (DTAA* - also referred to as a Tax Treaty, is a bilateral economic agreement between two nations that aims to avoid or eliminate double taxation of the same income in two countries) with the island nation. India received \$101.76 billion from Mauritius during the period and the cumulative FDI inflows amounted to \$310.26 billion. The other big investors have been from Singapore, the US, UK and the Netherlands.

The liberalization of the FDI policy framework, major national development programmes such as Make in India, Digital India and Skill India, besides increasing competitiveness, have made India the preferred choice for the investors globally.



FIPB: Endorsing FDI Proposals



Foreign Investment Promotion Board (FIPB) endorsed six investment proposals, including that of Sanofi Synthelabo India, Star Den Media Services and Idea Cellular, Infrastructure Services, envisaging foreign investment of Rs. 1,200 crore. Remaining proposals which got green signal were Boehringer Ingelheim India Pvt. Ltd, A Menarini India Pvt. Ltd and Recipharm Participation.

India allows FDI in most sectors through the automatic route, but in certain segments considered sensitive for the economy and security, the proposals have to be first cleared by FIPB.

With growth in Foreign Direct Investment (FDI) in important sectors like services and manufacturing, overall foreign inflows in the country rose by 30% to \$21.62 billion during the first half of 2016-17. FDI in the country grew by 29% to USD 40 billion in 2015-16 as against USD 30.94 billion in the previous financial year.

Apple will make iPhones for Indian market in Bengaluru

Apple is set to start manufacturing its iconic *iPhones* in India at Bengaluru, as part of efforts to cash in on the world's second largest smartphone market in a big way.

“**Wistron**, a Taiwanese OEM maker for Apple, is setting up a facility in Peenya, the city's industrial hub, to manufacture the *iPhones*. The facility will start production from April, 2017.”

Local manufacturing is expected to help Apple price its phones more competitively in India as it currently attracts 12.5% additional duty on imports.

The Government provides benefits to Apple under Modified Special Incentive Package Scheme (*MSIPS*) to boost electronic manufacturing in the country. The scheme provides financial incentives to offset disability and attract investments in the electronics hardware segment. It also gives subsidy for investments in Special Economic Zones, among other benefits. The company had sought exemption on the ground that it makes state-of-the-art and cutting-edge

technology products for which local sourcing is not possible.

The company sells its products through Apple-owned retail stores in countries like China, Germany, the US, the UK and France, among others. It has no wholly-owned store in India and sells its products through distributors such as Redington and Ingram Micro.



Alibaba planning to enter in India



The largest e-commerce entity of China is setting up its first India office at Mumbai. It is apparently an indication that it would step up investment in the country in the coming year, to capture a pie of the growing e-commerce market here. It has, though, kept its plan to enter e-commerce in India under wraps.

Alibaba serves as a platform for the small business in India for sourcing industrial goods from China and for the vendors selling their products globally.

Currently, Alibaba has already invested in Indian e-commerce Company like Snapdeal and Paytm.

The company said it is evaluating all opportunities to build the business organically or look at any other thing that might come along. The Managing Director of the Alibaba met the officials of the Ministry and said that the company plans to come in India and work to serve both customers, consumers and small businesses because that is the history and the DNA of Alibaba.

As per the sources, Alibaba is very keen to come to India in a very big way, particularly in the e-commerce segment. The company is exploring the potential whether to go on their own or set up shop with someone else.

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