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India Focus

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BILATERAL

Shri. Nara Lokesh, Minister for Panchayat Raj, Rural Development and ITEC, Govt. of Andhra Pradesh visits Singapore

Shri. Nara Lokesh, Minister for Panchayat Raj, Rural Development and ITEC, Govt. of AP visited Singapore to attend S R Nathan Fellowship program from 26 - 29 December 2018. During the visit, the Minister had luncheon meetings with Mr. Tharman Shanmugaratnam, DPM and coordinating Minister for Economic Policies and Mr. S Iswaran, Minister for Communications and Information and Minister in-charge of Trade Relations and Breakfast meeting with Dr. Vivian Balakrishnan, Minister for Foreign Affairs.

TOP NEWS

NITI unveils 'Strategy for New India @75' to make India US$ 4-trillion economy

Business Standard: December 20, 2018

New Delhi: The Niti Aayog has said average annual growth of 8 per cent during 2018-19 to 2022-23, with the concluding year yielding 9-10 per cent expansion, is needed to generate sufficient jobs and make India a $4-trillion (Rs 285 trillion) economy.

In a document titled 'Strategy for New India @75', it suggested this growth rate be achieved through increasing the investment rate, improving the ratio of taxes to Gross Domestic Product (GDP), raising export, continued exit of the government from non-strategic public sector units and further liberalising the Foreign Direct Investment regime.

The acceleration in economic growth, it has said, must be inclusive, sustained, 'clean' and formalised. The investment rate should be raised from the present 29 per cent of GDP to 36 per cent by 2022-23, of which half must come from public investment. Government contribution to capital expenditure should be raised to 7 per cent by 2022-23, from 4 per cent at present

"The strategic document will be followed by a vision document, which will spell out the 15 -year growth trajectory India needs to follow. The main focus of both documents is to ensure as to how reforms and the best of government initiatives reach the bottom of the pyramid," said NITI Aayog Vice Chairman Rajiv Kumar on Wednesday.

The document is silent on farm loan waivers but has suggested the concept of a minimum support price for produce be replaced with that of a Minimum Reserve Price. The latter should be the starting point for auctioning at official wholesale markets, so that farmers get at least a basic income.

"The government should consider replacing the Commission on Agricultural Costs and Prices (CACP) by an agriculture tribunal in line with the provisions of Article 323B of the Constitution," it said.

The strategy paper also called for having flexible fiscal deficit targets, based on prevailing economic conditions. It bats for governance reforms in public sector banks, through independent and commercially-driven boards of directors, performance assessment of executives and increased flexibility in personnel policy. Private investment in infrastructure should be focused on through a renewed public-private partnership model.

The economy is projected to grow by an average of 7.4 per cent during the five years of the current government, 2014-15 to 2018-19. The latest year it had crossed eight per cent was

in 2015-16, when it grew 8.2 per cent. Nine per cent annual growth has been rare. In the old-series data, base 2004-05, a nine per cent growth rate was recorded in the successive years of 2005 -06, 2006-07 and 2007-08. These rates have since been revised. A double-digit growth rate — of 10.2 per cent — was recorded only once, in 1988-89, on a low base.

The document replaces the now-defunct five-year plans. The 11th five-year plan of the erstwhile Planning Commission also talked of scaling up economic growth to 10 per cent, in the concluding year of 2011-12, but this was not achieved.

"You can't get growth of eight per cent and more on a sustained basis unless all sectors grow simultaneously. Things like raising the investment rate from 29 to 36 per cent, of which half will come from public investment, requires a sound policy environment," Pronab Sen, the government's former chief statistician, director for the India programme of the International Growth Centre, told Business Standard. More important than the target is the government's road map towards this.

Earlier, the Aayog had issued a three-year action agenda, for 2017-18 to 2019-20.

On the suggested raising of investment, especially public investment, it has said two areas which could absorb the latter are housing and infrastructure.

To enhance public investment, the country should aim to increase its tax to GDP ratio to at least 22 per cent of GDP by 2022-23, from the current 17 per cent, the paper has said. The average among OECD countries is 35 per cent. India's is low even when compared to other emerging economies -- Brazil's is 34 per cent, South Africa has 27 per cent and China 22 per cent.

Financing

It called for efforts to rationalise direct taxes for both corporate tax and personal income tax. "Simultaneously, there is a need to ease the tax compliance burden and eliminate direct interface between taxpayers and tax officials, using technology." The document said demonetisation and the goods and services tax (GST) would contribute positively to this.

States, it said, could undertake greater mobilisation of own levies, such as property tax. And, improve administration of GST, to increase tax collection. It called for complementing domestic savings by attracting foreign investment in bonds and government securities. Regulatory limits could be relaxed for rupee-denominated debt, the paper suggested.

Gujarat International Finance and Tech City (GIFT) should be leveraged to push financial sector liberalisation. It is an opportunity for onshore trading in rupees and other derivatives, which currently happens outside India for regulatory reasons. If GIFT succeeds, it said, such liberalisation could be extended to the rest of the country.

It called for the government to exit from non-strategic public sector enterprises (PSEs) , saying this will attract private investment and contribute to the exchequer, enabling higher public investment. "For larger central PSEs, the goal should be to create widely held companies, by offloading stake to the public to create entities where no single promoter has control. This will both improve management efficiency and allow government to monetise its holdings, with substantial contribution to public finances."

Export of goods and services, it says, will have to be increased to $800 billion a year, as against the existing $478 bn, to achieve the growth target. While at the same time removing barriers to farming and converting farmers to 'agripreneurs', codification of labour laws and scaling-up of apprenticeship programmes.

Rural

To double the income of farmers, the country's agriculture needs to grow at 10.4 per cent annually in real terms between 2015-16 and 2022-23, it says. It talks of working with states to amend their Agricultural Produce Marketing Committee (APMC) laws and focus on sustainable agriculture practices. And, that the Pradhan Mantri Fasal Bima Yojana needs to promote weather-based insurance.

"We are planning to sit with the agriculture ministry to link government support to various states, based on the reforms they have taken, such as amending their APMC laws," said Niti Aayog member Ramesh Chand.

Others

The paper also set an annual inflation target of two to six per cent by 2022-23. This is also the mandate for the Reserve Bank of India.

On infrastructure, establishment of a Rail Development Authority needs expediting. The share of freight transported through coastal shipping and inland waterways needs to double by 2022-23.

The aim should be to for all government services to be digitally delivered to the gram panchayat level. On health, the Ayushman Bharat programme needs implementing, with the help of 150,000 health and wellness centres. Affordable

housing in urban areas should get a huge push in the coming years.

Manufacturing sector posts strong sales growth in Q2: RBI

PTI: December 27, 2018

Mumbai: Manufacturing sector, particularly textile and iron and steel segments, maintained its pace of sales growth in the second quarter of 2018-19 as compared to the year-ago period, the RBI said Wednesday.

Demand condition in the manufacturing sector "maintained its pace in the September quarter 2018-19 as reflected in strong sales growth (year-on-year)", as per the RBI analysis of 2,700 listed private sector non-financial companies.

"The manufacturing sector sales growth was mainly supported by robust demand conditions in chemical and chemical products, iron and steel, and petroleum products industries coupled with significant improvement recorded by textile industry," the RBI said.

The central bank said heavy moderation was seen in the sales growth of motor vehicles and other transport equipment, driven in part by a large adverse base effect, and pharmaceutical and medicine industries.

The information technology (IT) sector also recorded further improvement in sales growth over the year-ago period.

The manufacturing sector continued to record strong growth in net profits, which received support from other income.

The RBI said companies in manufacturing sector posted a net profit of Rs 47,100 crore in the reported quarter, up 29.4 per cent from the same period last year. The data is based on abridged financial results of 1,734 companies in the manufacturing sector.

"Despite continuous contraction in the telecommunication, the services (non-IT) sector posted a turnaround riding on the support from wholesale and retail trade," the RBI said.

The profit of IT sector, based on data of 172 firms, was Rs 17,700 crore in the second quarter, up 5.8 per cent over the July-September period of 2017-18.

As per the RBI, the combined sales of 2,700 companies was Rs 9,81,800 crore in the September quarter, up 18.2 per cent from the year-ago period.

Their net profit was Rs 71,900 crore, an increase of 41.7 per cent year-on-year.

On expenditure front, manufacturing companies continued to face rising input cost (cost of raw materials, staff cost) pressures. In case of IT sector, staff costs accelerated in tandem with the improvement in sales growth, the RBI said.

Single GST rates in the works, 28% peak slab to be pruned too: Jaitley

Business Standard: December 26, 2018

New Delhi: A couple of days after cuts in the goods and services tax (GST) rates, Finance Minister and GST Council Chairman Arun Jaitley on Monday raised hopes of further pruning the peak rate (28 per cent) and merging the 12 per cent and 18 per cent slabs. However, the single standard rate would take some time after GST revenues see a “significant” rise, he said, while criticising the Congress for “oppressing the country” with a high indirect tax rate of 31 per cent.

Experts said the standard rate would be crucial in determining if the move would help industry or not.

“The 28 per cent slab is now a dying slab,” Jaitley said.

Currently, 28 items, including luxury and sin goods, auto parts, dishwashers, air conditioners (ACs), and cement remain in the highest slab.

“With the GST transformation completed, we are close to completing the first set of rates of rationalisation, i.e. phasing out the 28 per cent slab except in luxury and sin goods,” he said on his Facebook post titled Eighteen Months of GST. Among the items under the 28 per cent rate, the ones used by the mass population are cement and auto parts. The rates on these items were not cut in the last meeting because of revenue implications of Rs 330 billion. While the cement cut would hit the exchequer by Rs 130 billion, auto parts would have a bearing of Rs 200 billion of revenues.

Jaitley said the next priority would be to transfer cement to a lower slab.

“All other building materials have been transferred from 28 per cent to 18 per cent and 12 per cent. The sun is setting on the 28 per cent slab,” he added.

A road map could be to work towards a single standard rate instead of two standard rates of 12

per cent and 18 per cent, he said.

"It could be a rate at some mid-point between the two. This will take some reasonable time when the tax rises significantly. The country should eventually have a GST which will have slabs of zero, 5 per cent, and a standard rate, with luxury and sin goods as an exception," Jaitley said. Abhishek Jain, partner, EY India, said though the move would be a significant achievement in terms of GST simplification, the crux of the issue would be the standard rate.

The GST Council on Saturday had cut tax rates on 17 items and six services ranging from cinema tickets, third-party insurance premium of goods carrying vehicles, TV up to 32 inches, digital cameras, and frozen vegetables. It had further pruned the peak 28 per cent rate by taking away six items, leaving only 28 items in it. Dismissing the criticism of the GST as ill-informed and motivated, Jaitley said the new indirect tax regime had led to lower taxes, lower inflation and reduced evasion.

"The growth percentage in the years to come will increase," he said. Observing that the incidence of indirect taxes (excise duty, service tax and other levies) was 31 per cent on a large number of commodities before the GST roll-out, Jaitley said the GST Council had transiently put them in the 28 per cent slab and started the exercise of placing them in the lower tax bracket with increase in revenue. "The Congress legacy of indirect tax was a 31 per cent tax ... Those who oppressed India with a 31 per cent indirect tax and consistently belittled the GST must seriously introspect. Irresponsible politics and irresponsible economics is only a race to the bottom," Jaitley said, taking a dig at the opposition party.

On revenues, Jaitley said six states had achieved the revenue growth target, while seven were very near to achieving it. However, 18 states are still lagging as far as revenue collection targets are concerned. "States which do not achieve the target of 14 per cent are paid out of the compensation cess. The requirement of compensation cess in the second year is expected to be much lower than the first year," he said.

Jaitley said the average monthly GST collection in the first year of implementation was Rs 897 billion, which rose to Rs 971 billion in the current fiscal year. "Notwithstanding the substantial tax reduction, GST collection in the first six months of this year has shown a significant improvement as compared to the first year," he said. This increase in the tax collection has to be factored in, keeping in mind the significant rate reduction that has taken place in the GST. The reduction in monetary terms amounts to about Rs 800 billion per year.

PM Modi's Ayushman Bharat aides 600,000 beneficiaries in three months

Business Standard: December 24, 2018

New Delhi: The government's flagship scheme, Ayushman Bharat, has provided health care to 600,000 people in first three months since its launch.

About 3,000,000 beneficiary e-cards have been generated facilitating access to quality health care under the scheme to 3 million poor.

"Currently more than 16,000 hospitals have been empaneled or are in the process of empanelment . Out of these, 8,807 or 55 per cent are private hospitals," said a statement released by the government.

The scheme aims at providing secondary and tertiary care for 500 million people. The beneficiaries are those who feature in the socio-economic caste census.

Cardiology and cardio-thoracic and vascular procedures such as angioplasty, coronary artery bypass graft and valve replacement are the top three packages of Ayushman Bharat worth more than Rs 2.97 billion and account for 37 per cent of the total admission amount.

Commerce Ministry to set up trade promotion bodies in 15 countries - Suresh Prabhu

Press Information Bureau: December 20, 2018

New Delhi: Union Minister of Commerce &Industry and Civil Aviation, Suresh Prabhu,said that the Ministry is examining the proposal to set up trade promotion bodies in 15 countries to promote exports of SMEs from India. Suresh Prabhu was speaking at the inaugural session of the 15th Global SME Business Summit in New Delhi today.

The Ministerinformed the participants of the Summit about the commitment of the Ministry of Commerce and Industry towards the growth of the SMEs that are the pivot of the overall eco-

nomic growth of the country. The Minister spoke about the changing of trade regimes globally and establishment of new trade routes based on availability of labour and skill. Suresh Prabhu said thatGlobal Value Chains(GVCs) are specifically significant for SMEs as they provide them the opportunity to contribute to exports without bearing the setup costs.The concept of trade has been changing where larger enterprises increasingly rely on outsourcing the manufacturing activities. This practice has proved quite advantageous to the MSMEs where they can participate in the exports through manufacturing of intermediate products.

Suresh Prabhu further stated that the Commerce Ministry is also working on a comprehensive strategy to boost the MSME sector by granting new patents in record time.New Intellectual Property regime is being launched to strengthen the IPRs of Indian MSMEs as well as protecting IPRs of the other countries.

Thetwo-day Summit has been organized by the Ministry of MSME in partnership with CII. The inaugural session was also attended by Union Minister of State (I/C) MSME, Giriraj Singh, Secretary, Ministry of MSME, Dr Arun Kumar Pandaand other senior officials.

Himachal, Kerala, Tamil Nadu top UN's India SDG index

Livemint: December 24, 2018

New Delhi: Himachal Pradesh, Kerala and Tamil Nadu have emerged as the front runners in the race to achieve key sustainable development goals (SDG) like removal of poverty and inequality, while Assam, Bihar and Uttar Pradesh are the laggards in a ranking of states released on Friday by federal policy think tank NITI Aayog and the UN.

According to the SDG India Index, the nation as a whole has a score of 58, showing the country has reached a little beyond the halfway mark in meeting the sustainable development goals adopted by India and 192 other nations in 2015. The index covers 13 of the 17 sustainable development goals, including healthcare, gender equality, clean energy, infrastructure, education, peace and building strong, accountable institutions.

Four goals, including climate action and sustainable use of marine resources, were left out because of lack of data at the state level.

Kerala's overall top rank (69) is attributed to its strong performance in providing good health, reducing hunger, achieving gender equality and providing quality education. The rank shows the distance each state has to cover to reach 100—the point at which it fully meets the sustainable development goal.

Himachal Pradesh ranks high with a similar overall score in providing clean water and sanitation, reducing inequalities and preserving the mountain ecosystem. Tamil Nadu has a score of 68. Among Union territories, Chandigarh takes the lead with a score of 68 on account of its track record in providing clean water and sanitation. Performance in providing quality education has also helped Chandigarh achieve the high score.

Tamil Nadu topped the states in poverty reduction, while Kerala topped in providing quality education, closely followed by Chandigarh and Himachal Pradesh.

Kerala and Tamil Nadu also topped in facilitating good health and well-being. Gender equality, however, is an area all states and the nation as a whole need to improve upon. The toppers in gender equality, Sikkim and Union territories Andaman and Nicobar islands and Chandigarh have crossed the half way mark in reaching the goals.

Jharkhand, Odisha and Nagaland are also among the states that have a lot more ground to cover in the overall rankings.

The scores represent the current status of achievement in meeting the goals. NITI Aayog chief executive officer Amitabh Kant said that the index, which is also available for reference in the form of an online dashboard, will be updated in realtime. "This will lead to a lot of changes at the grass root level. Competition among states is key in achieving the SDG," said Kant.

NITI Aayog vice chairman Rajiv Kumar urged the fifteenth finance commission (FFC) member Ramesh Chand, who was present on the occasion, to use the index as a tool while finalizing its recommendations on sharing of central government's divisible pool of tax revenue with states. "Unless development becomes a mass movement, I do not think we can achieve what we want to," said Kumar. In an interview, Chand said that the SDG India index relies on the most recent data and will be a useful resource for the FFC. India's progress in achieving these goals are crucial for the world as it is home to about 17% of the world population, said a statement from NITI Aayog.

MARKETS

SEBI planning sandbox framework for innovations in capital markets

Business Standard: December 21, 2018

Kolkata: The Securities and Exchange Board of India (SEBI) is planning to come out with a policy on sandbox framework, which would essentially allow companies working in the capital markets space to experiment innovations in a closed environment.

The idea behind the policy on sandbox is to support technological innovations in the financial services space, popularly known as Fintech.

"We will come out with a policy on sandbox soon. We are examining whether any changes in laws are required in terms of dispensation that may be needed," said Ajay Tyagi, Chairman of SEBI, responding to a question about his view on crypto assets. Tyagi was in Kolkata to address the 8th India Finance Conference at IIM-Calcutta.

A sandbox framework set will allow companies to roll out products on an experimental basis, like pilot projects, under a regulator's supervision. "A sandbox approach will address product gaps in the mutual fund (MF) industry and more innovation will take place. MF houses need to experiment based on consumer behaviour and requirement. Additionally, sandbox framework will give customers the comfort of regulatory supervision," according to Jaideep Bhattacharya, chief executive officer of Srei Mutual Fund.

Notably, almost all the regulators in India are converging towards a sandbox regulatory framework.

Earlier this year, the Reserve Bank of India (RBI) had set up an inter-regulatory working group to look into and report "on the granular aspects of Fintech and its implications, so as to review and reorient appropriately the regulatory framework and respond to the dynamics of the rapidly evolving Fintech scenario," according to a PIB release.

Further, a steering committee was constituted under the Chairmanship of Secretary, Department of Economic Affairs (DEA) Ministry of Finance on March 5, 2018; to consider various issues relating to development of Fin Tech space.

According to the recommendations of the group, the regulatory actions governing sandbox framework may vary from "disclosure" to "light-touch regulation and supervision" to a "tight regulation and full-fledged supervision".

BUSINESS

E-Commerce Market growing at a rate of about 17% in 2018-19

Business Standard: December 18, 2018

New Delhi: Indian e-commerce market reached US$ 38.5 billion in 2018-19

As per the Economic Survey 2017-18, the electronic commerce (e-commerce) market in India is estimated at US$ 33 billion, with a 19.1% growth rate in 2016-17. As per the National Association of Software and Services Companies (NASSCOM) Strategic Review 2018, in the Information Technology and Business Process Management (IT-BPM) sector in India, the Indian e-commerce market was US$ 33 billion in 2017-18 and reached US$ 38.5 billion, growing at a rate of about 17% in the financial year 2018-19.

As per extant Foreign Direct Investment (FDI) policy, FDI up to 100% is permitted under automatic route in companies engaged in e-commerce provided that such company engaged only in Business to Business (B2B) e-commerce. Further, 100% FDI under automatic route is permitted in marketplace model of e-commerce but FDI is not permitted in inventory based model of e-commerce. Moreover, an entity is permitted to undertake retail trading through e-commerce under the following circumstances, subject to FDI policy provisions:

* A manufacturer is permitted to sell its products manufactured in India through e-commerce retail.
* A single brand retail trading entity operating through brick and mortar stores is permitted to undertake retail trading through e-commerce.
* A food product retail trading entity is allowed to undertake retail trading, including through e-commerce, in respect of food products manufactured and/or produced in India.

For foreign investment in sectors under automatic route, no prior permission of Government of India is required. FDI in retail has been allowed in a calibrated manner after having intensive consultations with stakeholders including concerned Ministries, Departments, State Governments, apex industry chambers, Associations and other

organizations taking into consideration their views/comments.

IoT to unlock revenues worth US$ 11.1 billion by 2022: Study

PTI: December 26, 2018

New Delhi: In a hyper-connected India, Internet of Things has the potential to reach an estimated 2 billion connections, unlocking revenues of USD 11.1 billion by 2022, according to a new report.

"Fast forward to India 2022, 5 new mobile connections per second are estimated to join the power of internet. Nearly 50 per cent of the households are likely to be connected through fixed broadband," said the joint study by Assocham-EY.

Connectivity will move beyond people to connect billions of devices, vehicles, household appliances and machines, the study said estimating that in a hyper-connected India, the Internet of Things (IoT) has the potential to reach 2 billion connections, and unlock revenues of USD 11.1 billion by 2022.

The joint report highlights that while India holds a huge potential, this promising market currently lags behind the US, China and South Korea in connectivity via optical fibre.

Fiberisation of towers is critical in India, it said, adding that only 25 per cent of telecom towers in India carry optical fibre whereas the corresponding share in the US, China and Korea is about 65-80 per cent.

Nearly 60 per cent of the towers will need to be fiberised by 2022, as outlined in the National Digital Communications Policy (NDCP) 2018, notes the study titled 'Propelling India to a trillion dollar digital economy'.

As demand for 4G and subsequently 5G grows, networks will become "denser and deeper" making fiberisation an imperative, it said.

"The emergence of new technologies is set to multiply the consumption of data, necessitating the need for installing more towers. Additionally, 1,00,000 telecom towers will be required to meet the growing demand for data across the country," it said.

The study also underscored the need to upgrade backhaul networks and fiberise minimum of 60 per cent of mobile towers to support 5G ecosystem.

It said fibre-to-the-home or FTTH is expected to account for a majority of the fixed broadband connections by 2022, helping to realise the government's target of covering 50 per cent of households.

The key recommendations emerging from the report include speedier approvals and rationalising costs for Right-of-Way (RoW) to promote ease of installing telecom infrastructure; availability of adequate backhaul spectrum (the E and V bands); and incentives for rollout and sharing of telecom infrastructure.

The report also underlines the need to create a common duct policy for deploying telecom infrastructure.

Commenting on the report, P Balaji, Chairman of Assocham National Council on Telecommunications and Convergence, said that the study while revealing potential of IoT to reach 2 billion connections with revenues of USD 11.1 billion by 2022, also suggested rationalisation of license fees, taxes and levies to promote investments and revive the financial health to harness emerging technologies.

Uber picks India as 'world lab' for mobility, transport innovations

Business Standard: December 24, 2018

New Delhi: Can Uber India help solve India's and the world's transport problems? It thinks so. The car hailing company is considering a plan to incubate start-ups in India that will help in solving mobility and transport problems as part of its strategy to turn India into a hub for global research and development (R&D). The company has 10 centres across the world, with Asia being represented by only India.

Uber is doubling its engineering strength in its R&D centres at Hyderabad and Bengaluru next year. "We want to find the best talent in an innovative way to solve the problems of mobility and transportation. We are definitely considering incubating many start-ups within Uber in the future and have some kind of incubation model. We are looking at doubling our R&D team in 2019 and this could be in the thousands," said Apurva Dalal, head of engineering, Uber India.

Dalal said Uber was trying to create 'R&D muscle' here to solve both India's problems and those of other countries. "It will be the laboratory of the world, with charters to solve global as well as emerging market problems," said Dalal.

As part of this strategy, he said the company had been reasonably successful in persuading Indians

in the US to come back and work here.

The big innovation of the Bengaluru and Hyderabad centres has been Uber Lite, an app that is 85 per cent lighter than the normal Uber app, which has been developed not only for India but for other emerging markets where there are connectivity issues and poor data rates, and where consumers mostly use low-end Android devices with limited storage. Feedback from the data showed that in India, Brazil, Mexico, and much of Africa, 70 per cent of the sessions on Uber were happening on low-end Android phones. The Uber Lite app, first launched in India in July, is now being rolled out in 14 countries in Latin America, Egypt, West Asia, and Africa.

"Five months since its launch, we have got 2.6 million installs of the Uber Lite in India and Latin America combined and we just celebrated 2 million trips on them recently. It is meant to address our next goal of reaching the next billion riders," said Shirish Andhare, head of product and growth, Uber India.

But Andhare says that the R&D centre in Bengaluru also fundamentally redesigned the app by making it "mapless".

The reason is that visual maps consume resources. Riders, especially first time, low-end, smartphone users, found them too complex to handle. The answer was to replace the map visual with landmarks or points of interest which are known to riders near their location such as, for instance, the nearby post office or bank.

Uber is also testing a new service "call to ride", developed again in India, which is meant for consumers such as elderly people who do not want to use apps at all and want to pay in cash.

In this system, riders merely have to call Uber on the phone and give details of their location and what kind of car they want.

The follow-up providing the driver's name, phone details, and price will come through SMS.

The R&D centres have also worked on an app called Dost which is a community of Uber driver partners, which has been successfully used to get referrals for recruiting new drivers.

Around 20-25 per cent of first-time drivers who join Uber come from referrals made through the app (of course, drivers get an incentive) and this is now being rolled out in Latin America, the Middle East, Africa, and other parts of Asia.

Ikea to invest Rs 5,000 crore in UP

PTI: December 21, 2018

New Delhi: Ikea is planning to invest Rs 5,000 crore in Uttar Pradesh, where the Swedish home furnishings major is planning to set up large and small format stores.

The investment would create over 8,000 direct and indirect job opportunities in the state, said Ikea in a statement.

Ikea, which is planning to set-up a large format store in Noida, has signed a memorandum of understanding (MoU) with the Uttar Pradesh government for opening of stores in the state.

"We plan to invest more than Rs 5,000 crore in the State over the coming years, which will create employment for over 8,000 jobs.

"In line with our new retail direction, we intend to set up a mix of large and smaller city center format stores complimented by e-commerce in the state over time," Ikea India CEO Peter Betzel said.

The company considers UP as an "important market" and for that Ikea is "in dialogue with the present Government to facilitate our expansion plans in the State," the statement said.

In 2013, Ikea received nod from the government to invest Rs 10,500 crore in single-brand retail.

Ikea has opened its first store in India in August this year in Hyderabad.

Ikea's second store will open in Mumbai next year, followed by Bengaluru and Delhi-NCR.

In India's Growth Story, You Write the Next Chapter

IDF
India Development Foundation of Overseas Indians

The India Development Foundation of Overseas Indians (IDF-OI) is a not-for-profit Trust established by Government of India which enables Overseas Indians to contribute to social and development projects in India. The Trust is exempt from the provisions of Foreign Contribution Regulation Act, 2010
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"Although, the Indian Diaspora is a very heterogeneous group, there is a common factor which binds them- their desire to maintain their connection with their homeland and to contribute to the social and development efforts in India. We are seeking to strengthen and deepen our relationship through IDF-OI."

Smt. Sushma Swaraj
Hon'ble Minister of External Affairs &
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FORTHCOMING EVENTS >>>> *INDIA*

I. Nasscom International SME Conclave

Date: 10-11 January, 2019

Venue: Kolkata, India

Organizer: NASSCOM

Contact : https://www.smeconclave.in/

Details: The focus of the event is to set up a thriving environ for all the participants, visitors, delegators and attendees to team up and work together for the much-required upgrade of the SME sector on the global scale. The theme for 2019 is 'Future is Now'.

II. Indus Food (Mega food and beverage industry trade show)

Date: 14-15 January, 2019

Venue: Greater Noida

Organizer: Trade Promotion Council of India (TPCI) supported by Department of Commerce, Government of India

Contact : Ms. Nupur Kumaria, Asst Director, Email: nupur.k@tpci.in

Details: The Council under the Hosted Buyer Program would like to invite buyers and would be providing the following benefits: -Partial/Full Airfare Reimbursement (Pre-fixed as per Country of Region) -3 Nights of 4/5 Star hotel accommodation with complimentary breakfast -App based business matchmaking-Invitation to Gala Networking Dinner-Interpreters on request-Online Registration fees is INR 17,500(Approx. USD250) + 18% GST per Hosted Buyer is non-refundable.

III. 4th India-ASEAN Expo and Summit

Date: 21-23 February, 2019

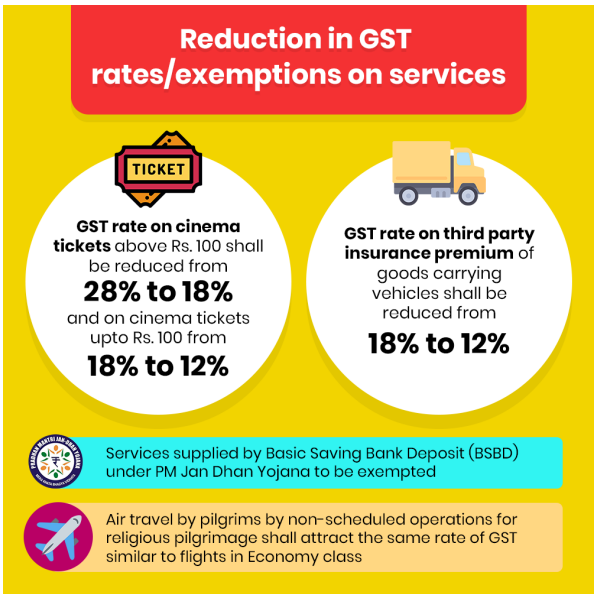
Venue: New Delhi

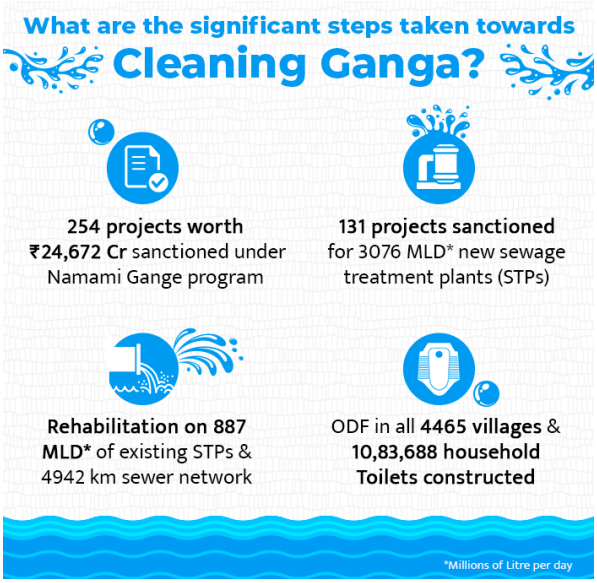
Organizer: Federation of Indian Chambers of Commerce & Industry (FICCI), with the support of Department of Commerce, Ministry of Commerce and Industry, Government of India

Contact : Mr Gaurav Vats from FICCI at gaurav.vats@ficci.com

Details: The Expo and Summit will focus on key sectors including Agri & Food Processing, Agri Machinery & Equipment's, Artificial Intelligence, Auto & Auto Components, Banking & Financial Technologies, Chemical & Petrochemicals, Construction & Infrastructure, Education & Skill, Gems & Jewellery, Handicrafts, Carpet Leather & accessories, Healthcare & Medical Device, Information & Communication Technology (ICT), Logistics, Warehousing & Transportation, Manufacturing, Pharmaceuticals, Renewable Energy, Science & Technology, Innovation, Sports Goods, Textiles & Textile machinery and Tourism. In this regard, the organizers would provide a complimentary economy class airfare and stay in Delhi from 21-23 February 2019 to selected foreign delegates.

Transforming India: *All Sectors*





Notifications

Securities and Exchange Board of India

Online Filing System for Alternative Investment Funds

http://www.sebi.gov.in/legal/circulars/jul-2017/online-filing-system-for-alternative-investment-funds_35480.html

Online Filing System for Foreign Venture Capital Investors

http://www.sebi.gov.in/legal/circulars/jul-2017/online-filing-system-for-foreign-venture-capital-investors_35246.html

Ministry of Corporate Affairs

Companies Amendment Rules, 2018

http://www.mca.gov.in/Ministry/pdf/CompaniesXBRL0803rule_15032018.pdf

Reserve Bank of India

Discontinuance of Letters of Undertaking (LoUs) and Letters of Comfort (LoCs) for Trade Credits

https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11227&Mode=0

Risk Management and Inter-bank Dealings: Revised guidelines relating to participation of a person resident in India and Foreign Portfolio Investor (FPI) in the Exchange Traded Currency Derivatives (ETCD) Market

https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11222&Mode=0

Separate limit of Interest Rate Futures (IRFs) for Foreign Portfolio Investors (FPIs)

https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11225&Mode=0

Department of Industrial Policy & Promotion

Consolidated FDI Policy Circular of 2017

http://dipp.nic.in/sites/default/files/CFPC_2017_FINAL_RELEASED_28.8.17_0.pdf

GSLV-F11 successfully launches GSAT-7A

Press Information Bureau

New Delhi: Indian Space Research Organisation's (ISRO) Geosynchronous Satellite Launch Vehicle (GSLV-F11) successfully launched the communication satellite GSAT-7A from the Satish Dhawan Space Centre (SDSC) in Sriharikota today.

The GSLV-F11 lifted off from the Second Launch Pad at SDSC at 04:10 pm IST, carrying 2250 kg GSAT-7A and about 19 minutes later, injected GSAT-7A into a Geosynchronous Transfer Orbit (GTO) of 170.8 km x 39127 km which is very close to the intended orbit.

An ISRO team lead by Chairman Dr K Sivan, Vikram Sarabhai Space Centre (VSSC) S Somanath, U R Rao Satellite Centre (URSC) Director P Kunhikrishnan, Space Applications Centre (SAC) Director D K Das, SDSC Director S Pandian, Liquid Propulsion Systems Centre (LPSC) Dr V Narayanan and Mookiah witnessed the launch.

Mission Director Mohan M and Satellite Director Killedar Pankaj Damodar oversaw the launch proceedings. Mkll-D2 on November14 INSAT/GSAT satellites. Today's launch was the 7th

Issue No 253, 31 December 2018

FAQs on Foreign Investments In India

The fortnightly FAQs will broadly cover the following areas

- ***I. Foreign Direct Investment***
- ***II. Foreign Technology Collaboration Agreement***
- ***III. Foreign Portfolio Investment***
- ***IV. Investment in Government Securities and Corporate debt***
- ***V. Foreign Venture Capital Investment***
- ***VI. Investment by QFIs***

I. Foreign Direct Investment

Q. What is the concept of downstream investment and Indirect Foreign Investment?

Answer: Downstream investment is investment made by an Indian entity which has total foreign investment in it or an Investment Vehicle in the capital instruments or the capital, as the case may be, of another Indian entity.
If the investor company has total foreign investment in it and is not owned and not controlled by resident Indian citizens or is owned or controlled by persons resident outside India then such investment shall be "Indirect Foreign Investment" for the investee company.

Q. Whether an Indian company (owned or controlled by persons resident outside India or not owned and not controlled by resident Indian citizens (FOCC)) investing in instruments other than capital instruments of another Indian company will be treated as downstream investment?

Answer: No

Source: RBI

For Feedback & Comments, please contact:
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