



MARCH 2017

Abacus Legal Group, Advocates

R-116, GROUND FLOOR, GREATER KAILASH PART – I, NEW DELHI-110048, INDIA

TEL.: 91-11-41633366/65/64 FAX: 91-11-41635401 Email: abacus@del2.vsnl.net.in

Website: www.abacuslegalgroup.net

Member of  GLOBALAW
THE INTERNATIONAL LAW GROUP

Newsletter

FDI inflow zooms 18% to \$46 billion in 2016: DIPP

Foreign direct investment (FDI) in India grew 18 per cent during 2016 to touch \$46 billion, data released by the Department of Industrial Policy and Promotion (DIPP) showed. The country attracted FDI of \$39.32 billion in 2015. The main sectors which attracted the highest foreign inflows include services, telecom, trading, computer hardware and software and automobile. Bulk of the FDI came in from Singapore, Mauritius, the Netherlands and Japan.

Source:FINANCIAL EXPRESS

FPIs' net inflow at Rs 14,600 crore in February

Overseas investors have pumped in over Rs 14,600 crore into the Indian capital markets in February, 2017 so far, enthused by clarity on FPI taxation. Prior to that, FPIs had invested over Rs 20,000 crore in the capital market in September 2016. According to depository data, foreign portfolio investors (FPIs) infused a net sum of Rs 9,359 crore in equities during February 1-23 and another Rs 5,279 crore in the debt segment, translating into a total inflow of Rs 14,638 crore.

Source:INDIAN EXPRESS

Cabinet clears ₹8,100 cr to double solar parks capacity to 40GW

Enthused by the response it got in Madhya Pradesh, the Centre has decided to double the capacity target to be achieved by solar parks by 2019-20. The Cabinet Committee on Economic Affairs approved reworking of the scheme for development of solar parks and ultra mega solar power projects as well as enhancing the capacity from 20,000 MW to 40,000 MW (or 40 GW) for the projects. The projects will be set up with the Centre's financial support of ₹8,100 crore. The total capacity, when operational, will generate 64 billion units of electricity annually that will lead to abatement of around 55 million tonnes of carbon-dioxide annually.

Source:BUSINESS LINE

Sebi permits FPIs to invest in unlisted corporate bonds

In a bid to deepen capital markets, Sebi notified new norms allowing Foreign Portfolio Investors (FPIs) to invest in unlisted corporate debt securities and securitized debt instruments. The decision follows the board of Securities and Exchange Board of India (Sebi) approving a proposal last November in this regard. In a notification, the regulator said it has amended FPI regulations to allow overseas investors to invest in unlisted non-convertible debentures and securities debt instruments. The Reserve Bank too relaxed its rules recently for allowing such investments by FPIs.

Source:INDIAN EXPRESS

Initial Public Offerings rush in March; 5 companies line up to raise Rs 4,000 crore

Looking to tap into the upbeat investor sentiment, as many as five companies are expected to hit capital markets next month to raise around Rs 4,000 crore through initial public offerings. These firms are Avenue Supermarts, owner and operator of supermarket retail chain D-Mart; Music Broadcast Ltd, a Jagran group firm that runs Radio City FM channel; Shankara Building Product; BSE-promoted CDSL; and test-prep player C L Educate. These five companies are expected to come out with their IPOs (initial public offers) in March to garner Rs 3,860 crore, sources said. Proceeds from the sales would be primarily used for expansion plans, repayment of loans and general corporate purposes. The year 2016 saw hectic fund-raising activities in the IPO segment as a total of 26 firms collected over Rs 26,000 crore through IPOs — making it the best one for public offers since 2010.

Source:NEW INDIAN EXPRESS

More wind power projects to go under hammer next fiscal

Buoyed by drop in tariff to record low of Rs 3.46 per unit in the first auction of wind power, the government is mulling putting on the block more such projects next fiscal. "Transparency which is the hallmark of the Modi government, has brought down the tariff of wind power. There will be more and more such projects on the block," Power, Coal, Mines and New & Renewable Energy Minister Piyush Goyal told PTI. Asked whether he is expecting wind power tariff to fall further in a more competitive environment, he said: "That is the beauty of tariff based competitive bidding. We cannot predict the tariff. It is the bidders who decide what price should be quoted. I cannot interfere in that." Goyal was of the view that the average wind tariff was hovering above Rs 5 per unit earlier due to feeding of rates and lack of transparency.

Source:INDIA TODAY

MARG ERP eyes business gains in GST, to pump in Rs 100 cr

Leading software solutions provider MARG ERP is planning to invest up to Rs 100 crore to tap the business potential following implementation of the goods and services tax (GST). Software business worth over Rs 40,000 crore is expected to be generated in coming years after implementation of the new indirect tax regime GST, Managing Director Sudhir Singh said. "After the implementation of the GST, companies would need to change or upgrade their accounting and taxation softwares," Singh said. He said the company is looking at raising about Rs 100 crore from private equity firms and other investors to tap this potential. "We want to tap 15 per cent of this market," he added.

Source:ECONOMIC TIMES

PoEM rules will not apply to companies with sales below Rs 50 cr

The tax department has reiterated that the Place of Effective Management (PoEM) rules that require foreign firms to pay taxes in India if the effective control is within the country will not apply to companies with a turnover of Rs 50 crore or less in a financial year. Last month, the tax department had come out with the long-awaited PoEM rules that will require foreign companies in India and Indian firms with overseas subsidiaries to pay local taxes if their businesses were effectively controlled by Indians.

Source:BUSINESS STANDARD

