

FOXCONN SEALS \$3.5 BN TAKEOVER OF SHARP AS EXECUTIVES SEEK TO SHAKE OFF DOUBTS

OVERSEAS INVESTORS PUMPED IN ₹21,000 CR INTO INDIAN EQUITY MARKETS IN MARCH



Govt moves to make clearances faster for biz

10 States Set To Join One-Stop Ebiz Platform

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New Delhi: Finding a place where it's easiest to get clearances to set up a project will literally be a click of a mouse away for an investor. Any state which makes any change in its rules on the 340 parameters (prepared jointly by the Centre and the states) will move up or down the ladder on Ease of Doing Business rankings once the Centre verifies the claim, helping investors shortlist states for investment. Al-

so, over the next few weeks, 10 states — from Maharashtra and Tamil Nadu to UP and West Bengal — are expected to join a one-stop clearance platform, ebiz, offering 26 services where online clearances will be granted. Efforts are on to get NDMC and Municipal Corporation of Delhi to join the portal, said officials. And, the Centre which offers 20 approvals online, is going to add seven more.

The online focus is part of the larger push on Ease of Doing Business, where the department of industrial policy and promotion is now pushing other agencies to streamline rules and clearances by the end of the month so that India can move up in the global sweepstakes from its lowly 130 rank last year. In 2017, India aims to be within top 50 in the

Ease of Doing Business rankings. Already, several approvals have been fast-tracked (see table), now the idea is to streamline them further.

So, the ministry of corporate affairs, which is now registering companies in a day at some of the offices of the registrar of companies, is now being egged to also offer the same facility to limited liability partnership firms and do away with the need for digital signatures.

Similarly, the National Monuments Authority (NMA) has agreed to decide on approvals for building within 100-300 meters of a monument within six days. Sources said the culture ministry has got all monuments in Delhi and Mumbai mapped with the help of Indian Space Research Organisation, which will help

NEW DEADLINES

1 day to register a company	6 days to get a clearance from National Monuments Authority	21 days to get a new electricity connection in Mumbai, against 67 days earlier	12 weeks to get a security clearance from MHA for industrial licence applications
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MAKING LIFE EASIER

- > 10 states to move to e-biz portal for granting 26 clearances online
- > Push for e-courts, easier rules and more facilities at ports and airports for clearance of consignments
- > Areas outside colour-coded maps of Delhi Urban Arts Commission (DUAC), Delhi Metro won't need building approvals from 2 agencies
- > Plan is to integrate the portals of Airports Authority, Delhi Metro, DUAC and NMA with the online single-window of MCD and the Municipal Corporation of Greater Mumbai for getting NOCs for building permits



> Corporate affairs ministry may do away with digital signatures for registering company, may speed up LLP registrations

> Labour ministry to move administration of three more laws online

authorities decide on approvals quickly.

Colour-coded maps of Delhi Urban Arts Commission (DUAC) and Delhi Metro have also been developed, which will eliminate the need for getting no-objection certificates from these agencies if the area to be developed does not form part of their zones.

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The Central Board of Excise and Customs has introduced several steps to speed up clearance of consignments at ports and reduce the cost of trading, a key complaint from Indian players for years.

Gupta keen on acquiring Tata Steel's Port Talbot plants

London: UK-based Indian steel tycoon Sanjeev Gupta has come to the rescue of the troubled Tata Steel by opening discussions with owners of the steel giant to acquire its plants at Port Talbot, Britain's largest employing some 4,000 people.

The 44-year-old founder of steel, commodities and property group Liberty House, who has already saved a number of UK plants from closure, has said he is ready to discuss with the British government to rescue the plants where thousands of jobs are at stake.

He will return here from Dubai tomorrow to meet government officials and Tata to gauge their support for a proposal to keep Britain's largest steel plant open.

On the question of acquiring the State Steel plants at Port Talbot, Gupta was quoted in the Sunday Telegraph saying: "We would need a proper partnership with the Government. I don't know what that would entail at this stage, we've started the discussions... we are in the process of starting a discussion with Tata."

He has submitted preliminary proposals to the government to replace Port Talbot's traditional blast furnaces with modern electric arc furnaces, used to produce raw steel by melting scrap. ■

HCCI to set up Mobile CoE within its centre

TIMES NEWS NETWORK

Hyderabad: Hexagon Capability Centre India (HCCI), the research and development (R&D) arm of Swedish technology major Hexagon AB, that recently relocated to a new facility in Hitec city, is now planning to set up a 'mobile centre of excellence (CoE)' within its Hyderabad centre.

"The setup will be responsible for solving any mobile problem statement from any business unit of Hexagon across the globe. It will ensure consistency of solutions across all our product lines," Navaneet Mishra, vice-president and country head, Hexagon Capability Center India (HCCI), said.

Mishra pointed out that a core team of around 10-12 people will be manning the CoE, which is expected to commence operations from July this year. Overall, the new HCCI centre in the city has around 1,000 employees and the company may ramp up the staff numbers by another 20% over the next two to three years.

Meanwhile, HCCI is also looking at engaging with technology institutes in the coming days.

"We are interested in setting up labs on at least five campuses in this fiscal where in the infra will be provided by the institute but we will be responsible for the software part of it," he said, adding that HCCI intends to introduce students of the final year of engineering to complex technologies such as 3D designing, geospatial and sensors, among others.

Mukesh Bansal invests in fitness venture Cult

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Bengaluru: Mukesh Bansal, the former head of Flipkart's commerce platform and Mynt co-founder, is backing fitness start up Cult. Bansal has invested an undisclosed amount in the Bengaluru-based firm that is focused on training programmes without using traditional gym equipment.

Bansal's investment in Cult comes within days of his announcement that he would be starting a venture in the healthcare and fitness space along with former Flipkart colleague Ankit Nagori. Both Bansal and Nagori quit Flipkart in February this year in what was one of the most high profile exits at the largest e-commerce company in India. Talking to TOI, Bansal said, "This is a unique and interesting idea in the space of fitness. I have personally trained here and realize the potential it has to offer. They are looking to expand within and outside Bengaluru with the fresh capital." Cult's services could be integrated with his new venture, but nothing on this has been finalized yet.

GLORY OF THE WORLD



Prime Minister Narendra Modi being greeted on his arrival at TCS All Women IT and ITES Centre in Riyadh, Saudi Arabia on Sunday. The Prime Minister was welcomed by Tata Group chairman Cyrus Mistry and TCS CEO and MD N Chandrasekaran amidst thunderous applause and cheering from the over 1,000 women professionals at the centre. At the TCS Centre, 1,000 women work in BPO operations, 85 per cent of whom are Saudi nationals. The Prime Minister hailed the all-women IT centre as 'glory of Saudi Arabia', while interacting with TCS centre's women employees

PM visits TCS' all-women IT centre in Riyadh

Riyadh: Prime Minister Narendra Modi on Sunday interacted with Saudi women IT professionals at the first-of-its-kind all-women TCS training centre in the heart of the city here and invited them to come to India.

"For the world it is considered to be a main headline news that in Riyadh today I am meeting those IT professionals who I can say today represent the glory of Saudi Arabia," Modi said while interacting with Tata Consultancy Services (TCS) centre's women professionals. The Prime Minister was welcomed by Tata group chairman, Cyrus Mistry and the TCS CEO and MD N Chandrasekaran amidst thunderous applause and cheering from the over 1,000 women professionals at the centre. Modi spent around 40 minutes at the centre and even posed for selfi- es. "All of you must come to India, I assure you a very warm reception. The atmosphere I am witnessing here today has the potential to give a strong message to the world," Modi said. At the TCS Centre, 1,000 women work in BPO operations, 85 per cent of whom are Saudi nationals.

"In this very competitive world today, if we are to progress then all forces have to progress together and have to move ahead and in it when I say forces, we are talking not only natural resources but also human resources. And in human resources human power plays a very important role, if the capacity of the women are built and are linked with the development process, then development of any country is speeded exponentially," the Prime Minister said.

"I would also like to heartily congratulate TCS that in India they have set up a training centre which trains young men and women, and those trained men and women, go out in the digital world and empower the entire world," he said. Modi stressed that in the IT profession, India has made its place in the world.

"I invite all of you to come together to India and you will see for yourself the impact you will make on Indians," he said. "I have one suggestion, I have seen that in governance and for transparency, technology has a very big role to play and for me e-governance is easy, economic and effective governance. And I myself try my level best to update myself with technology and if you want any information in real time about India, me and the selfies that you took along with me today, and for all information, please download the Narendra Modi app," Modi said. ■

Mallya's craft beer firm brews fresh funding in US

New York: Away from the furore over huge loan default in India by Vijay Mallya-led UB Group, its US-based brewery arm has secured a complex funding that it intends to repay later with a 'bridge loan' from its parent. California-based Mendocino Brewing Company, which sells a number of beer brands including Kingfisher in the US, has got Mallya as its Chairman and is owned by UB Group through a complex shareholding structure.

In a regulatory filing with the US markets regulator SEC (Securities and Exchange Commission), Mendocino has disclosed having issued a 'promissory note' to Delaware-based Catamaran Services, Inc, in the principal amount of \$325,000 (over Rs 2 crore).

It further said Mendocino had earlier also issued four promissory notes to Catamaran between January 2014 and June 2015, for principal amounts of \$500,000 each.

Catamaran's sole shareholder is an entity named Catamaran Holdings, Ltd, which interestingly "has directors in common with In-

ED readies for Letters Rogatories in Mallya-Kingfisher Airlines probe

New Delhi: As the money laundering probe against embattled liquor baron Vijay Mallya gathers pace, the Enforcement Directorate (ED) is preparing to issue Letters Rogatories (LRs) to a certain countries, including South Africa and the UK, for obtaining information on his overseas assets. Official sources said the agency has obtained details about immovable and movable assets held by the United Breweries (UB) Chairman in a number of countries and investigators are looking at countries like South Africa, the United Kingdom, the United States of America, Hong Kong and France, as part of its probe conducted till now in the case. The agency is mulling moving a competent court in this regard and obtain the LRs (judicial requests) which will be sent to their counterparts in these countries for obtaining information with regard to purchase, registration and status of movable and immovable assets. ■

versions of Mirabel SA", one of the major shareholders of Mendocino.

The indirect beneficial owner of In- versions is United Breweries Holdings Limited (UBHL), making UBHL the indirect majority shareholder of Mendocino. Mallya chairs the boards of UBHL, as well as Mendocino.

Mendocino further said it has also received a letter from Illinois-based MB Financial Bank permitting the company to obtain loans up to \$400,000.

As per the terms of the promissory note, Mendoci-

no has promised to pay the principal sum of \$325,000 with accrued interest to Catamaran within 6 months, subject to the receipt by the company of a bridge loan from its majority shareholder.

This repayment is subject to the shareholder loan amount being sufficient either to pay the note through 'Permitted Payments', or to pay both the note and certain existing obligations of the company to MB Financial Bank.

The 'Permitted Payments' on the note are payments made from the portion of a Shareholder Loan that is in excess of \$600,000, the filing further said. ■

Likely dollar outflows in Sept may weigh on RBI policy

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Mumbai: Foreign exchange markets in India face the prospects of a dollar shortfall in September when close to \$26 billion of forex deposits raised under a special scheme come up for repayment. Although a sizeable chunk of these deposits are expected to be renewed, even if half are taken out it will be nearly 4% of the country's foreign exchange reserves.

In 2013, Raghuram Rajan had taken charge as RBI governor in the thick of a currency crisis when the rupee had plummeted from around Rs 60 against the dollar and was threatening to breach the Rs 70 level. One of the measures taken by the RBI was to enter into a swap deal with banks. Under the deal, banks could raise foreign currency non-resident (FCNR) dollar deposits and sell them to the RBI for rupees, and the central bank, in turn, promised



to return the dollars at maturity. The sweetener in the deal was that against the then prevailing forward rate of around 7% per annum, the RBI offered dollars at a forward premium of 3.5%.

Scarcity of dollars was one of the concerns raised by banks in the run-up to the RBI's monetary policy on April 5. According to SBI chairman Arundhati Bhattacharya, the central bank may look at alleviating market participants concern about the potential dollar shortages in September/October 2016 relating to maturity of special Fo-

reign Currency Non Resident (B) swaps. Economists say that a 25 basis points cut in the policy has already been factored in. They are now waiting to see the tone of the policy — whether it indicates that this is the last of the season (100 basis points = 1 percentage point).

The sale of dollars is likely to weigh on RBI's monetary policy for the year. According to Indranil Sen Gupta, India economist, DSP Merrill Lynch, "Our liquidity model forecasts that the RBI must provide \$46 billion of reserve money in FY17 to fund 6.3% growth in the old GDP series. Our balance of payments estimates suggest that \$19 billion of this can be provided via potential foreign exchange intervention, assuming half of the \$26 billion of 2013 FCNR deposits that come for maturity in September 2016 onwards will be withdrawn. Rs 1.8 lakh crore needs to be provided via open market operation (OMOs or purchases of bonds)."

Govt Cuts Spectrum Usage Charges From 5% Of Adjusted Gross Revenues To 3%

Your mobile bills may soon come down

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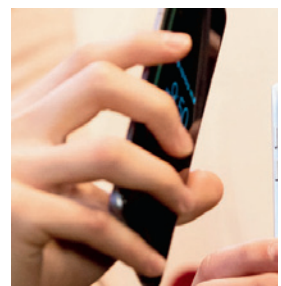
New Delhi: In a move that could lower consumer tariffs for calls and broadband while also freeing up cash for debt-laden mobile service operators, the government has cut spectrum usage charges (SUC) from 5% of adjusted gross revenues (AGR) to 3%.

The move is expected to be a confidence booster ahead of mega auctions, slated for July, which will see the government sell over 2,000 MHz of spectrum across seven frequencies, including the lucrative but highly-expensive 700 MHz band that will go on sale for the first time.

The decision could free up as much as Rs 3,200 crore for mobile companies. Top sources within the government said the decision to reduce SUC was approved by the inter-ministerial telecom commission that met in late March.

"The telecom commission has cleared the reduction of SUC, and the decision has also been approved by the telecom minister," a source told TOI.

SUC is a charge levied annually as a percentage of the AGR that mobile companies make from telecom services. Currently, it is charged at 5% on spectrum that has been ac-



Bharti Airtel, Vodafone and Idea Cellular, had been demanding a reduction in the SUC rates as well as a uniformity with BWA players.

"Any reduction in the SUC charge will be beneficial for the Indian telecom industry which is one of the most taxed in the world," said Prashant Singhal, leader for the telecom practice at Ernst & Young India. "We have been saying that taxes should be reduced. The telecom players need money to invest in new technologies as well as other operational expenses."

The telecom industry is taxed on adjusted gross revenues, which comes out to nearly Rs 1.6 lakh crore annually. Apart from the SUC, the operators pay 8% towards Universal Services Obligation Fund (USOF) and license fee, while also coughing out a service tax on spectrum transactions.

Companies have been seeking relief measures from the government as they point out to the huge levels of debt that the industry carries. As per estimates, the debt on telecom operators is around Rs 2.5 lakh crore, a fact that also limits their capacity to raise fresh borrowings from banks for spectrum purchases and also for upgradation of network and technology.

The GSM lobby, which includes companies such as

Whining US slaps curbs on pork, dairy exports to India

US Appears Bullish On Proposed IPR Policy And Amendments To Copyright Law, Cinematograph Act

TIMES NEWS NETWORK

New Delhi: The US list of complaints over India's import regime has grown longer. From the "restrictions" on pork imports, dairy products that come only from vegetarian-fed animals to the ban on animal testing for cosmetics and restrictions on additives in alcohol, the US Trade Representative's annual report has listed a host of new curbs faced by American businesses across the globe.

Unlike recent years, however, the tone seems to be reconciliatory be it on intellectual property rights (IPR) or the overall approach to remove the so-called barriers to trade — which can range from technical barriers such as testing of cosmetics on animals to tests related to pesticides or import duty and government procurement.

In most of the cases, the report talks about irritants in the Trade Policy Forum, which is co-chaired by India's commerce & industry

minister and the USTR.

Over the past few years, IPR had been a key theme with the US authorities, after India issued compulsory licence for producing a medicine on which Bayer held a patent. Similarly, Big Pharma has been putting pressure on the patents office to issue patents even in case of "tweaks" or what is generally described as "ever-greening".

In the latest report, however, the US appeared bullish on the proposed IPR policy and amendments to the

KEY AREAS OF CONCERN

- > Specifications on size of food packets, which are based on metric units instead of British units such as pounds and ounces, impacting food exports
- > "Religious and cultural" reasons that allow only import of dairy products coming from animals that only had vegetarian feed
- > Pork import norms that restrict imports only from US-origin animals, insist on separate processing facilities
- > to avoid mixing of beef or other meat in pork
- > Ban on globally-accepted additives in alcohol & wine
- > Confusion over standards for food products as FSSAI is in the process of reworking them following an SC order
- > Food derived from biotech crops
- > Safety testing and standards for electronic, telecom & IT equipment



copyright law and Cinematograph Act, although there were concerns over the planned expedited patent review coming with the condition of local manufacturing requirements. Trade secrets misappropriation was another area of worry for the USTR.

In case of services, the report was critical of the new insurance guidelines with the new definition of foreign control being flagged as a worry along with restrictions on overseas banks and retail