



ASSOCHAM Economic Weekly
11th October, 2015



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1. Macroeconomy



1.1 Indirect Tax Revenue Collections during September 2015

Indirect Tax Revenue collections have increased from Rs 46,224 crore in September 2014 to Rs. 61,284 crore during September- 2015. Thus an increase of 32.6% has been registered during September - 2015 over the corresponding period in the previous year. This is an achievement of 50.6% of the target fixed for BE 2015-16.

Central Excise collections have increased from Rs. 13,356 crore in September 2014 to Rs. 22,489 crore during September 2015 thus registering an increase of 68.4%. This is an achievement of 55.0% of the target fixed at BE 2015-16.

Service Tax collections have increased from Rs. 15,158 crore in September 2014 to Rs. 20,483 crore during September 2015 registering an increase of 35.1%. This is an achievement of 45.5% of the target fixed at BE 2015-16.

Customs collections have increased from Rs.17,710 crore in September 2014 to Rs. 18,312 crore during September 2015 registering an increase of 3.4%. This is an achievement of 49.7% of the target fixed for BE 2015-16.

Table 1
Indirect Tax Revenue Collection

Tax Head	B.E. 2015-16	For September			Upto September			(Rs. in crores) % of BE achievement
		2014-15	2015-16	% Growth	2014-15	2015-16	% Growth	
Customs	208336	17710	18312	3.4	88031	103450	17.5	49.7

Central Excise*	228157	13356	22489	68.4	74019	125530	69.6	55.0
Service Tax	209774	15158	20483	35.1	76851	95493	24.3	45.5
Total	646267	46224	61284	32.6	238901	324473	35.8	50.2

Source: Ministry of Finance, Govt. of India

*Exclusive of cess administered by other departments.

1.2 Foreign Tourist Arrivals (FTAs) in September 2015

Foreign Tourist Arrivals (FTAs)

- FTAs during the Month of September 2015 were 5.40 lakh as compared to FTAs of 5.09 lakh during the month of September 2014 and 4.54 lakh in September 2013. There has been a growth of 6.1% in September 2015 over September 2014.
- FTAs during the period January- September 2015 were 56.08 lakh showing a growth of 4.6% over January- September 2014
- The Percentage share of Foreign Tourist Arrivals (FTAs) in India during September 2015 among the top 15 source countries was highest from Bangladesh (18.81%), followed by USA (10.99%), UK (7.96%), Malaysia (4.72%), Sri Lanka (4.69%), Australia (3.39%), China (3.37%), Japan (3.20%), Germany (2.89%), Canada (2.51%), Nepal (2.44%), France (2.39%), Singapore (2.13%), Pakistan (1.61%) and Afghanistan (1.27%). These top 15 countries account for 72.37% of total FTAs during September 2015.
- The Percentage share of Foreign Tourist Arrivals (FTAs) in India during September 2015 among the top 15 ports was highest at Delhi Airport (30.08%) followed by Mumbai Airport (17.21%), Haridaspur Land check post (10.57%), Chennai Airport (8.91%), Bengaluru Airport (6.57%), Kolkata Airport (4.02%), Cochin Airport (3.23%), Hyderabad Airport (3.03%), Gede Rail (2.02%), Tiruchirapalli (1.94%), Trivendrum Airport (1.55%), Ahmedabad Airport (1.35%), Ghojadanga Land check post (1.26%), Attari Waghera Land check post (1.05%) and Amritsar Airport (0.75%). These top 15 ports account for 93.54% of total FTAs during September 2015.

Foreign Exchange Earnings (FEEs) from Tourism in India in rupee terms and in US\$ terms

- FEEs during the month of September 2015 were Rs. 9,512 crore as compared to Rs. 9,057 crore in September 2014 .
- The growth rate in FEEs in rupee terms during September 2015 over September 2014 was growth of 5.0% .
- FEEs from tourism in rupee terms in January- September 2015 were Rs. 91,737 crore showing a growth of 3.2% over the same period during 2014 .
- FEEs in US\$ terms during the month of September 2015 were US\$ 1.436 billion
- FEEs from tourism in US\$ terms during January- September 2015 were US\$ 14.453 billion



2. Corporate Sector

2.1 Proposals of Foreign Direct Investment (FDI)

Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held on 11th September 2015, Government has approved 11 (eleven) proposals of Foreign Direct Investment amounting to Rs. 1,567.91 crore.

In addition, two proposals viz., M/s Sistema Shyam TelServices Ltd involving an FDI of Rs. 10,000 crore, and M/s IIFL Holdings Limited involving an FDI of Rs. 3201.5 crore, have also been recommended for consideration of Cabinet Committee on Economic Affairs.

Table 2
Approvals of Foreign Direct Investment (FDI)

s. No.	Item No.	Name of the applicant	Gist of the proposal	Sector	Proposed FDI
1	1	M/s MicroVentures Investment S.A. SICAR	Approval has been sought by MicroVentures Investment S.A. SICAR for the transfer of 60,52,278 bonus shares of Equitas Holdings Private Limited to its holding company Credit Access Asia NV Netherlands, pursuant to merger of MicroVentures Investment S.A. SICAR into Credit Access. The foreign shareholding of Credit Access in Equitas will increase from 4.29% to 6.54%.	Pharma	Nil

2	4	M/s Amar Ujala Publications Limited	<p>Approval has been sought by Amar Ujala Publications Limited for Foreign Shareholding in the company up to 26% of the post issue paid up equity share capital pursuant to proposed initial public offering-</p> <p>Issue of equity shares to FIIs/FPIs/NRIs and Transfer of 26,90,234 shares by existing shareholders for an aggregate consideration of Rs.50 cr.</p>	Print Media / Information and Broadcasting	Rs.50 crores
3	5	M/s Eros International Media Limited	Approval has been sought by M/s Eros International Media Limited for setting up a Limited Liability Partnership (LLP).	LLP	Rs. 49,90,000
4	6	M/s CMDB II, Mauritius	CMDB II, Mauritius has sought approval to acquire the shares of the Investee company (i.e. Equitas Holdings (P) Ltd.) from Canaan VIII, Mauritius for a total consideration of Rs. 41,31,72,726.74..	Pharma	Nil
5	7	M/s Bhurani Enterprises LLP	Approval has been sought by M/s Bhurani Enterprises LLP to accept 99.99% foreign investment by a PIO individual.	LLP	Rs.4 Crores

6	9	M/s O-zone Networks Private Limited, Delhi	<p>M/s O-zone Networks Private Limited Delhi, seeks approval for upto 100% foreign investment by M/s Ozone BV, UK by way of purchase of the equity share capital existing shareholders.</p> <p>(i) In the 1st tranche, Ozone BV will acquire 33.33% equity in Ozone India represented by 10,469 Class B shares from M/s Al Telecoms Holdings (India) Limited. The estimated consideration for the said transaction is USD 1.</p> <p>(ii) In the 2nd tranche, Ozone BV will purchase 66.67% equity in Ozone India represented by 20,938 Class A Shares from Mr. Sanjeev Kumar Sarin, Mr. Sharmendra Amil, Mr Himanshu Amin and Ozone Employees Stock Option Trust. The estimated consideration for the said transaction is USD 2.</p> <p>It is stated that for implementing business plans of Ozone in India, the investor group shall provide GBP 9 million as development capital in annual tranches (in financial year 2014-15 and financial year 2015-16). The said funds would be invested in ozone-India in lieu of issue of equity shares or preference shares.</p>	Internet services	Rs.89.61 crores
7	10	M/s Chorus Call INC, USA	Approval has been sought by M/s Chorus Call INC, USA for increase in the foreign equity from 74% to 100% in M/s Chorus Call Conferencing Services India Private Limited engaged in providing services like transmission of voice, video and data.	Telecom	Rs. 9.10 crores

8	12	M/s Indian Rotorcraft Limited	<p>M/s Indian Rotorcraft Limited, Mumbai has sought approval for</p> <p>(i) To incorporate the helicopter model as AW 119Kx in place of AW 119Ke.</p> <p>(ii) To change the foreign investor from M/s AgustaWestland N.V., The Netherlands to M/s AgustaWestland S.p.A, Italy as M/s AgustaWestland N.V., The Netherlands merged into M/s AgustaWestland S.p.A, Italy, pursuant to an internal re-organization through merger within the AgustaWestland group w.e.f January 01, 2014.</p>	Defence	Nil
9	13	M/s New India Biopharma Ltd.	Post facto approval has been sought by M/s New India Biopharma Ltd. for inward remittances received since 2013.	Pharma	Rs.1.7 crores
10	19	M/s. BTI Payments Pvt Ltd	<p>M/s. BTI Payments Pvt Ltd, a company with approved foreign equity of 100% has sought approval for addition in the foreign investor, M/s BTI Payments Singapore Pte Ltd which is a WoS of the existing foreign investor of the company, M/s. The Banktech Group Pty Ltd, Australia.</p> <p>M/s BTI Payments Singapore Pte Ltd will subscribe to equity shares of the applicant for an additional consideration of Rs.63 crores in one or more tranches.</p>	White Label ATMs	Rs.63 crores
11	20	AGS Transact Technologies Limited	Approval has been sought by AGS Transact Technologies Limited for the issue and transfer of equity shares to eligible non-resident investors, such as FPIs, FIIs, FVCIs and NRIs, pursuant to an IPO thereby increasing the foreign shareholding from the approved foreign equity of 43.17% to 49% for an aggregate consideration of Rs.1350 crores	White Label ATMs	Rs.1350 crores (fresh issue of Rs.400 crore and sale of shares from existing non-resident investors Rs.950 crores).

Source: DIPP

The following 2 (two) proposals have been recommended by the FIPB for approval of Cabinet Committee on Economic Affairs (CCEA) as the investment involves an inflow of more than Rs. 3000 crores in accordance with Para 5.2.2 of the Consolidated FDI Policy 2015.

Table 3
Recommended by the FIPB for approval of Cabinet Committee on Economic Affairs

S. no.	Item No	Name of the applicant	Gist of the proposal	Sector	Amount
1	11	M/s Sistema Shyam-TelServices Limited	Approval has been sought for conversion of the non-convertible redeemable preference shares to optionally convertible redeemable preference shares and thereafter equity shares thereby increasing the foreign equity from 73.95% to 85.13%, directly in M/s Sistema ShyamTelServices Limited and indirectly in Shyam Internet Services Limited	Telecom	Rs.10,000 crores (Rs.9433.5 crores already brought in)
2	18	M/s IIFL Holdings Limited,	Approval has been sought by M/s IIFL Holdings Limited, a NBFC company for increasing the foreign equity from 52.29% to 100% by way of issuing shares to FIIs.	NBFC	Rs.3201.5 crores approx. (based on the open offer price)

Source: DIPP

Table 4
Deferred FDI Proposals

S.no	Item no	Name of the applicant	Gist of the proposal	Sector
1	3	M/s ii5 Technologies Pvt ltd	Approval has been sought by ii5 Technologies Pvt ltd with 99.997% of foreign investment held by ii5 Ventures Ltd, Singapore for conversion of the existing Private Limited Company to LLP.	LLP
2	8	M/s Reliance Globalcom Ltd., Bermuda	Approval has been sought by M/s Reliance Globalcom Ltd. (RGL) to acquire 100% of the issued and paid up share capital of M/s GCX India Ltd. (GCX India). To comply with the provisions of the Companies Act, 2013 in respect of the minimum number of shareholders of a public company, 6 nominees of RGL will hold 1 share each. Thereafter, GCX India will apply for the Unified License issued by the Department of Telecom, in order to provide services in the telecom sector.	Telecom
3	14	M/s Indian Herbs Specialities Private Limited	M/s Indian Herbs Specialities Private Limited is seeking approval for receiving FDI by the way of (i) subscription to 25,316 shares to be issued by the Applicant to India 2020 Fund II, Limited	Pharma

			(Investor), and (ii) purchase of 101,266 shares by the Investor from the existing shareholders of the Applicant	
4	15	M/s APOLLO Hospitals Enterprise Limited	Approval has been sought by APOLLO Hospitals Enterprise Limited for allowing foreign investment in the share capital of the Company by the renunciation of the rights or otherwise, subject to RBI and other necessary approvals to residents outside India pursuant to the proposed Rights Issue.	Pharma-Healthcare, Insurance
5	16	M/s AEGON RELIGARE LIFE INSURANCE COMPANY LIMITED	Approval has been sought by AEGON RELIGARE LIFE INSURANCE COMPANY LIMITED for the transfer of 30,14,15,000 shares of the company held by Bennett, Coleman & Company to AEGON India Holding B.V for an aggregate consideration of 559.96 cr thereby raising the foreign shareholding from 26% to 49%.	Insurance
6	22	M/s FireFly Networks Limited	Approval has been sought by M/s FireFly Networks Limited for approval of the existing foreign investment (50% indirect) and to permit commencement of activities as a Telecom Infrastructure Provider Category-I (IP1).	Telecom

Source: DIPP

**Table 5
Rejected FDI Proposals**

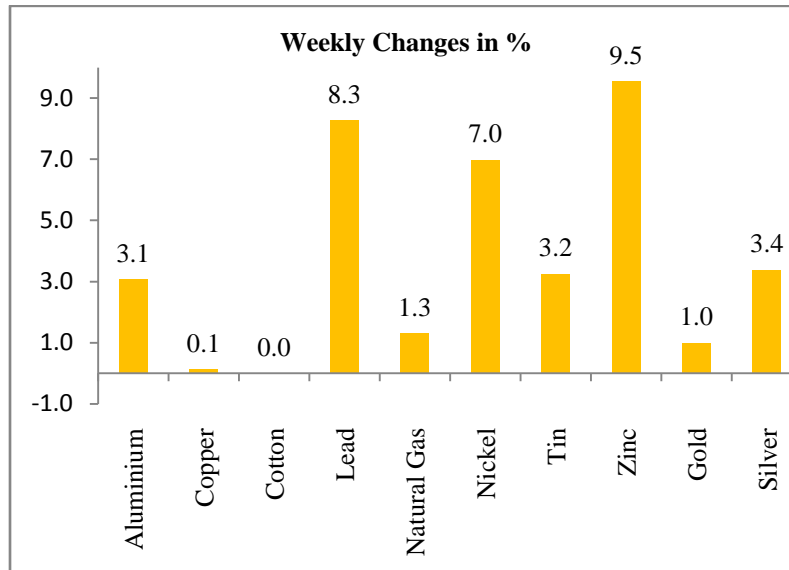
s.no	Item No	Name of the applicant	Gist of the proposal	Sector
1	2	M/s Mantri Developers Private Limited	M/s Mantri Developers Private Limited proposes to undertake a buy-back of its shares, as part of which all the Shares of the Foreign Investor in the Company, aggregating to 9,770,190 (nine million seven hundred seventy thousand one hundred ninety) equity shares having a face value of Rs. 10 (Rupees Ten) each. This will bring the foreign investment in the company down to 0%.	Construction
2	14	M/s Almondz Insurance Brokers Private Limited,	M/s Almondz Insurance Brokers Private Limited, has sought approval for the proposed transfer of 49% of its shareholding to M/s Willis Europe B.V. (Willis), a private company with limited liability under Dutch law.	Insurance
3	15	Bean Media Group Pty Ltd	Bean Media Group Pty Ltd hereby has sought approval to set up a wholly owned subsidiary in India to be engaged in the publishing of specialty magazine	Publishing- Information and Broadcasting
4	16	M/s Sterling Fabory India Pvt. Ltd.	Post facto approval has been sought by M/s Sterling Fabory India Pvt.	Cash and Carry Wholesale Trading

			Ltd. for sales made to group company in excess of the 25% limit, and to request fresh approval for sales made to group companies' upto 40% of its turnover in coming years.	
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Source: DIPP

2.2 Basic Metals and Agriculture Commodities in Spot Market

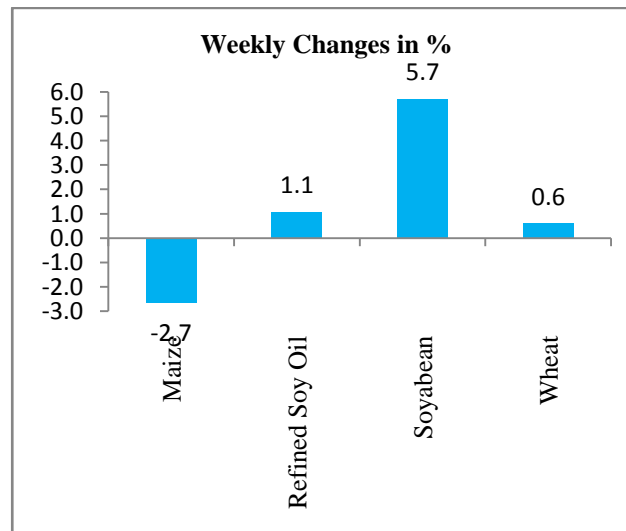
Performance of Metals Market Spot Prices



Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix and weekly change calculated for four days

Performance Agri Commodities Market Spot Prices



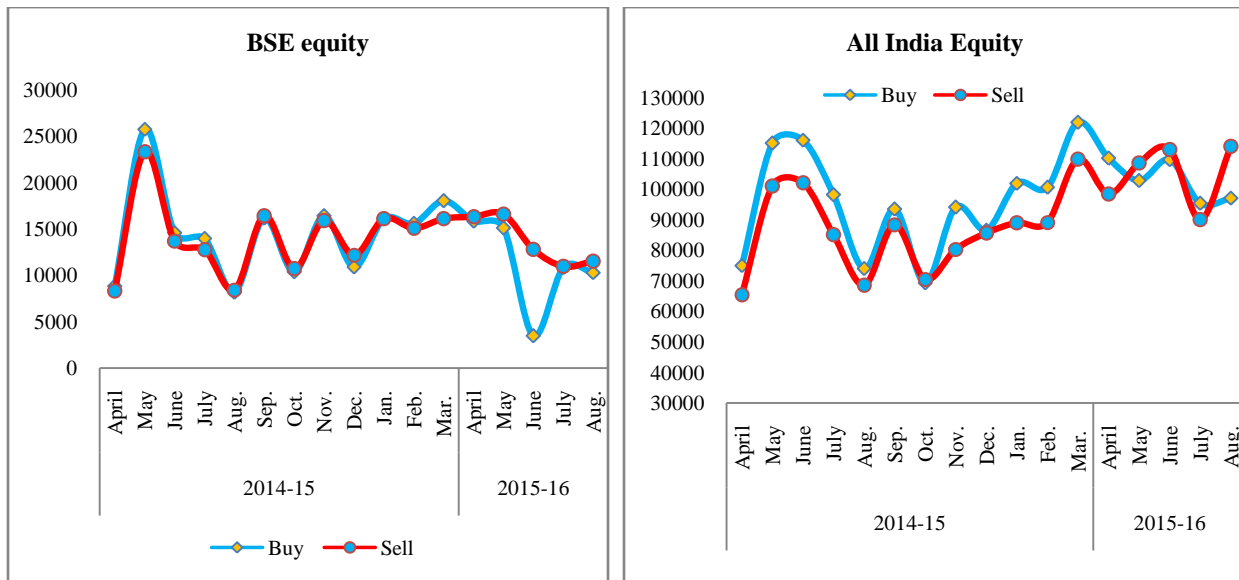
Source: MCX, ASSOCHAM Economic Research Bureau

Note: For details please refer appendix and weekly change calculated for four days

3. Market Trends

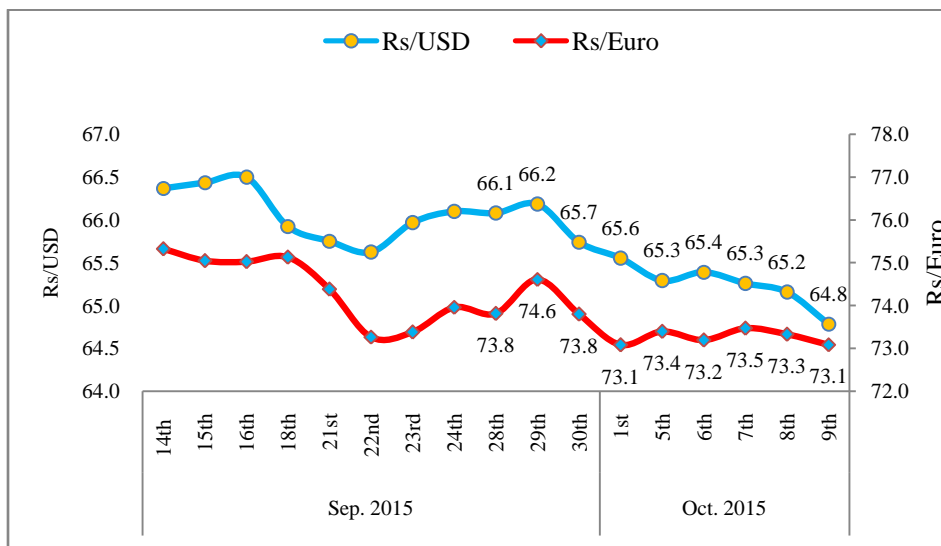


FII Equity Flows Equity (Rs. Crore)

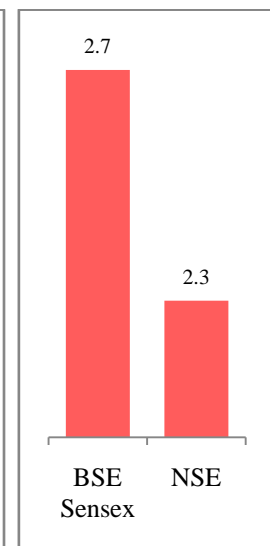


Source: BSE and ASSOCHAM Economic Research Bureau

Exchange Rate



Market Variation



Source: RBI, BSE, NSE and ASSOCHAM Economic Research Bureau



4. Global Developments

4.1 UK International Trade, August 2015

- UK trade shows import and export activity and is a main contributor to the overall economic growth of the UK.
- The UK's deficit on trade in goods and services was estimated to have been £3.3 billion in August 2015, a narrowing of £1.2 billion from July 2015. This narrowing of £1.2 billion is attributed to trade in goods, where the deficit has decreased from £12.2 billion in July 2015, to £11.1 billion in August 2015.
- Exports of goods increased by £0.8 billion to £23.6 billion in August 2015. This is attributed to an increase in cars which increased by £0.6 billion to a record high of £2.4 billion and chemicals which increased by £0.5 billion. Imports of goods decreased by £0.3 billion to £34.7 billion over the same period.
- In the 3-months to August 2015, the UK's deficit on trade in goods and services was estimated to have been £8.1 billion; widening by £1.3 billion when compared with the 3-months to May 2015. The combined trade deficit of the first two months of quarter 3 (July and August) 2015 is already double the total trade deficit in quarter 2 (April to June) 2015.
- In the 3-months to August 2015, the trade in goods deficit widened by £1.8 billion to £31.4 billion. Exports decreased by £1.5 billion to £72.4 billion and imports increased by £0.3 billion to £103.8 billion over the same period. The decrease in exports for the 3-months to August 2015 is attributed to a £2.1 billion decrease in non-EU exports (finished manufactures fell by £1.1 billion). This was partially offset by an increase in exports to the EU of £0.6 billion (of which, finished manufactures accounted for £0.5 billion).

- In the 3-months to August 2015, the trade in services surplus widened by £0.5 billion to £23.3 billion. There was an increase of £0.1 billion in exports and a decrease of £0.4 billion in imports over the same period.

Table 6
Balance of UK trade in goods and services

(£ billion)

		Balance of trade in goods			Balance of trade in services	Total trade balance
		EU	Non-EU	Total		
2014	Aug	-6.7	-3.7	-10.4	7.4	-3.0
2015	Jun	-7.2	-0.9	-8.1	7.7	-0.4
	Jul	-7.4	-4.8	-12.2	7.8	-4.4
	Aug	-7.4	-3.8	-11.1	7.9	-3.3

Source: Office for National Statistics, UK

4.2 U.S. International Trade in Goods and Services, August 2015

As per the U.S. Census Bureau and the U.S. Bureau of Economic Analysis, the goods and services deficit was \$48.3 billion in August, up \$6.5 billion from \$41.8 billion in July, revised. August exports were \$185.1 billion, \$3.7 billion less than July exports. August imports were \$233.4 billion, \$2.8 billion more than July imports.

The August increase in the goods and services deficit reflected an increase in the goods deficit of \$6.6 billion to \$67.9 billion and an increase in the services surplus of \$0.1 billion to \$19.6 billion.

Year-to-date, the goods and services deficit increased \$17.6 billion, or 5.2 percent, from the same period in 2014. Exports decreased \$58.9 billion or 3.8 percent. Imports decreased \$41.3 billion or 2.2 percent.

Goods and Services Three-Month Moving Averages

The average goods and services deficit increased \$1.9 billion to \$45.1 billion for the three months ending in August.

- Average exports of goods and services decreased \$0.9 billion to \$187.2 billion in August.
- Average imports of goods and services increased \$1.0 billion to \$232.3 billion in August.

Year-over-year, the average goods and services deficit increased \$3.4 billion from the three months ending in August 2014.

- Average exports of goods and services decreased \$9.4 billion from August 2014.
- Average imports of goods and services decreased \$6.0 billion from August 2014.

5. Data Appendix

Table 7
Latest Available Financial Information

Item	Sep. 25, 2015	Oct. 02, 2015	Percentage Change
Deposits of Scheduled Commercial Banks with RBI (Rs. Billion)	3,742.46	3,867.13	3.33
Foreign Currency Assets of RBI (Rs. Billion)	21,828.85	21,709.12	-0.55
Advances of RBI to the Central Government (Rs. Billion)	–	–	
Advances of RBI to the Scheduled Commercial Banks (Rs. Billion)	588.13	446.95	-24.00
Foreign Exchange Reserves (US\$ Billion)	350.0	350.8	0.24

Source: RBI, Govt. of India

Table 8
BSE Sensex and NSE Nifty Index

Index	Oct. 05, 2015	Oct. 09, 2015	Percentage Change
BSE SENSEX	26,379.4	27,079.5	2.7
S & P CNX NIFTY	8,005.1	8,189.7	2.3

Source: BSE India and NSE India

Table 9
Metals Market Spot Prices Index (Rs.)

		October 2015					Weekly Changes in %
		5 th	6 th	7 th	8 th	9 th	
Aluminium	1 KGS	101.0	101.1	102.3	101.1	104.1	3.1
Copper	1 KGS	336.1	339.1	339.5	340.6	336.6	0.1
Cotton	1 BALES	15900.0	15870.0	15900.0	15920.0	15900.0	0.0
Lead	1 KGS	106.0	105.9	107.7	108.7	114.8	8.3
Natural Gas	1 mmBtu	160.7	160.0	161.5	161.4	162.8	1.3
Nickel	1 KGS	648.5	647.7	666.8	656.0	693.7	7.0
Tin	1 KGS	1023.5	1036.5	1061.3	1041.0	1056.8	3.2
Zinc	1 KGS	107.9	107.0	109.0	108.3	118.2	9.5
Gold	10 GRMS	26127.0	26242.0	26343.0	26247.0	26388.0	1.0
Silver	1 KGS	35472.0	36367.0	36443.0	36167.0	36673.0	3.4

Source: MCX

Table 10
Agri Commodities Market Spot Prices (Rs.)

		October 2015					Weekly Changes in %
		5 th	6 th	7 th	8 th	9 th	
Maize	100 KGS	1500.0	1500.0	1491.5	1485.0	1460.0	-2.7
Refined Soy Oil	10 KGS	646.8	658.7	662.9	663.3	653.7	1.1
Soyabean	100 KGS	3590.0	3675.0	3777.5	3790.0	3795.0	5.7
Wheat	100 KGS	1695.0	1705.0	1700.0	1700.0	1705.0	0.6

Source: MCX

ASSOCHAM Economic Research Bureau

ASSOCHAM Economic Research Bureau (AERB) is the research division of the Associated Chambers of Commerce and Industry of India. The Research Bureau undertakes studies on various economic issues, policy matters, financial markets, international trade, social development, sector wise performance and monitoring global economy dynamics.

The main banners of the Bureau are:

ASSOCHAM Eco Pulse (AEP) studies are based on the data provided by various institutions like Reserve Bank of India, World Bank, IMF, WTO, CSO, Finance Ministry, Commerce Ministry, CMIE etc.

ASSOCHAM Business Barometer (ABB) are based on the surveys conducted by the Research Team to take note of the opinion of leading CEOs, MDs, CFOs, economists and experts in various fields.

ASSOCHAM Investment Meter (AIM) keeps the track of the investment announcements by the private sector in different sectors and across the various states and cities.

ASSOCHAM Placement Pattern (APP) is based on the sample data that is tracked on a daily basis for the vacancies posted by companies via job portals and advertisements in the national and regional dailies, journals and newspaper. Data is tracked for 60 cities and 30 sectors that are offering job opportunities in India.

ASSOCHAM Financial Pulse (AFP) as an analytical tool tracks quarterly financial performance of India Inc; forming strong inter-linkages with the real economy and presents sectoral insights and outlook based on financial indicators, demand signals and corporate dividend activity.

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THE KNOWLEDGE CHAMBER

Evolution of Value Creator ASSOCHAM initiated its endeavor of value creation for Indian industry in 1920. It has witnessed upswings as well as upheaval of Indian Economy and contributed significantly by playing a catalytic role in shaping up the Trade, Commerce and Industrial environment of the country.

ASSOCHAM derives its strength from the following Promoter Chambers: Bombay Chamber of Commerce and Industry, Mumbai; Cochin Chamber of Commerce and Industry, Cochin; Indian Merchant's Chamber, Mumbai; The Madras Chamber of Commerce and Industry, Chennai; PHD Chamber of Commerce and Industry, New Delhi.

VISION

Empower Indian enterprise by inculcating knowledge that will be the catalyst of growth in the barrier less technology driven global market and help them upscale, align and emerge as formidable player in respective business segment

MISSION

As representative organ of Corporate India, ASSOCHAM articulates the genuine, legitimate needs and interests of its members. Its mission is to impact the policy and legislative environment so as to foster balanced economic industrial and social development. We believe education, health, agriculture and environment to be the critical success factors.

GOALS

To ensure that the voice and concerns of ASSOCHAM are taken note of by policy makers and legislators. To be proactive on policy initiatives those are in consonance with our mission. To strengthen the network of relationships of national and international levels/forums. To develop learning organization, sensitive to the development needs and concerns of its members. To broad-base membership. Knowledge sets the pace for growth by exceeding the expectation, and blends the wisdom of the old with the needs of the present.