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FOOD FOR THOUGHT

Jeff Bezos, Satya Nadella and now Mark Zuckerberg visit India

- Nadella, shared his vision during the address at IDC, the biggest campus of the software giant outside its headquarters at Redmond in the US.
- Amazon founder Jeff Bezos carried out a road show on a supply truck at the premises of a shopping mall in Bangalore on Sunday flashing a big \$2-billion cheque.
- Mark Zuckerberg's visit to India has created a lot of buzz. The Facebook founder met the Indian Prime Minister and 'the social media politician', Mr. Narendra Modi in New Delhi during his visit. In his maiden official visit to India, Zuckerberg seems confident about the revolutionary changes internet.org can bring to India and its capability to play the key role in India's future.



Editorial

IMF's 2014 economic forecast for the UAE is a positive 4.5% growth.. More specifically on Dubai, the IMF mentioned the impressive recovery in Dubai real estate, particularly residential, and expressed concern of a potential for a property bubble.

However cool down in property prices in last few months partly due to doubling of transfer fees, cap on mortgage by UAE Central Bank and launch of various new projects, has tapered off such concerns. But long terms does remains very positive wherein growth would be aided by a number of mega projects and by Dubai's hosting of the Expo 2020.

As the UAE is now part of the MSCI Emerging Markets index, investors have considerably more exposure than earlier and index-related funds also will have more investment in UAE stock markets. The overwhelming response to Emaar Properties retail unit shows investor confidence in the UAE markets. Investors expectations also have been party met due to better 3rd quarter results announced by public sector cos in UAE.

The close strategic proximity of the Middle East was recognized at Summer Davos with cultural diplomacy from the People's Republic of China. An integral part of the Age of Convergence is the revival of the New Silk Road. The total trade flows between China and the Middle East could climb to \$500 billion by 2020, with China seen by The Economist Intelligence Unit as becoming the GCC's most important economic partner by then. The Middle East sits strategically next to Africa, whose largest trading partner is China, allowing the new Silk Road to extend westwards.

Above factors thus point to healthy growth of the UAE economy over medium to long term.

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Mall of the World

Dubai Plans to Build the World's First Temperature-Controlled City

Dubai announced grandiose plans to build "the world's first temperature-controlled city, Mall of the World" in the Al Sufouh district.

The world's first temperature-controlled city, which will be built along Shaikh Zayed Road in Dubai, the mall will be capable of receiving 180 million visitors a year.

contd. on page 3

Meydan – A Mega Development

Meydan is the result of the vision of His Highness Sheikh Mohammed Bin Rashid Al Maktoum to build a definitive venue for horseracing, and an integrated city that is sustainable, environmentally responsible and one that positions Dubai at the center of the competitive global business stage.

The first project within Mohammad Bin Rashid City will be developed by a joint venture between Meydan Group and Sobha Group and should be completed within seven years. Named Mohammad Bin Rashid City-District One, its market value is expected to reach AED 21 billion. Located along Al Khail Road next to the Meydan Racecourse, the project sprawls across four million square metres of freehold land. It will include 1,500 luxury villas, a 350,000 square metre water park, seven kilometres of lagoons and man-made beaches, retail zones and sports attractions. Meydan Sobha, the 50-50 joint venture and contractor, will complete the project in four phases and broke ground on phase one last month. The first phase will take three years for the construction of 375 villas, water lagoon, park and a show village that will serve as a prototype for the residential area. Sobha Group said that each villa could sell for AED 9 million and upwards.

While Dubai Creek will soon be extended in the westward direction to link with the Arabian Sea, it will see another extension on the eastern side to reach the Meydan area, according to the Meydan Group.

Two major projects in the Meydan area - Meydan Avenue and District Eleven - are currently under way.

A little further, Sobha Heartland is in the making, a project by Sobha Developers. For two of these districts – Meydan Avenue and Sobha Hartland - an extension of Dubai Creek will change the character of the landscape into a marina community.

In the shadow of The Meydan Hotel, Racecourse and Grandstand, at 4km distance from Dubai Creek, the area previously known as the Diamond Business Park will be transformed into a business, sporting and lifestyle destination called Meydan Avenue.

Meydan's premium leisure and hospitality experiences include the Meydan Hotel, Bab Al Shams Desert Resort & Spa, Meydan Beach, Meydan Golf, Meydan Tennis Academy and the Meydan Theatre. The iconic Meydan Grandstand hosts regular live concerts attracting the biggest names from around the world, as well as a busy calendar of events and exhibitions.



Mall of the World

Dubai Plans to Build the World's First Temperature-Controlled City

Dubai announced grandiose plans to build "the world's first temperature-controlled city, Mall of the World" in the Al Sufouh district.

The world's first temperature-controlled city, which will be built along Shaikh Zayed Road in Dubai, the mall will be capable of receiving 180 million visitors a year.

Mall of the World is to cost 25 billion dirhams and requires 10 years to build.

The Mall of the World will be enclosed by glass roof domes that will produce an 8-million-square-foot temperature-controlled environment where tourists can shop till they drop without ever stepping outside into the punishing 40-degree Celsius-plus summer heat. The glass roof domes will open to let fresh air in during cooler winter months.

The self-contained shopping and entertainment complex will include a Broadway-style theater district, a pedestrian walkway modeled on Barcelona's Las Ramblas, a 4.3-mile retail network of roads based on London's Oxford Street, 20,000 hotel rooms, underground parking, an indoor family theme park, and a "wellness district" catering to medical tourists.

Here are a few interesting features about the Mall of the World:

Four times the size of Dubai Mall (Presently the largest mall in the world)

Located along Shaikh Zayed Road, the mega structure will occupy a total area of 48 million square feet which will be covered by a glass dome. The world's largest shopping centre, Dubai Mall, covers 13 million square feet, which is about the size of more than 50 football pitches. The proposed indoor city will be nearly four times the area occupied by Dubai Mall. That's approximately 200 football pitches combined.

Hotel links

Aside from featuring an 8 million square feet of shopping centre, the Mall of the World will provide links to 100 hotels and serviced apartment buildings that have 20,000 rooms.

Theme park

Residents and visitors in Dubai won't need to venture out of town just to spend a day in a theme park. The Mall of the World complex will house an indoor family theme park, which will be the largest in the world, so it will just be right next door.



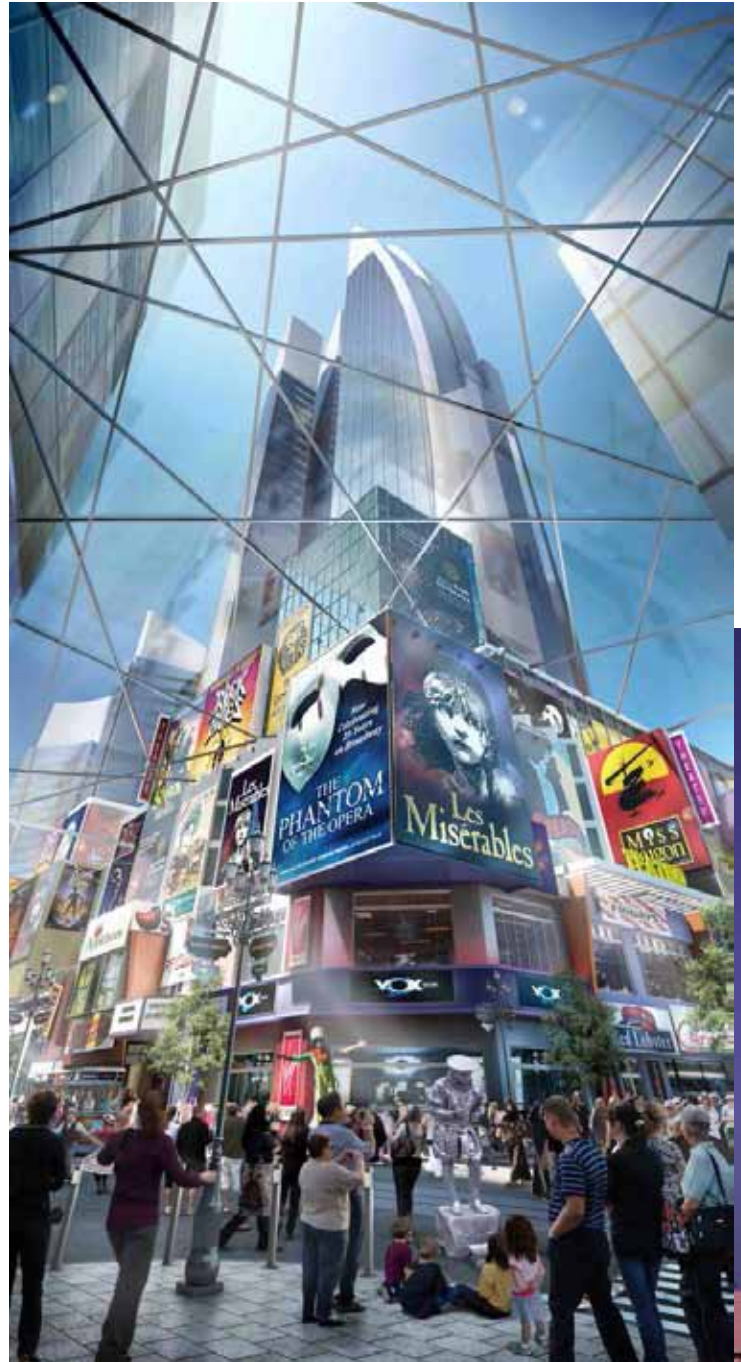


Air-conditioned retail streets

For those who dread going to the shops during the summer months, when temperatures hit more than 40 degrees celsius the Mall of the World may provide a much-needed relief. If plans push through, the complex will feature a seven-kilometre promenade that will be lined with retail shops. Think about taking a stroll down London's Oxford Street during winter. "Tourists will be able to enjoy a week-long stay without the need to leave the city or use a car," Dubai Holding said in a statement.

Wellness district

Requiring a cosmetic procedure? How about a surgery? Occupying a total area of 3 million square feet will be the wellness district. This section of the complex will provide wellness and rejuvenation services, a "holistic experience to medical tourists and their families" and ensure access to quality health care, specialized surgical procedures and cosmetic treatments, wellness facilities and high-end hospitality options.



IMF forecasts global growth at 3-3.5%

Growth globally is set on a stable growth path in advanced economies, with the United States, Canada and Britain on a steady rise but Germany and Italy are showing signs of slowing down, the OECD has said.

Leading indicators are regarded as a reliable guide to the future performance of economies, and particularly to turning points upwards or downwards in activity.

The OECD said that the latest data continued "to signal stable growth momentum in most major economies."

The figures for "the United States, Canada and United Kingdom continue to point to stable growth momentum," it said.

But the data for Japan "continues to indicate an interruption in growth momentum though this may be related to one-off factors."

The signs for Germany, with the biggest economy in the Eurozone, continued "to point to slowing momentum," it said.

Regarding leading emerging economies outside the OECD area, the index showed that the Indian economy continued to gain momentum, while growth in China and Russia was stabilising,

and there were "tentative" signs that activity in the Brazilian economy was picking up.

There is widespread concern that the 18-member Eurozone economy is flagging at a level of weak growth, and the latest leading indicators from the Organization for Economic Cooperation and Development showed that the single currency zone is trapped on this growth path.

This will be seen as disappointing since governments and economists are looking for signs that the weak Eurozone recovery is picking up speed.

The lack of overall signs that the world economy and notably the most advanced economies, are gathering speed will also be seen as disappointing.

The fragile state of the Eurozone, and the increasing threat of deflation, led the European Central Bank to take strong action last week to inject cash into the economy in the hope this will boost growth and push up prices.

DWC expansion to start this year

Dubai Airports hailed the announcement by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai endorsing the AED120bn (US\$ 32bn) expansion of Al Maktoum International Airport at Dubai World Central (DWC) which will eventually accommodate more than 200 million passengers a year.



The completion of phase one could open the door for Emirates, or the Dubai government, to make a decision on when Dubai's flagship airline will switch hubs from Dubai International to the new airport.

The development is anticipated to be the biggest airport project in the world and will be built in two phases. The first phase is spread over 56 square kilometres and includes two satellite buildings which will collectively be able to accommodate 120 million passengers annually, receive 100 A380 aircraft at any one time and will take between six and eight years to complete. More than its size, the new airport's uniqueness lies in a radically new approach to ensure that the latest technology and efficient processes will cut the time spent completing travel formalities and reduce walking distances, enabling passengers to make fast and efficient connections between hundreds of destinations worldwide.

With passenger traffic expected to reach almost 100 million at Dubai International by the end of 2020, the further development of DWC will be a vital step towards providing the necessary facilities to accommodate passenger and cargo growth in the decades ahead and pave the way for Emirates to relocate their intercontinental hub operations to DWC by the mid-2020s.

Paul Griffiths, CEO of Dubai Airports, thanked HH Sheikh Mohammed Bin Rashid Al Maktoum for his visionary support of the project, and described the new airport as a vital investment in the future of Dubai.

"Our future lies at DWC. The announcement of this AED120bn development of DWC is both timely and a strong endorsement of Dubai's aviation industry. With limited options for further growth at Dubai International, we are taking that next step to securing our future by building a brand new airport that will not only create the capacity we will need in the coming decades but also provide state of the art facilities that revolutionize the airport experience on an unprecedented scale," said Griffiths.



Dubai International Airport looking to take top spot

Dubai International is all set to reach the number one spot for international passenger traffic in 2014 after finishing second behind London Heathrow last year. Dubai International Airport has been creeping up the aviation traffic rankings for years, fuelled largely by the rapid expansion of hometown champion Emirates and its younger sibling, low-cost carrier FlyDubai. Both airlines and the airport are owned by the emirate's government. According to Airports Council International (ACI), Dubai International has handled 29.4 million international passengers between January 1 and August 26, up 9.1 per cent compared to the same period last year. London Heathrow has handled 26.4 million international passengers, up 2.2 per cent. The report, covering the past 12 months through March 2014, show that Dubai has beaten Heathrow for the crown of most international passenger traffic, It ended 2013 in second place behind the European hub.

Dubai has integrated a global travel and tourism product between airport and airlines, and created conditions for growth to benefit from the double-digit traffic opportunities from Africa, Asia and the Middle East.

Dubai International has had 34.6 million passengers pass through its gates since January, while Heathrow had 35.1 million. But 80 days of maintenance work on Dubai International's runways reduced the airport's traffic by 26 per cent over May and June. Carriers were diverted to Dubai World Central during this time. The runways reopened this past Monday.



This loss of traffic was partially offset by the move to bigger aircraft, as Emirates' growing use of its A380s increased the airport's number of passengers per aircraft. Despite the closure, Dubai International experienced a growth rate of 6.2 per cent year-on-year, while Heathrow posted a much more meagre rate of 1.2 per cent.



Opening new **Dubai luxury resort** in 2017

The growth in luxury hotel accommodation in Dubai's Jumeirah Beach Road shows no signs of abating with Mandarin Oriental confirming it will open a 200-room hotel in 2017.

Four Seasons is opening its resort in December, and having both five-star brands in close proximity will keep both operators and other high-end brands across the city on their toes, although Dubai shouldn't have too much problem accommodating their relatively small inventory (Four Seasons also has 200 rooms).

Mandarin Oriental Dubai will have 12 exclusive over-water villas, accessible via a private bridge, and each villa will have its own infinity edge pool and private swim platform. Design elements will be influenced "by the local area's culture and the group's oriental heritage".

The resort will be centred around a variety of infinity-edged pools leading down towards the beachfront, designed to blur the line between interior and exterior spaces with the extensive use of glass walls, shady cabanas and exterior landscaping.

Nine restaurants and bars will be on site including a signature pier-top restaurant with dedicated docking facilities, allowing for access by private yacht guests; a poolside restaurant; two bars including a sunset pier bar; lobby lounge and branded Cake Shop. The resort will also offer a variety of multi-purpose function rooms, including a 525sqm ballroom with glass walls opening onto a beachfront terrace – suitable for social and business events.

A large 2,800sqm spa will offer a range of treatments and contain 12 rooms, including three couples' suites and a private VIP suite with its own discreet entrance and thermal experiences. Further facilities include heat and water therapies, a vitality pool, indoor and outdoor pools and an extensive fitness centre. In addition, a dedicated Beach Club on Jumeirah Beach will provide a range of water sports activities.

The project is owned by Dubai Real Estate Corporation (DREC) and developed by Wasl Hospitality.

The new property will not be the first from Mandarin Oriental in the region; the group will also manage properties in Marrakech, Doha and Abu Dhabi – all of which are expected to open before the Dubai hotel.



Dubai SME unveils Hamdan innovation hub for start-ups

Dubai SME, the agency of the Department of Economic Development (DED) assigned to support and develop the small and medium enterprise (SME) sector, announced the launch of Hamdan Innovation Incubator (H2I), a complete support environment to stimulate and foster innovative entrepreneurial projects in the nation's youth, under the patronage of Shaikh Hamdan Bin Mohammad Bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council.

Dubai SME has a stand set-up at the Star Atrium in Dubai Mall. To present the Hamdan Innovation Incubator and its features to the public, Dubai Media Inc. (DMI) is the media partner of the stand, which will receive visitors from September 11 to 15.

Shaikh Hamdan, speaking on the importance of the initiative, said that H2I is a critical step in line with the goal of Dubai to promote creativity and entrepreneurship and the role of young Emiratis in the overall economic activity. He added that H2I would make a huge impact and stimulate a new movement towards sustainable growth and economic development.

Shaikh Hamdan also reaffirmed that Dubai would continue its ongoing focus and efforts in nurturing business and enabling the youth to translate their business ideas into viable projects. H2I will allow the innovative and enterprising young professionals to articulate their concept and then incubate, launch and grow it into a competitive business.

Spread over a 20,000 square-foot area in the Business Village in Deira, H2I will become the largest such hub for young and aspiring entrepreneurs in the region when it is officially launched in the last quarter of 2014. Youths and their start-ups will find it a complete ecosystem where they will have all the support in terms of knowledge, guidance and all other forms of support for the uninterrupted evolution and growth of their business concepts.

Dubai SME will build a diverse partnership network with businesses, universities, technology companies and varied institutions in order to identify, encourage and support business initiatives and the early stage development of start-ups. Innovative projects incubated at the centre will be patented and clients will have access to a high quality infrastructure.

H2I will specifically look at helping the youth and start-up firms navigate the challenge of early stage development with a suite of services that help identify and remove obstacles and bottlenecks and allow future entrepreneurs maintain their focus and move forward.



Setting up in Dubai World Central

About Dubai World Central:

The spirit of entrepreneurship and visionary foresight has been the hallmark of Dubai's meteoric rise as a preeminent global destination. From the creation of Port Rashid to the Dubai Metro, the emirate has a tradition of investing in its future and developing the infrastructure necessary to spark future growth and further diversification of its economy. Dubai World Central is a continuation of this legacy. The strategic underpinning of the master-planned development is based on three key factors: Dubai's geographic location, the increasing importance of airports and the region's booming aviation sector.

Dubai is a vital connection point between East and West. Facilitating the global flow of goods, services and ideas, Dubai's foreign trade amounted to USD 190 billion in 2011. Furthermore, its location positions it as gateway to the emerging MENASA (Middle East, North Africa and South Asia) markets, which have a cumulative GDP of USD 3.6 trillion (2009) and an estimated one-quarter of the world's population. DWC further cements Dubai's leading position as a logistics and trade hub. It takes advantage of Jebel Ali Port (the largest container port between Singapore and Rotterdam) and seamlessly connects it to Al Maktoum International Airport through the dedicated Dubai Logistics Corridor. This forms a single custom-bonded zone, reducing time on the ground and accelerating the flow of sea-to-air/air-to-sea cargo. With direct access to the major trans-emirate road networks, DWC is a true multimodal logistics platform providing unprecedented levels of connectivity, speed and efficiency.

In the recent years, the Middle East has emerged as the center of the global aviation industry. With powerful players such as Emirates, Etihad Airways and Qatar Airways breaking records and bucking industry trends with remarkable growth and ambitious expansion plans, the region is a key market for companies throughout the entire aviation supply chain. A dedicated aviation district has been designed with both landside and airside access to the Al Maktoum International Airport to capitalize on the opportunities. DWC is committed to creating a viable aviation industry cluster and encouraging the development of FBO's, MRO's, Manufacturers, education institutions, consulting and other aviation-related businesses to service and meet the growing demands of the region.

The key benefits of setting up business into DWC is as follows:-
100% Exemption from personal income tax, service tax, corporate tax, import and export tax, 100% foreign ownership, 100% repatriation of capital and profits, no currency restriction,

wide range of license activities, direct access to Al Maktoum International Airport, Flexible leasing facilities at competitive rates.

Today's businesses demand increasingly faster speeds of delivery and greater levels of connectivity. This is driving up demand for air transportation to the point that 35% of world trade by value (2010) now depends on it- a percentage that is sure to increase over time. Today, an airport is an economic catalyst and has expanded beyond traditional boundaries to encompass a larger urban development centered around it, forming an aerotropolis. Embracing the aerotropolis model, DWC is the result of a carefully designed, forward-looking master plan that sets the framework for Dubai's economic future.

- 1 Location : Dubai World Central, Dubai (U.A.E.)
- 2 Proposed activity : Trading/Service/Logistics/Industrial/ Educational activity
- 3 License available : General Trading License / Trading License/ Service License/ Logistics License/ Industrial License and Educational License
- 4 Types of entity : Free Zone Limited Liability Company & Branch office
- 5 Shareholder : Can be Individual or Corporate entity
- 6 Director : Individuals only (Minimum one. Shareholder can also be a Director)
- 7 Share capital : Minimum of AED 300,000/-, Each share of AED 1/- Not required for branch company
- 8 Audit : Annual audit report is not required to be filled
- 9 Estimated time : Minimum of 3 - 4 weeks to register and incorporate the company



10 Doc's required:

Shareholder: Individual

- a. Application form
- b. PP copy of shareholder/director/manager
- c. UAE residency visa page for above if applicable
- d. Board Resolution
- e. Power of Attorney
- f. Letter of authorisation



Shareholder: Corporate

- a. Application form
- b. For Foreign companies
Following doc's of corporate entity to be attested with UAE Consulate in country of corporate entity:

COI/MOA/AOA/POA/Board Resolution
Certificate of good standing (issued by the Registrar of Companies in which jurisdiction of the corporate entity is incorporated)- either original or notarised.

For UAE companies

Copy of valid trade license and commercial registration issued by Dubai Department of Economic Development for corporate entity

- c. PP copy of shareholder/director/manager
- d. UAE residency visa page for above if applicable
- e. Board Resolution
- f. Power of Attorney
- g. Letter of authorisation

Ajman Offshore

The Emirate of Ajman situated on the coast of the Arabian Gulf extending over a distance of 16 kms between Sharjah & Umm Al Quwain is located on the western coast of United Arab Emirates. It covers an area of 259 sq km and was formed by the Al Nuaimi tribe, well known for their bravery, courage and wisdom who migrated to this region from Oman around 1775.

Ajman Free Zone, established in 1988, was granted autonomous status under the Amiri decree no. 3 of 1996 issued by H.H. Sheik Humaid Bin Rashid Al Nuaimi, Ruler of Ajman. Ajman Free Zone Authority has been named as the sole regulatory agency for Free Zone in the Emirate.

The free zone authority introduced the registration & formation of Offshore Companies under Ajman Offshore Free Zone Offshore Companies Regulations of 2014.

Characteristics of an offshore company registered in the AFZA are as follows:

a. Shareholders

Minimum of one shareholder is required. Corporate shareholders are permitted. Shareholders will decide capital structure of the Company. Single class of shares permitted and bearer shares are not permitted.

b. Directors

A minimum of two directors are required and corporate directors are not permitted. Individual shareholder can be a director as well.

c. Secretary

Every company must have a secretary. Director can be a secretary as well.

d. Restrictions on Name & Activity

Names must end with Limited.

e. Local Requirements

Company must appoint an approved registered agent. A registered agent's office in the UAE can be used as the registered office of the offshore company.

f. Timescale

Registration of the AFZ Offshore will take approx. 3 days. Shareholders or their authorized attorneys need to visit in person to sign in presence of AFZA officials for incorporation of the company.

g. Annual Reporting

Every company is required to keep financial books and prepare auditor's reports within 3 months by the end of every financial year. These must be approved by the shareholders. The accounts / audit report however, do not need to be filed with the Authority.

h. Taxation

AFZA Offshore pays no taxes in UAE.

i. Confidentiality

Details of shareholders & directors need to be filed with authorities but are not available for public record.

j. Limitations

Ajman offshore cannot

- engage in any activities outside the Free Zone or carry out business with persons outside the Free Zone and within UAE (however permitted to deal with companies in Ajman Free Zone)
- have a physical office in UAE
- sponsor UAE residence visas for employees / directors / shareholder
- obtain tax residency certificate
- own more than 3 properties

k. Company Renewal

Renewals for AFZA Offshore companies falls every anniversary date of incorporation. Failure to do so result in penalties. In the event the company is not renewed within 6 months of the renewal due date, the company will be struck off from the registrar of the companies.

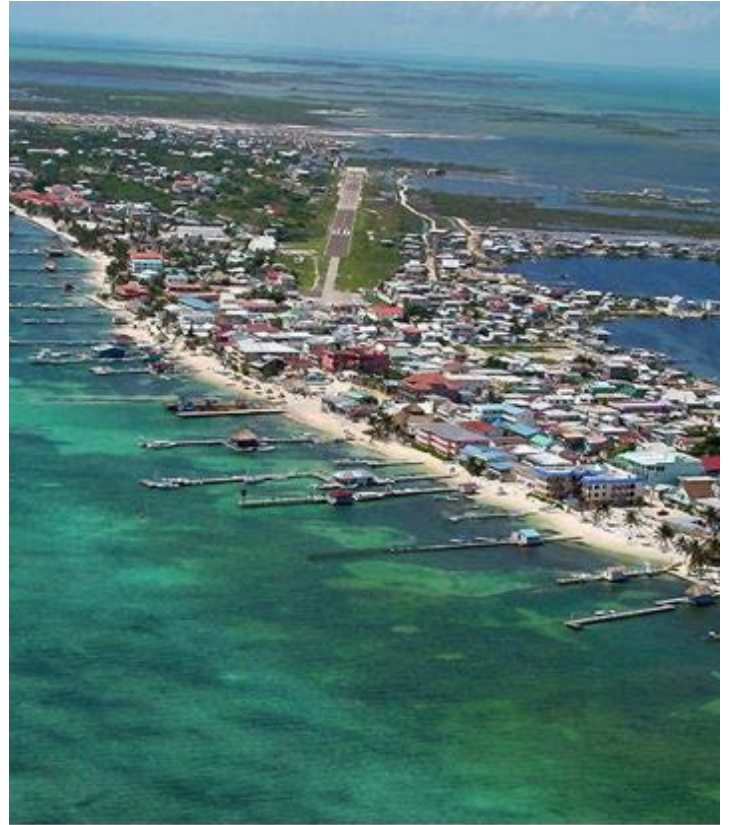
l. Documents Required

Individual's KYC Docs

1. Passport Copy (clear copy with clear photo)
2. UAE Visa Copy, if applicable
3. UAE Entry Stamp, if applicable
4. N.O.C. from UAE Sponsor, if applicable
5. Address Proof (original recent utility bill for residence)
6. Bank Reference letter (original)
7. CV / Profile

Corporate Shareholder's KYC to be attested upto UAE Ministry:

1. Certificate of Incorporation
2. Memorandum / Articles of Association
3. Board Resolution
4. Power of Attorney
5. Certificate of Incumbency



India – Most Attractive Investment Destination & Indian Real Estate poised to scale new highs

The new government has put India's real estate sector on the fast track to growth with a series of reforms making the country one of the most attractive investment destinations in the South Asian region.

Within three months of its new term, India's newly elected National Democratic Alliance (NDA), under the leadership of Prime Minister Narendra Modi, has given the country's economy – and its real estate sector – a much-needed boost for fast-track growth.

Firmly changing from the indecisiveness and policy paralysis of years, the new government has introduced a slew of reforms straight-away, paving the way for large-scale infrastructural and economic development, which is yielding benefits across India's real estate sector. The trickle of investments – both local as well as international – that began with a positive sentiment on election of the new government is turning into a torrent of investment activity, with the country's stock markets at an all-time high now and the real estate rates rising by 10-15 percent in the last quarter alone.

Primarily, two of the biggest initiatives for the real estate sector are allowing the entry of Real Estate Investment Trusts (REITs) and relaxing the bank rates. "The new government is taking right steps to introduce reforms required by the industry and is open to suggestions for positive changes.

A development centric union budget and relaxation in banking norms, the housing sector will grow," said C Shekar Reddy, national president of Confederation of Real Estate Developers' Associations of India, the apex body representing the country's real estate sector, adding that initiatives like bringing housing finance up to Rs 50 lakh (approx 83,000 USD) under priority sector lending and relaxing the Foreign Direct Investment (FDI) norms for real estate will act as catalysts for growth.

According to CBRE's recent Asia Pacific Investor Intentions Survey 2014, India is one of the priority markets for global real estate investors, particularly among Asian investors, ranking fifth-most attractive investment destination in the APAC region, behind China, Australia and Japan, with long-term growth factors such as the demographic dividend, and rising middle class shielding it from the ongoing volatility in financial markets.

With roadblocks like policy decisions and bureaucratic red-tape being cleared, both direct investors as well as private equity investors who tie up with developers are revisiting Indian realty with a vengeance.

The Indian economy is expected to grow faster, and investment activity is expected to rise as a result of anticipations of accelerated deals, mergers and acquisitions. "With global investor interest in BRICS markets and emerging economies set to increase too, clearly some of the BRICS nations, like India, continue to remain the key destination for funds and firms opting to grow their businesses off-shore," says Anshuman Magazine, chairman & managing director, CBRE South Asia.

Though India's housing sector is an attractive proposition for some investors, for the big-ticket foreign investors, it's the office real estate that holds big potential.

The Indian office sector in the top seven cities is currently valued at around USD 72 billion. Completed office space accounts for approximately USD 45 billion, while under-construction stock accounts for USD 27 billion. "In terms of area, completed A-grade office stock in the top seven cities is as high as 376 million square feet and is highly concentrated in Mumbai, Bangalore, Chennai and the NCR region, which together constitute more than 80 percent of the total area," says Shobhit Agarwal, Managing Director-Capital Markets, JLL India, adding that out of this A-grade office stock, nearly 45 percent is FDI compliant which, combined with higher rental yields, has made India an automatic choice for global investors.



Real Estate Sector Poised to Scale New Heights

India's real estate sector, which has been on a consistent upward trajectory over the past 20 years – barring the two blips in 1998 and 2008, looks poised to scale new heights in the years to come. "While the government will be driving the growth with its ambitious plan to provide housing for all by 2022 and developing 100 new smart cities, the private developers will find the environment conducive for new developments and creation of prime real estate for end-users and investors," said CBRE's Magazine, adding that the India story is an attractive proposition for foreign investors – both individually as well institutionally.

On a micro level, price movements in the real estate sector are the result of supply and demand and in a vast country like India, various markets display varying pricing dynamics. "The three parameters for successful investment in any asset class are when to invest, how much to invest and when to exit. In real estate, three additional variables are where to invest, into which size and configuration, and in which location," says Anuj Puri, chairman & country head, Jones Lang LaSalle India, adding that in the short term, residential real estate prices in different cities will either remain steady or see minor upward fluctuations. "In the long term, the rates will rise," says Puri, adding that the fundamentals of the India real estate story are extremely strong and India remains the cynosure of interest from investors who see the limitless potential of a young, growing economy and a wealth of highly trained workforces across the manufacturing, IT/ ITES and service industries. "All this translates into assured job creation, economic development and therefore demand for real estate, for years to come," says Puri.



Indian Inflation Slows

India's wholesale inflation rate plunged to 3.74% in August, the lowest in almost five years, aided by a sharp drop in vegetable and petrol prices, data released recently showed.

The more than one percentage point drop in wholesale inflation rates over July's 5.19%, should bring cheer to the NDA government that rode to a landslide election victory promising to bring down prices of essentials as part of its poll pledge to usher in 'Aachen din' (Good days).

It was also the lowest since 1.79% of October 2009, a period when demand for goods fell sharply battered by the worst global recession in 80 years.

Besides, with crude oil prices falling to two-year low of \$97 dollar a barrel, expect retail petrol and diesel prices to come down further.

Wholesale food inflation, a measure of how costly the platter has become, grew 5.15% compared to the previous month's 8.43%. Wholesale vegetable prices fell 4.88% in August on a year-on-year basis, while onion prices plunged 41%.

Prices of protein-rich food items such as pulses, milk, and fruits have risen faster than overall food prices growing at 7.81%, 12.18% and 20.31% in August.

As the tens of millions of people shift to higher standards of living, the focus is changing from basic needs of nutrition to such as rice and coarse grains to more aspirational protein-rich products, a trend that economists describe as structural inflation.

Manufactured products inflation—a broad index to gauge price movements of industrial goods—was only marginally lower at 3.45% in August compared to July's 3.67%, but significantly higher than last August's 2.31%.

In the current context, high manufactured products' inflation implies greater demand and sales of consumer and investment goods, mirroring revival signs in the Indian economy that is battling to claw out of a quarter-century slump.

RBI Governor Raghuram Rajan has made taming inflation one of its top priorities, despite business leaders clamouring for rate cuts.

Retail inflation eased in August to 7.8% year-on-year from 7.96% the previous month, data showed last week, although that is still above the central bank's target of 6% by 2016.

Industry leaders have been ratecutting up their demand for lower borrowing costs to assist investment plans, critical to spin jobs and multiply income.

Analysts, however, cautioned that the time to open the bubbly may be still far away as part of the fall in wholesale inflation, is also because of a high base effect—a statistical phenomenon that magnifies small changes, although the real fall may not be very large.

Every time the rupee depreciates by one rupee against the US dollar, the fuel subsidy bill bloats by Rs. 8000 crore is added to the fuel subsidy bill.

"It remains to be seen how agricultural produce prices move from here on and particularly in the October – November '14 period given the monsoon this year has been delayed and largely subdued.

We do not expect any change in RBI's policy stance later this month and thereby expect the repo rate to be status-quo at 8%," Care Ratings, a credit ratings agency, said in a research report.

Indian Budget

Indian government to promote FDI selectively in sectors.

The composite cap in the insurance sector to be increased up to 49% from 26% with full Indian Management and control through the FIPB route.

Requirement of the built up area and capital conditions for FDI to be reduced from 50,000 square metres to 20,000 square metres and from USD 10 millions to USD 5 million respectively for development of smart cities.

The manufacturing units to be allowed to sell its products through retail including E-commerce platforms.

Requirement to infuse Rs. 2,40,000 crore as equity by 2018 in our banks to be in line with Basel-III norms.

PSUs will invest through capital investment a total sum of Rs. 2,47,941 crores in the current financial year.

A sum of Rs, 7,060 crore is provided in the current fiscal for the project of developing "one hundred smart cities".

Production and exploitation of Coal Bed Methane reserves will be accelerated.

Uniform tax treatment for pension fund and mutual fund linked retirement plan.

Banks to be permitted to raise long term funds for lending to infrastructure sector with minimum regulatory pre-emption such as CRR, SLR and Priority Sector Lending (PSL).



On a Lighter Note

A doctor and a lawyer are talking at a party. Their conversation is constantly interrupted by people describing their ailments and asking the doctor for free medical advice. After an hour of this, the exasperated doctor asks the lawyer, "What do you do to stop people from asking you for legal advice when you're out of the office?" "I give it to them," replies the lawyer, "and then I send them a bill." The doctor is shocked, but agrees to give it a try. The next day, still feeling slightly guilty, the doctor prepares the bills. When he goes to place them in his mailbox, he finds a bill from the lawyer.

Man walking along a road in the countryside comes across a shepherd and a huge flock of sheep. Tells the shepherd, "I will bet you \$100 against one of your sheep that I can tell you the exact number in this flock." The shepherd thinks it over; it's a big flock so he takes the bet. "973," says the man. The shepherd is astonished, because that is exactly right. Says "OK, I'm a man of my word, take an animal." Man picks one up and begins to walk away.

"Wait," cries the shepherd, "Let me have a chance to get even. Double or nothing that I can guess your exact occupation." Man says sure. "You are an economist for a government think tank," says the shepherd. "Amazing!" responds the man, "You are exactly right! But tell me, how did you deduce that?" "Well," says the shepherd, "put down my dog and I will tell you.

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The firm excels in offering accounting, audit services that include: statutory, internal and management audit and a host of consultancy services. It offers professional guidance that leverages formalities needed to set up businesses in the industrial, trade or services sector either offshore, local, or in any of the free zones in the UAE.

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