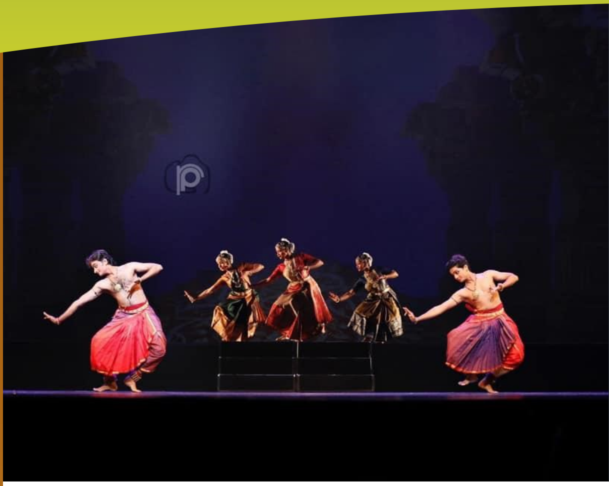
ISSUE
260
15 April 2019
FORTNIGHTLY
BIZ E– NEWSLETTER

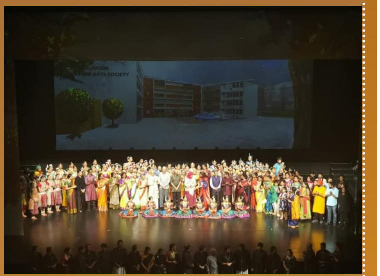
India Focus



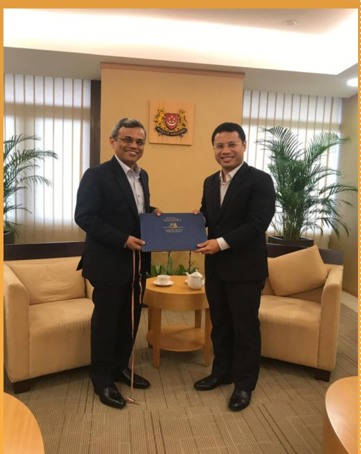
this issue

SIDELINES

High Commissioner joined President HE Mdm Halimah Yacob for Natya Yatra, showcasing 100 years of Indian Classical Dance in Singapore, as a part of 70th Anniversary Festival of Singapore Indian Fine Arts Society SIFAS



High Commissioner called on Minister Desmond Lee



TOP NEWS

India to grow at 7.3% in 2019 and 7.5% in 2020: IMF

PTI: April 10, 2019

Washington: India is projected to grow at 7.3 per cent in 2019 and 7.5 per cent in 2020, supported by the continued recovery of investment and robust consumption, thus remaining the fastest growing major economy of the world, according to the IMF.

In 2018, India's growth rate was 7.1 per cent, as against China's 6.6 per cent. In 2019, the International Monetary Fund (IMF) projected a growth rate of 6.3 per cent for China and 6.1 per cent in 2020, according to the latest World Economic Outlook projections released ahead of the annual spring meetings of the International Monetary Fund and the World Bank.

"In India, growth is projected to pick up to 7.3 per cent in 2019 and 7.5 per cent in 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy, the report said.

"Nevertheless, reflecting the recent revision to the national account statistics that indicated somewhat softer underlying momentum, growth forecast have been revised downward compared with the October 2018 WEO by 0.1 percentage point for 2019 and 0.2 percentage point for 2020, respectively," it said.

Growth in India, the report said, is expected to stabilise at just under 7 per cent over the medium term, based on continued implementation of structural reforms and easing of infrastructure bottlenecks.

The World Economic Outlook believes that in India, continued implementation of structural and financial sector reforms with efforts to reduce public debt remain essential to secure the economy's growth prospects.

"In the near term, continued fiscal consolidation is needed to bring down India's elevated public debt. This should be supported by strengthening goods and services tax compliance and further reducing subsidies, it said.

Important steps have been taken to strengthen financial sector balance sheets, including through accelerated resolution of non-performing assets under a simplified bankruptcy framework, it noted.

"These efforts should be reinforced by enhancing governance of public sector banks. Reforms to hiring and dismissal regulations would help incentivise job creation and absorb the country's large demographic dividend; efforts should also be enhanced on land reform to facilitate and expedite infrastructure development, the report said.

On the other hand, economic growth in China, despite fiscal stimulus and no further increase in tariffs from the US relative to those in force as of September 2018, is projected to slow on an annualised basis in 2019 and 2020.

This reflects weaker underlying growth in 2018, especially in the second half, and the impact of lingering trade tensions with the United States, the IMF said.

India to be third largest economy by 2030: Jaitley

PTI: April 08, 2019

New Delhi: Finance Minister Arun Jaitley on Saturday said India is expected to become the third largest economy in the world by 2030 with GDP touching USD 10 trillion, helped by consumption and investment growth.

Currently, the size of the Indian economy is about USD 2.9 trillion, he said while addressing students of the Shri Ram College of Commerce here.

"We keep oscillating between fifth and the sixth largest economy, depending on the dollar rate. As we look at the years ahead, we would be USD 5 trillion by 2024 and USD 10 trillion by 2030 or 2031.

"That's when we will be amongst first three - US, China and India and then of course, we would in the rat race of the big three wanting to catch up with much mightier competitors. So the sheer size and opportunities is going to expand," he said.

Talking about avenues of growth for the next 20 years, the finance minister listed infrastructure creation, rural expansion and gender parity, among others.

Jaitley, himself an alumnus of the college, said the 2011 Census showed that 21.9 per cent of India's population lived below the poverty line (BPL) and with the present rate of growth, this might have further reduced to 17 per cent today.

It should shrink to 15 per cent by 2021 and further down to single digits by 2024-25, he said.

At the same time, the middle class population would increase to 44 per cent from 29 per cent in 2015, he said citing a study.

"Therefore as you look ahead you would see poverty deplete, you will see an exponential growth of middle class and probably by 2030 almost half of India would be in that category (middle class)," he said.

"Going by the data, the size of India middle class would be four times the size of BPL when 2024 general elections takes place and therefore we have to see (whether) public discourse is still behind the curve or it takes the curve further," he said.

So, consumption will get a boost with rising number of middle class, he said, adding that infrastructure creation, both rural and urban, would also help accelerate the growth process.

He also said some sectors like infrastructure and railways need further fillip.

Govt meets fiscal deficit target of 3.4 pc for FY'19

PTI: April 10, 2019

New Delhi: The government has managed to meet the revised fiscal deficit target of 3.4 per cent of the GDP after it cut last minute expenditure and rolled over fuel subsidies to make up for the shortfall in tax collection.

The interim Budget presented in February revised upward the fiscal deficit target to 3.4 per cent from 3.3 per cent of GDP estimated earlier for 2018-19.

According to sources, the revised target has been met with the help of expenditure savings and other measures including the rollover of the fuel subsidy. As a result, the shortfall in tax collection has been matched.

There has also been some increase in non-tax revenue collection, especially on account of disinvestment proceeds.

About Rs 25,000-30,000 crore worth of subsidies due to PSU oil companies for selling LPG and kerosene oil below the cost during 2018-19 have been rolled over and will now be paid in the current fiscal.

Last week, Finance Secretary Subhash Chandra Garg said the government is close to meeting fiscal deficit target of 3.4 per cent for 2018-19.

"We are very close to meeting (fiscal deficit)," he had said when asked whether the government has met the fiscal deficit target.

The government is estimated to have witnessed a shortfall of Rs 50,000 crore in direct tax collection target of Rs 12 lakh crore for 2018-19, a senior finance ministry official said.

The government had revised the direct tax collection target upwards to Rs 12 lakh crore from the original Budget Estimate of Rs 11.5 lakh crore for 2018-19. It was expecting higher collections from corporate taxes.

The revision was made during the interim Budget for 2019-20 in February.

As far as non-tax revenue collection is concerned, the government has exceeded its disinvestment target for 2018-19 by Rs 5,000 crore, taking the total proceeds to Rs 85,000 crore.

Besides, the non-tax revenue was boosted by the second interim dividend collection from various companies including Coal India, IOC and ONGC.

Indian MSMEs can create 1 crore jobs in 4-5 years: Report

PTI: April 10, 2019

New Delhi: India's MSME sector has the potential to create up to 1 crore new jobs in the next 4-5 years by focusing on developing the enterprises in certain segments through partial substitution of imports, a report has said.

The report by Nomura Research Institute (NRI Consulting & Solutions) on the country's micro, small and medium enterprises (MSMEs) said dedicated focus on developing MSMEs in select segments can create additional 75 lakh to 1 crore employment opportunities in the next 4-5 years through partial substitution of imports.

The manufacturing sector in India needs to shoulder the dual responsibility of accommodating the shift of labour from agriculture, and also cater to the added labour force, the report said.

As per the annual report 2017-18 of the Ministry of MSME, the sector contributed around 3.6 crore jobs (70 per cent) in the manufacturing sector. MSMEs are spread across various clusters in India.

A detailed look into the product groups manufactured in various clusters such as artificial jewellery, sports goods, scientific instruments, textile machinery, electric fans, rubber, plastic, leather & related products, among others, suggests that a dedicated focus on developing these MSMEs can create additional job opportunities, the report said.

Ashim Sharma, partner and group head at NRI Consulting & Solutions, said the manufacturing ecosystem is constantly evolving under the influence of several trends around changing consumer behaviour and technological shifts happening across the globe.

"This puts India's domestic micro and small-scale industries into the driver's seat to lead the employment generation. To scale-up, the MSME sector needs a market-oriented strategy based on two key areas of demand led manufacturing and advocacy marketing of the products," Sharma said.

NRI Consulting & Solutions is a Japan-based consulting firm with a strong footprint in Asia.

Steady GDP growth, low inflation have left economy in good shape

Business Standard: April 03, 2019

New Delhi: The assessment of Narendra Modi's five- year term has got entangled with the "cooling off in major economies" as rating agency S&P puts it, that has happened in the final year of this government.

The Modi government has scored an average 7.5 per cent growth of GDP annually during its term (see chart). Even though there are controversies about the exact numbers, most economists are agreed that the trend is upwards.

This point was taken up by some of the economists the NITI Aayog invited for a meeting in New Delhi last week who said they wanted the government to do more to make the economy grow at its full potential. The meeting was meant to chalk out a growth strategy for the new government that will take over in June.

"The economic score card is quite good, except for lagging reforms in the public sector," said Sumit Bose, vice chairman, National Institute of Public Finance and Policy (NIPFP). Bose ticks off overall GDP growth, maintaining soft prices, and the increased use of Aadhaar for delivery of cash support as some of the positives for this government.

This is also the verdict of the markets. Both the stock market and currency indices have begun to show confidence in the economy, despite the mounting global headwinds of trade and the running out of QE-led expansion in the US economy. Aditya Birla Capital noted in its report on Indian markets that the Nifty was 'charting an adventure without fear of drowning this time'.

The S&P Economic Snapshot of Asia-Pacific is also confident that while '(economic) activity in India remains uneven, policies should lift growth a touch over coming quarters'.

The pluses for the government are the management of inflation and government finance. As former RBI Governor Raghuram Rajan has often pointed out, inflation robs the earnings of the poor and just about anyone with a fixed income. "Inflation is the silent killer because it eats into pensioners' principal, even while they are deluded by high nominal interest rates into thinking they are getting an adequate return".

The Modi government has handled inflation far better than any government in the past two decades. The Vajpayee government had a similar record but it scored when the global, especially the Asian economies, were in the doldrums. The sustained rise in inflation was one of the chief reasons for discontent in the two terms of the Manmohan Singh government.

The Modi government's inflation numbers are one reason why it has not faced anything more than sporadic protests on the streets. Had they been bad, they could have conjoined with other issues to make life difficult for the government.

The softness of prices has been most visible in manufactured items and food. Of course, this has led to severe problems for the agricultural sector as farmers have battled weak price recovery and consequent low income in the process.

The prices are expected to recover soon, as an Axis Bank note by senior vice president Saugata Bhattacharya points out: "Our projections do indicate that inflation will average 3 per cent in Q4 FY19 and 4.1 per cent in FY20, i.e., close to the inflation target."

The soft prices have helped the NDA keep its housekeeping neat. The government has got away without having to offer any significant tax cut or cut in non-productive expenditure like subsidies, except oil. Previous governments have continuously wrestled with this conundrum, keeping the fiscal deficit numbers up.

As the table shows, Finance Minister Arun Jaitley has come closest to the fiscal deficit targets, something that no other government has managed to rival despite expanded income support and other programmes.

But the cost has been capital spend. One of the critical investment plans of this government has been the reform of the state electricity distribution companies through the Ujjwal Discom Assurance Yojana scheme to turn them around financially. It has shown little progress. Government data shows that within five months of 2019-20, their dues to generating companies rose by 60 per cent to ~26,500 crore.

Telecom investment was another area where the returns could have been very high. "Our reports show that investment in this sector has a disproportionate (beneficial) impact on state level GDP," said Rajat Kathuria, director, ICRIER. Bose agrees. "Last year's performance of the economy has been marred by handouts like income support and debt waivers and the consequent need to force public sector units to financially support the government fisc," said Bose.

The NDA government has compensated by pulling up the gross tax to GDP ratio to close to 12 per cent. The fiscal policy statement estimates the number to touch 12.2 per cent by 2021-22. The numbers had slipped to 10 per cent a decade ago (2009-10).

"A caveat here", said N R Bhanumurthy, professor at NIPFP, "is that the GDP numbers themselves have come under scrutiny. So the percentages may not be quite comparable".

A better metric to assess the government's performance is the introduction of the goods and services tax that has now settled down with simpler and wider coverage.

As the movements in the rupee and the stock markets show, the economy has built up steam in the last five years. The expectation is that it will speed up now.

India develops pan nation electricity mobile app for ensuring 24X7 supply

Livemint: April 11, 2019

New Delhi: In what will help ensure round-the-clock electricity across India, the union government has developed a crowd sourcing mobile app for accessing real time consumer feedback on quality and availability of power from across the country.

This comes in the backdrop of a need for data integrity, with many a states claiming to have achieved 24X7 power for all, despite outages. Electricity availability has been a contentious issue as India goes to polls for the 17th Lok Sabha.

The app named Jagruk or 'aware' developed by the National Informatics Centre (NIC) will also have an automatic mode wherein electricity supply data will be collected during the charging of the phone. The pilot project for the app will shortly be launched in all the union territories and the states such as Odisha, Uttarakhand, Assam and Bihar.

"This is a huge step. A meeting was held on 5

April wherein it was decided to work towards the roll-out of the pilot project. Some states did express some reservations but finally came around to the idea," said a government official requesting anonymity.

According to documents reviewed by Mint, through the app the consumers will be able to report power outages and its location, with the information being shared with the state electricity utilities, state and union governments and the even the district magistrate for follow-up action. The plan also involves incentivising Common Service Centres (CSCs), Asha workers, Bank Mitra's and Gram Panchayats for providing feedback from the rural areas.

"Given that there may be a problem of crowd sourcing in the rural areas, the plan may also involve CSCs, Asha workers, Bank Mitra's and Gram Panchayats by incentivising them for providing feedback," said the government official quoted above.

With electricity being on the concurrent list, it is for states to ensure quality, reliable and affordable electricity to consumers. All states and union territories had inked memorandum of understandings providing details of the 'Power for All' road map. Interestingly, of India's installed capacity of 349 gigawatts (GW), the peak demand is only 177GW.

"Many states/UTs have now claimed to have achieved Power for All 24X7 to all consumers. In the absence of any specified monitoring mechanism for 24X7 power supply to all consumers, it is felt that the general public being the ultimate consumers of electricity, their feedback through crowd sourcing mobile app for getting real time feedback from the consumers for improving availability and quality of 24X7 power supply," said a document reviewed by Mint.

The National Democratic Alliance (NDA) government's plan to provide "24X7 clean and affordable power for all" by March 2019 has been a mixed bag. While all states claim to be providing round-the-clock electricity to urban consumers, the same is not the case for rural consumers.

A power ministry spokesperson declined comment.

According to the union government, the hours of power supplied to agriculture sector will be as per state's policies to reduce water wastage and prevent over exploitation ground water resources.

Mint reported on 26 February about 13 states supplying round-the-clock electricity to consumers citing indicative feeder monitoring data. These states include Gujarat, Himachal Pradesh, Kerala, Tamil Nadu, Telangana, West Bengal, Punjab, Goa, Andhra Pradesh, Madhya Pradesh, Maharashtra, Tripura and Uttarakhand. Also all union territories have been supplying 24x7 power to urban and rural consumers. In addition, nine states have been supplying 24x7 power to urban consumers.

MARKETS

FPIs stay bullish on India, pour in Rs 11,096 cr in April so far

PTI: April 15, 2019

New Delhi: Foreign investors have pumped in a net sum of Rs 11,096 crore into the Indian capital markets in April so far, driven by global and domestic factors.

Foreign portfolio investors (FPI) were net buyers for the previous two months as well, infusing a net sum of Rs 11,182 crore in February and Rs 45,981 crore in March.

Prior to that, FPIs had pulled out a net Rs 5,360 crore from the capital markets (both equity and debt) in January.

As per depositories data, FPIs invested a net amount of Rs 13,308.78 crore in equities and pulled out Rs 2,212.08 crore from the debt segment during April 1-12, taking the total net investment to Rs 11,096.70 crore.

"We are seeing this positive rally since February largely due to the rising confidence in having a stable government post elections. The fear of economic slowdown in the developed world has increased prospects of foreign money in the Indian market," said Harsh Jain, COO at Groww.

A dovish stance by central banks globally has also contributed to this trend, analysts said.

"The foreign inflows since February are due to the shift in stance on monetary policy outlook by various central banks globally. This along with expectation of a positive outcome from the US-China trade agreement bolstered the risk-on sentiments among foreign investors," said Himanshu Srivastava, senior research analyst, manager research at Morningstar.

However, India is not the only country benefitting from the global factors as the trend is similar in other emerging markets as well. India is in the midst of general elections and any surprise on the political or economic growth front could potentially reverse the ongoing trend, he added.

PE/VC investments in AI space grows five-fold to US$ 359 million in FY19

Business Standard: April 15, 2019

Private equity/venture capital investments in the Artificial Intelligence (AI) segment in the country grew over fivefold in 2018-19, to $359 million (nearly Rs 25,000 crore) from $63 mn (Rs 440 crore) in FY18.
Led by one of $140 million in September 2018 by Mithril Capital, Blume Ventures, Tiger Global and others into Grey Orange Robotics. According to data from research firm Venture Intelligence, there were 38 such deals in FY19, compared to 25 the previous year. In 2016-17, investment into AI totalled $50 million via 19 deals; the year before, $51 million in 13 deals.
Founded in 2011 by Samay Kohli and Akash Gupta, GreyOrange is a global leader in AI-powered robotics systems, for flexible automation across fulfillment centers in the supply chain. Other top deals during the year included Wavemaker Partners, Denso Corporate Ventures, Vertex and others investing $65 million in semi conductor firm ThinCI, in September 2018. Jungle Ventures, SoftBank Corp and others put $30 million in enterprise software firm Engineer.ai in November 2018. Rocketship.VC, Sequoia Capital India and others invested $20 million in enterprise software firm Mad Street Den in September 2018. SBI Venture Capital invested $15 million into robotic process automation firm AntWorks in July 2018.
The tremendous growth in AI interest from investors is expected to grow. They note the potential it offers in the market, in the retailing, e-commerce, health care, travel, banking and logistics sectors, among others. Experts say big companies are also tapping into the technology to prepare for the future.
AI has, according to an Accenture analysis in 2017, the potential to add $957 billion or 15 per cent of the then gross value added, to India's economy in 2035, compared to a scenario without AI. However, to avoid missing this opportunity, policy makers and business leaders must prepare for, and work toward, an AI revolution, it said. It recommends an innovative private sector, with a supportive policy and regulatory framework.
The Union government's Budget for 2018-19, mandated the NITI Aayog to establish a national programme on AI, aimed to guide research and development in new and emerging technologies. Last June, the Aayog issued a report on a national strategy for the sector.
In the interim Budget announced this February, it was announced that the government would launch a national programme. This was to be catalysed by the establishment of a National Centre on AI as a hub, along with Centres of Excellence. Nine priority areas were identified and plans to develop a National AI portal announced.
NITI Aayog says AI could address societal needs in five sectors – for affordable access to quality health care, enhanced farmers' income and increased farm productivity, improved access and quality of education, connectivity for the growing urban population, and smart mobility and transportation. It also identified lack of expertiese in research and application of AI and the absence of enabling data eco-systems such as access to intelligent data, privacy and security.
Apart from funding, a major challenge is the availability of adequate skiled personnel, say experts from the education sector. The All India Council for Technical Education has added AI, the Internet of Things and Machine Learning among mandatory studies in some of the higher education programmes. Increased demand for products and services can attract more investment towards research and development, says iNurture Educatiion Solutions, a Bengaluru-based company working on enabling career-ready formal higher education.

Indian cos' foreign investment rises 18 pc to USD 2.69 bn in Mar

PTI: April 12, 2019

Mumbai: Foreign investment of Indian companies grew 18 per cent to USD 2.69 billion in March as compared to the year-ago period, according to an RBI data.
The domestic firms made investment of USD 2.28 billion in their subsidiaries and wholly-owned units abroad during March 2018.
In February 2019, the investment by Indian firms stood at USD 1.71 billion, the Reserve Bank data on outward foreign direct investment showed.
Of the total investment overseas in March this

year, USD 1.68 billion was in the form of loan, USD 564.97 million as equity while the rest USD 443.71 million was in the form of issuance of guarantee.
Major investors included Tata Steel, which pumped USD 1.15 billion in a subsidiary in Singapore. This was followed by JSW Cement (USD 82 million in a wholly-owned subsidiary in the UAE) and ONGC Videsh Ltd (USD 70.37 million in various joint ventures in Myanmar, Russia and Vietnam).

Best start to financial year for the primary market in three years

Business Standard: April 11, 2019

New Delhi: The financial year 2019–20 (FY20) has seen the best start for the primary market in the last three years, with the initial public offers (IPOs) of Metropolis Healthcare and Polycab India raising Rs 2,550 crore on the back of strong response from institutional investors.
The fund mobilisation in April 2019 is highest in the last nine months, since July 2018, when two companies had raised Rs 3,925 crore from the primary market. In April last year, not a single company hit the market to raise funds via this route, while in April 2017, S Chand & Company -- the sole IPO -- had raised Rs 728 crore.
As regards the recent offers, qualified institutional buyers (QIBs) quota in Polycab India was over-subscribed by a whopping 92 times, while that in Metropolis Healthcare by 9 times, exchange data shows.
Analysts attribute this to a renewed buying interest by foreign portfolio investors (FPIs) in the secondary market, which saw the S&P BSE Sensex and the Nifty50 hit their respective new lifetime highs last week. In the past month alone, both these indices have rallied 6 per cent and 5 per cent, respectively. FPIs have pumped in net Rs 38,018 crore ($5.5 billion) during this period.
"Investors will lap up issues that are attractively priced, have a good business model and clean management. Things have been improving for such companies mid-and small-cap market segment in the secondary market and such companies are also finding takers in the primary market as well," said G Chokkalingam, founder and managing director at Equinomics Research.
Going ahead, experts say, the fundraising trend in the primary market will depend on how the secondary market performs in the backdrop of the outcome of general elections and global cues.
Pranav Haldea, managing director at PRIME Database, for instance, believes that election outcome will have a direct bearing on fundraising plans of companies. According to him, if the elections throw up a fractured mandate, companies are likely to allow their approval to lapse. A stable government, on the other hand, could see a flurry of IPOs get launched.
There are 64 companies that have Securities and Exchange Board of India's (Sebi) approval to raise over Rs 63,000 crore and another eight wanting to raise about Rs 7,600 crore and are awaiting regulatory approval, data shows.
"This pipeline can vanish quickly in case markets are volatile and a bearish sentiment prevails. Already in 2018-19, nine companies that were to collectively raise Rs 6,495 crore, let their Sebi approval lapse despite approvals being valid for a period of one year and after having incurred a lot of time and cost," Haldea said.
The financial year 2018-19 (FY19) saw fundraising through IPOs drop by a huge 81 per cent to Rs 16,294 crore from Rs 83,767 crore in the previous financial year. The response to IPOs was further affected by the poor listing performance of IPOs of the year.
Munish Aggarwal, director (capital markets) at Equirus Capital, too, believes the fundraising activity in the primary market could slow in case the elections were to spring a surprise.
"The secondary markets are factoring in a stable government at the Centre. In case of a surprise, the benchmark indices will correct. As a result, the primary market activity too will slow and wait for the secondary markets to stabilise," he says.

BUSINESS

NIIF, Roadis tie up for US$ 2 billion road investment platform

Livemint: April 03, 2019

Mumbai: Infrastructure investment company Roadis and the National Investment and Infrastructure Fund (NIIF) have announced the creation of a platform that will invest in road projects in India.
The platform will invest up to $2 billion of equity to target toll-operate-transfer models, acquisition

of existing road concessions and investment opportunities in the road sector with the aim of creating a large roads platform in the country, the companies said in a press release.
With 710 km of highways under ownership and management, Roadis is a wholly owned subsidiary of the Public Sector Pension Investment Board (PSP Investments), one of Canada's largest pension funds. NIIF is a fund manager that invests in infrastructure and related sectors in India, anchored by the government of India.
In 2018, the central government introduced the toll-operate-transfer model for national highways as part of its efforts to monetise public infrastructure and build new assets under programmes such as Bharatmala. The first round of TOT auctions was hugely successful, where the winning bidder Macquarie bid 9,681 crore against the NHAI's expectation of 6,258 crore for 700km of national highways. However, the second round of auctions, for 586km of highways, had to be cancelled after the highest bid was 14% below the NHAI's expectation of 5,362 crore.
Roadis-NIIF had bid jointly in the first round of auctions.
José Antonio Labarra, CEO, Roadis, said, "This agreement, which aligns with our growth strategy, strengthens our long-term commitment to India. NIIF is a partner that perfectly fits our profile given its commitment to infrastructure investment and the robust governance standards it follows".
Sujoy Bose, MD & CEO, NIIF, said, "The Indian road sector has attracted significant global capital over the last two decades and will continue to offer large investment opportunities. The road network is a key enabler for the Indian economy to grow and sustain its position as the fastest growing major economy in the world, and this provides significant upside potential for investments, while creating value for users."

India to be among top-10 media markets by 2021: Study

PTI: April 01, 2019

New Delhi: India is expected to be among the top -10 entertainment and media markets globally by 2021 in terms of absolute numbers, according to a joint study by ASSOCHAM-PwC.
The country's per capita media and entertainment spending is likely to be capped at USD 32 or Rs 2,080 by 2021, the study noted.
By some estimates, India is among the fastest growing OTT markets in the world and will be one of the top-10 by 2022, it said.
The market size is expected to reach USD 52.68 billion in 2022 from USD 30.36 billion in 2017, it claimed.
"It (India) is set to be in the top 10 entertainment and media markets globally by 2021 in terms of absolute numbers," the study said.
It attributed growth of OTT content to increasing penetration of smartphones in the country and continuous rise in data consumption.
The OTT market (transactional video on demand and subscription video on demand) is set to grow at a compounded annual growth rate (CAGR) of 10.1 per cent during the period 2017-2022.
"During the same period in India, the segment is expected to grow from USD 297 million to USD 823 million in 2022 at a CAGR of 22.6 per cent. With increasing smartphone penetration and lower data tariffs, VoD is showing promising growth," the report said.
Globally, the industry has recently witnessed a shift in focus from content and distribution to user experience.
"India's per capita media and entertainment spend will be capped at USD 32 (about Rs 2,080) by 2021. The spend is much lower than that of China, which will stand at USD 222 (Rs 14,430) for the same period, and that of the USA, which will have the highest spend at USD 2,260 USD (Rs 1.46 lakh)," the study said.
The large number of choices in the video-on-demand segment has spoilt consumers in India, the study noted.
"Hotstar has had a first-mover advantage in the OTT space in India. Other top players in the OTT ecosystem include Voot, SonyLIV, Netflix, Amazon Prime, Eros Now and ALTBalaji. Start-ups such as Arre and YuppTV are an additional presence," it added.
In India OTT players, including Hotstar, Amazon Prime and Eros Now, are not only competing among themselves but also also with DTH players and other means.
"With increasing traffic in metro cities, the time spent on viewing videos is also on the rise. Cab aggregators, such as Ola, have installed tablets inside their cabs with a wide range of curated content for passengers at no additional cost," the report said.

India's cloud market to cross US$ 7 bn by 2022: Nasscom

PTI: April 03, 2019

New Delhi: Growing adoption of Big Data, analytics, artificial intelligence and Internet of Things is expected to push cloud market in India to grow 3-fold to USD 7.1 billion by 2022, a report by Nasscom said Tuesday.

The report titled 'Cloud Next Wave of Growth in India', prepared with Google Cloud and Deloitte Touche Tohmatsu India LLP, said cloud spending in 2018 was estimated to be about six per cent of the total IT spending.

Indian infrastructure as a service (IaaS) spending was estimated to be about USD 1 billion in 2018, and is forecast to grow at 25 per cent per annum to reach USD 2.3 2.4 billion in 2022.

Factors that can drive the IaaS uptake in India are improved infrastructure, economic benefits, increased innovation, vibrant startup and connected ecosystem, the report said.

The Indian software as a service (SaaS) market, on the other hand, is expected to grow at 36 per cent per annum and touch USD 3.3-3.4 billion by 2022. This boost is expected on the back of lower cost of workforce, abundant talent availability, mature sales eco-system, adoption of newer technologies like AI and machine learning to build products.

Globally, the cloud spending on IT is growing at 16.5 per cent (CAGR) and is expected to touch USD 345 billion by 2022.

To accelerate the cloud growth momentum in India in the right strategic direction, the report recommended that the Indian government set out tangible time-bound targets for cloud and a sharper focus on the multitude of other infrastructural and operational factors (reliable power, sustainable land regulations, and high-speed connectivity).

"India's cloud computing market is poised for growth and, the technology is increasingly being embraced across businesses as well as consumers. Complementing the ecosystem are the futuristic technologies such as AI, ML, advanced analytics and immersive media that are aiding in the seamless adoption of SaaS, IaaS and PaaS offerings," Nasscom President Debjani Ghosh said.

She added that to bolster India's cloud market story, there is a need to exercise innovation.

"Innovation to reduce the cost of services and thus, a wider usage of cloud. This report will be a ready reckoner for all to understand the imminent need for Cloud and the underlying opportunities," Ghosh said.

START UP SNIPPETS

Startup Fundings

- **OYO**: Gurugram-headquartered hospitality unicorn OYO has raised nearly $200 Mn as part of its Series E round from US-based multinational hospitality company Airbnb. The two companies have also signed a strategic partnership and are looking to collaborate on multiple projects, one of them being Airbnb listing OYO's properties on its platform
- **1MG**: Gurugram-headquartered epharmacy startup 1MG has raised $45.4 Mn (INR 314 Cr) in a funding round raised between December 2018 and March 2019. The round has been led by investors including — Corsiol Holding, AG's subsidiary KWE Beteiligungen, Redwood Global, among others. 1MG's existing investors — Sequoia Capital, Kae Capital and HBM Healthcare Investments also participated in this round of funding, MCA filings accessed by Inc42 showed. With these two rounds combined the company has secured close to $60 Mn in the last one year.
- **BharatPe**: Delhi-based fintech startup BharatPe has raised $15.5 Mn in Series A funding from Insight Partners, Sequoia, and Beenext. The company said it will use the funds to scale their operations.
- **Thekabadiwala**: Bhopal-based startup Thekabadiwala raised $433K (INR 3 Cr) of equity funding from early-stage investors, HNIs and senior industry professionals. Among the investors include Naveen Reddy, Supply Chain Director, Unilever, Bhushan Gajaria, founder of Beehive Capital Advisors, Bharat Mandloi of Singapore-based ABCOM Investments, Suresh Parekh of Parekh Marine Transport, and angel investor Vishal Thaker. The capital raised will be deployed to upgrade its technology, strengthen its presence across several cities and for organic & inorganic growth. It also plans to venture into e-waste recycling in the forthcoming future.

- **Nykaa**: Mumbai-based fashion and beauty ecommerce platform, Nykaa, has raised $14 Mn (INR 100 Cr) funding from an American private equity firm TPG Growth. This new round brings the company's total funding to $93.02 Mn till date.
- **Little Black Book (LBB)**: Delhi-headquartered digital media platform Little Black Book (LBB), has raised $5 Mn (INR 34.4 Cr) in Series A funding round, led by Inventus India and IAN Fund. Investors from Japan such as Dream Incubator and Akatsuki Entertainment Technology (AET) Fund, and existing investors Blume Ventures, and Chiratae Ventures also participated in the round. The fresh funds will be utilised to expand the technology and product team, with a focus on machine learning (ML) for discovery, and integration of content with commerce.
- **Setu**: Bengaluru-based financial services startup Setu raised$3.5 Mn in a seed round led by Lightspeed India Partners. IIM Ahmedabad's initiative Bharat Inclusion Seed Fund had also participated in this round. The startup plans to use the funds to build a technology layer over the banking system to help the fintech players provide better services to its customers.
- **ShoeKonnect**: Info Edge India invested around $1 Mn in ShoeKonnect, a B2B marketplace for the footwear industry. The fund will be deployed for scaling the business. Post this deal, Naukri.com will hold 30% in ShoeKonnect and is now valued at INR 80 Cr.
- **Eduvanz**: Mumbai-based fintech lending startup Eduvanz Financing raised $2 Mn (about INR 13 Cr) from Unitus Ventures and the Michael and Susan Dell Foundation. The capital from this round will be used to strengthen its technology and expand its lending operations.
- **SigTuple**: Bengaluru-based healthtech startup SigTupleraised $16 Mn in its Series C funding round led by Trusted Insights, with participation from Accel Partners, Chiratae Ventures, Pi Ventures, Binny Bansal, and Trifecta Capital. As part of the deal, Binny Bansal will join the board of the company. The company will be launching a new version of its device, AI101 by end of this year. It is also working on a smart device to enable these tests in clinics.

Start up acquisitions

- Singapore-based digital real estate marketing and transactions services company, Elara Technologies has acquired Gurugam-based tech-enabled rental brokerage platform FastFox at a valuation just under INR 100 Cr ($14 Mn). The FastFox founders and team will be joining Elara Technologies group post-acquisition.
- Reliance Industries said that Jio has signed a business transfer agreement with Haptik Infotech Pvt Ltd (Haptik) for 87% stake in the company. The total transaction size will be for about INR 700 Cr ($102.3 Mn) of which the initial business transfer is INR 230 Cr. The rest of the outlay will be invested in growth and expansion, Reliance said.
- Samara Capital has entered into an agreement with Blue Heaven Cosmetics Private Limited to acquire 50% stake for an undisclosed amount. Blue Heaven plans to use the funds for investment into marketing and distribution and consolidation of group entities, and to take advantage of the management talent brought in by Samara to take the brand to the next level of growth.
- Naspers-owned fintech company PayU acquired Bengaluru and Cupertino-based Wibmo that specialises in processing online payments in a deal worth $70 Mn. Post-acquisition, Wibmo will enable PayU to build a robust digital payment ecosystem capable of harmonizing transaction processing on both issuing and acquiring side, to deliver a seamless payment experience and industry-leading success rates in online and mobile payments.

Other developments

- The leAD Sports Accelerator launched its third cohort to search for the most promising sports tech startups. *Applications are open till May 15, 2019.* The program kicks off in September 2019 and runs for three months in Berlin, Europe's leading tech and startup hub.
- Sachin Bansal is looking to acquire as much as 75% stake in Bengaluru-based Chaitanya Rural Intermediation Develop-

ment Services which runs a microfinance institution, Chaitanya India Fin Credit (CIFCPL) in a deal worth INR 200 Cr.

- Bengaluru-based self-drive car rental platform, Zoomcar, is reportedly in talksto raise around $500 Mn (INR 3,421 Cr) in a funding round led by automaker Mahindra & Mahindra. The startup's valuation may go up to $1 Bn if at least 40% of the deal is completed via equity.
- Indonesia-based ride-hailing company, GoJek, is in advanced talks to close two investment deals with Mumbai-based cloud kitchen player Rebel Foods which runs Faasos and Bengaluru-based esports startup Mobile Premier League.
- Amazon has invested INR 240 Cr (approximately $35 Mn) into its food ecommerce arm Amazon Retail India. Amazon has invested through two of its entities including the existing shareholder Amazon Corporate Holdings Pvt. Limited and its US-based parent company Amazon.com.

India's education technology startup bags USD 25,000 global tech prize

PTI: April 10, 2019

London: India's education technology startup 'Dost Education' has bagged a USD 25,000 tech prize along with two other winners from Tanzania and Egypt.

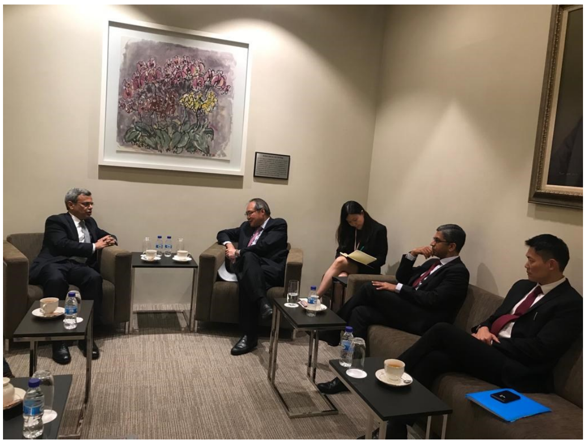
The Next Billion Edtech Prize 2019, run by UK-based Varkey Foundation, recognises the most innovative technology destined to have a radical impact on education in low income and emerging world countries.

Dost was awarded for its ability to empower parents to take charge of their child's early education by creating short, friendly audio content that is sent to them via their mobile phones.

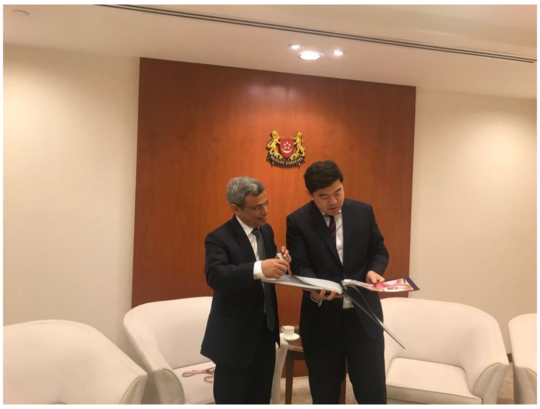
"Dost software, audio content, and toolkits make it easy, fun and addictive for parents to boost their child's early development, so low-income families need no longer send their children to primary school behind and without a chance to catch up, noted the Global Education and Skills Forum (GESF), where the award was announced in Dubai last month.

SIDELINES

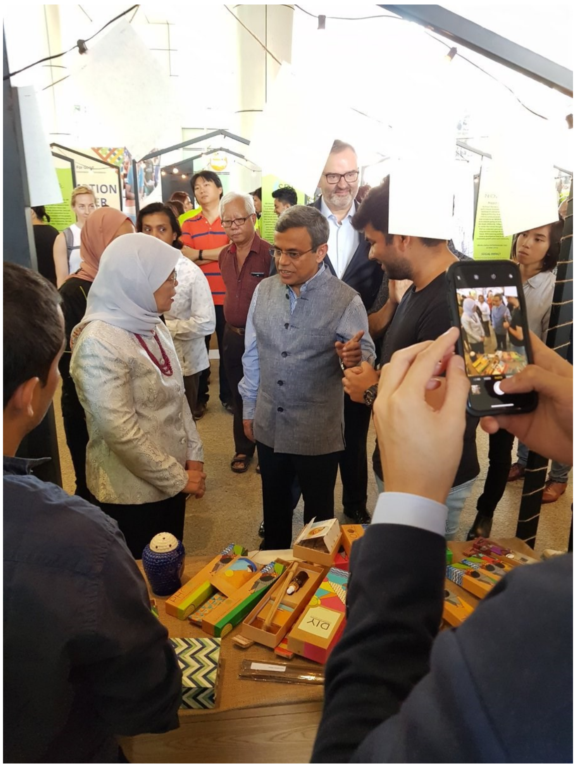
High Commissioner had a warm and productive meeting with Attorney General Lucien Wong on making our excellent law enforcement cooperation stronger. It is a key component of India-Singapore Strategic Partnership



High Commissioner met new MTI Permanent Secretary Mr Gabriel Lim

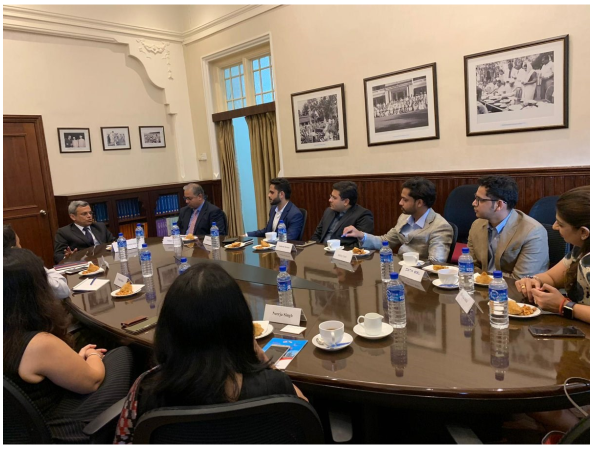


High Commissioner attended the Singapore International Foundation's Inaugural Bazaar for Good



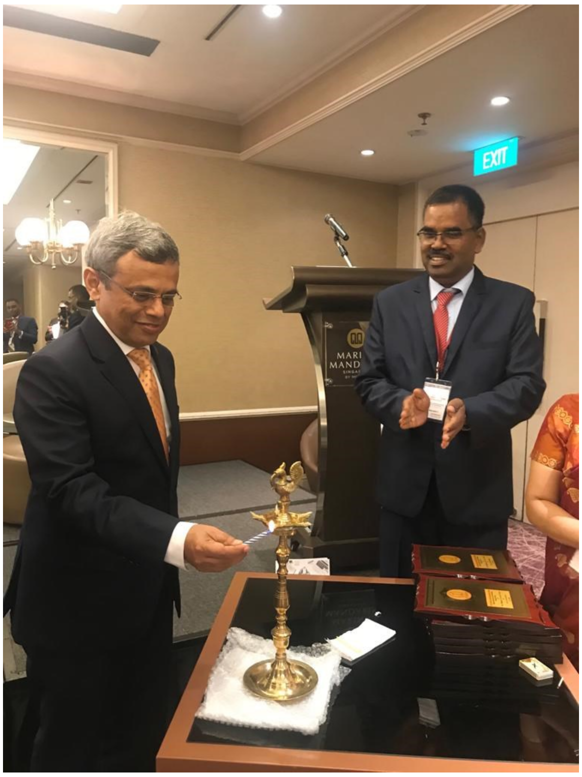
An inspirational story of social enterprise by two IIT Kanpur graduates. Converting flowers from temples and dargah into eco friendly products, handcrafted by women from marginalised community. Explaining this venture to President Mdm Halimah Yacob at Bazaar for Good

FICCI Commercial and Real Estate Delegation visited Singapore



The delegation held productive discussions on enhancing partnership with Singapore in City Planning, Urban Solutions, Commercial Spaces, Affordable Housing and Logistics.

High Commissioner inaugurated the Singapore chapter of Institute of Cost Accountants of India



FORTHCOMING EVENTS >>>> *INDIA*

I. 5th Smart Cities India 2019 Expo

Date: 22-24 May, 2019

Venue: Pragati Maidan, New Delhi

Organizer: India Trade Promotion Organisation (ITPO) and Exhibitions India group

Contact : Ms Jasmine Chopra; Mob. +91 997100 9337 ;E-mail: jasminec@eigroup.in

Details: The pavilion will host 100+ Start Ups with displays relevant to industries including smart cities, intelligent buildings, energy, transportation, water management and many more. The expo intends to support the Startups by providing a low cost **Startup PODs** at the expo which help the participants to connect and network with investors, influencers, policy makers, corporates and customers.

II. Vibrant Terry Towel Global Expo and Summit 2019

Date: 25-27 September, 2019

Venue: Solapur, Maharashtra ,India

Organizer: The organisers are the four Export Promotion Councils (EPCs) - Chemexcil, The Plastics Export Promotion Council, Capexil, Shefexil

Contact : www.vibrantterrytowel.com , Mr Anmol Modi, Senior Head-Promotions ,Contact No-+ 91 7940324827/28 or +91 9429979345

Details: The event would be bringing together all stakeholders from "yarn to fabric" viz cotton growers, manufacturers, traders, exporters and importers both domestic and international and consumers to an unique platform to harness export opportunities of towel manufacturers for their foray into national and international markets. The summit will have knowledge session on various industry relevant topics with domestic and global speakers from towels and bath linen sector would enlighten the participants with the latest technological developments / innovations in towels and bath linen sector which will enable participants to find solutions for the challenges faced by towels and bath linen sector.

III. Vibrant Goa Global Expo & Summit 2019

Date: 17-19 October, 2019

Venue: Dr Shyama Prasad Indoor Stadium ,Goa University Taleigao ,Goa ,India.

Organizer: Vibrant Goa Foundation

Contact : www.vibrantgoa.com

Details: Vibrant Goa Global Expo And Summit 2019 (VG GES 2019) will be an ideal convergence for Goan industries and business community to showcase their strengths, highlight business opportunities and facilitate knowledge dissemination across 12 countries worldwide and 20 states of India. VG GES 2019 will provide a practical opportunity to its participants to understand the potential of Goa across various sectors.

Notifications

Securities and Exchange Board of India

Online Filing System for Alternative Investment Funds

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

Online Filing System for Foreign Venture Capital Investors

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

Ministry of Corporate Affairs

Companies Amendment Rules, 2018

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

Reserve Bank of India

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

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

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

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

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

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

Department of Industrial Policy & Promotion

Consolidated FDI Policy Circular of 2017

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

PSLV-C45 successfully launches EMISAT and 28 customer satellites

PIB, April 02, 2019

New Delhi: India's Polar Satellite Launch Vehicle (PSLV-C45) today successfully launched EMISAT and 28 international customer satellites from Satish Dhawan Space Centre (SDSC) SHAR in Sriharikota. This flight marked the first mission of PSLV-QL, a new variant of PSLV with four strap-on motors.

PSLV-C45 lifted off at 9:27 Hrs (IST) from the Second Launch Pad and injected India's EMISAT into a 748 km sun-synchronous polar orbit, 17 minutes and 12 seconds after liftoff. After separation, the two solar arrays of EMISAT were deployed automatically and the ISRO Telemetry Tracking and Command Network at Bengaluru assumed control of the satellite. In the coming days, the satellite will be brought to its final operational configuration.

Following the separation of EMISAT, the vehicle's fourth stage engines were restarted twice to place the 28 international customer satellites precisely into a sun-synchronous orbit of 504 km height. The last customer satellite was placed into its designated orbit 1 hour and 55 minutes after lift-off.

About 3 hours after lift-off, the fourth stage (PS4) of the vehicle was moved to a lower circular orbit of 485 km after two restarts to establish it as an orbital platform for carrying out experiments with its three payloads.

Issue No 260, 15 April 2019

FAQs on Foreign Investments In India

The fortnightly FAQs will broadly cover the following areas

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

III. Foreign Portfolio Investment

Q. How can the FVCI make payment for the investment?

Answer: The amount of consideration for all investment by an FVCI has to be received/made through inward remittance from abroad through banking channels or out of funds held in a foreign currency account and/ or a Special Non-Resident Rupee (SNRR) account maintained by the FVCI with an AD bank in India. The foreign currency account and SNRR account shall be used only and exclusively for transactions under the relevant Schedule.

Q. How can the sale/ maturity proceeds be taken out by the FVCI?

Answer: The sale/ maturity proceeds (net of taxes) of the securities may be remitted outside India or credited to the foreign currency account or a Special Non-resident Rupee Account of the FVCI.

Source: RBI

For Feedback & Comments, please contact:
High Commission of India,
31 Grange Road, Singapore- 239702.
Email : com2.singapore@mea.gov.in ; com.singapore@mea.gov.in
URL : www.hcisingapore.gov.in