

15 October 2020

## SIDELINES

**High Commissioner P Kumaran met Minister of Defence Dr. Ng Eng Hen and discussed bilateral defence and security cooperation between India and Singapore**



**High Commissioner P Kumaran had an introductory meeting with Minister Indraneel Rajah and discussed about India-Singapore bilateral relations and the scope for enhancing cooperation further.**



**Sidelines Cont on P. 11**



The life and message of Mahatma Gandhi comes alive on the heritage building of HCI on the occasion of Gandhi Jayanti

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## TOP NEWS

## India will be 3rd-largest economy by 2050: Lancet

IBEF: October 12, 2020

After China and the US, India will become the world's third largest economy by 2050, a report published in Lancet said. When India was the seventh largest economy, the paper took 2017 as the base year. It said India will move towards being by 2030 the fourth largest economy and by 2050 the third largest. Now, India is the world's fifth largest economy.

Although there would be a big decrease in the working-age population in China and India, the paper said, the latter would continue to hold the top spot. In countries like Nigeria, there will be a rise in the working-age population. By 2100, India, followed by Nigeria, China, and the USA, was forecast to still have the world's largest working-age population. Despite fertility rates lower than the replacement level, immigration retained the US workforce in our reference scenario, it said.

Owing to a rise in immigration, countries such as Australia and Israel will increase in global rankings by GDP. Japan, which is also expected to see a sharp decrease in the working-age population, will remain the world's fourth-largest economy by 2100.

The paper claimed that the rate of decline in fertility and slow population growth would be increased by access to contraceptives and continuing trends in female educational achievement. "In many countries, including China and India, a sustained TFR (total fertility rate) lower than the replacement level will have economic, social, environmental and geopolitical implications. Policy options would be critical in the years to come to adjust to continued low fertility, while preserving and improving female reproductive health."

India has comparable aspirations, too. By 2025, the Modi government plans to put India's economy to \$5 trillion. The coronavirus pandemic and the resulting lockdown, however, have thrown a spanner into the works. India was facing an economic downturn well before the COVID-19 pandemic.

## Service activity moves towards recovery, September PMI at 49.8

IBEF: October 07, 2020

In September, India's service sector performance generally stabilised amid relaxation in the Covid-19 constraints, a private survey showed on Tuesday, even though service jobs decreased for the seventh month in a row and at a faster pace than in August.

In September, the Services Sector Activity Index rose to 49.8 from 41.8 in August for the

fifth straight month. A reading above 50 shows growth, while less than 50 signals contraction.

As per the survey, for the first time since April, though participants were positive about the year-ahead outlook for business activity, there were further declines in new work and jobs.

However, incoming new business dropped moderately, and since March, at the slowest pace. Meanwhile, production costs increased at a faster pace, while the rate of charge inflation was largely comparable to August.

Ms Pollyanna De Lima, Economics Associate Director at IHS Markit, said, "The relaxation of lockdown rules in India helped the service sector shift towards a recovery in September."

Several companies stated, as per the survey report, that attempts to take on additional workers were hindered by a lack of available labour.

Ms De Lima said, "Backlogs data suggest that hiring efforts will continue in the near term, however, so we could see a better employment trend in coming months provided that people are willing to leave their hometown in search for vacancies".

Companies were positive about the year-ahead outlook for business operations, in line with expectations that a vaccine for Covid-19 would be rolled out. September marked the first month since April in which service providers had faith in the prospects for growth.

Last week, a sister survey showed India's Purchasing Managers' Index (PMI) rising in September to the highest in eight and a half years.

The Composite \* PMI Performance Index increased from 46.0 in August to 54.6, indicating a marked rate of growth in operation across the private sector economy.

Ms De Lima stated that a better image of the Indian economy is painted, considering the success of the manufacturing industry.' During September, private sector production grew for the first time in six months, and at an above-trend pace, while the sales rise was the first since February.

In the case of product manufacturers and service providers, the pattern for jobs was similar, with businesses in both sectors linking a further reduction in headcounts to labour shortages.

## Union Finance Minister announces Stimulus to boost Demand in the Economy: Highlights

Press Information Bureau: October 13, 2020

### 1) Measures to Stimulate Consumer Spending

Proposals to stimulate consumer spending has two components

- LTC Cash Voucher Scheme
- Special Festival Advance Scheme

#### 1A) LTC Cash Voucher Scheme

Under LTC Cash Voucher Scheme, the Government has decided to give cash payment to employees in lieu of one LTC during 2018-21, in which full payment on Leave encashment and tax-free payment of LTC fare in 3 flat-rate slabs depending on class of entitlement will be given. An employee, opting for this scheme, will be required to buy goods / services worth 3 times the fare and 1 time the leave encashment before 31st March 2021. The items bought should be those attracting GST of 12% or more. Only digital transactions are allowed, GST Invoice to be produced.

The biggest incentive for employees to avail the LTC Cash Voucher Scheme is that in a four-year block ending in 2021, the LTC not availed will lapse, instead, this will encourage employees to avail of this facility to buy goods which can help their families.

Estimated cost of LTC Cash Voucher Scheme: For Central govt.: Rs 5,675 crore (US\$ 777.23 million); for PSBs & PSUs: Rs 1,900 crore (US\$ 260.22 million).

Tax concessions for LTC tickets available for state govt. & private sector too, if they choose to give such facility, these employees too can benefit

"Indications are that savings of govt. and organized sector employees have increased, we want to incentivize such people to boost demand for the benefit of the less fortunate. On a conservative basis, we expect the LTC Cash Voucher Scheme to generate additional consumer demand in the range of Rs 28,000 crore (US\$ 3.83 billion)." – Union Finance Minister Smt. Nirmala Sitharaman

#### 1B) Special Festival Advance Scheme

Special Festival Advance Scheme which was meant for non-gazetted government employees is being revived as a one-time measure, for gazetted employees too. All central govt. employees can now get interest-free advance of Rs. 10,000, in the form of a prepaid RuPay Card, to be spent by March 31, 2021.

The one-time disbursement of Special Festival Advance Scheme is expected to amount to Rs. 4,000 crore (US\$ 547.82 million); if given by all state governments, another Rs. 8,000 crore (US\$ 1.10 billion) is expected to be disbursed. Employ-

ees can spend this on any festival.

## 2) Measures to Stimulate Capital Expenditure

### 2A) Capital Expenditure Boost for States

A special interest-free 50-year loan to states is being issued, for Rs 12,000 crore (US\$ 1.64 billion) capital expenditure

- Rs 200 crore (US\$ 27.39 million) each for 8 North East states
- Rs 450 crore (US\$ 61.63 million) each Uttarakhand, Himachal
- Rs 7,500 crore (US\$ 1.03 billion) for remaining states, as per share of Finance Commission's devolution

All the above interest-free loans given to states are to be spent by March 31, 2021; 50% will be given initially, remaining upon utilization of first 50%.

Under Part 3 of Rs 12,000 crore (US\$ 1.64 billion) interest-free loans to states, Rs 2,000 crore (US\$ 273.91 million) will be given to those states which fulfill at least 3 out of 4 reforms spelled out in Aatma Nirbhar Bharat package. This is over and above other borrowing ceilings.

“Capital expenditure - money spent on infrastructure and asset creation - has a multiplier effect on the economy, it not only improves current GDP but also future GDP, we want to give a new thrust to capital expenditure of both states and Centre.” – Union Finance Minister Smt. Nirmala Sitharaman

### 2B) Capital Expenditure Boost for the Centre

Additional budget of Rs 25,000 crore (US\$ 3.42 billion) (in addition to Rs 4.13 lakh crore (US\$ 56.56 billion) given in Budget 2020- '21) is being provided for capital expenditure on roads, defence, water supply, urban development and domestically produced capital equipment.

“The proposals to stimulate demand are designed to stimulate demand in a fiscally prudent way - some of them involve advancing of expenditure, with offsetting changes later - others are directly linked to increasing GDP.” – Union Finance Minister Smt. Nirmala Sitharaman

### Estimated Impact of Stimulus Measures

We estimate that the measures announced today, for boosting consumer spending and capital expenditure, will boost demand by Rs 73,000 crore (US\$ 10.00 billion), to be spent by March 31, 2021. Given that private sector spending through LTC tax benefit would be at least Rs 28,000 crore (US\$ 3.83 billion), we estimate total demand boost due to today's measures to be more than Rs 1 lakh crore (US\$ 13.70 billion).

“If demand goes up based on the stimulus measures announced today, it will have an impact on those people who have been affected by COVID-19 and are desperately looking for demand to keep their business going.” – Union Finance Minister Smt. Nirmala Sitharaman.

## **Raksha Mantri Shri Rajnath Singh dedicates to The Nation 44 Bridges Built by BRO across seven States and UTs;**

*Press Information Bureau: October 13, 2020*

Heralding in a new era in the connectivity of roads and bridges in sensitive areas close to Western, Northern and North Eastern Borders, Raksha Mantri Shri Rajnath Singh today dedicated 44 major permanent bridges to the Nation. He also laid the Foundation Stone for Nechiphu Tunnel in Arunachal Pradesh. These bridges are of strategic importance and provide connectivity to remote areas. The 44 bridges are spread over seven states / union territories. The dedication ceremony was conducted through a Video Conference in the presence of Union Minister Dr Jitendra Singh, Chief of Defence Staff, Gen Bipin Rawat, Chief of Army Staff, Gen MM Naravane and Defence Secretary, Sh Ajay Kumar at New Delhi. Union Minister, Shri Kiren Rijiju, Chief Ministers of Arunachal Pradesh, Himachal Pradesh, Punjab, Sikkim & Uttarakhand, Lt Governor of J&K, with Hon'ble Members of Parliament, civil / military dignitaries along with members of the public at various sites in respective States/ Union Territories attended through a video link.

In his address, Raksha Mantri congratulated DG and all ranks of Border Roads Organisation (BRO) for their achievements and said that dedication of 44 bridges in one go was a record. Shri Rajnath Singh said in the challenging times of COVID-19 and despite the border tensions and disputes caused by Pakistan and China, the country was not only resolutely facing them but also bringing about historical changes in all sectors of development under the able leadership of Prime Minister Shri Narendra Modi.

Lauding the BRO for its role in improving the border infrastructure, Shri Rajnath Singh these bridges improved connectivity in the far-flung areas of Western, Northern and North East sectors and fulfilled the aspirations of local people. They would also meet the transport and logistics requirements of the armed forces throughout the



year, he added.

Raksha Mantri said that roads and bridges are the lifeline of any nation and play a vital role in the socio-economic development of far flung regions. Reiterating the Central Government's commitment to boost development activities in border areas, he said that progress of all projects is regularly being monitored and adequate funds are being provided for their timely execution.

He said that the annual budget of BRO that varied from Rs 3,300 Crores (US\$ 451.95 million) to Rs 4,600 Crores (US\$ 630.00 million) in years 2008-2016, saw a substantial rise and is pegged at over Rs 11,000 Crores (US\$ 1.51 billion) in 2020-21. There was no reduction of this budget despite COVID-19.

Raksha mantra also announced that the government has sanctioned high altitude clothing to BRO engineers and workers.

Shri Rajnath Singh also laid the Foundation Stone of the strategically important Nechiphu Tunnel on the road to Tawang in Arunachal Pradesh. This 450 mtrs long, bi-lane tunnel would ensure all weather connectivity across Nechiphu Pass besides providing a safe and secure passage through accident prone areas.

Briefing the dignitaries, Lt Gen Harpal Singh, DG BRO, said the 44 bridges of various spans ranging from 30 mtrs to 484 mtrs are in J&K (10), Ladakh (08), Himachal Pradesh (02), Punjab (04), Uttarakhand (08), Arunachal Pradesh (08) and Sikkim (04). They are of strategic importance and have been designed to facilitate movement of heavy civil & military traffic in border areas. In line with the vision of Prime Minister Shri Narendra Modi, these bridges will contribute towards the overall economic growth of remote border areas and will also assist in speedy deployment of Armed Forces in strategically important sectors.

He said that in addition to expediting road construction, the BRO has laid special emphasis on construction of bridges by completing 28 major bridges last year while 102 major bridges are being completed this year. 54 of these bridges have already been completed. Over 60 Bailey Bridges have also been constructed by BRO to meet immediate requirements of armed forces and people living in remote areas.

BRO has worked relentlessly even during the ongoing COVID-19 pandemic restrictions continuing with works of strategic importance like Construction of Major Bridges & Roads, Atal Tunnel Rohtang, Sela Tunnel etc, and Snow Clearance

for opening of Strategic Mountain Passes.

Despite unprecedented snowfall breaking a 60 years record, all strategic passes & roads were cleared for traffic about one month before their average yearly opening dates. This brought relief to people of border areas and ensured rapid & early movement of troops & logistics.

## **India Has Capability To Be Global Player In Many Sectors: Goyal**

*IBEF: October 05, 2020*

On Saturday, Minister of Commerce and Industry Piyush Goyal said India has the potential to become a global player in many sectors and needs to scale up its manufacturing activities.

Speaking at a webinar organised by EXIM Bank, he said that it was important to recognise sectors with the potential to become globally competitive.

Mr Goyal stated that there is no need to distinguish export goods and the domestic market. We need consistency, good technology and scale, although there may be some help required at times.

Exports would undoubtedly occur automatically if commodities are 'nice and competitively priced,' the minister said, adding that companies do not expect the 'only option' to be subsidies.

Mr Goyal, speaking about the Free Trade Agreements (FTAs), said, 'We have to cultivate such alliances with large-scale developing countries, not nations such as Chile and Peru.' India can be part of the global supply chain and a trustworthy partner. He added, 'building capabilities, scale and good manufacturing practices are the need of the hour'.

Mr David Rasquinha, Managing Director of EXIM Bank, said India's manufacturing and export sectors must become competitive globally.

Despite the rising demand for private consumption, the gross value added (GVA) of India has decreased. A report on the policy constraints faced by some sectors such as textiles, clothing, automobiles, electronics and pharmaceuticals has been commissioned by EXIM Bank,' he added.

## **Exports rise 5.27% in September, trade deficit narrows to \$2.91 bn**

*IBEF: October 05, 2020*

India's exports rose, led by growth in outbound shipments of cereals, carpets, rice, oil and iron

ore, after a six-month break in September. Exports rose 5.27 percent year-on-year to \$27.4 billion in September, while imports dropped 19.6 percent, leaving a \$2.91 billion trade deficit, preliminary data released by the Ministry of Trade and Industry showed. In September 2019, the trade deficit narrowed from \$11.67 billion.

Exports stood at \$26.02 billion in September 2019. Last month, gold imports shrank 52.85 percent.

India is indeed a net importer in September 2020 ... showing a major 75.06 percent change, "the ministry said in a statement."

Last month, non-oil, non-gold imports, an indication of the strength of domestic demand, decreased by 13.29 percent year on year.

Ms Aditi Nayar, principal economist at ICRA said, "The y-o-y growth in merchandise exports in September 2020 is heartening, after the faltering trend seen in the previous month. Regardless, the sharp gap in non-oil non-gold merchandise imports remains a cause for concern regarding the strength of domestic demand".

In the duration between April and September, exports fell 21.43 percent to \$125.06 billion, while imports fell 40.06 percent to \$148.69 billion.

Just eight out of the 31 major export sectors declined last month, according to the report.

Iron ore (109.52 percent), rice (92.44 percent), oil meals (43.9 percent), carpet (42.89 percent) and pharmaceuticals (24.36 percent) are commodities that reported positive export growth in September.

The largest rise in export growth was seen by medicines and pharmaceuticals, rice and engineering goods, while gems and jewellery, man-made yarn / fabric / made ups and marine items saw rapid declines in outbound shipments.

The ministry said oil imports dropped 35.92 percent to \$5.82 billion in September, while non-oil imports decreased 14.41 percent to \$24.48 billion.

Silver (-93.92 percent), cotton raw and waste (-82.02 percent), newsprint (-62.44 percent), gold (-52.85 percent) and transport equipment (47.08 percent) were the major commodity groups of imports that showed a decline in growth in September.

## India set to achieve Self Reliance in Supercomputing with Manufacturing Critical Components in India

*Press Information Bureau: October 13, 2020*

A Memorandum of Understanding (MoUs) was signed in presence of Shri Sanjay Dhotre, Union Minister of State for E&IT, Education and Communications between Dr Hemant Darbari, Director General, C-DAC and Director of National Supercomputing Mission (NSM) Host Institutes for establishing \*in India\* Supercomputing Infrastructure with Assembly and Manufacturing \*of \* Critical Components at IISC Bangalore, IIT Kanpur, IIT Roorkee, IIT Hyderabad, IIT Guwahati, IIT Mandi, IIT Gandhinagar, NIT Trichy, NABI Mohali and NSM Nodal Centres for training in HPC & AI at IIT Madras, IIT Kharagpur, IIT Goa and IIT Palakkad. Shri Ajay Prakash Sawhney, Secretary, MeitY, Prof Ashutosh Sharma, Secretary, DST, Smt. Jyoti Arora, Special Secretary & FA, MeitY, Dr Rajendra Kumar, Additional Secretary, MeitY, senior officials from DST, MeitY, C-DAC and Host Institutes were also present.

Speaking on the occasion Shri Sanjay Dhotre, MoS said, "Under the visionary leadership of Prime Minister Shri Narendra Modi, National Supercomputing Mission was set up to provide necessary computational power to the Academia, Industry, Scientific and Research Community, MSME and the Start-ups to solve India specific grand challenges and complex real-life problems in Science and Engineering." He added that C-DAC has already established Supercomputing Ecosystem at IIT BHU, IIT Kharagpur, IISER Pune and JNCASR Bangalore. And now accelerating the pace of research and innovation using computational science techniques with manufacturing in India Critical Supercomputing components like the Server Board, Interconnect, Rack power controllers and Hydraulic controllers, Direct Liquid Cooled Datacenter, HPC Software Stack is a step towards Atmanirbhar Bharat.

Dr. Hemant Darbari, Director General, C-DAC mentioned that "National premier academic and research institutes like the IISc, IITs, NIT, NABI are par excellence and is renowned globally for its technical expertise. We are proud to partner with them in our endeavour to enhance India's capability, empower scientists and researchers with state-of-the-art Supercomputing facilities, attain global competitiveness and ensure self-reliance in the strategic area of Supercomputing

Technology leading towards the Exascale Computing. Our Mission is to Establish Dependable and Secure Exa-Scale Eco-system with innovative designs, disruptive technologies and Expert Human resource. Our goal is to develop our own indigenous Hardware encompassing Exascale Chip Design, Design and Manufacture of Exascale Server Boards, Exascale Interconnects and Storage including Silicon-Photonics at C-DAC in line with Atmanirbhar Bharat to achieve complete Self Reliance.”

### **Subsidy under Operation Greens a step towards Aatma Nirbhar Bharat: Narendra Singh Tomar**

*Press Information Bureau: October 15, 2020*

Shri Narendra Singh Tomar, Union Minister of Rural Development, Agriculture & Farmer Welfare, Panchayati Raj and Food Processing Industries has stated that the subsidy under Operation Greens TOP to TOTAL is a big step towards Aatma Nirbhar Bharat. He added that under the visionary leadership of the Prime Minister Shri Narendra Modi, the Ministry of Food Processing Industries has brought out various schemes for India's farmers. Under Aatma Nirbhar Bharat Abhiyan, Operation Greens Scheme TOP to TOTAL provides 50% subsidy on transport and storage of notified fruits and vegetables if prices of such fruits or vegetables are below the trigger price. Now, in addition to direct submission of online claim to MoFPI, the transportation subsidy would also be available under Kisan Rail Scheme under a very simplified way. Any person, including farmers can transport any notified fruits and vegetable crops through Kisan Rails. Railways would charge only 50% of freight charges on these fruits and vegetables. Remaining 50% of the freight charges will be provided as subsidy under Operation Greens Scheme by MoFPI to the Indian Railways. The revised Scheme Guidelines has been uploaded on the Ministry's website on 12.10.2020.

In relaxation of other conditions for Operation Greens – TOP to TOTAL Scheme for transportation through Kisan Rail Scheme, all consignments of notified fruits and vegetables irrespective of quantity and price would be eligible for 50% freight subsidy. At present Railways is operating three Kisan Rails between Devlali (Maharashtra) and Muzaffarpur (Bihar), Anantapur in Andhra Pradesh to Delhi, Bangalore to Delhi and plans to start fourth Kisan Rail

from Nagpur and Warud Orange City in Maharashtra to Delhi.

Eligible Crops: –

Fruits (19) - Mango, Banana, Guava, Kiwi, Litchi, Mousambi, Orange, Kinnow, Lime, Lemon, Papaya, Pineapple, Pomegranate, Jackfruit, Apple, Aonla, Passion fruit and Pear;

Vegetables (14): - French beans, Bitter Gourd, Brinjal, Capsicum, Carrot, Cauliflower, Chillies (Green), Okra, Cucumber, Peas, Onion, Potato and Tomato.

### **Govt invites proposals for development of EV charging infrastructure on major highways**

*IBEF: October 15, 2020*

The government has invited proposals from organisations that plan to develop and operate charging infrastructure on major highways and expressways in the country for the construction of charging stations.

An Expression of Interest has been floated by the Department of Heavy Industries to invite proposals to construct and operate public EV charging infrastructure from government agencies, PSUs (State / Central), state-owned DISCOM, Oil PSUs and similar public and private entities.

Proposals for the construction and operation of EV charging infrastructure on the Mumbai-Pune, Ahmedabad-Vadodara, Delhi-Agra Yamuna, Bengaluru-Mysore, Bengaluru-Chennai, Surat-Mumbai, Agra-Lucknow, Eastern Peripheral and Hyderabad-ORR Expressways were invited from interested entities.

Similarly, proposals from highway operators like Delhi-Srinagar, Delhi Kolkata, Agra-Nagpur, Meerut to Gangotri Dham, Mumbai-Delhi, Mumbai-Panaji, Mumbai-Nagpur, Mumbai-Bengaluru and Kolkata to Bhubaneswar have also been invited.

The Government of India (GoI) intends to encourage the growth of the EV charging infrastructure under Phase II of the FAME India Scheme by extending capital grants to organisations encouraging the use of electric vehicles (EVs).

Phase II of the FAME India Scheme [Faster Adoption and Manufacture of (Hybrid &) Electric Vehicles in India] has been approved by the Centre for 3 years, starting on 1 April 2019.

The electrification of public and shared transportation is its priority.



## Pharma market rebounds in September 1st time since Covid

*IBEF: October 15, 2020*

For the first time since the pandemic, the domestic pharma retail industry bounced back, recording a rise of over 4% in September, helped by improved sales of chronic drugs and anti-virals used to treat coronavirus. This stems from the optimistic developments in macro-economic indicators, boosting expectations that the economy will pick up.

Since March, the business, estimated at around Rs. 1.5 lakh crore (US\$ 20.44 billion), had been sluggish, even during the lockdown the industry itself did not face restrictions as it was classified as an important service. Due to the absence of prescriptions and lower OPD (outpatient department) visits, the pharma market plunged into negative territory in April and May.

Cardiac medicines reported a 17% growth during September compared to 11.5% in the previous month, while anti-diabetic drugs increased by 6.5% (1.6%). According to data collected from pharma research firm AIOCD Awacs, the growth in respiratory medicines stood at -10.5% in September, compared to -12.4% in August. Vitamin sales have bounced back during the month with a rise of 16.3%, compared to 6.2% in August, while pain and analgesics stood at -4.3% (-9.8%). Due to tepid sales of acute therapies, growth has been pulled down over the last few months, with a lower incidence of fever and normal flu as most people stayed indoors due to the lockdown.

## India e-commerce industry sees 31 per cent growth in orders in Q3 2020

*IBEF: October 15, 2020*

For the third quarter of this year, which ended in September, India's e-commerce industry experienced an order volume rise of 31% compared to the same time last year, a study said on Wednesday.

However, although the order volume has increased dramatically, the corresponding gross merchandise value (GMV) has only increased by 24% due to a five percent decrease in the average

order value, said the Unicommerce research, the leading SaaS (software-as-a-service) platform based on e-commerce.

The findings showed that personal care and health and pharmaceuticals emerged as the fastest-growing segments, but while they have lower growth, electronics and fashion remain the largest group with the maximum share of order volume.

Interestingly, the results showed that the brand's own websites recorded a rise of more than 78% in Q3 compared to 35% from the markets over the same period.

Mr. Kapil Makhija, CEO, Unicommerce, said in a statement, "With the increasing focus of companies on investing in online channels and rising interest in adopting technology solutions to improve business operations, we firmly believe this growth momentum will continue for the next few quarters".

Consumers living in India's tier-2 and tier-3 cities are driving the huge growth of e-commerce.

Growth from tier 2 and beyond cities is driven by the growing emphasis on regional markets and rising smartphone adoption.

A growth of over 90% has been shown by tier-3 and beyond cities, said the study.

Reducing return orders is another major news for the e-commerce ecosystem. According to the results, there has been a substantial decrease of approximately 22% in returns per forwarding order, which is possibly representative of a maturing e-commerce ecosystem.

## IBM to set up centre of excellence for AI in partnership with GeM

*IBEF: October 06, 2020*

In collaboration with Government e-Marketplace, IBM will set up a centre of excellence for artificial intelligence (AI) in India, a top official of the firm said.

IBM CEO Mr Arvind Krishna said at RAISE 2020 summit, "I am happy to announce we are creating an AI centre of excellence in partnership with Government e-marketplace (GeM). Our goal is to apply the power of AI to improve usability and transparency and drive efficiency in cost saving in public procurement".

According to studies conducted by Accenture, AI can increase India's annual growth rate by 1.3 percentage points and add USD 957 billion to India's economy by 2035.

More than 38,700 stakeholders from academia,



the science industry and government representatives from 125 countries have registered to participate in RAISE 2020, according to official data.

The National Artificial Intelligence Strategy (NSAI) highlighted the ability of AI to increase India's annual growth rate by 1.3 percentage points by 2035 and established priority sectors funded by the government for the implementation of AI.

### **India's AI spending to grow at 30.8% CAGR to USD 880.5 million in 2023: IDC**

*IBEF: October 01, 2020*

Research firm IDC said on Wednesday that India's AI (artificial intelligence) investment is projected to rise at a CAGR of 30.8 percent to cross USD 880.5 million (around Rs 6,490.6 cr) in 2023.

According to IDC's Worldwide Artificial Intelligence Spending Guide Forecast, "Enterprises are relying on AI to maintain business continuity, transform how businesses operate and gain competitive advantage. India's AI spending will grow from USD 300.7 million in 2019 to USD 880.5 million in 2023 at a CAGR (Compound annual growth rate) of 30.8 per cent".

Ms Rishu Sharma, Principal Analyst (Cloud and AI) at IDC in India, stated that COVID-19 is pushing the boundaries of organisations' AI lens.

She said, "Businesses are considering investments in intelligent solutions to tackle issues associated with business continuity, labor shortage, and workspace monitoring. Organisations are now realising that their business plans must be closely aligned with their AI strategies".

The study cited the 2019 Cognitive AI Adoption Survey from IDC to claim that approximately 20 percent of companies are still designing AI strategies to pursue new companies and projects.

Trustworthiness of data and difficulty in choosing the right algorithm are some of the key difficulties that discourage organisations from adopting AI technology.

Complex AI algorithms are powering the spectrum of industry-specific tech solutions funded by emerging technologies such as the Internet of Things (IoT), robotics, blockchain, etc., and are cloud-enabled to achieve their full potential.

Mr Ashutosh Bisht, Senior Research Manager for IDC's Customer Insights and Analysis division, said that in India, BFSI and manufacturing verti-

cals are the two largest AI spenders in different use cases, accounting for almost 37 percent of AI spending in 2019.

He added that more than 60 percent of AI applications will be migrated to the cloud by 2024 with the quick adoption of cloud technology in India.

### **India's Media, Entertainment Segment To Reach Rs 1,86,600 Cr Revenue In FY22: Report**

*IBEF: October 01, 2020*

According to a survey, the media and entertainment industry, which was badly affected by the disruptions caused by the COVID-19 pandemic, is expected to recover to reach a revenue of Rs 1,86,600 crore (US\$ 25.32 billion) in 2021-22, owing to the acceleration of digital adoption among users across geographies.

KPMG in India Partner and Head (Media and Entertainment), Mr Girish Menon stated that the sector should recover and post a 33 per cent growth in 2021-22, following a contraction of 20 per cent in 2020-21, which still implies a loss of around two years of growth, said

He quoted the 'A year off script: Time for resilience' KPMG Media and Entertainment (M&E) report, which explores the performance of the M&E sector during a particularly challenging period.

He stated that India's continued economic growth and the uniform acceleration of digital adoption by users across geographies, are the two areas that offer encouragement.

He added, 'As per our revised estimates, India could be home to a billion digital users by 2028 rather than the earlier projected 2030 timeline'.

Menon added that due to the experience of the lockdown, there have been many systemic improvements to digital behaviour, resulting in a new homogeneity between users. It is our hope that many of these improvements will translate inside the country into a more democratic and sophisticated digital citizen.' The overall revenue of the industry during 2019-20 was Rs 1,75,100 crore (US\$ 23.76 billion), according to the report, which is expected to contract to Rs 1,40,200 crore (US\$ 19.02 billion) during the current financial year and recover to Rs 1,86,600 crore (US\$ 25.32 billion) in 2021-22.

Even before the outbreak of COVID-19 in March, India was already facing a slowdown in



economic activity, and the onset of the global pandemic and subsequent lockdown dealt a serious blow to the Indian economy, the study said.

The M&E industry has been affected, albeit to varying degrees, such as outdoor entertainment formats (films and events) and conventional media (to some extent print and TV) have been badly affected as people stayed indoors and dried up advertising spending, it said.

Digital advertising spending is now expected to exceed TV spending by 2020-21, which is a major milestone and turning point in India's growth of media and entertainment, the report said.

KPMG in India Partner and Head (Technology, Media and Telecom) Mr Satya Easwaran added, 'The distinction among segments of M&E has become more pronounced with the lockdown. Marketing spend has moved perceptibly towards digital media and away from traditional segments like print, radio and to some extent TV'.

Mr Easwaran added that for these conventional media segments, a greater dependence on subscription and other paying alternatives, as well as the creation of a viable digital business model, would be unavoidable.

## Conde Nast launches technology lab in Bengaluru

*IBEF: October 01, 2020*

The opening of a technology lab here was revealed on Wednesday by Conde Nast, a media group based in New York and London. To design and create the next generation of digital content channels and experiences across its media brand portfolio, including Vogue, GQ and Architectural Digest, the company will recruit a new team of 60 people this year and over 300 by 2021.

The laboratory was set up to meet the growing product, design, engineering and technology requirements of organisations and to facilitate the development of world-class digital customer experiences, the company said in a statement.

According to the statement, from digital marketing channels and customer interactions to enterprise applications and cloud computing, the Conde Nast Technology Lab will collaborate with established Conde Nast teams worldwide across the entire product and technology spectrum.



## STARTUP SNIPPETS

### Startup Fundings

- **Credit Wise Capital:** Digital NBFC Credit Wise Capital (CWC) has raised \$6 Mn in seed funding round led by chairperson of the real estate-focussed MJ Shah Group Mayank Shah. The company plans to use these funds to grow its dealer network, increase geographical expansion, improve collection technology and underwriting models.
- **Uni:** Former PayUMoney CEO and co-founder and former Ola Financial Services CEO, Niti Gupta, has raised \$18.5 Mn for his stealth mode startup Uni. The funding round was led by venture capital firms Lightspeed India Partners and Accel Partners.
- **Ergos:** Bengaluru-based agritech startup Ergos has raised an additional \$5 Mn in a Series A funding round from Chiratae Ventures and Aavishkaar Capital. It is expected to be a part of a larger \$10 Mn funding round that may see participation from Aavishkaar Capital and an undisclosed institutional investor.
- **Treebo:** Bengaluru-based budget hotel chain Treebo Hotels announced that it has raised an additional \$3 Mn in Series D round from existing investors Matrix Partners India, SAIF Partners, Bertelsmann India Investments, and Ward Ferry. The company had raised \$3 Mn from these investors back in July, according to Ministry of Corporate Affairs filings accessed by Inc42. Overall, Treebo has raised \$6 Mn in this round.
- **NirogStreet:** Ayurveda healthtech startup NirogStreet has raised \$2 Mn in Pre-Series A funding round led by Wavemaker Partners and Amand Ventures. Existing investors Spiral Ventures has also participated in this round. Prior to this, the company had raised \$300K from Japanese venture fund Spiral Ventures in 2018. It will use this funding for deeper penetration, strengthening technology platforms and digitise supply chain.
- **Winuall:** SaaS edtech startup Winuall on Wednesday raised \$ 2 Mn from Prime Venture Partners, Beenext, LivSpace's

founder Ramakant Sharma, along with a clutch of angel investors in the latest funding round. The startup plans to use the fresh capital to enhance product capabilities and hire across technology, product, AI and business development teams.

- **Unnati:** Noida-based agritech startup Unnati has raised \$1.7 Mn in Pre-Series A funding round from Nabventures Fund to scale up its tech platform and introduce digital technologies to farmers in India. Besides this, the company is also looking to invest in increasing our geographical and crop footprint.
- **Disprz:** Chennai-based AI-based skills and career acceleration platform Disprz has raised \$1.6 Mn (INR 12 Cr) in a new funding round led by Vikas Phadnis-founded investment and advisory firm Auctus Capital. The company will use the funding to accelerate its growth and skilling prospects.
- **Livve:** Kerala-based real estate startup Livve, which also offers online deposit and rent payments platform for owners and tenants, has raised \$1.5 Mn in seed round from undisclosed angel investors.
- **Krishitantra:** Soil technology startup Krishitantra raised \$1 Mn in a seed funding round led by NABARD's venture capital arm NABVENTURES along with Omnivore. The agritech startup plans to use the funding for national as well as international expansion.
- **Avanse Financial:** Education-focused non-banking financial company (NBFC) Avanse Financial Services Ltd has raised \$15 Mn through external commercial borrowing (ECB) route from US-based financial institution World Business Capital Inc. The company plans to use this investment to expand its education financing program and strengthen its lending space.
- **SquadStack:** San Francisco and New Delhi-based sales tech startup SquadStack has raised \$5 Mn (nearly INR 36.8 Cr) in Series A funding round led by Chiratae Ventures, along with the participation of existing investor Blume Ventures. It will use this funding to accelerate product growth and hire top product, engineering, and data science talent in the US and India.
- **Sunstone Eduversity:** Edtech startup Sunstone Eduversity has raised \$3.27 Mn (INR 24 Cr) in Series A funding from Saama Capital, with participation from Ash-

ish Gupta, Pankaj Bansal. Existing investors, Prime Venture Partners, Rajul Garg and Purvi Capital also participated in the round.

- **Etrio:** Hyderabad-based electric vehicle retrofit kit maker Etrio has raised \$3 Mn in Series A funding round from a group of Singapore-based high net worth individuals (HNIs). The round was led by serial investor, Janardhan Rao, founder of Triumph Global Group. It will use the investment to fuel the growth of new electric vehicles in three-wheelers and bicycle product lines. It will also focus on customer acquisition across both B2B and consumer segments.
- **Financepeer:** Education fintech startup Financepeer has raised \$3 Mn in Pre Series A funding round from MS Fincap, Danube (UAE's largest conglomerate), Aar Em Ventures, Angelbay Holdings, JITO Angel Network, and HEM Angels. The fund will be used to enhance edu-fintech product offerings, accelerate product development and enable organic growth in India.
- **GPS Renewables:** Cleantech startup GPS Renewables has raised \$3 Mn in a Series A funding led by Hivos-Triodos Fund from impact investing firm Caspian through its fund SME Impact Fund IV.

### Other Developments Of The Week

- Hostel chain Zostel has turned to its customers to raise INR 10 Cr funding as a pre-money valuation of INR 75 Cr. The company has invited its customers to turn into angel investors and infuse anywhere between INR 5 Lakh to INR 1 Cr into its hostel chain.
- SAIF Partners plans to raise \$400 Mn for its new India-dedicated fund. These plans come a little over two years after it closed a previous fund and will take its assets under management to over \$1 Bn.
- PharmEasy is said to be in talks to raise \$200 Mn from South African technology and media conglomerate Naspers and US-based private equity firm TPG. The proposed investment is likely to be done at a pre-money valuation \$1.2 Bn.
- Hong Kong-based hedge fund Steadview Capital, South Korean Mirae Asset-Naver Asia Growth Fund, US hedge fund Luxor Capital and private equity firm Bow Wave Capital may invest \$150 Mn funding in Indian foodtech giant Zomato.

- Amazon, which holds indirect stake in Future Group, has approached the Singapore International Arbitration Centre (SIAC) claiming that the proposed deal between Future Retail and Reliance Industries does not have its approval and hence should not go through. The ecommerce giant had also served a legal notice to Kishore Biyani-backed Future Group for the same reason this week.
- The Indian government organised its maiden National Startups Awards on Tuesday (October 6) to recognise startups from 12 different categories. Payments platform BharatPe, ride-hailing service Bounce, digital therapeutics healthtech Wellthy Therapeutics, energy analytics startup MinionLabs, agritech startup Intello Labs, cybersecurity startup Lucideus Tech and healthtech startup Niramai Labs won the award. You can go through the full list of winners of the National Startup Awards here.
- Amazon Pay may raise \$1.4 Bn from its parent company Amazon in order to effectively compete against other payments giant Paytm, PhonePe, and Google Pay.
- Reliance Retail has bagged nearly INR 7,349K Cr (nearly \$1 Bn) from Global investors GIC and TGP to accelerate the growth of its digital retail empire. The company also raised INR 5,512.50 Cr from UAE-based sovereign wealth fund Abu Dhabi Investment Authority (ADIA) this week.
- US-based retail giant Walmart is reportedly in talks to invest \$20-\$25 Bn in Tata Digital's proposed Super app, which aims to create a digital services behemoth offering a wide range of products in the retail space. The super app is said to be valued at around \$50-\$60 Bn. The new app, which is expected to be launched by December this year, will pit Tata Group against rival businesses such as Reliance and Amazon, among others.
- After a profitable 2019, Bengaluru-based fintech startup Perfios has dropped down into the red for FY20, with INR 26.88 Cr in losses. The company's expenses for the financial year 2020 grew by 2.6x from INR 39.7 Cr to INR 104 Cr in the same time frame. Its revenues also doubled from INR 43.59 Cr to INR 77.59 Cr, representing a

growth of nearly 78%.

The government of India is engaged in talks with a global pension fund and Insurance Regulatory Development Authority of India (IRDAI) to float a \$2 Bn alternative investment fund (AIF). With this, the government aims to provide more domestic funding options for the startup community reducing their dependence on foreign private equity players.

The National Science and Technology Entrepreneurship Development Board (NSTEDB), an autonomous board under the Department of Science and Technology, has sanctioned an INR 10 Cr grant to Gujarat University Startup and Entrepreneurship Council (GUSEC). The grant has been sanctioned to GUSEC as part of the NIDHI Seed Support System (SSS) scheme and will enable it to invest in startups under its ambit.

## SIDELINES

**High Commissioner P Kumaran paid floral tributes to Mahatma Gandhi on the occasion of Gandhi Jayanti at GIIS Smart Campus**





**High Commissioner also visited the Clifford Pier to pay respects at the place where a part of Mahatma Gandhi ashes were immersed more than 70 years ago**



**High Commissioner interacted with members of CII-IBF**



**High Commissioner visited the Indian Heritage Centre which houses a bust of Mahatma Gandhi**



**High Commissioner also had a short spin of Little India guided by Rajakumar Chandra, Chairman of Little India Shopkeepers and Heritage Association LISHA**





## Transforming India: All Sectors

**Textile Sector will Help in Building a Self-Reliant India**  
PM Modi Addresses International Webinar on Textile Traditions

- Exchange of ideas & sharing of best practices will create new avenues for collaboration
- Naturally coloured cotton & silk has a long and glorious history in India
- The diversity in our textiles shows the richness of our culture
- Domestically, textile sector is among the highest job providers. Internationally, it helped us build trade & cultural relations with the world




**PM Modi Dedicates Atal Tunnel**  
World's Longest Highway Tunnel to the Nation

**Key Highlights**

- Will aid the security forces in patrolling & ensuring regular supplies to them
- Govt fast tracked the project & construction was completed in 6 years wherein the estimate was 26 years
- Atal Tunnel is a shining example of the country's resolve to become AatmaNirbhar
- PM also witnessed a pictorial exhibition on "The Making of Atal Tunnel"



**Digitalising Land Records, Empowering Rural India**  
PM Modi Launches Physical Distribution of Property Cards under SVAMITVA Scheme



- 'Record of Rights' accorded to village landowners through issuance of Property cards
- Being implemented across the country in a phased manner over 4 years (2020-2024) to cover approx. 6.62 lakh villages
- Nearly 1 lakh Property holders from the following 763 villages can now download their Property cards (physical copies)

<b>221</b> Haryana	<b>02</b> Karnataka	<b>100</b> Maharashtra	<b>50</b> Uttarakhand
<b>44</b> Madhya Pradesh	<b>346</b> Uttar Pradesh		




**SVAMITVA Scheme: Transforming Rural India, Empowering Millions**

The Road Ahead

- 6.2 lakh villages to be covered in four years (Apr'20 - Mar'24)
- Create accurate land, reduce property related disputes and increase liquidity of land parcels
- Will streamline planning & revenue collection and ensure clarity on property rights in rural areas
- To establish nearly 300 Continuously Operating Reference Station (CORS) across the country
- Land parcels in rural inhabited areas are mapped using drone technology & CORS
- The scheme will enable creation of better-quality Gram Panchayat Development Plans (GPDs)





**Ensuring Remunerative Prices to Farmers**  
**Progressively Hike in MSP of Crops over the Last 6 Years**



Year	MSP (₹/Quintal)
2015-16	₹1410
2016-17	₹1470
2017-18	₹1550
2018-19	₹1750
2019-20	₹1815
2020-21	₹1868

Per Quintal MSP Rate for **PADDY**



**Heralding in New Era of Connectivity in Border Areas**  
44 Major Bridges Across 7 States & UTs Dedicated to the Nation

- The 44 bridges built by BRO are of strategic importance providing connectivity to remote areas
- The bridges, ranging from 30 to 484 meters are located in J&K (10), Ladakh (8), HP (2), Punjab (4), Uttarakhand (8), Arunachal Pradesh (8) & Sikkim (4)
- Foundation stone laid for 450 meters long, bi-lane Nechipu Tunnel in Arunachal Pradesh




## FORTHCOMING EVENTS &gt;&gt;&gt;&gt; INDIA

**I. NAMASTE BHARAT****Date:** 29 October – 7 November 2020**Venue:** Virtual Platform , [www.namastebharat.world](http://www.namastebharat.world)**Organizer:** De Ideaz Pte Ltd ( <https://namastebharat.world/faq/> )

**Details:** De Ideaz, has been hosting an annual exhibition in Singapore since the last 10 years for the MSME sector in India. The exhibition is organized with the support of Singapore Press Holdings. Each year, around 150 Indian exhibitors have been participating in the event, which is very popular in Singapore and draws customers from other Southeast Asian countries. From India, FIEO has been participating in the event, with the support of Ministry of Commerce. Due to the recent pandemic, this year the exhibition named “ Namaste Bharat” is being organized on a virtual platform to create a much larger global engagement. Namaste Bharat, the biggest global online L2G (Local to Global) exhibition aims to create an ecommerce ecosystem for MSME, cottage industries, artisans and rural-urban women entrepreneurs to build a sustainable livelihood by promoting "Made in India" products globally. The Federation of The Federation of Indian Export Organisations (FIEO) is the nodal agency in India. The Australian Indian Business and Trade Foundation, Gulf Maharashtra Business Forum, UK-USA business chambers and other prominent organisations are supporting the event.

**II. 6TH INDIA FARM2FORK VIRTUAL EXHIBITION****Date:** 4 — 6 November 2020**Venue:** Virtual Event**Contact:** [mallika.verma@phdcci.in](mailto:mallika.verma@phdcci.in) , PHD Chamber of Commerce and Industry

**Details:** The virtual Farm 2 Fork will provide opportunities to Agribusiness companies and Food Businesses to showcase their products, processes, services and innovative technologies. India ranks in top producers of Milk, Fruits, Vegetables, Meat, Spices, Tea, Fish, etc., but the percentage in global trade is not significant. Further the yields and processing levels are low, hence generating need for new technologies and processes. Therefore, the chamber is inviting technology solution providers to participate as Exhibitor, Panelist and showcase the products to Indian agriculture and food processing units and discuss business and trade prospects.



## Notifications

### Securities and Exchange Board of India

#### ***Circular on Investments by AIFs Incorporated in IFSC***

[https://www.sebi.gov.in/legal/circulars/aug-2019/circular-on-investments-by-aifs-incorporated-in-ifsc\\_43867.html](https://www.sebi.gov.in/legal/circulars/aug-2019/circular-on-investments-by-aifs-incorporated-in-ifsc_43867.html)

#### ***Guidelines for Liquidity Enhancement Scheme (LES) in Commodity Derivatives Contracts***

[https://www.sebi.gov.in/legal/circulars/jul-2019/guidelines-for-liquidity-enhancement-scheme-les-in-commodity-derivatives-contracts\\_43699.html](https://www.sebi.gov.in/legal/circulars/jul-2019/guidelines-for-liquidity-enhancement-scheme-les-in-commodity-derivatives-contracts_43699.html)

### Ministry of Corporate Affairs

#### ***Companies Amendment Rules, 2018***

[http://www.mca.gov.in/Ministry/pdf/CompaniesXBRL0803rule\\_15032018.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesXBRL0803rule_15032018.pdf)

### Reserve Bank of India

#### ***Change in Bank Rate***

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11705&Mode=0>

#### ***Priority Sector Lending (PSL) – Classification of Exports under priority Sector***

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11692&Mode=0>

#### ***Expanding and Deepening of Digital Payments Ecosystem***

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11707&Mode=0>

### Department of Industrial Policy & Promotion

#### ***Industrial Policy Statement 1991***

[https://dipp.gov.in/sites/default/files/IndustrialPolicyStatement\\_1991\\_15July2019.pdf](https://dipp.gov.in/sites/default/files/IndustrialPolicyStatement_1991_15July2019.pdf)

#### ***Consolidated FDI Policy Circular of 2017***

[http://dipp.nic.in/sites/default/files/CFPC\\_2017\\_FINAL\\_RELEASED\\_28.8.17\\_0.pdf](http://dipp.nic.in/sites/default/files/CFPC_2017_FINAL_RELEASED_28.8.17_0.pdf)

## India test-fires Rudram 1, its first anti-radiation missile to kill enemy radars

*Hindustan Times, New Delhi*

India on Friday successfully test-fired Rudram 1, the tactical anti-radiation missile that the Indian Air Force can launch from its Sukhoi-30MKI fighter jets to take down enemy radars and surveillance systems. The missile has a launch speed of up to 2 Mach, twice the speed of sound, people familiar with the matter said.

The Defence Research and Development Organisation developed the new generation weapon. It was tested at the interim test range Balasore, off the coast of Odisha in the Bay of Bengal, at about 10.30 am.

“This is a huge step forward,” a senior government official said about the DRDO’s successful test firing. “The IAF will now have the capability to perform SEAD (Suppression of Enemy Air Defence) operations deep into enemy territory to destroy enemy air defence setup,” the official said.

This would allow the IAF’s strike aircraft to carry out their mission unhindered effectively. “This test demonstrates the capability of an Anti-Radiation Missile with large stand-off ranges,” a second official said.

Issue No 289, 15 October 2020

### *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:** Whether the percentage of foreign investment should be calculated at the time of issuance of Employee Stock Options (ESOP) or vesting stage or exercising stage?

**Answer:** Foreign investment percentage has to be calculated on a fully diluted basis i.e. at the time of issuance of Employee Stock Options.

**Q:** Whom to approach for clarifications if any required, related to Schedule 5 to FEMA 2008?

**Answer:** Financial Markets Regulation Department, RBI.

*Source: RBI*

**For Feedback & Comments, please contact:**

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