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India Focus


4th International Yoga Day in Singapore

this issue

BILATERAL

Mr Heng Swee Keat, Singapore's Minister for Finance visits India

Mr Heng Swee Keat in conversation with Mr Tarun Das at the Singapore Symposium 2018 co-organised by ISAS

Mr Heng Swee Keat held discussions with Mr Nitin Gadkari, Minister of Road Transport and Highways of India

TOP NEWS

Narendra Modi at AIIB: With US$ 2.8 trillion size, Indian economy is the 7th largest in the world

Livemint: June 26, 2018

Mumbai: Prime Minister Narendra Modi on Tuesday said that with a $2.8 trillion size, India has the seventh largest global economy.

Addressing the opening ceremony of the third annual general meeting of the board of governors of Asian Infrastructure Investment Bank (AIIB) on Tuesday in Mumbai, Modi said that the Indian economy is third largest in terms of purchasing power parity.

"In the fourth quarter of 2017, we grew at 7.7%. In 2018, we are projected to grow at 7.4%," Modi said.

This comes in the backdrop of Modi vouching to take the Indian economy to double-digit growth with the government facing re-election next year. Interim finance minister Piyush Goyal has claimed that the target can be achieved by the fourth quarter (January-March) of the current fiscal year. The Indian economy had expanded by 7.1% in 2016-17, 8.2% in 2015-16 and 7.4% in 2014-15.

The Indian economy accelerated to a seven-quarter high of 7.7% in the March quarter, signalling that it is tiding over the disruptions—triggered by demonetisation of high-value currencies and roll-out of the goods and services tax.

Modi also signalled ruling out tax cuts to control fuel prices by the government and said, "Despite rising oil prices, inflation is within the mandated range. The Government is firmly committed to the path of fiscal consolidation."

With fuel prices reaching a record high in India, there has been a demand for an excise duty cut on petrol and diesel. The government has so far refused to roll back its decision to link domestic and international fuel prices and said that it was working toward a "long-term solution".

Union minister Arun Jaitley recently said that the demands of huge cuts in fuel prices by opposition parties could lead India into a debt trap.

"The external sector remains robust. Our foreign exchange reserves of more than 400 billion US dollars provide us enough cushion. Global confidence in India's economy is rising. Total FDI flows have increased steadily—more than 222 billion US dollars have been received in the last four years," Modi said on Tuesday.

He also urged the Beijing headquartered AIIB to increase financing from $4 billion now to

$40 billion by 2020 and $100 billion by 2025.
While China has a 31.02% stake in AIIB, with 8.72% stake, India is the second largest stake holder. Aimed at improving 'social and economic outcomes in Asia and beyond,' AIIB started operations in January 2016. With 87 countries as members, it has an authorized capital base of $100 billion.
Interestingly, Jin Liqun, president, AIIB pitched China's "One Belt One Road" (OBOR) initiative aimed at connecting around 60 countries across Asia, Africa and Europe at the opening ceremony.
"In addition to our formal partnerships, I would note that our members are involved in a wide range of regional infrastructure and trade arrangements. The Belt and Road Initiative is one such arrangement. It is an invitation by China to other sovereign nations and multilateral partners to cooperate and collaborate in line with the principles of broad consultation, joint contribution and shared benefits," Jin Liqun said.
India has been critical of China developing the China-Pakistan Economic Corridor (CPEC), part OBOR infrastructure initiative cutting through Gilgit and Baltistan areas of Pakistan-Occupied Kashmir (PoK). OBOR, first unveiled by Chinese president Xi Jinping in 2013, aims to put billions of dollars in infrastructure projects, including railways, ports and power grids across Asia, Africa and Europe.
"Other multilateral arrangements we will work with include the Greater Mekong Subregion program, the Central Asia Regional Economic Cooperation program, the South Asia Sub-Regional Economic Cooperation program and the Asia-Africa Growth Corridor. For the countries involved, it makes sense to coordinate their AIIB investments with these other programs," Liqun added.
India's position on OBOR was further cemented earlier this month, when Modi underlined the need for a respect for sovereignty and transparency in connectivity projects among the members of the Shanghai Cooperation Organisation (SCO) at the18th summit in Qingdao.
Liqun also lauded China's efforts to implement crucial reforms, economic restructuring, social policies and income redistribution.
The meeting's venue assumes importance given that India is AIIB's second-largest shareholder and the largest recipient of AIIB's funds. Of the $4.39 billion invested by the Beijing headquartered bank, six Indian projects accounted for $1.21 billion of that funding.

Govt to meet fiscal deficit target of 3.3% despite being election year: FM

PTI: June 19, 2018

New Delhi: The government is committed to meeting the fiscal deficit target of 3.3 per cent for the current fiscal despite it being an election year, Finance Minister Piyush Goyal said today.
He also said that there will not be a spending cut to meet the target as the government has enough alternative resources for planned expenditure.
Fiscal deficit stood at 3.53 per cent of the GDP, broadly in line with the government's revised estimates for 2017-18.
"Fiscal digit this year will be down to 3.3 per cent and I can assure you that we are monitoring and working to ensure that fiscal deficit will be contained at 3.3 per cent despite this being an election year, despite this being a year traditionally, and I will urge you to look at history be it 2013-14, be it 2007-08 or 2008-09, where fiscal deficits, microeconomic stability, good governance -- all were thrown to the wind for political exigencies," Goyal said.
In the Union Budget 2018-19 presented in February, the government had revised the fiscal deficit target for 2017-18 to 3.5 per cent from the earlier estimate of 3.2 per cent. In absolute terms, the fiscal deficit was Rs 5.91 lakh crore, or 99.5 per cent, of the Budget estimates.
Addressing an event organised by industry body CII, Goyal said, the government will maintain stability in the economy and meet all economic parameters.
"You have a government today which is willing to say we will meet the aspirations of the people of India. We will meet our objectives of good governance. We will meet our objective for society to reach benefits of growth to poorest of the poor but we will also strengthen the Indian economy," he said.
Asked if the rise in oil prices will have impact on the fiscal deficit, Goyal said this government has been very responsible, both in the management in the economy and management of prices.
"We have factored in what would be the increased oil price. Some of it were factored before the budget. Some of it we have now. And with alternate sources... without cut in expenditure, we

will be able to meet the fiscal deficit," he said.

On including petroleum products under Goods and Services Tax (GST), he said that's really a decision that GST council has to take because at end of the day the government is not alone on that.

He said: "We have maintained the dignity of the GST council to have unanimous decisions and the good part is that the federal structure, even though it has different political ideologies in different states, they have all worked together to ensure the success of GST and maybe in the next meeting there could be a discussion on this.

"I believe in the past they had discussed this issue since the consensus didn't come through it hasn't yet come under the GST".

On Direct Benefit Transfer (DBT), he said that 481 centrally sponsored schemes have come under this scheme, and Rs 3.65 lakh crore has been directly transferred to bank accounts of beneficiaries.

Centre eases oil exploration norms, allows access outside contract areas

Business Standard: June 27, 2018

New Delhi: In a move that may ease the oil exploration regime in India, the government has allowed producers in the country to go beyond their assigned areas in case the same reservoir continues outside the contracted areas. This would help an operator undertake seismic studies, understand the data, and develop a discovery more efficiently.

Overlapping of reservoir is a contentious issue between Reliance Industries (RIL) and Oil and Natural Gas Corporation (ONGC) in the Krishna Godavari basin. The June 25 decision of the Ministry of Petroleum and Natural Gas (MoPNG) easing the permission norms for extended exploration will not affect this case since the new policy has riders. The area beyond the original contract area should not be licensed to any other company and should not have been identified by the government for offer to other companies.

According to industry sources, the major beneficiary of the decision will be Anil Agarwal-led Vedanta Cairn Oil & Gas, as the company’s Barmer block has similar adjacent areas with huge potential. The move is likely to be beneficial to all the major producers of oil and gas, including ONGC, Oil India (OIL), and RIL, too. “It has now been decided to allow the contractor to carry out the appraisal activities and grant petroleum exploration licence in the adjacent area outside the contract area,” said a ministry directive to the Directorate General of Hydrocarbons (DGH). “This is yet another bold step by the MoPNG to encourage exploration & development (E&P). Relaxations in production sharing contract (PSC) execution will expeditiously increase domestic production,” said Sudhir Mathur, chief executive officer, Vedanta Cairn Oil & Gas, on the development.

A source close to the development confirmed this will be applicable to all the blocks under pre-New Exploration Licensing Policy (NELP) and NELP. The country has moved away from a set of E&P policies that were based on profit petroleum regime. These policies have given way to Hydrocarbon Exploration Licensing Policy regime that is not included in the new directive to the DGH.

The government also empowered the DGH by allowing it to approve the cases of excess cost recovery up to 20 per cent. Earlier, this used to be cleared by the government, on recommendations by the management committees, if proven that the increase in cost is due to change in circumstances after the contract came into effect.

For getting rights to appraise in the extended area, the concerned company will have to prove that there is a reservoir extension. “Based on technological evidence, the DGH will first forward the proposal and it will be the management committee that will be giving nod to appraisal outside the contract area,” said a person close to the development.

According to the existing PSCs, companies had the provision for enlargement of their development areas but were not allowed for appraisal of the area, based on which a field development programme can be submitted. “This is a major boost to the exploration sector as it may bring in more investment. This will also increase foreign participation in oil and gas bidding,” said R S Sharma, former ONGC chairman.

A total of 28 exploration blocks were awarded to private companies between 1980 and prior to implementation of NELP, where ONGC and OIL have the rights for participation in the blocks after hydrocarbon discoveries.

The hydrocarbon regulator will also constitute a multi-disciplinary panel to review “excusable” delays on account of getting various permits and clearances in the exploration phase. The notification also added the contractor has to compute and

pay the amount of unfinished minimum work programme within 60 days of the expiry of exploration phase.
According to the new norms, in case of a dispute regarding the cost of unfinished minimum, the contractor can enter into the next phase by submitting a bank guarantee for the differential unpaid amount.
Based on the data available with the DGH, of the total 311 exploration blocks awarded so far under -discovered field, pre-NELP, and NELP rounds, only 178 blocks are operational.

India aims to add 30GW of offshore wind plants by 2030

Livemint: June 20, 2018

New Delhi: The ministry of new and renewable energy (MNRE) on Tuesday announced the country's long-term target of adding 30 gigawatts (GW) of offshore wind energy projects by 2030.
This comes in the backdrop of India calling for expression of interest (EoI) for the first offshore wind energy project in the country being set up in the Gulf of Khambat, off the Gujarat coast. While the first project is of 1,000 megawatts (MW), the government's plan is to set up at least 5GW of offshore wind capacity by 2022.
This assumes significance as India, the biggest emitter of greenhouse gases after the US and China, plans to leverage scale to bring down offshore energy tariffs by harnessing the enormous wind power potential along its 7,600km coastline.
"To give confidence to the wind industry, the ministry has a declared medium and long-term target for offshore wind power capacity additions, which are 5 GW by 2022 and 30 GW by 2030," the government said.

Shillong (Meghalaya) gets selected as the 100th Smart City

Press Information Bureau: June 20, 2018

New Delhi: Shillong, the capital city of Meghalaya has been selected as 100th Smart City after evaluating the proposal submitted by it. Till now, 99 smart cities had been selected in four rounds of competition and with today's announcement, selection of 100 cities has been completed under the Smart Cities Mission. Previously, 20 cities were selected in January 2016, 13 cities in May 2016, 27 cities in September 2016, 30 cities in June 2017 and 9 cities in January 2018. With the selection of Shillong, the total proposed investment in the finally selected 100 cities under the Smart Cities Mission would be Rs.2,05,018 crores.

India launches its first national healthcare facility registry

Livemint: June 20, 2018

New Delhi: The Union ministry of health and family welfare on Tuesday launched the National Health Resource Repository (NHRR), the first ever registry in the country registry of authentic, standardised and updated geo-spatial data of all public and private healthcare. The Indian Space Research Organisation (ISRO) is the project technology partner for providing data security.
It will now be possible to provide comprehensive data on all private and public health establishments and other resources, including Railways, Employees' State Insurance Corporation (ESIC), defence and petroleum healthcare establishments.
Under the Collection of Statistics Act 2008, more than 20 lakh healthcare establishments such as hospitals, doctors, clinics, diagnostic labs, pharmacies and nursing homes would be enumerated under this census, which will capture data on more than 1,400 variables.
The Central Bureau of Health Intelligence (CBHI) has looped in key stakeholders, including leading associations, allied ministries, and several private healthcare service providers.
This resource repository shall enable advanced research towards ongoing and forthcoming healthcare challenges arising from other determinants of health such as disease and the environment. Approximately 4,000 trained professionals are working with dedication to approach every healthcare establishment to collect information.
It shall also enhance the coordination between central and state government for optimisation of health resources, making 'live' and realistic state project implementation plans (PIPs) and improving accessibility of data at all levels, including state heads of departments, and thus decentralise the decision making at district and state level.
"Some key benefits of the NHRR project are to create a reliable, unified registry of country's healthcare resources showing the distribution pattern of health facilities and services between cities and rural areas," said Union health minister J.P. Nadda.

"Additionally, it shall generate real-world intelligence to identify gaps in health and service ratios, and ensure judicious health resource allocation and management. It shall identify key areas of improvement by upgrading existing health facilities or establishing new health facilities keeping in view the population density, geographic nature, health condition, distance," he said.

The NHRR project aims to strengthen evidence-based decision making and develop a platform for citizens and provider-centric services by creating a robust, standardised and secured Information Technology (IT)-enabled repository of India's healthcare resources.

"Data is an important source of navigation. It helps in understanding the goals, our strengths and weaknesses and it is also an important means to strategise. Good compiled data enables the policymakers to make evidence-based policies and aids effective implementation of various schemes. NHRR should have inbuilt process for updating the data so that the system is relevant for a long time," said Nadda.

The health minister on Tuesday also released the National Health Profile (NHP)-2018, prepared by CBHI. The National Health Profile covers demographic, socio-economic, health status and health finance indicators, along with comprehensive information on health infrastructure and human resources in health.

Government proposes to set up 3000 Van Dhan Kendras involving 30,000 SHGs across the country

Press Information Bureau: June 25, 2018

New Delhi: The Government proposes to set up 3000 Van Dhan Kendras involving 30,000 SHGs across the country under the Van Dhan Scheme of the Ministry of Tribal Affairs. In a new game changing initiative, the Prime Minister launched the Van Dhan Scheme of Ministry of Tribal Affairs and TRIFED on 14th April, 2018 during the celebrations of Ambedkar Jayanti at Bijapur Chattisgarh. Emphasizing the important role of value addition in increasing tribal incomes, the Prime Minister stated that Van Dhan, Jandhan and Goverdhan Schemes had the potential to change the tribal-rural economic system. All these three schemes in tandem need to be promoted for this purpose by the State Governments.

Under Van Dhan Scheme, 10 Self Help Groups of 30 Tribal gatherers each have been constituted at Bijapur, Chhattisgarh. They are then trained and provided with working capital to add value to the products, which they collect from the Jungle. Working under the leadership of Collector, these groups can then market their products not only within the States but also outside the States. Training and technical support is provided by TRIFED.

Van Dhan Mission is an initiative for targeting livelihood generation for tribals by harnessing non-timber forest produces, the true wealth of forest i.e. Van Dhan with an estimated value: Rs.2 Lakh Cr. per year. It shall promote and leverage the collective strength of tribals (through SHGs) to achieve scale. It also aims at build upon the traditional knowledge & skill sets of tribals by adding technology & IT for value addition. Further it is to set-up tribal community owned Van Dhan Vikas Kendras (the Kendra) in predominantly forested tribal districts. A Kendra shall constitute of 10 tribal SHGs, each comprising of upto 30 tribal NTFP gatherers or artisans i.e. about 300 beneficiaries per Kendra.

Value addition assumes critical importance in ensuring remunerative prices to the tribals in this approach. Three stage value addition would be the corner stone for enhancing incomes of the tribals under the scheme. The grass root level procurement is proposed to be undertaken through SHGs associated with Implementing Agencies. Convergence and Networking with other Govt. departments/scheme shall be undertaken to utilise the services of existing SHGs like Ajeevika, etc. These SHGs shall be appropriately trained on sustainable harvesting/collection, primary processing & value addition and be formed into clusters so as to aggregate their stock in tradable quantity and linking them with facility of primary processing in a Van Dhan Vikas Kendra.

Talking about the new initiative, the Union Minister for Tribal Affairs, Shri JualOram said that the scheme has a huge potential to empower the tribals. The Minister said that convergence with Panchayati Raj is envisaged. Initially, the focus of the scheme will be in aspirational districts and gradually the scheme will be implemented in all tribal areas, Tribal Affairs Minister explained.

India ranks 19th among 73 nations with US$ 2.6 bn cross-border capital inflow in realty

PTI: June 26, 2018

New Delhi: India is at the 19th position among 73 countries in terms of attracting cross-border capital into their respective property markets last year, with inflows touching USD 2.6 billion, says a report.

The bulk of the inflows came from the US, Canada and Singapore, according to property consultant Knight Frank.

"India ranks an impressive 19th position amongst the 73 countries that attracted cross-border capital into their property markets in 2017.

"With USD 2.6 billion of cross-border capital inflows (excluding development sites), India ranks ahead of its Asia Pacific regional counterparts like Malaysia, Thailand, Indonesia, Vietnam and Philippines, which collectively attracted lesser capital flows compared to India," the consultant said in a statement.

Knight Frank also said the capital flows into Indian property market have been 10 times higher than the outflows in 2017. Last year, the outflows stood at USD 0.26 billion.

The huge inflow was mainly on account of reforms like new realty law RERA, the GST and demonetisation.

"Compared to 86 per cent share in 2016, United States, Canada and Singapore collectively contributed to 84 per cent of capital inflows to Indian property followed by United Kingdom, United Arab Emirates and Hong Kong in 2017," the consultant said.

Knight Frank India CMD Shishir Baijal said, "cross-border capital inflows (excluding development sites) to India stood at USD 2.6 billion in 2017 recording a 31 per cent growth over 2016".

The changes in business environment brought by landmark reforms like the RERA and the GST as well as the government's focus on affordable housing infused confidence among the stakeholders of the Indian property market, he added.

India's exports hit six-month high of US$ 28.86 bn in May

PTI: June 18, 2018

New Delhi: India's exports grew 20.18 per cent to USD 28.86 billion in May -- the highest in six months, even though the trade deficit widened to a four month high of USD 14.62 billion.

Imports too rose by 14.85 per cent to USD 43.48 billion during the month, according to the data released by the commerce ministry.

The previous high growth of exports was recorded at 30.55 per cent in November 2017.

Similarly, in January this year, the trade deficit was at USD 16.28 billion.

Exporting sectors, which helped to push the shipments in May include petroleum products, chemicals, pharmaceuticals and engineering.

However, exports of cashew, iron ore, textiles, gems and jewellery, handicrafts and carpet registered negative growth.

Gold imports during the month under review dipped by 29.85 per cent to USD 3.48 billion as against USD 4.96 billion in the same period last year.

During April-May 2018-19, exports grew by 12.58 per cent to USD 54.77 billion, while imports were up by 9.72 per cent to USD 83.11 billion. Trade deficit widened to USD 28.34 billion in the two months of this fiscal as compared to USD 27.09 billion during the same period previous fiscal.

Commerce and Industry Minister Suresh Prabhu said that in May, exports grew by 20.18 per cent.

Also, in 2017-18, exports of goods and services put together rose by 12.78 per cent, which is highest in about 6-7 years.

"Exports have increased significantly in 2017-18 despite the fact that we are facing lot of challenges particularly this year," the minister told reporters here.

He said that issues such as delay in GST refund is more or less sorted out and "2018-19 fiscal should be better than 2017-18".

Payment of GST will help exporters deal with the issue of working capital, he added.

Prabhu said the ministry is working with all the concerned ministries to promote shipments.

"We are working on a strategy to involve all the concerned ministries. They have decided to fix targets for themselves for export," he said, adding that in May exports have increased in volume terms.

When asked about the credit issues being faced by the gems and jewellery sector after Nirav Modi bank fraud, he said: "bank finance is one of the challenges for this sector so we have raised this issue with the finance ministry. We told (them) that they should take export as a priority sector lending because that will address many of the issues".

Oil imports were up 49.46 per cent to USD 11.5 billion on back of surge in international crude prices.

Meanwhile, an official statement said that the Department of Commerce will soon open 10 offices in Indian missions abroad for accelerating export promotion activities.

This was informed by the minister during review of the sectoral export promotion plans prepared by ministries and departments here today.

A conference of heads of Indian missions has been scheduled in June end, in which trade promotion measures will be discussed.

The minister stressed on the branding of Indian products and export credit as important focus areas for export promotion.

He also suggested that each ministry and department should set targets for increasing exports of their product and product groups in 2018-2019.

Commerce Minister emphasised that exports are a national priority and an integrated approach is required to promote exports as a joint mission.

Director General Foreign Trade Alok Chaturvedi informed that the department is preparing a 100 Billion Additional Export Strategy' which will be released shortly.

BANKING/FINANCE

Forex reserves up by USD 879.5 mn to USD 413 bn

PTI: June 18, 2018

Mumbai: India's foreign exchange reserves increased by USD 879.5 million to USD 413.109 billion in the week to June 8, helped by rise in foreign currency assets, the Reserve Bank data showed today.

In the previous week, the reserves had declined by USD 593.7 million to USD 412.230 billion.

The reserves had touched a record high of USD 426.028 billion in the week to April 13, 2018. It had crossed the USD 400-billion mark for the first time in the week to September 8, 2017, but has since been fluctuating.

In the reporting week, the foreign currency assets, a major component of the overall reserves, rose by USD 875.4 million to USD 388.391 billion.

Expressed in US dollar terms, the foreign currency assets include the effect of appreciation or depreciation of the non-US currencies such as the euro, the pound and the yen held in the reserves.

Gold reserves remained unchanged at USD 21.189 billion in the reporting week, the data showed.

The special drawing rights with the International Monetary Fund (IMF) rose by USD 1.8 million to USD 1.499 billion.

The country's reserve position with the IMF also increased by USD 2.3 million to USD 2.029 billion, the apex bank said.

Infrastructure needs make India hot spot for development banks

Business Standard: June 25, 2018

New Delhi: India has become the main focus of the two newest players in multilateral developmental financing as they are gearing up to make their mark in the burgeoning infrastructure needs of the country.

Both the Brazil, Russia, India, China, South Africa (BRICS) nation group-backed New Development Bank (NDB) as well as the Asian Infrastructure Investment Bank (AIIB) are pumping in funds into India for financing critical ground level infrastructure projects across the country.

This focus on India may ensure that the AIIB board of governors will get a warm reception on Monday when they assemble for their third annual meet in Mumbai.

The Beijing headquartered bank, set up in January 2016, has so far financed six projects in India at a total cost of $1.21 billion. It's also expected to signal the final approval of a further $1.9 billion during the two-day meet.

Of the total 26 projects that the AIIB has undertaken across Asia, so far India has generated most of the attention. The country has received the highest number of projects, beating Bangladesh and Oman, which got two each and leaving neighbour China way behind with only a single sanctioned project.

"The bank will be funding a major irrigation and flood management project in West Bengal apart from infra requirements in the under construction Amravati, the capital of Andhra Pradesh," a senior official from West Bengal said.

But the AIIB has serious competition from the KV Kamath-led NDB, the financing arm of the BRICS nation grouping.

The NDB has so far sanctioned four projects in India worth $1.4 billion in transportation infrastructure and ground level renewable energy projects. The multinational bank that started operating in July 2015 had a slow start initially. However, it has approved more than $5.1 billion worth of loans across all the five-member states since then.

The NDB has so far also sanctioned four projects in China, three in Russia and one each in South Africa and Brazil.

An additional four projects across India are currently under various phases of procurement and tender.

This includes the Madhya Pradesh bridges' project, which seeks to finance 23 sub-projects of building bridges across 31 districts. The state has remained the largest beneficiary of NDB loans so far and will also receive funds to overhaul road infrastructure in seven districts across the state.

The NDB is also financing road construction totalling more than 160 km across more than a dozen districts in Bihar.

The Modi government has ramped up investments in the infrastructure sector, most notably through Bharatmala – its flagship programme to construct more than 60,000 kms of national highways.

"However, there are dozens of individual infra projects, which are acting as missing links in the logistics chain and these require specific funding and implementation. That's where the banks come in," a senior official said.

According to the Global Infrastructure Outlook, India has infrastructure investment requirement of $4.5 trillion with road construction and development requiring almost $589 billion. India will face a $526 billion infrastructure investment gap by 2040, according to the latest Economic Survey.

MARKETS

PE investments hit record US$ 8.2 bn in Q2 2018, up 60% from a year ago

Business Standard: July 02, 2018

Private equity (PE) firms have invested a record $8.2 billion in 158 deals during the quarter ended June 2018, a 60 per cent rise from $5.1 billion in 153 transactions a year ago.

According to data from Venture Intelligence, the investment amount in the second quarter of 2018 was 112 per cent higher than the previous quarter's $3.9 billion in 157 transactions.

These figures include venture capital investments, but exclude PE investments in Real Estate. The latest quarter witnessed 24 PE investments worth $100 million, accounting for almost 83 per cent of the total investment value during the period, against 10 such transactions in the year-ago period. Of these, 12 investments were more than $200 million each, accounting for 64 per cent of the total value, compared to seven such investments in the same period last year.

The latest figures take the total PE investments in the first half of 2018 to $12.4 billion in 315 deals, a figure similar to that recorded in the first half of 2017 (358 transactions). The year 2017 was a record year for PE investments in India after $23.5 billion in 660 deals.

The biggest PE deals reported during the second quarter included the investment by Partners Group in outsourced IT product development firm GlobalLogic, through a secondary purchase from Apax Partners, for about $960 million, followed by Temasek's contribution of about $760 million to the buyout of Larsen & Toubro's electrical and automation business by Schneider Electric.

IT & ITeS companies accounted for 31 per cent of the PE investment pie ($2.6 billion in 83 deals), led by the GlobalLogic deal, and included Temasek's $250 million investment in IT services firm UST Global. Internet and mobile companies — Paytm E-Commerce ($450 million); PolicyBazaar ($236 million) and Swiggy ($210 million) — were among the top 5 PE investments in technology during April-June 2018.

Manufacturing companies, led by the L&T's electrical and automation business, constituted 16 per cent of the pie at $1.3 billion in seven deals). Healthcare and life sciences companies, led by ChrysCapital's $350 million investment in Mankind Pharma, accounted for 12 per cent and energy companies, led by Greenko Group, 10 per cent. The share of companies in the banking, financial services and insurance space slipped to less than 10 per cent during the second quarter of 2018, despite attracting four investments of over $100 million — in IARC; AU Small Finance Bank; IndiaFirst Life Insurance and India Infoline Wealth.

"This shows confidence returning among investors for the Indian PE asset class, and in the macro environment," according to Arun Natarajan, CEO, Venture Intelligence.

BUSINESS

Bosch to invest Rs1,700 crore in India over next 3 years

IBEF: June 21, 2018

New Delhi: German company Bosch Group has planned to invest Rs 1,700 crore (US$ 249.69 million) in India over the coming three years to meet the demand in India's domestic auto market. It will also invest in electric vehicles, automated driving, diesel engines, artificial intelligence and revamping of its Bangalore factory. Bosch is looking at the electric vehicle technologies as the future growth area in the country, given sufficient time. The company generated € 2 billion in total sales in India in 2017.

India to be among top 10 markets in coming yrs: Dr Oetker

PTI: June 21, 2018

New Delhi: German processed foods maker Dr Oetker is looking to make India one of its top 10 markets in coming years as it targets Rs 1,000 crore sales by 2020, said a top company official.

The firm, which is upbeat after its domestic unit reported the fastest growth globally in 2017, plans serve around 35 million customers driven by expansion of sales network, product portfolio, export and acquisitions.

Besides, Dr Oetker is also exploring opportunities for store-within-a-store retail format, and is in talks with some retailers.

"I can see India being one of our top 10 markets," Dr Martin Reintjes, Member of the International Executive Board of Dr Oetker told PTI.

He did not give a timeline for the progress, but indicated it could be sooner.

At present, India is among the company's top 20 markets. And last year the company reported the fastest growth rate here, he added.

"India is the fastest growing market unit of Dr Oetker... considering Dr Oetker is present in 40 plus countries world wide and sells in more than 50 markets, there is competition for growth from other markets, and India is performing very well," Reintjes added.

The company, which follows the January-December financial year, had a sales of Rs 200 crore in last year.

Dr Oetker has recently started a new manufacturing plant in Kaharani, Rajasthan, which has a present capacity of 46,000 tonnes. The company has invested around Rs 250 crore in the facility.

On further investments here, Dr Oetker India Managing Director and CEO Oliver Mirza said, the company would continue to invest in the Indian market and is also open to acquisitions to chase its growth plans.

Dr Oetker, which which entered India in 2007 by acquiring Delhi-based Fun Foods, is also now presence in 489 cities with its range of Western sauces and spreads.

At present, 85 per cent of its sales come from the retail segment and rest come from the HoReCa (Hotel, Restaurant and Catering) segment.

As part of expansion of its product portfolio, the company has launched a complete new range of ten zero-fat dressings today.

The company is also looking the export opportunities in the retail side and soon start shipping to Sri Lanka besides Nepal and Malaysia.

Revenue from e-commerce in India to touch USD 52 bn by 2022: Report

PTI: June 25, 2018

New Delhi: The revenue from e-commerce amounted to USD 25 billion in India in 2017, and is likely to grow by 20.2 per cent per year to hit USD 52 billion by 2022, says a report.

According to a report by Admitad, in 2017, 37 per cent of the population comprised of internet users, 14 per cent of whom made online purchases regularly. This population's share of internet users is expected to grow to 45 per cent by 2021. The number of online buyers is expected to grow to 90 per cent.

Most purchases (56 per cent) are made via desktop. Smartphones account for 30 per cent of purchases, said the digital and affiliate marketing company's report.

However, with mobile penetration expected to reach 54 per cent of the population by 2020, m-commerce has a high potential in India, and will likely be responsible for 70 per cent of e-commerce revenue.

The report noted that about 57 per cent of Indians prefer to pay on delivery, while 15 per cent prefer to pay with debit cards, and 11 per cent credit cards.

"However, this is all likely to change in the near

future. With a growing number of mobile users and the government encouraging citizens to use non-cash payment, there should be an increase in digital transactions in the coming decade," it said.
Interestingly, India ranks second in the world for the number of internet and smartphone users, outpacing the US.
Meanwhile, China is the global leader in terms of number of internet users and online buyers. In 2017, the percentage of internet penetration rose to 53 per cent. Even more, 42 per cent of the population made online purchases regularly.

First-time entrepreneurs propel Indian franchise biz; industry pegged at US$ 150 bn in 5 yrs

PTI: June 25, 2018

New Delhi: A spurt of first-time entrepreneurs is driving growth of franchise industry in India, which is pegged to touch around USD 150 billion in size in the next five years, according to a top official of Franchise India.
With a lot of professionals, specially from IT background, choosing the franchise route to entrepreneurship in the last four to five years, the industry has witnessed a year-on-year growth of 30-35 per cent, according to the firm which is an integrated franchise solution company.
As the Indian market continues to grow, 25 per cent of all the brands in franchise mode is expected to be global as compared to about 13 per cent at present.
"Franchise industry in India is today estimated to be at USD 47-48 billion. This is growing at 30-35 per cent year-on-year," Franchise India chairman Gaurav Marya told PTI.
India is already the second largest franchise market in the the world after the US with about 4,600 operating franchisers and 1.5 lakh franchisees, he added.
When asked about its prospects in the next five years, he said, "This industry would grow to at least about USD 140-150 billion."
While franchising has been there for the last 20 years, it is only in the last four to five years in which it has "seen a dramatic transition" because of change in franchise buyer profile, Marya said.
"Today, 35 per cent of all franchise buyers are first timers in business. They have never done business before and so it is a gateway to entrepreneurship for them," he said, adding that earlier franchising was mainly done by people who were already doing some business.
He further said there is a trend of professionals, mostly from IT and technology background specially in Chennai, Bengaluru and Pune, shifting from their jobs to enter franchise industry.
"IT slowdown has actually helped the franchise industry in India," Marya said.
Another change that has been witnessed in the industry is the growth of 'operator franchisees'.
Earlier, when people would buy a franchise they put other people to run the business and did not get involve in day-to-day operations but now it is changing as people who have bought a franchise are directly involved in the running of the business, he said.
Also helping the growth of franchising is the advent of financing in the industry with peer-to-peer lending and other modes of finance available.
"In time to come, out of every three franchises, one would be financed," Marya said.
With an aim to further enhance the growth of the industry, Franchise India and Frabglobal, an international market entry specialist, are co-hosting Master Franchise Show 2018 here at the Capital from June 23-24.
Over 200 international exhibitors from various sectors such as education, food and beverages, specialty retail, fashion and lifestyle, health and wellness, real estate and licensing are taking part in the show.

GST will lead to 100pc growth in warehousing: report

PTI: June 22, 2018

Kolkata: Goods and Services Tax (GST) will usher in a new era for the warehousing and logistics sector in India that could see at least 100 per cent growth in the sector by 2021, a report said today.
Real estate services firm JLL India in its report estimated that warehousing space in India will increase by 112 per cent by end of 2021.
It said, GST is playing a pivotal role in boosting both the hub and spoke model as well as the growth of the MultiModal Logistics Park (MMLP). "As a result of which, India will see over 20 per cent CAGR in warehousing and will have approximately 25 new MMLPs in the next few years," a JLL statement said. As of 2017, the total combined warehousing space (grade A and grade B warehousing) was 140 million sq ft. This

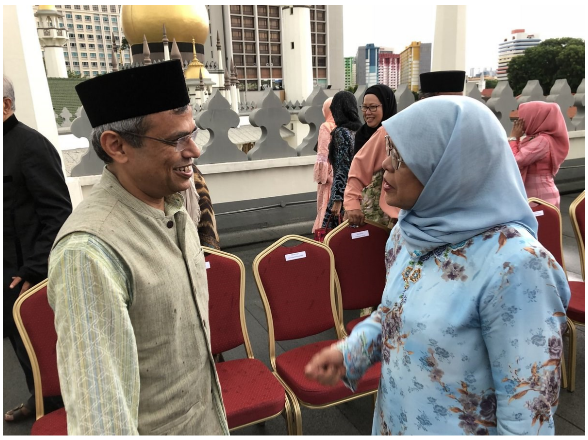
was expected to jump to 297 million Sq ft. "Implementation of GST has had a positive effect on warehousing activities in India due to diminishing state boundaries," JLL India CEO and country head Ramesh Nair said. The most prominent impact of GST on the warehousing sector will faciliate companies to explore a different distribution model from the traditional carrying and forwarding (C&F) distributor based models.It will also boost consolidation post GST, the focus would shift on efficiency rather than tax saving through smaller warehouses, it said. In an earlier report, JLL India had estimated that close to Rs 45,000 crore will be invested in creating storage facilities across India from 2018-2020.

4th International Conference on Traditional Medicine & Yoga held in Singapore

To promote India's traditional medicines (Ayurveda and Siddha) and Yoga, High Commission supported Ayurveda Practitioners Association of Singapore (APAS) and Siddha Practitioners Association of Singapore (SPAS) to organize the International Conference as part of the 4th International Day of Yoga. A daylong session with panel discussions highlighting the several benefits of traditional medicines was held at the Grand Copthorne Waterfront Singapore on the 21 June 2018. Around 300 people participated in this event.

Hon'ble MP-Sembawang GRC Mr Vikram Nair , High Commissioner of India, Mr Jawed Ashraf & Amb Kesavapany, President, Inter Religious Organisation addressed the conference on Traditional Indian Medicine in Singapore

High Commissioner attended Eid prayers at Sultan Mosque with HE President Halimah Yacob, HE Md Abdullah Alhabshee, Minister Masagos Zulfikli and Amb Saleh of Saudi Arabia.



High Commissioner met Dr Vivian Balakrishnan, Minister for Foreign Affairs and presented him a copy of "India Singapore: Ancient Route, New Journey"

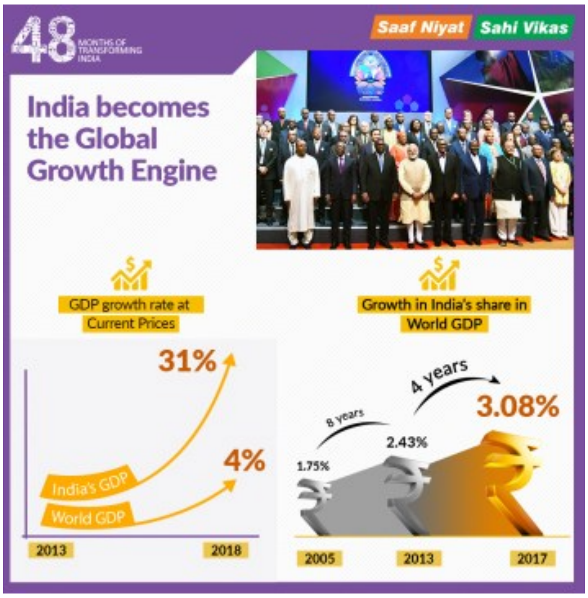
High Commissioner's meeting with Mr Tharman Shanmugaratnam , Deputy Prime Minister and Coordinating Minister for Economic and Social Policies

4th International Yoga Day held in Singapore – Glimpses

4th International Day of Yoga was celebrated from 16 – 24 June 2018 in Singapore. To bring yoga closer to the people of Singapore, the event was spread across 107 centres across the island with 185 sessions with the support of more than 30 organisations including Singapore government organisations such as Peoples' Association, ActiveSG and SportSG and local associations such as Narpani (a grassroots organisation of Tamil community) and LISHA (Little India Shoppers and Heritage Association), Sun Love and Swami Home, Sree Narayana Mission, Ramakrishna Mission, Hindu Endowment Board, Westlite dormitory and Indian Heritage Centre were part of the event. More than 7000 people from all walks of life participated in these celebrations.

4th International Yoga Day held in Singapore – Glimpses

48 Months of Transforming India: *All Sectors*



In India's Growth Story, You Write the Next Chapter

IDF
India Development Foundation of Overseas Indians

The India Development Foundation of Overseas Indians (IDF-OI) is a not-for-profit Trust established by Government of India which enables Overseas Indians to contribute to social and development projects in India. The Trust is exempt from the provisions of Foreign Contribution Regulation Act, 2010

The Trust is chaired by Smt. Sushma Swaraj, Hon'ble Minister of External Affairs. Other Board members are prominent Overseas Indians, Eminent Resident Indians and Senior Government of India officials.

Inviting Overseas Indians to Contribute to:

- *Swachh Bharat Mission*
- *Clean Ganga Mission*
- *State Govt Projects*

How We Work

Submission of Projects by Nodal Organisations to IDF-OI

Assessment & Selection of Projects by IDF-OI

Selection of a Project by Overseas Indian

Contributions made by NRI/PIO

Regular Monitoring & Feedback to Contributors by Implementing Agency

Project Completion & Utilisation Report to Contributor by IDF-OI

Contribute to Projects in

Education, Sanitation, Women's Empowerment, Healthcare, and Sustainable Livelihood

Projects available in

Punjab, Kerala, Karnataka, Rajasthan, Madhya Pradesh, Maharashtra, West Bengal, Chhattisgarh, Uttarakhand, Mizoram, Sikkim, Bihar, Tamil Nadu, and Odisha

"Although, the Indian Diaspora is a very heterogeneous group, there is a common factor which binds them- their desire to maintain their connection with their homeland and to contribute to the social and development efforts in India. We are seeking to strengthen and deepen our relationship through IDF-OI."

Smt. Sushma Swaraj
Hon'ble Minister of External Affairs &
Chairperson, IDF-OI

Engage With Us

- You can Fund One Unit or Several Units of any Project as an individual or as an association.
- IDF-OI does not charge any Administrative Cost from Contributions Received.
- Detailed Project Information: www.idfoi.org

Send your Contribution to
'India Development Foundation of Overseas Indians'
State Bank of India,
Central Secretariat Branch,
North Block, New Delhi 110001
A/C no. 33819721882;
IFSC code SBIN0000625;
MICR 110002014

India Development Foundation of Overseas Indians
927, Ministry of External Affairs, Akbar Bhawan, Satya Marg, Chanakyapuri, New Delhi- 110021
Website: www.idfoi.org Contact: +91 11 26881052/24676210; Email: ceo.idf@mea.gov.in

FORTHCOMING EVENTS >>>> *INDIA*

I. Reverse Buyer Seller Meet concurrent with India International Footwear Fair

Date: 4-5 August, 2018

Venue: New Delhi

Organizer: Council of Leather Exports

Contact : edcle@cleindia.com

Details: The objective for organizing the RBSM by inviting potential overseas buyers is to promote the capabilities & developments of India leather & leather products industry as a major sourcing destination and facilitate B2B meetings between Indian exporters and overseas buyers. The travel and stay for selected buyers would be provided by the Council.

II. 35th India International Jewellery Show

Date: 8-13 August, 2018

Venue: Mumbai

Organizer: Gem & Jewellery Export Promotion Council (GJEPC)

Contact : *www.iijs.org; vikrant@gjepcindia.com*

Details: The Council would like to invite prominent buyers from Singapore to attend this event. Selected Buyers will be eligible for the following complimentary package:

- 2 nights/3 days Stay at a Luxurious hotel during the event
- Airport pick-up & drops
- Shuttle bus services from Hotel to Exhibition & back
- Entry Passes to networking evenings

III. 36th India Carpet Expo

Date: 21-24 October, 2018

Venue: Varanasi

Organizer: Carpet Export Promotion Council (CEPC)

Contact : www.indiancarpets.com

Details: The Council would like to invite prominent buyers of the above mentioned products in Singapore to attend this event. Selected Buyers will be eligible for the following complimentary package:

- Reimbursement of US $ 300 towards airfare, as a subsidy, for attending India Carpet Expo.
- Complimentary hotel accommodation up to 2 nights in Varanasi between 20th to 24th October, 2018.

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

Isro's quest to find a trillion-dollar nuclear fuel on the Moon

Bloomberg

NEW DELHI: India's space program wants to go where no nation has gone before — to the south side of the moon. And once it gets there, it will study the potential for mining a source of waste-free nuclear energy that could be worth trillions of dollars.

The nation's equivalent of NASA will launch a rover in October + to explore virgin territory on the lunar surface and analyze crust samples for signs of water and helium-3. That isotope is limited on Earth yet so abundant on the moon that it theoretically could meet global energy demands for 250 years if harnessed.

The rover landing is one step in an envisioned series for Isro that includes putting a space station in orbit and, potentially, an Indian crew on the moon. The government has yet to set a timeframe.

Issue No 241, 30 June 2018

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***

I. Foreign Direct Investment

Q : Who can invest in a convertible note and what are the instructions in this regard?

Answer: A person resident outside India (other than an individual who is a citizen of Pakistan or Bangladesh or an entity which is registered/ incorporated in Pakistan or Bangladesh), may purchase convertible notes issued by an Indian start-up company for an amount of twenty five lakh rupees or more in a single tranche. A start-up company engaged in a sector where foreign investment requires Government approval may issue convertible notes to a non-resident only with the approval of the Government. The amount of consideration should be received by inward remittance through banking channels or by debit to the NRE/ FCNR (B)/ Escrow account maintained by the person concerned.

Source: RBI

For Feedback & Comments, please contact:
High Commission of India,
31 Grange Road, Singapore- 239702.
Email : ma@hcisingapore.org ; com1.singapore@mea.gov.in
URL : www.hcisingapore.gov.in