

31 October 2018

BILATERAL

Smt Nirmala Sitharaman visits Singapore to attend the Asean Defence Ministers' Meet



Defence Minister meets with Mr Teo Chee Hean, Deputy PM of Singapore on the sidelines of ASEAN Defence Ministers' Meet **(Cont on P. 10)**

Delegation from Ministry of Petroleum and Natural Gas in Singapore on 26 October 2018 for Investors Meet.

(Cont on P. 11)



Smt Nirmala Sitharaman at the Asean Defence Ministers' Meet in Singapore

this issue

India attracted USD 22 bn of FDI flows in first half of 2018.. **P.2**

Govt removes double taxation on VNOs .. **P.3**

Cabinet approves India-Singapore MoU on fintech cooperation **P.9**

Visit by TPCI Chairman to Singapore **P.10**

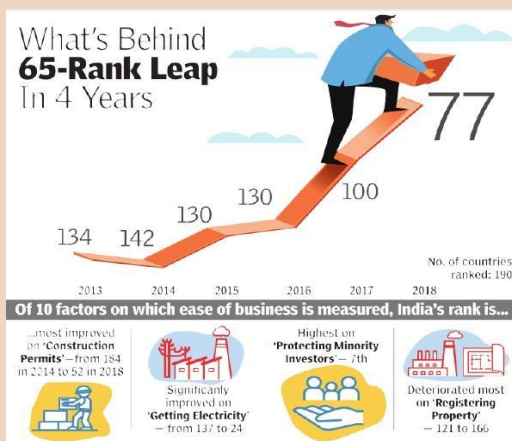
Forthcoming Events **P.14**

TOP NEWS

India surges 23 places in ease of doing business rankings

TNN | Nov 1, 2018, 04.28 AM IST

India has leapfrogged 23 places to 77th rank in the World Bank's global Ease of Doing Business rankings, a feat which is likely to boost the government's reform credentials and raise the country's attractiveness for investors.



The report released lists India and China as the two large economies which are among the 10 biggest reformers among 190 countries. New Zealand, Singapore and Denmark were on top of the list. Among the BRICS countries, Russia and China were ranked higher. The sharp jump in India's ranking is largely driven by feedback from stakeholders who say it is now significantly simpler to get construction permits and ship goods across the country's borders as well as reforms in other regulatory and process approvals.

The latest rankings will bolster the BJP government's reform record and comes at a time

when the government has been battling criticism on the economic front amidst a weak currency, widening current account deficit and choppy financial markets. "We are unwavering in our commitment towards economic reforms, which will ensure an environment that fosters industry, investment and opportunities," Prime Minister Narendra Modi tweeted. India improved its ranking on six of the 10 parameters and has jumped 53 places in two years.

At a press conference, finance minister Arun Jaitley identified property registration and starting businesses, where India is still ranked low, as focus areas in coming years. He said that steps such as the launch of GST, the new insolvency law and setting up of commercial courts would help India move up further.

"If we do focused improvement, breaking into the top 50 is not out of reach," the minister said.

India ranked 58th most competitive economy in WEF index, jumps 5 places from 2017

PTI: October 17, 2018

New Delhi: India has been ranked as the 58th most competitive economy on the World Economic Forum's global competitiveness index for 2018, which was topped by the US.

India's rank rose by five places from 2017, the largest gain among G20 economies, the WEF said.

On the list of 140 economies, the US is followed by Singapore and Germany at the second and the third positions respectively.

India was ranked 58th with a score of 62.0 in the latest Global Competitiveness Report. "This is the largest gain among all G20 economies," WEF said.

Meanwhile, neighbouring China was ranked at the 28th position in the overall list.

According to the report, the top performers in the "upper and lower middle-income brackets", such as China and India, are catching up with or even outperforming the average among high-income economies.

"China, is already more advanced when it comes to investing in research and development sub-pillar than the average high-income economy, while India is not far behind and let down only by its less-efficient bureaucracy for business creation and insolvency," the report said.

Among the BRICS economies, China topped the list at 28th place with a score of 72.6, ahead of the Russian Federation (65.6, 43rd), India (62.0, 58th), South Africa (60.8, 67th), and Brazil (59.5, 72nd).

India, however, remained the "South Asia's main driving force".

As per the report, India leads the region in all other areas of competitiveness except for health, education and skills, where Sri Lanka boasts the highest healthy life expectancy (67.8 years) and the workforce with the highest amount of schooling (9.8 years).

"These two countries (India and Sri Lanka) are also the ones that can rely on the most efficient infrastructure system. India has invested more heavily on transport infrastructure and services, while Sri Lanka has the most modern utility infrastructure," it added.

As per the report, India's greatest competitive advantages include its market size, innovation (in

particular the quality of its research establishments and business dynamism (including the number of disruptive businesses).

While the areas that the country needs to improve include, labour market (in particular workers rights), product market (in particular trade tariffs) and skills (in particular pupil-teacher ratio).

Other countries in the top 10 include, Switzerland (4th), Japan (5th), Netherlands (6th), Hong Kong (7th), United Kingdom (8th), Sweden (9th) and Denmark (10th).

The World Economic Forum's Global Competitiveness Index 4.0 is a composite indicator that assesses the set of factors that determine an economy's level of productivity - widely considered as the most important determinant of long-term growth.

The GCI 4.0 framework is built around 12 main drivers of productivity -- Institutions, Infrastructure; Technological readiness; Macroeconomic context; Health; Education and skills; Product market; Labour market; Financial system; Market size; Business dynamism; and Innovation.

India attracted USD 22 bn of FDI flows in first half of 2018: UN report

PTI: October 16, 2018

New Delhi: India attracted USD 22 billion of FDI flows in the first half of 2018, according to a UN report which states that the global foreign direct investment dropped by 41 per cent in the same period due to tax reforms carried out by the Trump administration.

The UN Conference on Trade and Development (UNCTAD) said on Monday in its 'Investment Trends Monitor' report that in South Asia, India attracted USD 22 billion of FDI (foreign direct investment) flows, contributing to the subregion's 13 per cent rise in FDI in the first half of the year. The report, however, said that with the USD 22 billion FDI, India just about managed to make it to the top 10 host economies receiving the most FDI during the period.

China was the largest recipient of FDI, attracting an estimated USD 70 billion in inflows in the first half of the year, followed by the UK with USD 65.5 billion, the US with USD 46.5 billion, The Netherlands at USD 44.8 billion, Australia with USD 36.1 billion, Singapore got USD 34.7 billion and Brazil received USD 25.5 billion, it said. Global foreign direct investment fell by 41 per

cent in the first half of 2018, to an estimated USD 470 billion from USD 794 billion in the same period of 2017, mainly due to large repatriations by the US parent companies of accumulated foreign earnings from their affiliates abroad following tax reforms, the report said.

Overall, the global financial picture is "gloomy", said James Zhan, UNCTAD's Director, Division on Investment and Enterprise.

The decline in global FDI is mainly owing to recent tax reforms implemented by US President Donald Trump's administration that led to big firms in the US to bring home earnings from abroad principally from Western European countries.

Other factors have contributed to this year's "huge difference in repatriation" of overseas profits by US multinationals, Zhan said.

These include uncertainty about the detail and impact of tax reform and the potential impact of unresolved international trade disputes; such as the tit-for-tat tariffs imposed by the US and China, Zhan added. In contrast to the overall decline in foreign investment, the report highlights a 42 per cent increase in so-called "greenfield" projects to USD 454 billion.

These initiatives can involve building operations in a foreign country from scratch and they are seen as an indicator of future trends, Zhan said, adding that investment in this sector had been at "relatively low levels" in the same period last year.

The report noted that while the fall in foreign direct investment had happened mainly in richer nations, including Ireland (down USD 81 billion) and Switzerland (down USD 77 billion), developing economies saw FDI flows declining "only slightly" in the first half of the year by four per cent to USD 310 billion compared with 2017.

This includes developing Asia - down four per cent - to USD 220 billion - in the same period, driven mostly by a 16 per cent decline in investment in East Asia. Latin America and the Caribbean saw a six per cent drop in investment, amid uncertainty over upcoming elections that were offset by higher commodity prices, the report said.

Govt removes double taxation on VNOs

PTI: October 26, 2018

New Delhi: The government has removed double

taxation on virtual network operators, entities that can resell telecom services, to make doing business easy, Telecom Minister Manoj Sinha said Thursday.

Virtual network operators can claim set-off on input cost for which charges have already been paid by parent operator.

"For the sake of ease of doing business, we have removed double taxation on virtual network operators," Sinha told reporters at the India Mobile Congress.

Under modified rules the Department of Telecom has decided to deduct payments for resources taken by Virtual Network Operators (VNOs) from telecom service providers, thereby reducing levies payable by VNOs.

"This avoids double taxation at various stages," Sinha said.

The virtual network operator (VNO) will be an entity providing telecom services like mobile landline and Internet, but only as a retailer for full-fledged telecom operators such as BSNL, MTNL, Airtel and the like.

The entry of VNOs is expected to push down the cost of offering telecom services for the companies and even give them room to slash tariff.

The Department of Telecom (DoT) has received over 70 applications seeking permission to provide telecom services.

Telecom Secretary Aruna Sundararajan said VNOs will need to pay licence fee but they can claim set-off on input cost incurred by them.

To push ease of doing business, the government announced new National Frequency Allocation Plan. Under the plan, the government exempted over 30 licence bands for short range devices, Ultra-Wideband Devices and additional spectrum for machine-to-machine services.

Under the new NFAP, the government announced releasing of 605 MHz license exempt spectrum in 5GHz band for Wireless Access Services.

India signalled its spectrum plans for 5G services aspiring to adopt the next generation technology as a leading market.

Sinha at the event reiterated India's readiness to start 5G services at par with advanced nations of the world and achieve broadband access for all as envisaged under National Digital Communications Policy.

The minister announced that the industry will rollout one million WiFi hotspots in the country by December 2019, which is another step towards the digital empowerment of the nation.

Trade deficit at 5-month low despite oil pressures

Livemint: October 16, 2018

New Delhi: India's trade deficit narrowed to a five-month low at \$13.98 billion in September despite higher oil prices, even as merchandise exports entered negative territory after a gap of six months.

Data released by the commerce ministry on Monday showed that exports contracted 2.15% in September while imports grew 10.45% in dollar terms. In rupee terms, however, exports and imports expanded at 9.65% and 23.78%, respectively, mostly because of a sharp depreciation in the rupee.

Commerce secretary Anup Wadhawan said the dip in merchandise exports in dollar terms is due to a higher base in September last year when exports grew at an "abnormally high" 26% due to imminent cuts in pre-goods and service tax (GST) duty drawback rates. "This is a temporary phenomenon. Exporters continue to be resurgent with their realised incomes having gone up by almost 10%. October figures promise to be as per the ongoing six-month trend in dollar terms," he said. In the first half (April-September) of the fiscal year, exports and imports grew at 12.54% and 16.16% respectively in dollar terms. Non-petroleum and non-gems and jewellery exports growth in April-September period was 10.32%. "Thus, the exports growth is robust and not confined to petroleum products alone," Wadhawan said.

The decline in the merchandise trade deficit is because of seasonal factors and is, therefore, likely to offer only temporary relief, said Aditi Nayar, principal economist at Icria Ltd. "The sharper depreciation of the rupee relative to some emerging market peers is likely to positively impact exports in certain sectors, including apparel, in H2 FY2019. Despite this, as well as the measures unveiled so far by the government to curtail non-essential imports, we will not be surprised if the merchandise trade deficit rebounds above \$17.5 billion in October," she said.

The government last month raised import duties on 19 non-essential items, including refrigerators, air conditioners, jewellery, diamonds and jet fuel, accounting for annual imports worth ₹86,000 crore, to arrest a widening current account deficit (CAD) and a weakening rupee. Last week, it increased customs duty on a host of items, includ-

ing telecommunication equipment, from the existing 10% to 20%.

Wadhawan defended the measure, saying India has raised custom duties well within its permissible bound rates at the World Trade Organization and, hence, cannot be termed protectionist unlike some developed countries.

India's CAD worsened to 2.4% of gross domestic product (GDP) in the first quarter of 2018-19 and economists expect it to worsen to 3% for the full year. With large-scale capital outflows, financing the deficit is also a challenge, though India's forex reserves are more than adequate.

Icria estimates India's CAD to triple to a substantial \$19-21 billion in July-September quarter of 2018-19, or around 3% of GDP, from the modest \$7 billion during the same period a year ago. WTO has downgraded growth in global merchandise trade to 3.9% in 2018 from the earlier estimate of 4.4% because of the escalating trade tensions between the US and China.

New agri export policy to double farmer's income: Suresh Prabhu

Press Information Bureau: October 26, 2018

New Delhi: Union Minister of Commerce & Industry and Civil Aviation, Suresh Prabhu said that the Government of India is preparing agro specific zones under the new Agriculture Export Policy which will be unveiled soon. He was speaking at the inauguration of BIOFACH INDIA which is the world's largest event on organic industry organized by Agricultural and Processed Food Products Export Development Authority (APEDA) and Indo-German of Commerce in New Delhi today.

The Commerce Minister said that India produces nearly 600 MT of agri products including horticultural produce and its strategy is to increase farmer's income by doubling it and reducing the wastage of food products to the bare minimum. Alongside domestic strategy, the Government is also focusing on exporting agricultural products to the world. Suresh Prabhu further said that there is need to cater to the niche market of organic food.

India is bestowed with the potential to produce all varieties of organic produce due to the country's varied agro climatic regions. India also has the added advantage of inheriting a tradition of organic farming. It is a great advantage for organic producers to tap the market which is growing-

steadily in both domestic and export markets.

India ranks first in terms of total number of organic producers and 9th in terms of world's organic agricultural land. The Government of India has implemented the National Programme for Organic Production (NPOP) which is organised by the European Commission and United States Department of Agriculture (USDA). Due to these certifications India's organic products are accepted by importing countries.

In 2017-18 India produced around 1.70 MT of certified organic products which includes all varieties of food products like oilseeds, sugarcane, cereals and millets, cotton, pulses, medicinal plants, tea, fruits, spices, dry fruits, vegetables and coffee.

Total volume of organic exports during 2017-18 was 4.58 lakh MT and brought in USD 515.44 million.

India's organic products are exported to USA, EU, Canada, Switzerland, Australia, Israel, South Korea, Vietnam, New Zealand and Japan.

Buyers from 15 countries are participating in the 3-day event being held from 25th to 27th October 2018 in New Delhi. This event showcases products like organic aquaculture, cashew, coconuts, tea and cocoa and oil seeds. Buyers-Sellers meet and an international conference are also being held alongside the main event.

Maharashtra Coast to be Developed as Tourism hotspot: Suresh Prabhu

Press Information Bureau: October 29, 2018

New Delhi: Union Minister of Commerce & Industry and Civil Aviation, Suresh Prabhu, has written to Minister of State (Independent Charge) for Tourism, K.J. Alphons, and Chief Minister of Maharashtra, Devendra Fadnis, for developing Maharashtra coast as a tourist hotspot. He said that the marine leisure sector is the fastest growing segment of the travel industry and growth of cruise ship industry, seaside destination resorts, marine parks, scuba diving and aquariums. India, with a coast line of 7500 km., has tremendous potential for development in this sector.

Commerce Minister said that the Ministry has received a proposal from the Services Export Promotion Council (SEPC) and Indian Institute of Scuba Diving and Aquatic Sports (IISDA) Malwan, Sindhudurg, for a comprehensive plan to encourage marine tourism along the coast of Maharashtra. The proposal includes development of

scuba diving and domestic cruise tourism destinations at Angria Bank, underwater tourism of global standards, submarine tourism in Sindhudurg, setting up India's largest aquarium in Sindhudurg to create awareness about marine biodiversity and strengthening IISDA as an accredited Institute for innovation and skill development in the aquatic tourism sector.

The Commerce Minister said that this proposal will complement tourism Ministry's initiative for development of coastal circuit in Sindhudurg to be executed through Maharashtra Tourism Development Corporation for which an amount of Rs. 82.17 Cr. has already been sanctioned. Commerce Minister has requested Mr. Alphons and Chief Minister of Maharashtra to consider the proposal for early action under the Champion Sector Initiative.

In February 2018, Union Cabinet had decided to give focused attention to 12 champion services sectors and mandated the identified nodal Ministries and Departments to formulate sectoral action plans under the dedicated fund of Rs. 5000 Crore. Ministry of Tourism has been identified as the nodal Ministry for the Tourism and Hospitality Champion Service Sector.

Govt may soon come out with comprehensive gold policy

PTI: October 18, 2018

New Delhi: The government is expected to come out with a comprehensive gold policy soon to promote the metal industry and the gems and jewellery sector, which is a major contributor to the export basket, sources said.

The policy also aims at creating jobs in the gold sector.

It is likely to focus on promoting domestic gold industry and exports of gems and jewellery, which contributes about 15 per cent to total merchandise outbound shipments, they said.

In February, Finance Minister Arun Jaitley had announced formulation of a comprehensive gold policy to develop gold as an asset class.

Government think-tank NITI Aayog in August suggested the government to bring down import duty on gold from the existing level of 10 per cent and also asked to slash the GST rate on the precious metal from the current 3 per cent.

Besides, it had recommended review and revamp of the gold monetisation scheme, sovereign gold bond scheme besides setting up of a gold board

and bullion exchanges across the country to have greater financialisation of the yellow metal.

The report had also suggested exemption of 3 per cent Integrated Goods and Service Tax (IGST) to be paid by exporter in line with customs duty with a provision of bank guarantee.

To promote exports, the Gems and Jewellery Export Promotion Council (GJEPC) has asked for support in terms of increasing incentives under the Merchandise Exports from India Scheme (MEIS) to boost shipments.

Under MEIS, the government provides duty benefits depending on product and country.

Rewards under the scheme are payable as percentage of realised free-on-board value and MEIS duty credit scrip can be transferred or used for payment of a number of duties including the basic customs duty.



BANKING/FINANCE

Govt plans global ETF in FY20 to tap overseas pension funds

PTI: October 29, 2018

New Delhi: The Finance Ministry is planning to launch a global exchange traded fund (ETF) with a view to attracting long-term investment from overseas large pension fund houses.

The new ETF, which will be constituted after studying the appetite of large investors, is being planned for launch in the next financial year, an official said.

Initially, the ministry was planning to list Bharat-22 ETF in the overseas market but decided not to go ahead with it as investors expressed apprehensions over the cost associated with hedging and currency conversion.

"The target is to tap the untapped investors, which is the large overseas pension funds. A new ETF is being thought of which will be constituted based on the sectors for which these investors show their interest," the official told PTI.

The official further said that the CPSEs in which there is substantial scope for further dilution of government equity, like where promoter holding is above 58-60 per cent, will be included in the proposed ETF for global listing.

The government has listed two exchange-traded funds -- CPSE ETF and Bharat-22 ETF-- on the domestic stock exchanges. ETFs function like a

mutual fund scheme and have underlying assets of government-owned companies.

The government has already raised Rs 22,900 crore through two tranches of Bharat-22 ETF and Rs 11,500 crore through three tranches of CPSE ETF.

Launched in 2017-18, the Bharat 22 ETF, consist of 16 central public sector enterprises (CPSEs), three PSU banks and three private sector companies ITC, L&T and Axis Bank where Specified Undertaking of Unit Trust of India (SUUTI) holds a stake. Bharat-22 ETF basket is diversified and there should be investor demand in the overseas market, the official added.

The state-owned companies or PSUs that are part of the new Bharat ETF-22 include ONGC, IOC, SBI, BPCL, Coal India and Nalco.

The other central public sector enterprises Bharat -22 are Bharat Electronics, Engineers India, NBCC, NTPC, NHPC, SJVNL, GAIL, PGCIL and NLC India. Only three public sector banks -- SBI, Indian Bank and Bank of Baroda -- figure in the Bharat-22 index. The official said the ETF route is a safer mode of disinvestment as it shields investors against stock market volatility. CPSE ETF was set up in 2014 and the government has so far sold stakes in the 10 bluechip PSUs-- ONGC, Coal India, IOC, Oil India, PFC, Bharat Electronics, REC, GAIL, EIL and Container Corporation of India.

The ministry is also planning a fourth tranche of CPSE ETF.

The government has set a target of Rs 80,000 crore to be raised from PSU disinvestment this fiscal. So far, it has raised over Rs 9,000 crore.



MARKETS

India VC market saw investments of over USD 2 bn in Q3: KPMG

PTI: October 15, 2018

New Delhi: India's venture capital market saw large sequential growth during the third quarter of 2018 with over USD 2 billion being invested, according to a report by KPMG.

"More than doubling the tally observed in Q2, the Indian venture ecosystem saw well over USD 2 billion invested last quarter, even as aggregate volume remains subdued," KPMG said in its Venture Pulse Q3 2018 report.

It added that hotel booking company Oyo Rooms

alone accounted for USD 1 billion of this. The funding round -- led by SoftBank Investment Advisers (SBIA) through SoftBank Vision Fund -- had positioned it as India's second most valuable technology start-up after Paytm. Oyo has now leapt well into unicorn status with a USD 5 billion valuation.

Even though OYO's fund raise comprised a large share of that, it suggests that India's ongoing focus on consumer-oriented enterprises is still going strong, the report said.

India also saw several USD 100 million-plus mega deals this quarter, including USD 225 million by Udaan, USD 120 million by CureFit and USD 100 million by BookMyShow, it added.

Besides, online marketplaces continued to gain a lot of traction during the quarter under review, with second-hand car company Cars24 raising USD 50 million.

The top 10 financing rounds in the third quarter in the Asia Pacific region were Singapore's ridesharing platform Grab that raised USD 2 billion, followed by Bitmain from Beijing and Oyo Rooms, with each raising USD 1 billion each.

Xpeng from Guangzhou and Ximalaya from Shanghai raised USD 596.2 million each in the said quarter, the report noted.

KPMG in India Partner and National Leader Private Equity Nitish Poddar said Internet commerce is at a very exciting stage in India.

"Mobile penetration driven by strong demographics is what will drive the growth in the industry. Given the working age proportion of population in the country, consumer-led internet businesses will continue to see significant growth in the near future," he added.

These, he pointed out, include food, travel, auto and commerce.

"Fintech is also at a very exciting stage in the country -- the government's push to electronic money coupled with growth in internet commerce will see a significant growth in this space -- payment gateways, online insurance and micro loans will stand to benefit," Poddar said.

The report said India's M&A market had soared to a "record annual high" during Q3 2018, reaching above the USD 100 billion mark for the first time in history.

"While some industry consolidation has helped spur the M&A activity, the tech market has played a large part in the rise," it added.

It cited the example of Walmart acquiring 77 per cent stake in India's e-commerce company Flipkart in a massive USD 16 billion deal and said

market activity is expected to "remain very high, heading into Q4'19 and well into next year".

BSE to introduce weekly F&O contracts Sensex 50 from Friday

PTI: October 23, 2018

New Delhi: Leading stock exchange BSE will introduce weekly futures and options contracts on Sensex 50 index from Friday.

The bourse will introduce 7 weekly futures and options contracts expiring on every Thursday of the week, excluding monthly expiry week, BSE -- formerly known as Bombay Stock Exchange -- said in a circular.

In case Thursday is a holiday, then contract expiry will be on the working day prior to that. New serial weekly future and options contracts will be introduced after expiry of the respective week's contract, it added.

"The exchange shall introduce weekly futures and options contracts on S&P BSE Sensex 50 index with effect from October 26, 2018," the bourse noted.

This index was launched in December 2016 to measure the performance of the 50 largest BSE-listed companies.

Derivative in financial markets typically refers to a forward, future, option or any other hybrid contract of pre-determined fixed duration, linked for the purpose of contract fulfilment to the value of a specified real or financial asset or to an index of securities.

Broadly, there are two types of derivative contracts -- futures and options. A futures contract means a legally binding agreement to buy or sell the underlying security on a future date, while options contract gives the buyer or holder of the contract the right (but not the obligation) to buy or sell the underlying asset at a pre-determined price within or at the end of a specified period.



BUSINESS

India to become world's 3rd largest aviation market around 2024: IATA

PTI: October 25, 2018

New Delhi: India will become the world's third largest aviation market around 2024 surpassing

the UK, global airlines' body IATA said on Wednesday as it projected total air passenger numbers to touch 8.2 billion in 2037.

Releasing the latest update to IATA's 20-year Air Passenger Forecast, the grouping also cautioned that growth prospects for air transport and the economic benefits driven by aviation could be curtailed if protectionist measures are implemented by governments.

The present trends in air transport suggest passenger numbers could double to 8.2 billion in 2037, the International Air Transport Association (IATA) said.

The Asia-Pacific region is projected to drive the biggest growth with more than half the total number of new passengers over the next 20 years coming from these markets.

The growth is being driven by a combination of continued robust economic growth, improvements in household incomes and favourable population and demographic profiles, it noted.

According to the IATA, China would displace the United States as the world's largest aviation market in the mid-2020s.

Aviation market is defined in terms of traffic to, from and within a country, as per the grouping.

"India will take 3rd place after the US, surpassing the UK around 2024. Indonesia is forecast to be a standout performer - climbing from the world's 10th largest aviation market in 2017 to the 4th largest by 2030," it said.

IATA Director General and CEO Alexandre de Juniac said a doubling of air passengers in the next 20 years could support 100 million jobs globally, adding that it is seeing a geographical reshuffling of world air traffic to the East.

Startups in India see 108% growth in funding in 2018: NASSCOM

PTI: October 26, 2018

Bengaluru: The startups in India saw a 108 per cent growth in total funding from USD two billion in 2017 to USD 4.2 billion this year, National Association of Software and Services Companies said Thursday.

The worrying factor, however, was the decline in funding for companies at the seed stage, NASSCOM said.

"India is becoming a startup hub. Opportunity for growth is enormous, which we had never seen in our lifetime.

Challenge is how fast a company wants to trans-

form," NASSCOM president Debjani Ghosh said. She was speaking to reporters at the launch of NASSCOM report on the 'Indian start-up ecosystem - approaching escapevelocity' on the sidelines of the 15th anniversary edition of NASSCOM's Product Enclave-2018 in the city.

More than 1,200 startups came up in 2018, including eight unicorns, taking the total number to 7,200 startups, NASSCOM reported.

However, the seed stage funding of Indian startups has declined from USD 191 million in 2017 to USD 151 million in 2018.

"In terms of overall funding, it is a good story.

However, we are seeing a continuous decline in seed stage funding of startup companies. If you fall at the seed stage, innovation is hit. It is the area, which needs protection," Ghosh said.

The report said there was a 50 per cent increase in number of advanced tech startups since 2017.

According to it, startup ecosystem has regained momentum after the slowdown in 2016-17.

These companies created 40,000 new direct jobs while there was three fold increase in indirect jobs.

"Post 2017, investment into startups has increased by over 100 per cent, from USD 2.03 billion in 2017 to USD 4.2 billion in 2018.

The total number of startup funding deals, especially in the late stages, witnessed a massive growth of around 250 per cent from USD 847 million in 2017 to USD 3 billion in 2018," the report said.

The key growth drivers were enterprise software, fintech, healthtech marketplace and edtech. Data analytics, artificial intelligence and IoT startups have been witnessing fastest adoption across industry verticals.

There was 120 per cent funding growth for AI startups with USD 150 million investments made in this field in 2018.

The report said more than 400 plus startups expanded globally including travel and hospitality company Oyo, cab aggregator Ola, edutech Byju's, Zomato and Wittyfeed.

NTU innovation unit partners start-up accelerators to promote opportunities in India

<https://www.straitstimes.com/business/companies-markets/ntu-innovation-unit-partners-start-up-accelerators-to-promote>

SINGAPORE - Nanyang Technological Uni-

and enterprise arm, NTUitive, together with Singapore-headquartered Govin Academy and its India partner, Startup Accelerator India (SAI), will be promoting start-up entrepreneurship opportunities between Singapore and India, under a memorandum of understanding.

The partnership aims to do this by providing a launch pad for Singaporean start-ups to expand into the India market and vice versa.

Entrepreneurs can gain insights into India's market through workshops, hackathons and internships conducted and overseen by industry leaders and mentors from Govin and NTUitive.

Govin Academy promotes entrepreneurship and innovation through bootcamps and acceleration programmes between Singapore and India, while SAI is an accelerator in India sponsored by Govin Capital. SAI focuses on healthcare tech, artificial intelligence, Internet of Things and Big Data.

India Inc's Jan-Sep M&A deal tally touch USD 76 bn: Report

PTI: October 16, 2018

New Delhi: Corporate India announced merger and acquisitions (M&As) worth USD 11.5 billion in the third quarter of this year, following which the January-September deal tally stood at USD 76.03 billion, says a report.

"Strong earnings, promising demographics and big ticket deals drove the M&A activity, clocking deals worth USD 76 billion from over 350 transactions," said Prashant Mehra, Partner Grant Thornton India LLP.

Moreover, large deals such as Walmart's acquisition of Flipkart, merger of Bharti Infratel and Indus Towers, ONGC's acquisition of HPCL, UPL's acquisition of Arysta LifeScience and some other large deals in this space resulted in a two fold jump in deal activity compared to the same period in 2017, Mehra added.

According to the report, there were 130 M&A deals worth USD 11.5 billion in the third quarter of the current year, registering a five fold jump over last year, when transactions worth USD 2.14 billion were announced through 119 transactions. The significant uptrend in the third quarter deal activity was driven by outbound activity, which was a result of domestic companies trying to establish presence in the international markets coupled with domestic consolidation, the report said. Moreover, the July-September quarter recorded two deals in the billion dollar club and 12 deals

estimated and valued at and above USD 100 million each together capturing 89 per cent of total M&A values.

A sector-wise analysis showed that, the agriculture sector led the deal activity in the third quarter of this year, accounting for 37 per cent of the total deal value, driven by UPL Ltd's acquisition of Arysta LifeScience Inc for USD 4.2 billion.

The pharma sector remained active during the July-September quarter, recording eight deals worth USD 1.3 billion, with Aurobindo Pharma's acquisition of the dermatology business and generic US oral solids portfolio of Sandoz Inc.

It was followed by Constellation Alpha Capital Corp's acquisition of Medall Healthcare for USD 212 million, marking the largest investment in an Indian diagnostics company till date, the report said.

The start-up sector meanwhile, led in terms of deal volumes, capturing a 22 per cent share as a result of revived domestic investors' interest in the FinTech segment followed by travel and on-demand services platform.

Going ahead, "with the insolvency regime being the main catalyst, we expect an increase in restructuring activities, apart from also experiencing a new renaissance in the M&A and the restructuring horizon," Mehra said.

However, in the run-up to the elections, we could expect investors and corporates to adopt a more cautious approach over the course of the coming months, he added.



BILATERAL

Cabinet approves India-Singapore MoU on fintech cooperation

IANIS | New Delhi Last Updated at October 24, 2018

The Union Cabinet on Wednesday approved a MoU signed between India and Singapore to establish a joint working group to strengthen bilateral cooperation in financial technologies.

The memorandum of understanding (MoU) was signed between India's Department of Economic Affairs and the Monetary Authority of Singapore during Prime Minister Narendra Modi's visit to Singapore in June this year.

"Collaboration of India with Singapore will benefit both India and Singapore to excel in the fields of development of Application Programming Interfaces (APIs), regulatory sandbox, security in

payment and digital cash flow, integration of RuPay-Network for Electronic Transfers (NETS), UPI-FAST payment link, Aadhaar Stack and e-KYC in the ASEAN region and cooperation on regulations, solutions for financial markets, insurance sector and sandbox models," the government said in a statement.

Singapore payment system operator NETS has partnered with National Payments Corporation of India (NPCI) to establish a cross-border payment linkage between Singapore's PayNow and India's Immediate Payment Service (IMPS).

This partnership is aimed at boosting trade, tourism and remittances through real-time fund transfers between bank accounts in the respective countries.

The terms of references of the JWG include exchange of best practices to improve regulatory connect, promote experience sharing on fintech policies and regulations, encourage creation of standards on use of data by fintech firms and promote cooperation between the financial technology industry in India and Singapore.

First meeting of India–Singapore JWG on Fintech held on 26 October through VC.



Smt Nirmala Sitharaman visits Singapore to attend the Asean Defence Ministers' Meet.. Cont from P. 1

Defence Minister Smt Nirmala Sitharaman began her ADMM+ engagements with bilateral meetings with counterparts from the United States, Australia, Vietnam, Malaysia, the Philippines. A key platform for regional security and India's engagement in the region.



Meeting with Dr Ng Eng Hen, Minister of Defence, Singapore

Visit of Chairman, Trade Promotion Council of India to Singapore

Mr Mohit Singla, Chairman of Trade Promotion Council of India had visited Singapore on 29 October - 31st October 2018 to promote Indus Food II. High Commissioner met the Chairman and shared the ideas for promoting Indus Food II at Singapore. High Commission arranged the seminar at High Commission for TPCI Chairman where major importers/buyers were invited. Further, High Commission has arranged the meeting for TPCI Chairman with the officials of Enterprise Singapore, Singapore Business Chambers (SMF, SICC) and also with big agro corporate companies like Olam and Agro corp. The meetings has generated huge awareness and interest in Singapore for Indusfood II.

Delegation from Ministry of Petroleum and Natural Gas in Singapore on 26 October 2018 for Investors Meet. (Cont from P. 1)



The delegation lead by Dr. V. P. Joy, Director General, Directorate General of Hydrocarbons had come to Singapore for participation of Roadshow on the Investment Opportunities in Exploration and Production Sector. The roadshow was well attended by 185 participants. There was lot of interest in the Discovered Small Filed Round - II and also to Open Acreage Licensing Policy Bid -II. On the same day, Indian Strategic Petroleum Reserves Limited (ISPRL), a SPV under the Ministry of Petroleum & Natural Gas (MoP&NG), in order to explore feasibility of commercialisation of the Phase I SPR at Padur (2.5 MMT) and the planned Phase II SPRs at Chandikhol, Odisha (4.0 MMT) and Padur II, Karnataka (2.5 MMT), had conducted Roadshow on 26 October 2018 at Singapore. For the Road show delegation from MOPNG was lead by Shri.Sunjay Sudhir, JS (IC).

Infrastructure Asia Roundtable held in Singapore

Mr Pravin Darade, Additional Metropolitan Com-

missioner, Mumbai Metropolitan Region Development Authority & Mr Shankar Desphande, Joint Project Director, Mumbai Metropolitan Region Development Authority from MMRDA also visited Singapore and had visit & interaction with SMRT including visits to their Depot and Multi-modal hub on 22nd October. They also participated in the Infrastructure round table on 23 October 2018.

High Commissioner joined Minister S Iswaran to release a well documented history of 88-year old Kamala Club of Indian women in Singapore - renamed in 1950 after Kamala Nehru. A platform that remains a voice for women in Singapore and serve the people of Singapore in a variety of ways.



High Commissioner conveys Diwali greetings to 3000 plus audience at Shankar Mahadevan concert on Oct 26



Transforming India: All Sectors

EXPANDING HORIZONS OF RESEARCH ECOSYSTEM

Scheme for Promotion of Academic and Research Collaboration (SPARC) portal launched



 <p>Providing Indian academicians opportunity to work in world class laboratories</p>	 <p>254 Indian Institutes and 478 top ranked global Institutes identified</p>
 <p>600 joint research proposals to be awarded for 2 years</p>	 <p>₹418 crore allocated for its implementation up to 31-3-2020</p>

Significant Milestone with PM Bhartiya Janaushadhi Pariyojana (PMBJP)





- Over 4200 PMBJP Kendra functional in 34 States/UTs
- 1 Central Warehouse with 4 regional & 53 distributors
- 700+ medicines and 154 surgical & consumables
- IT enabled end-to-end supply chain management system
- 50-90% savings on medical & surgical consumables available at PMBJP Kendras




CABINET APPROVES 24 OCT 2018


TRIBUNAL UNDER PROHIBITION OF BENAMI PROPERTY TRANSACTION (PBPT) ACT, 1988

- 

Establishment of Appellate Tribunal for benami transaction cases
To provide an appellate mechanism for order passed by Adjudicating Authority under PBPT Act
- 


Appointment of Adjudicating Authority along with three Benches at Kolkata, Mumbai & Chennai
To provide first stage review of administrative action under PBPT Act
- 


To provide effective and better administration of cases and speedy disposal of appeals





CABINET APPROVES 24 OCT 2018

FISHERIES & AQUACULTURE DEVELOPMENT FUND


- 

Creation of fisheries infrastructure facilities both in marine & inland
- 

Creation of fund with a corpus of ₹7,522 crore
- 

Target of 15 million tonnes of fish production by 2020
- 

Employment opportunities to over 9.40 lakh fishermen



Higher Tax Compliance over the Last 3 Assessment Years

Gross total income declared by Return Filers 67% increased 26.92 lakh Cr (2014-15) → 44.88 lakh Cr (2017-18)	Number of taxpayers with income above ₹1 Crore 60% growth 88.6K (2014-15) → over 1.4 lakh (2017-18)
Average tax paid by corporate taxpayers 32.28 lakh (2014-15) → 49.95 lakh (2017-18) 55% growth	

UNPRECEDENTED GROWTH OF IT RETURNS FILED IN LAST 4 YEARS

Number of Returns Filed 3.79 CRORE (2013-14) → 6.85 CRORE (2017-18) GROWTH OF OVER 80%	Number of Persons Filing Return 3.31 CRORE (2013-14) → 5.44 CRORE (2017-18) INCREASED BY 65%
--	--

*As on 23rd Oct, 2018

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

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.

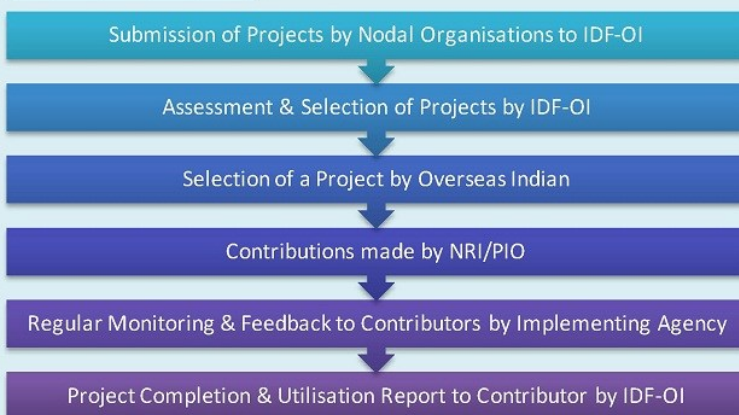


India Development Foundation
of Overseas Indians

Inviting Overseas Indians to Contribute to:

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

How We Work



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

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



"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

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, Chanakyaपुरi, New Delhi- 110021

Website: www.idfoi.org Contact: +91 11 26881052/24676210; Email: ceo.idf@mea.gov.in

FORTHCOMING EVENTS >>>> INDIA

I. Nasscom International SME Conclave

Date: 10-11 January, 2019

Venue: Kolkata, India

Organizer: NASSCOM

Contact : <https://www.smeconclave.in/>

Details: The focus of the event is to set up a thriving environ for all the participants, visitors, delegates and attendees to team up and work together for the much-required upgrade of the SME sector on the global scale. The theme for 2019 is 'Future is Now'.

II. Indus Food (Mega food and beverage industry trade show)

Date: 14-15 January, 2019

Venue: Greater Noida

Organizer: Trade Promotion Council of India (TPCI) supported by Department of Commerce, Government of India

Contact : Ms. Nupur Kumaria, Asst Director, Email: nupur.k@tpci.in

Details: The Council under the Hosted Buyer Program would like to invite buyers and would be providing the following benefits: -Partial/Full Airfare Reimbursement (Pre-fixed as per Country of Region) -3 Nights of 4/5 Star hotel accommodation with complimentary breakfast -App based business matchmaking-Invitation to Gala Networking Dinner-Interpreters on request-Online Registration fees is INR 17,500(Approx. USD250) + 18% GST per Hosted Buyer is non-refundable.

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 opens first of its six planned incubation centres

Deccan Herald



The Indian Space Research Organisation (ISRO) on Tuesday opened the first of its six planned Technology Incubation Centres at Agartala, a strategic move aimed at leveraging the huge untapped potential of academia-industry partnerships.

The space agency will allocate Rs 2 crore to build the necessary facilities for the incubation centre, to be set up at the National Institute of Technology (NIT), Agartala. ISRO chairman, K Sivan, offered to buy back the space mission prototypes built by the Centre. "These could be linked to aerodynamics, propulsion systems or any area," he said.

Over the next months, five more incubation centres will be launched, all in locations with zero space activity but with a strong presence of academic institutions and the industry. On ISRO's agenda are centres in Jalandhar, Nagpur, Indore, Bhubaneswar and Tiruchirapalli, all to be established through academia tieups and industry partnerships.

Issue No 249, 31 October 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. Can a foreign investor invest in Rights shares issued by an Indian company at a discount?

Answer: There are no restrictions under FEMA for investment in Rights shares issued at a discount by an Indian company under the provisions of the Companies Act, 2013. The offer on rights basis to the persons resident outside India shall be:

in case of shares of a company listed on a recognized stock exchange in India, at a price, as determined by the company; and

in case of shares of a company not listed on a recognized stock exchange in India, at a price, which is not less than the price at which the offer on right basis is made to resident shareholders.

Q. Whether RBI approval is required for renunciation of rights shares?

Answer: No, renunciation of rights shares shall be done in accordance with the instructions contained in Para 6.11 of [Master Direction - Foreign Investment in India dated January 4, 2018](#), read with Regulation 6 of FEMA 20(R).

Source: RBI

For Feedback & Comments, please contact:

**High Commission of India,
31 Grange Road, Singapore- 239702.**

Email : ma@hcsingapore.org ; com.singapore@mea.gov.in

URL : www.hcsingapore.gov.in