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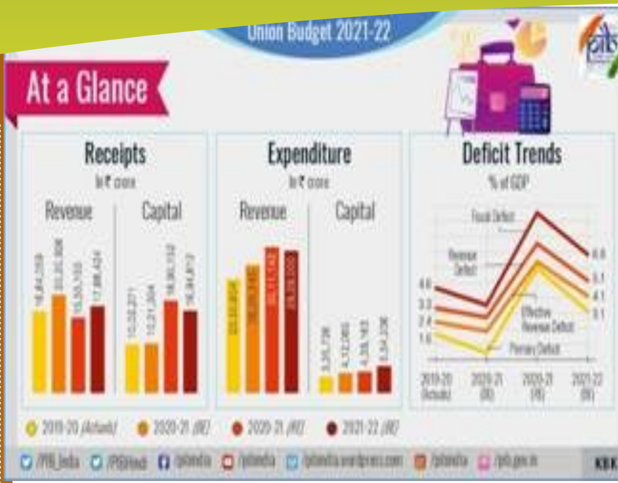
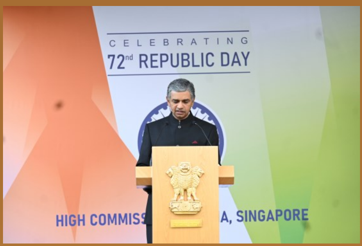
India Focus

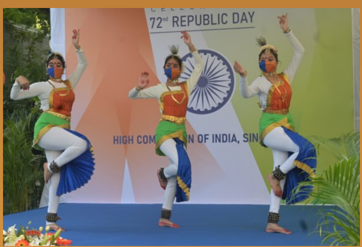


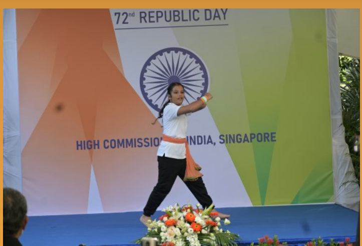
this issue

SIDELINES

Celebrations for the 72nd Republic Day held on 26 January 2021







TOP NEWS

Finance Minister Presents Union Budget 2021-22

Source: PIB

The Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman presented the Union Budget 2021-22 in Parliament , which is the first budget of this new decade and also a digital one in the backdrop of unprecedented COVID-19 crisis. Laying a vision for AatmaNirbhar Bharat, she said this is an expression of 130 crore Indians who have full confidence in their capabilities and skills. She said that Budget proposals will further strengthen the Sankalp of Nation First, Doubling Farmer's Income, Strong Infrastructure, Healthy India, Good Governance, Opportunities for youth, Education for All, Women Empowerment, and Inclusive Development among others. Additionally, also on the path to fast-implementation are the 13 promises of Budget 2015-16-which were to materialize during the AmrutMahotsav of 2022, on the 75th year of our Independence. They too resonate with this vision of AatmaNirbharta, she added.

The Budget proposals for 2021-22 rest on 6 pillars.

1. Health and Wellbeing
2. Physical & Financial Capital, and Infrastructure
3. Inclusive Development for Aspirational India
4. Reinvigorating Human Capital
5. Innovation and R&D
6. Minimum Government and Maximum Governance

For full budget speech, please refer to https://www.indiabudget.gov.in/

Key Highlights of the Union Budget 2021-22

Macro Fiscal

- Fiscal deficit for FY21 is estimated at 9.5% of GDP (from 3.5% BE). For the next fiscal, the fiscal deficit is pegged at 6.8% of GDP (or Rs 15.1 lakh crore). The focus will be on sectors with high employment and output multipliers like construction and health

- The nominal GDP for FY22 is estimated at Rs 222.9 lakh crore, a 14.4% growth over FY21. Assuming a conservative 10% real GDP growth rate, this translates into an inflation of around 4.4%.
- The Centre's gross tax revenue for FY21 has been revised downwards to Rs 19.0 lakh crore (5.5% decline over FY20), which is Rs 5.2 crore lesser over the Budget estimate for FY21. Coming to FY22 projections, due to low base almost all components of taxes has exhibited double digit growth (except excise and service tax). However, in absolute numbers, tax collection in FY22 is projected lower than the FY21 (BE), except for excise.
- Government has set a target of Rs 1.75 lakh crore of disinvestment for FY22 on back of LIC IPO and the pending/ remaining disinvestments of FY21. The disinvestment proceeds from LIC and other financial institutions is pegged at Rs 1 lakh crore. The disinvestment target of FY21 is now revised downwards from Rs 2.1 lakh crore to Rs 32,000 crore.
- The proposed capital expenditure of Rs 5.5 lakh crore for FY22 amounts to 2.5% of the GDP and 3.4% of GDP if we include allocation for capital expenditure for Autonomous Bodies. Thus at 4.5 ICOR one can expect GDP growth contribution of 0.75% on account of capital expenditure.
- On the back of buoyancy in equity market, in the budget for FY19, the Government had imposed a long-term capital gains tax on capital gains exceeding Rs 1 lakh at the rate of 10% without allowing the benefit of any indexation. In FY22 budget, this amount has been now pegged at Rs 52,740 crores (Rs 42,980 crores in FY21 revised estimates). The Government thus expects the financial markets to remain buoyant.
- Government estimates the non-tax revenue to grow at 15.3% to Rs 2.43 lakh crore, from the revised estimate of Rs 2.10 lakh crore. The Government has estimated receipts under 'Other Communication Services' mainly relate to the license fees from telecom operators and receipts on account of spectrum usage charges of Rs 53,986 crore in FY22 from last year revised estimate of Rs 37,737 crore. It seems Government is expecting around Rs 20,000 crore from 5G spectrum actions.
- Government propose to take up the privatization of two Public Sector Banks and one General Insurance company in FY22. Rs 20,000 crore as recapitalisation is provided in FY22 to further consolidate the financial capacity of PSBs.
- Gross tax revenue is expected to grow by 16.7% in FY22 to Rs 22.2 lakh crore. This revenue target from taxation is supported by 21.4% growth in custom duty, 22.2% in income tax and 22.6% rise in corporation tax. The tax buoyancy for FY22 is estimated at 1.16 (based on gross tax revenue). GST collection target is budgeted to increase at 22.3% to Rs 6.3 lakh crore over FY21 revised estimates. Major subsidies will decline by 43.5% to Rs 3.36 lakh crore.
- For FY22, the Gross Government Borrowing is Budgeted at Rs 12.05 lakh crore and net borrowing requirement is pegged at Rs 9.24 lakh crore considering repayments of Rs 2.39 lakh crore.
- Taking a holistic approach to Health, Budget focusses on strengthening three areas: Preventive, Curative, and Wellbeing. The Budget outlay for Health and Wellbeing at Rs 2.24 lakh crore is 137% more than the BE of FY21 (Rs 94,452 crore). This expenditure is 1.8% of GDP. Provision of Rs 35,000 crore made for Covid-19 vaccine.
- The total dividend from the Reserve Bank of India, nationalised banks and financial institutions is estimated at Rs 53,511 crore for FY22, almost 10% less than revised estimated of FY21 (Rs 61,826 crores). Compared to FY20 this amount is almost one-third.

Other Significant Measures

- A dedicated sum of INR35000 crores has been allocated for the COVID-19 vaccine for FY2021-22.
- Mega Investment Textiles Parks (MITRA) will be established over 3 years. This will create world class infrastructure with plug and play facilities to enable create global champions in exports.
- Dwelling on the infrastructure sector, Finance Minister has emphasized that infrastructure needs long term debt financing. A professionally managed Development Financial Institution is necessary to act as a provider, enabler and catalyst for infrastructure financing. Accordingly, a Bill to set up a DFI will be introduced. Government has provided a sum of Rs 20,000 crore to capitalise this institution and the ambition is to have a lending portfolio of at least Rs 5 lakh crore for this DFI in three-year time.
- A proposal has been made to setup an asset reconstruction company (ARC) and an asset management company (AMC) to hive of NPAs in the banking sector into a separate entity. With the banks now holding a significant amount of provisions for the stressed assets, a wholesale transfer of the bad assets to the proposed entities is purely a technical issue and the process of recovery and resolution could be carried out much belter.
- The Government has proposed to increase the FDI limit in insurance companies to 74% from the present 49%, with Indian management control. The Covid-19 pandemic has shown that further penetration of insurance in India is needed with a significant change in behavioural habits of individuals towards more insurance products and for that capital infusion is required. The move is need of the hour and expected to aid the sector in increasing insurance penetration in the country, which is currently at merely 3.76% (Life: 2.82%, Non-life: 0.94%; 2019), compared to World average of 7.23% (Life: 3.35%, Non-life: 3.88%).
- As a part of the Aatmanirbhar Bharat Package, the Government has finalised for a new coherent PSE policy—where all sectors are open to the private sector while PSEs will play an important role in defined areas. Accordingly, Government has decided other than in strategic sectors (to be notified separately), all sectors will be open to the private sector. In strategic sectors, at least one enterprise will remain in the public sector but private sector will also be allowed, while in remaining sectors PSEs will be privatized. Further, to minimize wasteful administrative costs, number of enterprises in strategic sectors will ordinarily be only one to four; others will be privatized/ merged/ brought under holding companies. The measure is expected to free capital locked in failed PSE. As of Mar’19, India has 262 operating PSEs contributing Rs 1.43 lakh crore of profit. However, in services sector where there is 134 PSEs the amount of profit is only Rs 12,584 crore (i.e. Rs 545.6 crore profits per PSE).
- To further augment road infrastructure, more economic corridors are also being planned. Finance Minister also provided an enhanced outlay of Rs 1.18 lakh crore for Ministry of Road Transport and Highways, of which Rs 1.08 lakh crore is for capital, the highest ever.
- Production Linked Incentive scheme (PLI) launched to create manufacturing global champions across 13 sectors with amount committed nearly Rs 1.97 lakh crore in next 5 years staring FY22.
- Government will add 100 more districts in next 3 years to the City Gas Distribution network.
- 1000 more mandis to be linked to e-national agriculture market (e-NAM)
- Minimum loan size eligible for debt recovery under the Securitisation and Reconstruction of Financial Assets and Enforce-

ment of Security Interest (SARFAESI) Act, 2002 proposed to be reduced from Rs 50 lakh to Rs 20 lakh for NBFCs with minimum asset size of Rs 100 crore.

- Government has enhanced the agricultural credit target to Rs 16.5 lakh crore in FY22. Similarly, the allocation to the Rural Infrastructure Development Fund increased from Rs 30,000 crore to Rs 40,000 crore. The Micro Irrigation Fund, with a corpus of Rs 5,000 crore has been created under NABARD will be doubled.
- In an important announcement to boost value addition in agriculture and allied products and their exports, the scope of 'Operation Green Scheme' that is presently applicable to tomatoes, onions, and potatoes, will be enlarged to include 22 perishable products.
- To further facilitate credit low under the scheme of Stand-Up India for SCs, STs, and women, the Finance Minister proposed to reduce the margin money requirement from 25% to 15%, and to also include loans for activities allied to agriculture. Moreover, several steps were taken to support the MSME sector and Government has provided Rs 15,700 crores to this sector – more than double of this year's BE.

Source: SBI, India

FDI limit in Insurance sector increased from 49% to 74% and Foreign Ownership and control allowed with safeguards

Source: PIB, Delhi

Asset Reconstruction Company Limited and Asset Management Company to be set up

Rs. 20,000 Crore recapitalization of PSBs during 2021-22

DICGC Act to be amended to give depositors easy and time bound access to their deposits to the extent of insurance cover

Minimum Loan Size Eligible for Debt Recovery under the Sarfaesi Act, 2002 to be reduced from Rs. 50 Lakhs to Rs. 20 Lakhs for NBFCs with Asset size of Rs. 100 Crore

While presenting the Union Budget 2021-22 in Parliament today the Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman announced that the Government will amend the Insurance Act, 1938 to increase the permissible FDI limit from 49% to 74% and allow foreign ownership and control with safeguards. Under the proposed new structure, the majority of Directors on the Board and key management persons would be resident Indians, with at least 50% of Directors being Independent Directors, and specified percentage of profits being retained as general reserve.

Stressed Asset Resolution by setting up a New Structure

The Finance Minister stated that an Asset Reconstruction Company Limited and Asset Management Company would be set up to consolidate and take over the existing stressed debt and then manage and dispose off the assets to Alternate Investment Funds and other potential investors for eventual value realization. The move will help the Public Sector Banks to manage their stressed assets.

Recapitalization of PSBs

In order to consolidate the financial capacity of Public Sectors Banks, the Government has proposed further recapitalization of Rs. 20,000 crore during the fiscal 2021-22.

Deposit Insurance

The Finance Minister further stated that the Government had, last year, approved an increase in the Deposit Insurance cover for bank customers from Rs. 1 lakh to Rs. 5 lakhs. In order to help depositors of banks that are currently under stress, the Government will move an amendment to the DICGC Act, 1961 in the current Parliament Session to streamline the provisions, so that if a bank is temporarily unable to fulfil its obligations, the depositors of such a bank can get easy and time-bound access to their deposits to the extent of the deposit insurance cover.

To improve credit discipline while continuing to protect the interest of small borrowers, for NBFCs with minimum asset size of Rs. 100 crores, the minimum loan size eligible for debt recovery under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 is proposed to be reduced from the existing level of Rs. 50 lakhs to Rs. 20 lakhs, the Minister added.

Policy of Strategic Disinvestment announced; Clear Roadmap for Strategic and Non-Strategic Sectors

Source:PIB, Delhi

Strategic Disinvestment of BPCL, Air India, Shipping Corporation of India, Container Corporation of India, IDBI Bank, BEML, Pawan Hans, Neelachal Ispat Nigam Limited etc. to be completed in 2021-22

Privatisation of two public sector banks and one general insurance company to be taken up in Fy 2021-22

IPO of LIC to be brought in through requisite amendments

Rs. 1,75,000 Crore estimated as Receipts from Disinvestment : Finance Minister

States to be Incentivsed for taking up Disinvestment of their Public Sector Companies

Proposal of a special purpose vehicle in the form of a company to monetize idle land

The government aims at making use of disinvestment proceeds to finance various social sector and developmental programmes and also to infuse private capital, technology and best management practices in Central Government Public Sector Enterprises. Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman, while presenting the Union Budget FY 2021-22 in Parliament today announced that government has approved a policy of strategic disinvestment of public sector enterprises that will provide a clear roadmap for disinvestment in all non-strategic and strategic sectors.

Policy on Strategic Disinvestment

Fulfilling the governments' commitment under the AtmaNirbhar Package of coming up with a policy of strategic disinvestment of public sector enterprises, the Minister highlighted the following as it's main features :

1. Existing CPSEs, Public Sector Banks and Public Sector Insurance Companies to be covered under it.
2. Two fold classification of Sectors to be disinvested :

a. **Strategic Sector : Bare minimum presence** of the public sector enterprises and remaining to be privatised or merged or subsidiarized with other CPSEs or closed. Following 4 sectors to come under it :

i. Atomic energy, Space and Defence
ii. Transport and Telecommunications
iii. Power, Petroleum, Coal and other minerals
iv. Banking, Insurance and financial services

b. **Non- Strategic Sector :** In this sector, CPSEs will be privatised, otherwise shall be closed.

FDI in India rose by 13% in 2020, as inflows declined in major economies due to pandemic: UN

IBEF: January 27, 2021

An 'investment trends monitor' issued by the United Nations Conference on Trade and Development (UNCTAD) has highlighted that Foreign Direct Investment (FDI) into India rose by 13% in 2020, boosted by interest in the digital sector, and while fund flows declined most strongly in major economies such as the UK, the US and Russia due to the pandemic. The report reveals that India and China has bucked the trend.

The report states that global FDI collapsed in 2020 by 42% to an estimated US$ 859 billion from US$ 1.5 trillion in 2019 which was the lowest level witnessed since the 1990s. The decline in FDI infows was concentrated in developed countries, where fund flows fell by 69% to an estimated US$ 229 billion. However, FDI in India rose by 13%, boosted by investments in the digital sector. "China was the world's largest FDI recipient, with flows to the Asian giant rising by 4% to US$ 163 billion," the report said. It added that "in relative terms, FDI flows declined most strongly in the UK, Italy, Russia, Germany, Brazil and the US due to the dramatic impact of Covid19. India and China bucked the trend".

The report noted that acquisitions in India's digital economy was the largest contributor to this rise. Cross-border merger and acquisition (M&A) sales grew 83% to US$ 27 billion, the report said, citing Facebook's acquisition of 9.9% stake in Reliance Jio platforms, via a new entity, Jaadhu Holdings LLC. Similarly deals in the energy sector propped up M&A values in India, it said. Further, India and Turkey are attracting record numbers of deals in information consulting and digital sectors, including e-commerce platforms, data processing services and digital payments.

Despite projections for the global economy to recover in 2021, the UNCTAD expects FDI flows to remain weak due to uncertainty over the evolution of the Covid-19 pandemic. The organisation has projected a 5% to 10% FDI slide in 2021 in last year's World Investment Report. "The effects of the pandemic on investment will linger," said Mr. James Zhan, Director of UNCTAD, investment division. "Investors are likely to remain cautious in committing capital to new overseas productive assets," Zhan said. According to the report, the decline in FDI in 2020 was concentrated in developed countries, where flows plummeted by 69% to an estimated US$ 229 billion. Flows to North America declined by 46% to US$166 billion, with crossborder mergers and acquisitions dropping by 43%. Announced greenfield investment projects also fell by 29% and project finance deals tumbled by 2%. Greenfield investment is a kind of FDI, in which the parent company creates a subsidiary in the host country and builds its operations from the ground up. The US recorded a 49% drop in FDI, falling to an estimated US$ 134 billion. On the other side of the Atlantic Ocean, investment in Europe dried up as well. In the UK, FDI fell to zero, and declines were recorded in other major recipients.

Looking ahead, the FDI trend is expected to remain weak in 2021. Data on an announcement basis, an indicator of forward trends, provides a mixed picture and point at continued downward pressure. Sharply lower greenfield project announcements (-35% in 2020) suggest a turnaround in industrial sectors. Similarly, the 2020 decline in cross-border M&As (-10%) was cushioned by higher values in the last part of the year. Looking at M&A announcements, strong deal activity in technology and pharmaceutical industries is expected to push M&A-driven FDI flows higher. For developing countries, the trends in greenfield and project finance announcements are a major concern, the report said. Although overall FDI flows in developing economies appear relatively resilient, greenfield announcements fell by 46% and international project finance by 7%. These investment types are crucial for productive capacity and infrastructure development and thus for sustainable recovery prospects.

Risks related to the latest wave of the pandemic, the pace of the roll-out of vaccination programmes and economic support packages, fragile macroeconomic situations in major emerging markets, and uncertainty about the global policy environment for investment will all continue to affect FDI in 2021, the report said.

India's global position rises both in innovations & publications

Press Information Bureau: January 25, 2021

India’s excellence in science has now been combined with the recognition of its brilliance as an innovative economy.

While the country has already attained the third position in terms of publications, it now features among the top 50 innovative economies globally as per the Global Innovation Index (GII), placing it ahead of many developed and developing countries.

The combination of scientific excellence and innovation has been possible through encouraging investments in scientific activities, infrastructure as well as manpower development along with boosting of the entire innovation chain in an environment charged with the start-up India movement.

“Our efforts for connecting the invention ecosystem that excels in creating knowledge and the innovation ecosystem facilitating knowledge consumption have helped bring about this transformation, and the 5th National Science Technology and Innovation Policy will help us take this forward more effectively,” said Professor Ashutosh Sharma, Secretary, Department of Science and Technology (DST) while talking about this achievement.

India’s national investment in R&D has increased from Rs. 1,13,825.03 crore (US$ 15.59 billion) in 2017-18 to Rs. 1,23,847.71 crore (US$ 16.96 billion) in 2018-19. At the same time, initiatives of DST like NIDHI have played a crucial role to reach this position. The implementation of NIDHI has nurtured 3681 startups under incubation through the network of around 150 Incubators created by DST, generated 1992 intellectual property. Further, in the last five years, jobs generated in the form of direct employment were 65,864 and Rs. 27,262 crore (US$ 3.73 billion) of economic wealth.

The movement to convert ideas to usable technologies and then to scale them up has now spread through the country. Among the 13,045 patents sealed in the year 2017-18, 1,937 patents were by Indians. However, some states held the lion’s share of patents filed. Out of 15,550 patents filed by Indians at Indian Patent Office during 2017-18, 65% were filed from the States of Maharashtra, Karnataka, Tamil Nadu, and Delhi. At the same time, the start-up India mission has given a boost to convert these patentable innovative ideas into start-ups levitating India into the country among those with the highest number of start-ups.

While the startup India movement and push for patenting has brought a paradigm shift in science and technology, the country has maintained its growth in publications—the traditional indicator of scientific excellence.

The number of publications has increased exponentially over the last 10 years. According to data from the US agency, the National Science Foundation (NSF), India is currently in third place, only behind China and the United States, with 135,788 scientific articles in the year 2018. The NSF database shows that India's growth rate of scientific publication was 12.9%, as against the world average of 4.9%. India recorded the fastest average annual growth rate of publications between 2008 and 2018 with 10.73%. In comparison, the average annual growth rate of China and the United States are respectively 7.81 and 0.71%.

This was a result of the government’s encouragement to researchers in the form of increasing investment on R&D activities, R&D infrastructure as well as manpower development. The country’s per capita R&D expenditure increased to PPP US$ 47.2 in 2017-18 from PPP US$ 29.2 in 2007-08, as has the R&D manpower to 3.42 lakh in 2018 from 2.83 lakh in 2015. The country now has a stronger manpower base, with India’s researchers per million population increased to 255 in 2017 from 218 in 2015.

The breeding ground of this escalating scientific research lay in the country’s 993 Universities/ Deemed Universities, 127 institutes of national importance, and 39,931 colleges across the length and breadth of the country, which nurtures human resources that will take forward the scientific and technological legacy of the nation. It is here that India’s future hopes in science and technology lie, and the country is now among the top in nurturing the talents in them. It has attained 3rd rank in terms of the number of PhDs produced as also in the size of the Higher Education System, creating a massive strength of human resource that will take the nation forward in S&T.

First India-EU IPR dialogue held to strengthen relation and facilitate enhanced cooperation in the field of Intellectual Property Rights

Press Information Bureau: January 20, 2021

The 1st India-EU IPR dialogue was held on 14th January 2021 between the EU Commission and Department for Promotion of Industry and Internal Trade (DPIIT)through a virtual platform. The aim of the dialogue was to further strengthen the India-EU relation & facilitate enhanced cooperation in the field of Intellectual Property Rights.

The meeting was co-chaired by Sh. Ravinder, Joint Secretary, DPIIT and Mr. Carlo Pettinato, Head of Unit Investment & Intellectual Property, DG Trade, European Commission, jointly hosted by EU Commission and DPIIT. Senior government functionaries from Ministry of External Affairs, Ministry of Home Affairs, Ministry of Agriculture, Department of Health and Department of Revenue from the Indian side, and several Directorate Generals of European Commission, from EU side, participated in the dialogue.

The India Co-Chair provided an overview of various IPR developments, with an aim to meet the objectives set forth in the National IPR policy 2016. He also reiterated importance of legislative reforms brought in by India to stimulate innovation and creativity among start-ups and MSMEs. Various initiatives taken up by the Indian government in this context were appreciated by EU representatives. The EU Co-Chair provided brief overview of DG trade and the various activities being undertaken by them including IPRs in relation to Free Trade Agreements as well as effective enforcement of Intellectual Property Rights.

After the opening remarks, exchange of information concerning specific areas of IP regimes took place. Representative from EU provided an update on a recent directive on Copyright in the digital market keeping in pace with changing demands of industry. On Trademark, they presented the details about the dual system available in the region which provides flexibility to the owners.

Indian counterparts updated the functionaries on reduced pendency on trademarks and department’s continuous efforts to further improve the process. Further, there were discussions on plant protection and farmer’s right and their importance for Indian economy. Representative from India also briefed on the various enforcement initiatives being taken by the government so as to ensure the right of the owners are respected.

Towards the conclusion of the dialogue, Co-Chairs thanked all the representatives for their participation and initiative in strengthening the bilateral relationship, particularly during the challenging times of the Covid19 pandemic, which is also an opportunity to bring the two nations closer through collaboration in the area of IP protection and its enforcement. It was emphasized that this dialogue is an effective platform to discuss key intellectual property issues that affect business entities and to identify areas for closer collaboration for mutual benefit of both economies.

BUSINESS

Jio ranked 5th strongest brand globally

IBEF: January 29, 2021

According to brand valuation research company Brand Finance, Indian mobile network industry leader Reliance Jio has appeared as the fifth strongest brand worldwide, beating the likes of Apple, Amazon, Disney, Tencent, Alibaba, Nike, etc.

The firm said, Jio has rated fifth position with BSI score of 91.7 out of 100 and the elite AAA+ brand strength rating. Jio is mainly known for its incredibly affordable plans, by providing 4G to millions of users for free, Jio took India by force, simultaneously changing how Indians use the internet.

The top four international brands as per the companies ranking are Chinese messaging app We Chat, German carmaker Porsche, Russia's Sberbank, and American beverage brand Coca Cola.

Compared to its telecom rivals in India, Jio ranks highest in all metrics - value conversion, credibility, recommendation, word of mouth, creativity, customer support and value for money. Within the industry, the brand has no significant flaws, and unlike other telecommunications brands internationally, Jio has proven that it has broken the norm and built strong customer confidence.

In terms of brand value, Jio is the fastest-growing company in the telecommunications industry ranking, challenging the negative trend across the sector, with a 50% rise to US$ 4.8 billion.

India will emerge as major producer rather than a market of defence equipment: PM

Press Information Bureau: January 29, 2021

The Prime Minister Mr. Narendra Modi addressed the rally of the National Cadet Corps (NCC) at Cariappa Ground in Delhi today. Union Defence Minister, Chief of Defence Staff and the three-armed services Chiefs were present on the occasion. The Prime Minister inspected the Guard of Honour, reviewed the March Past by NCC contingents, and witnessed cultural performance during the event.

Speaking on the occasion, the Prime Minister said that nations with strong presence of discipline in Social life, thrive in all fields. He said NCC has major role to play in instilling this sense of discipline in the social life of India. The Prime Minister said that as the largest uniformed youth organization, NCC is gaining in stature day by day. NCC cadets are present everywhere where Indian tradition of valour and service is being promoted or awareness about the constitution is being generated. Similarly, any project involving environment or water conservation has NCC participation. The Prime Minister praised NCC cadets for their contribution during calamities like Corona.

Microsoft launches its new engineering hub in NCR

IBEF: January 29, 2021

Microsoft launched its new India Development Center (IDC) facility in NCR that will serve as a leading hub for advanced engineering and innovation drivers. After Bengaluru and Hyderabad, IDC NCR is the third development center in India for Microsoft. The contemporary workspace is a step towards realizing IDC's vision of being a source of innovation for the next billion users.

The project is in line with Microsoft's sustainable management, and to reduce its carbon footprint, the facility has introduced energy and water preservation practises. In order to make sure that the office needs to meet our high sustainable practices, the Project Team integrated many factors during the design process.

Mr. Riku Pentikäinen, Regional Director, Asia Real Estates Operations, said, "Acknowledging the strategic significance of determining the presence of Microsoft engineering in Noida, my group moved beyond guaranteeing that our first engineering hub in Noida actually represents the regional culture and heritage of Microsoft Design Language. With regard, I know the team overdid themselves, and the recently opened Noida office is one of the most beautiful Microsoft workspaces".

Mr. Rajiv Kumar, Managing Director, Microsoft India Research & Development Pvt. Ltd., said, "The Microsoft NCR workplace provides a crucial growth of our global technology talent and exceptional engineering existence in India. Digital Transformation is supposed to launch the new paradigm of technology development, and the excellent facilities at the Microsoft Noida workplace provide enough best atmosphere for shaping the future of the IT industry in this part of the world."

GeM becomes India's first e-commerce portal to hit this mega milestone; transaction value crosses Rs 80k crore

IBEF: January 28, 2021

For financial year 2020-21, the government procurement from micro and small enterprises was worth Rs 23,424 crore.

Within four and a half years of its launch, the marketplace has crossed the 10-lakh-seller milestone.

As of January 27, 2020, the Government eMarketplace (GeM), listed 10,13,448 sellers and service providers across over 13,000 product and 178 service categories, as per the data sourced from the marketplace.

The GeM was launched on August 9, 2016 and has processed 55.74 lakh orders with the transaction value crossing the Rs 80,000-crore mark, becoming the largest e-commerce marketplace in the country.

The portal witnessed increase in micro and small sellers from 66,000 in January 2020 to over 4.71 lakh in January 2021. This has led to a jump in their share from 22% to 46. 5% of the total seller count during the said period. The value of orders processed by these micro and small sellers was 57.90% at the time of filing this report.

The government in partnership with SBI has been working on launching a B2C e-commerce marketplace Bharat Craft for MSMEs to market and sell their products in India and internationally like platforms such as Amazon and Alibaba.

The government procurement from micro and small enterprises, as per public procurement policy monitoring portal MSME Sambandh, as of January 27, 2020, was worth Rs 23,424 crore. The goods were procured from over 1.11 lakh MSEs while procurement from SC/ST and women-owned enterprises was worth Rs 446 crore and Rs 469 crore, respectively. The overall procurement from government enterprises and departments in the financial year 2020-21 so far stood at Rs 73,933 crore.

MARKETS

India sees 19 IPOs worth US$ 1.84 billion in 2020 December quarter: Report

IBEF: January 25, 2021

India witnessed 19 Initial Public Offering (IPOs) worth US$ 1.84 billion in Q4 2020 and market sentiment remains positive, according to leading consultancy EY's India IPO Trends Report.

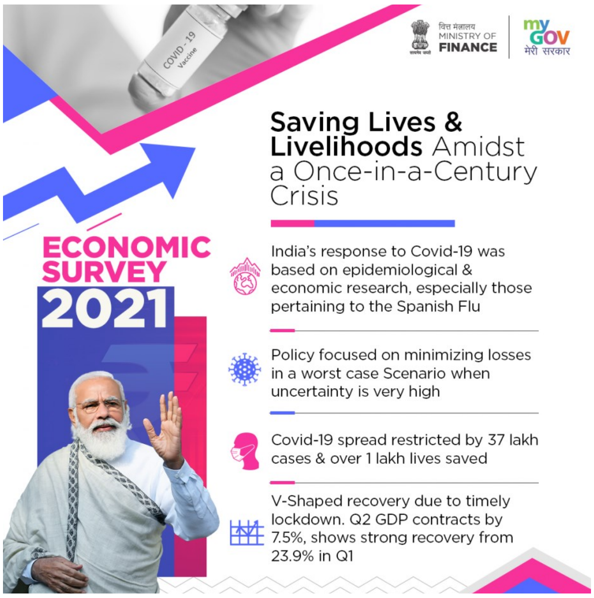
The report highlighted that during the Q4 2020 there were a total of 10 IPOs in the main market and 9 in the SME (Small and Medium Enterprises) segment.

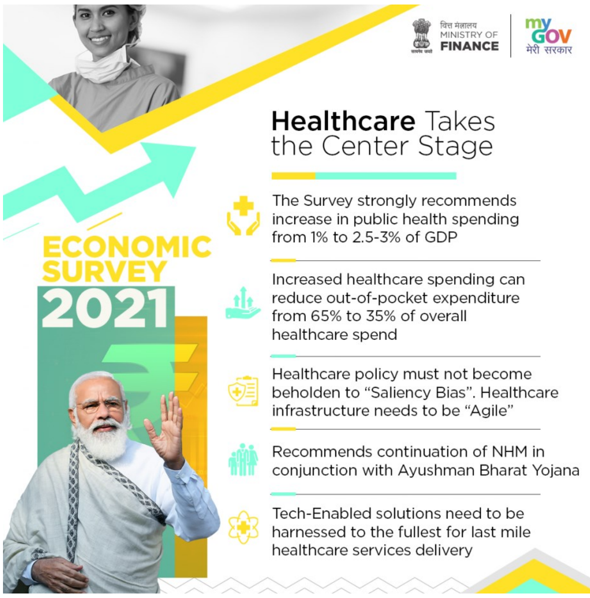
Out of the 19 IPOs, the largest was that of Gland Pharma with an issue size of US$ 869 million. There were just 11 IPOs in the year-ago period. India ranks ninth globally in terms of the number of IPOs in 2020 with 43 IPOs raising US$ 4.09 billion, as per the report.

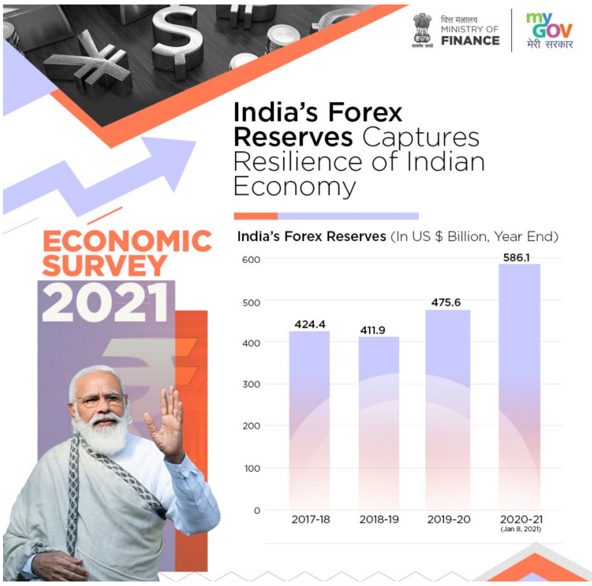
Mr. Sandip Khetan, Partner and National Leader, Financial Accounting Advisory Services (FAAS) at EY India commented on the progress, "There is a strong momentum in the IPO markets, and we are seeing an increased interest from companies across sectors looking to raise capital in the near term. Additionally, companies are keenly awaiting guidelines for direct listing in overseas markets. The market sentiment remains positive for what could be a stellar 2021."

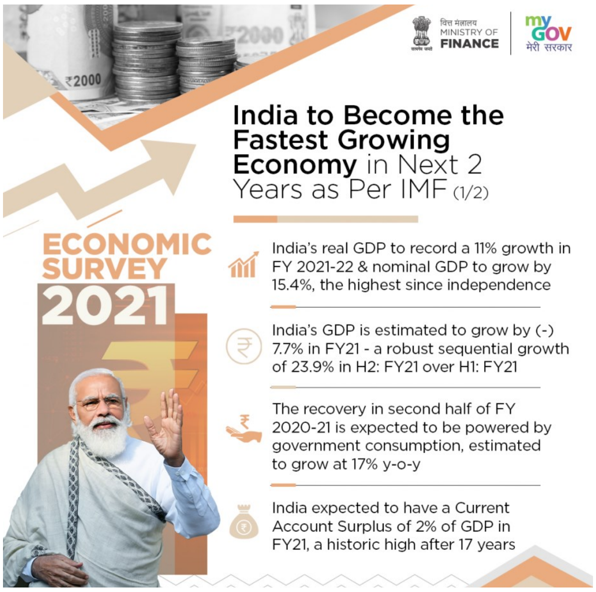
During the 2020 December quarter, main markets had 10 IPOs compared to 5 in the same period a year ago. Real estate, hospitality and construction and diversified industrial products were the most active sectors (in terms of the number of IPOs) with three IPOs launched in each sector (including main and SME markets), the report said.

Transforming India: *All Sectors*









FORTHCOMING EVENTS >>>> *INDIA*

I.6TH ACT EAST BUSINESS SHOW

Date: 24th-28th February 2021

Venue: Virtual Seminar and Exhibition

Organizer: The Indian Chamber of Commerce (ICC)

Contact: ishantor.sobhapandit@indianchamber.net

Details: ICC is the leading institution of trade and business in the Eastern and North Eastern region of India and is engaged in facilitating growth of trade and commerce in the region. This initiative will open the doors to a new understanding of the diverse states of North East India among stakeholders thus adding new dimensions for sustainable growth, development and regional partnership.

II. INDIASOFT 2021 - VIRTUAL IT EXPO & BUSINESS MEET - 21ST EDITION

Date: March 9 – 12 & March 24-25, 2021

Venue: Virtual Expo
Organizer: Electronics and Computer Software Export Promotion Council (ESC)

Contact: www.indiasoft.org

Details: International IT Exhibition & Conference will be held during March 9-12, 2021 over virtual platform. The event will have over 200 Indian IT SMEs showcasing their innovative services and solutions in different verticals to meet with over 1000 buyers from across the globe. An e-flyer for the event is attached. The 21st edition of the Event is going to be special in many ways. Being the first Virtual Event, we are expecting much larger participation by Global Buyers. The Virtual edition will thus provide an excellent opportunity to not only interact with Indian IT SMEs but also to network and connect with over 1000 visiting buyers from 70+ countries covering major markets. Indiasoft 2021 will focus on new and innovative technologies and solutions from over 200 Indian companies from various important clusters of India participating at the event. The Indian IT companies will be showcasing world class software, solutions and services in various IT verticals including Customized Software Development, Artificial Intelligence (AI), AR/VR, Cyber Security, Cloud Computing, Blockchain, FinTech, Web & Mobile Application Development / Automation / Embedded Systems/ Digitization, Gaming & Animation etc.

Notifications

Securities and Exchange Board of India

Circular on investments by AIFs incorporated in IFSC

https://www.sebi.gov.in/legal/circulars/aug-2019/circular-on-investments-by-aifs-incorporated-in-ifsc_43867.html

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

https://www.sebi.gov.in/legal/circulars/jul-2019/guidelines-for-liquidity-enhancement-scheme-les-in-commodity-derivatives-contracts_43699.html

Ministry of Corporate Affairs

Companies Amendment Rules, 2018

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

Reserve Bank of India

Change in Bank Rate

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

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

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

Expanding and Deepening of Digital Payments Ecosystem

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

Department of Industrial Policy & Promotion

Industrial Policy Statement 1991

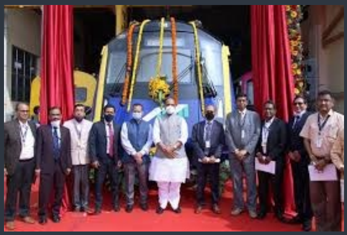
https://dipp.gov.in/sites/default/files/IndustrialPolicyStatement_1991_15July2019.pdf

Consolidated FDI Policy Circular of 2017

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

Defence Minister unveils India's first indigenously developed driverless metro car

IBEF: January 18, 2021



Bengaluru: On Friday, Defence Minister, Mr. Rajnath Singh released the first indigenous Driverless Metro Car built at the BEML manufacturing facility in India. The Minister, who visited the facility, said he was proud of the good work being done at BEML by the team of engineers and technicians.

He twitted, "They are the actual warriors of 'Atmanirbhar Bharat,' bringing India forward."

Issue No 296, 1 February 2021

FAQs on Foreign Investments In India

The fortnightly FAQs will broadly cover the following areas

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

III. Foreign Portfolio Investment

Q. 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:

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

B. 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.

Source: RBI

For Feedback & Comments, please contact:
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Email : com2.singapore@mea.gov.in ; com.singapore@mea.gov.in
URL : www.hcisingapore.gov.in