An initiative by
PANTOMATH Capital Advisors (P) Ltd

Re-CAP

A weekly mailer encapsulating capital market news

September 09th , 2019 – September 14th , 2019

Cos' Legal Expenses Zoom in FY19 as New Laws Come into Force

FIRMS PAID over Rs.38, 660 cr in legal fees, a near 50% increase from five years ago

Maulik Vyas & Shailesh Kadam

Mumbai:

The legal expenses of listed Indian companies increased 14% to over Rs.38,660 crore ($5.6 billion) during FY19 as new laws on insolvency and debt restructuring, among others, came into force over the past five years, according to data compiled by ETIG from their annual reports.

That's a 49% increase from the Rs.25,832 crore that the companies shelled out five years ago. The legal expenses include spending on litigation and arbitration, professional fees, regulatory filings, penalties and general stamp duty.

"There is a sudden increase in regulations and companies are left with no choice but to comply with them and that translates into higher legal spend," said Rajiv Choubey, director-legal at ACC, a LafargeHolcim subsidiary.

"Several companies are going through debt restructuring — also companies are forced to recover their dues and claims through arbitration, which results in huge costs."

According to data compiled by ETIG, the research & analysis division of ET, the legal spending of listed companies was 0.4% of their total revenue of Rs.95.7 lakh crore ($1.3 trillion) in FY19 and 0.49% of their total expenditure of Rs.78.8 lakh crore. Over the past five years, legal changes such as the enactment of the Insolvency & Bankruptcy Code have led to litigation, restructuring and mergers and acquisitions.

The Goods and Service Tax, the Real Estate (Regulation & Development) Act, the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act are some of the major laws that were introduced since 2014, resulting in higher legal and compliance costs for companies.

According to Hemant Kumar, group general counsel for Larsen & Toubro, litigation for Indian companies has increased not only in India but in other countries. There are very few law firms and counsels in India and abroad that understand the nuances of businesses and the applicability of law. This dearth of good advocates has resulted in increased costs for companies. The depreciation of the rupee, too, has contributed to higher legal costs.

"If you see, the value of the rupee has decreased and when you go in other jurisdictions for litigation, disputes or even strategic M&A, you have spent more for the same," said Kumar, a three-decade legal veteran.

Reliance Industries continues to be the biggest legal spender, with Rs.2,083 crore, followed by Sun Pharmaceuticals (Rs.1,437 crore), Infosys (Rs.1,324 crore) and Fortis Healthcare (Rs.1,081 crore). L&T is among the top five legal spenders among listed entities, with a total spend of over Rs.943 crore.

"To keep legal costs in check, major companies have started ramping up their internal legal departments. "The stakes have gone up so much, can anybody afford to take a chance?" asked Nishit Dhruva, managing partner of law firm MDP & Partners.

"Take for example, a major company is admitted under the IBC. There are several stakeholders including promoters of the company, bidders, lenders and large operational creditors," he added.

Mounting Bills

Top 5 Industries by Legal Spend

INDUSTRY	FY19	FY18	FY17
Pharmaceuticals	5,761.02	5,472.76	5,171.71
Infotech	5,751.98	4,717.92	4,744.76
Banks	2,879.1	2,454.19	1,854.23
Oil & Gas	2,733.41	1,774.59	2,795.42
Capital Goods	2,245.38	1,976.19	1,726.19

Source: ETIG | Figures in Crore

Reliance, UTI MFs separate defaulting Altico bonds

Mumbai: Altico Capital India, a real estate sector-focused NBFC backed by wellknown private equity funds, has defaulted, leading to setbacks for two large fund houses. On Friday, Reliance MF and UTI MF said that they were creating a 'segregated portfolio' for the debt papers of Altico Capital, aggregating to about Rs 537 crore.

In case a corporate defaults on its bonds, Sebi allows fund houses to take those bonds out of the scheme's main portfolio and create a new folder with only the bonds which are in default. Fund houses can then allot units of the segregated portfolio on a pro-rata basis to unit holders in the original scheme. Once money is paid back by the defaulting company, unit holders are paid back through redemptions.

In this case, Reliance MF and UTI MF each will separate Altico Capital's bonds from the schemes which currently hold these papers and create two portfolios. One will continue to hold all the good papers that are there in the current portfolio of the schemes. The other portfolio, the segregated one, will have only Altico Capital's bonds in it and all the unit holders of the original scheme will also get units of the segregated portfolio. The NAVs of the two portfolios will also change accordingly.

The Altico Cap default came just when the fund industry was getting some respite from the debt market crisis after Essel Group and DHFL part-paid their loans which were either delayed or were on default

Everstone takes 2 former MDs to court

"Bengaluru: Everstone Capital has initiated legal proceedings against two of its former managing directors — Deep Mishra and Rajev Shukla — for allegedly using the former's proprietary data to create a pitchbook for its new private equity fund xQ Capital that invests in consumer or consumption themed businesses in Asia.

Everstone has alleged that Mishra stole proprietary and confidential information and passed it on to Shukla. "A McKinsey study initiated by Everstone Capital, Everstone's internal investment committee memos, financial model and other due diligence reports pertaining to a transaction Everstone was evaluating were stolen and used by XQ Capital," Everstone said in response to a query by TOI.

An email sent to Mishra did not elicit a response till the time of going to press.

. Shukla said, "The matter is sub-judice, so the only brief comment that I will make is that in the injunction hearing, the honourable court has reiterated the confidentiality clause in my employment contract, but have excluded from the scope of the judgment any materials that is available in the public domain, including such information as may be required in a pitchbook for carving out our attribution and track record."

Two separate third-party independent forensic audits commissioned are said to have established the data theft.

Everstone manages assets over $5 billion across private equity, real estate, green infrastructure and venture capital. It counts Servion, YLG and Hinduja Leyland Finance among its portfolio companies in India.

Everstone has initiated legal proceedings against Mishra, Shukla and xQ Capital in the Singapore High Court.

RBI moots new rules for small bank licence

Wants More Payment Cos, NBFCs As SFBs

Bengaluru: In a bid to get more participants in the small finance banking space, the Reserve Bank of India (RBI) on Friday said it is thinking of permitting small private entities, payment banks, NBFCs, MFIs and cooperative banks to apply and convert into a small finance bank (SFB).The RBI clarified only small private entities will be allowed to set up SFBs, and the government would not entertain proposals from public sector entities and large industrial house or business groups, and autonomous bodies. Joint ventures between two or more promoter groups will also not be allowed to apply. In case of a holding company, the holding company could have another financing firm, but it must not do the same businesses as the SFB.

The minimum capital requirement was Rs 100 crore in 2014. The RBI proposes to keep it the same — with the SFB having to increase minimum net worth to Rs 200 crore within five years of operations.

While promoters of universal banks will be not be allowed to start an SFB, promoters of payment banks will be allowed, the RBI said. With this proposal, the extent of operations of payment banks would increase as, under current regulations, payment banks are not allowed to lend. They are also not allowed to collect deposits above Rs 1 lakh from customers. As an SFB, they would be allowed to take deposits of any amount.

They would also be allowed to lend to anyone, provided the focus is on small lending to individuals, SMEs, farmers and small scale industries. SFBs can also provide remittances, have ATMs and sell pensions in addition (payment banks can sell only MFs, insurance and third-party loans).

The RBI has, however, maintained that SFBs should get listed within three years of operations after reaching a net worth of Rs 500 crore — a proposal that does not bring any relief for Equitas Holdings, which has currently been told to list by the regulator. In 2014, the RBI instructed that promoter's holding in an SFB should be at least 40% and gradually brought down to 26% within 12 years of operations. Now, the RBI proposes the promoter should hold a minimum 40% for a lock-in period of the first five years, and reduce stake to a maximum of 30% within 10 years, and a maximum of 15% in 15 years.

Another change could be the capital ratios.

FINMIN'S NEW MEASURES

Non-official directors at PSBs get code of conduct

Mumbai: The finance ministry has come out with a code of conduct for non-official directors of public sector banks (PSBs) and asked the boards to send an annual performance report that rates a director based on professional and ethical conduct, and contribution to the board.

In a communication to the MDs of all PSBs, the department of financial services at the finance ministry said that the government has decided to institute certain measures to improve corporate governance in banks. The measures include the introduction of a code of conduct, a requirement that the non-official directors undergo a familiarisation of banking practices, and a peer-reviewed performance appraisal of the directors.

The finance ministry pointed out that while Sebi had a code for independent directors, which provides for their performance evaluation, the provisions do not apply to PSBs as they do not come under the Companies Act.

"While Banking Companies Act does not define independent directors, non-official directors, including non-executive chairmen, are similar," the communication said. The performance evaluation by peers will measure the director on various parameters including avoidance of direct or indirect conflict of interest, acting according to rules and in the best interest of the bank, avoiding any gain to self or associates and maintaining confidentiality.

""The code of conduct for directors lists a set of dos and don'ts. One interesting point in this is that each non-official director has to ensure that if there are any related-party transactions, these have to be adequately discussed in the board before being approved.

Other points include ensuring that the bank has a proper vigil mechanism and that the interests of a person who uses such a mechanism are not prejudicially affected on account of such use. The director also must ensure that when they have any concern about the running of the bank or any action, such actions are addressed by the board.

Motor cover renewals up 6x on fines

Chennai: As traffic violators start paying hefty penalties under the new Motor Vehicles Act 2019, renewal of vehicle insurance policies has a seen an increase of more than 50% in the last few days. In some cases, growth has surged as much as six times.

"We are experiencing an average increase of 3-4 times in insurance renewal enquiries for old vehicles. Consumers are definitely taking cognizance of the motor vehicles act amendments and wanting to comply with the same. The encouraging part is to see traffic from both online and offline distribution platforms," said Sanjay Datta, head (underwriting and claims) at ICICI Lombard General Insurance, the largest private insurer.

Policybazaar.com has seen its two-wheeler policy renewals going up from 10,000 per day to 60,000 in the last one week, while the renewal run rate among car owners has gone up by more than 70% from 3,500 per day to 6,000 per day. "At this rate, we expect to hit 1 lakh policy renewals per day by the end of next week," Sajja Praveen Chowdary, business head of motor insurance at Policybazaar.com, said.

"Earlier, out of 100 visitors looking to renew their policies on our website, about 60% of two-wheeler customers held an expired policy, while the figure for car customers was 30%. However, in the last four days, such applications went up to 87% among bike owners and 52% for cars," Chowdary said.

"With time, we are sure that the amended motor vehicles act would help in converting the large uninsured base in our country," Gurneesh Khurana, head of motor business at Bajaj Allianz General Insurance, said. The insurer has recorded an increase of approximately 60% in the renewals of motor cover policies among bikers in the last few days.

"Under the new provisions, driving an uninsured vehicle will lead to a fine of Rs 2,000 and/or imprisonment up to three months for the first offence, and a fine of Rs 4,000 and/or imprisonment up to three months for the second offence. Earlier, a penalty of Rs 1,000 and/or punishment up to three months was levied on the same default. Industry estimates suggest that motor insurance penetration among vehicle owners stands at 35-40% for two-wheeler segment, 65-70% for passenger cars and 85% for commercial vehicles.

PK Mishra is Principal Secy to Modi

PK Sinha appointed principal adviser to PM

New Delhi: Pramod Kumar Mishra was appointed principal secretary to Prime Minister Narendra Modi on Wednesday, succeeding Nripendra Misra. Former cabinet secretary Pradeep Kumar Sinha was appointed principal adviser to the prime minister, a new post.

Mishra, who had been additional principal secretary to the PM since 2014, was promoted after Misra sought to be relieved of his duties. Mishra served as principal secretary to Modi when he was Gujarat chief minister between 2001 and 2004.

Sinha's appointment order did not say whether he would be given the status of a cabinet minister like his senior counterparts in the Prime Minister's Office — PK Mishra and national security adviser Ajit Doval. But a senior official told ET that "such a decision could come in the next few days". Both Mishra and Sinha will report to the prime minister.

Officials said it was not clear who the new additional principal secretary to the PM will be or if that post will continue, given no replacement for Mishra was announced. The PMO website omitted the designation of additional principal secretary in the updated list of officials on Wednesday. In the list, Sinha was placed third, after PK Mishra and NSA Ajit Doval.

Reliance Nippon, SBI Life's Discount to Peers may Attract OFS Investors

ANALYSTS SAY Investors could subscribe the offers for sale which will open on Thursday and Friday

"Mumbai: Investors could buy shares of Reliance Nippon Life Asset Management and SBI Life Insurance in the share sales by their promoters on Thursday and Friday as both companies are trading at huge discount to their peers, said analysts. On Wednesday, shares of Reliance Nippon Life AMC declined 3.2% to Rs.276.50. SBI Life lost 1.13% to close at Rs.798.75

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Reliance Capital is selling stake in Reliance Nippon Life Asset Management and retail investors can subscribe to the offer on Thursday at a price above Rs.266.74. On Wednesday, the offer for sale reserved for institutional investors was subscribed 1.3 times. Though the floor price was fixed at Rs.262 per share, average bids from institutional investors came in at Rs. 266.74.

Reliance Nippon shares have rallied 40% in the last two months with Japan's Nippon Life set to take charge of the management from Anil Ambani's Reliance Group. Reliance Nippon currently trades at 35 times its trailing 12-month earnings as against HDFC Asset Management's Price to Earnings ratio of 56 times.

"Compared with HDFC AMC valuations, Reliance Nippon has enough room for upside considering its healthy growth in AUMs, strong return ratios, asset-light business and stable investment management fees with rising equity contribution," said Paras Bothra, VP-equity research, Ashika Stock Broking.

In the other share sale, the country's largest lender State Bank of India is selling 4.5% stake in SBI Life Insurance at a floor price of Rs.770 a piece. Analysts said the fair value of the stock is about Rs.900-910 per share. Retail investors will get to participate in the two-day share offer on Friday.

"Valuations for SBI Life remains at discount from HDFC Life and hence comfort on risk reward remains high" said Pritesh Bumb, analyst, Prabhudas Lilladher. "We estimate EV (enterprise value) CAGR (compounded annual growth rate) growth of 19% over FY20 & FY21 with strong RoEVs (Return on Enterprise Value) of 19% and retain 'buy' with a target price of Rs.906".

SBI will raise up to Rs. 3,465 crore by offloading up to 4.5% stake in SBI Life to bring down the promoter shareholding as per regulatory norms. The share sale process consists of a base issue of selling up to 3.5% with an option to additionally sell up to 1% of the total issued and paid-up equity share of SBI Life.

Kajal Gandhi, analyst at ICICI Sec, valued the stock at Rs.920 citing steady performance. "Strong distribution network, cost control and focus on high-margin protection business and rising persistency are expected to result in healthy operating RoEV at 18% in FY20-21."

Hitting The Street

	Reliance Nippon	SBI Life
Floor Price (₹)	262	770
CMP (₹)	276.5	798.75
3M Return (%)	26	14
Forward PE	32	55
Peer's Forward PE	46*	75#

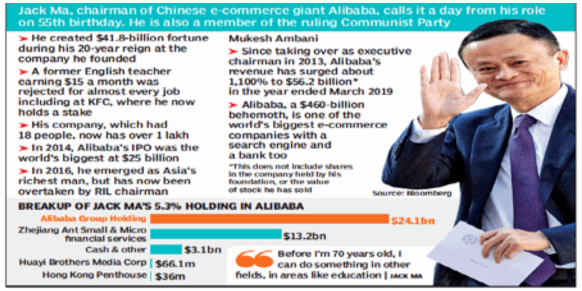
*HDFC AMC, #HDFC Life Insurance

Govt Postpones Third Edition of Green Energy Event RE-INVEST

BENGALURU The third edition of REINVEST, India's flagship renewable energy event, has been postponed, which industry executives say reflects growing concerns of investors in the sector. The inaugural event was held in February 2015 and the second in October 2018.

"The 3rd RE-INVEST has been postponed due to unavoidable reasons," said a letter written by the secretary, ministry of new and renewable energy Anand Kumar. It was scheduled to take place from October 31 to November 2 in Delhi.

This is despite the curtain raiser to the event held by MNRE last month. "We may want to hold it every couple of years instead of once each year," said a ministry official, requesting anonymity. "We are looking at holding it in October 2020," the person said.



Delhi-NCR is country's new startup capital region

With 7,000+ Cos, It's Ahead Of B'luru: Report

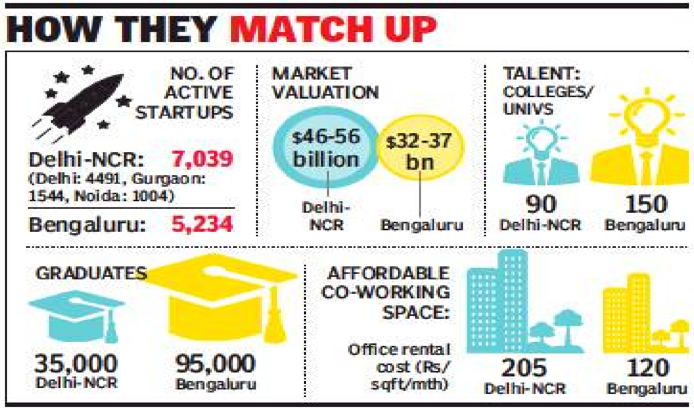
New Delhi: Bangalore is India's Silicon Valley, but here's the surprise: Delhi, Gurgaon and Noida — collectively, Delhi-NCR — together are far ahead in the number of startups they are home to. Another reason to call the National Capital Region India's startup capital region is that it is home to the highest number of unicorns — companies valued at over $1 billion — which underlines the economic might it possesses.

The numbers were revealed in a report launched by Niti Aayog CEO Amitabh Kant in Delhi on Tuesday; at 7,039, Delhi-NCR is a runaway leader in the number of startups, followed by Bangalore (5,234), Mumbai (3,829), Hyderabad (1,940), Pune (1,593) and Chennai (1,520).

Delhi alone, with 4,491 startups, is well ahead of Mumbai while Gurgaon (1,544), the magnet around which Delhi-NCR's corporate world revolves, has more startups than Chennai and is almost equal to Pune. Noida, where mobile payments firm Paytm is based, has over 1,000 startups and is catching up with the others fast. In terms of the total startup valuation in India, Delhi-NCR's contribution is almost 50%. The report, titled 'Turbo charging the Delhi-NCR Startup Ecosystem', has been prepared by The India Entrepreneur (TIE) network along with Zinnov, a Gurgaon-based management consulting firm.

Commenting on the findings, Rajan Anandan, MD of Sequoia Capital, India and TIE's Delhi-NCR president, said the numbers had come as a surprise to them as well. "NCR is the strongest in consumer tech and services startups with real potential to make it to the top five globally in terms of the startup ecosystem and activity," said Anandan. According to the report, NCR — home to the likes of Zomato, Oyo and Rivigo — has 10 unicorns, followed by Bangalore with nine. Mumbai has only two.

The most interesting part is that beyond these 10 unicorns, NCR also has another 10 soon-to-be unicorns and once they touch the $1-billion mark, it will be very difficult for any other city to beat NCR in this area," Kant said.



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MORE UNCERTAINTY FOR DEBT INVESTORS

Mark-to-Market Valuation Likely for All Debt Securities

Sebi move aimed at improving the transparency in valuation of debt MFs

Pavan Burugula & Prashant Mahesh

Mumbai: : Investors in mutual fund debt plans, especially liquid schemes, may have to brace for more uncertainty with regard to returns as the Securities and Exchange Board of India may make it mandatory for these debt products to assign the latest market price to all their bond investments from April 1.

Currently, only debt papers with a maturity of over 30 days need to be valued on a mark-to market basis. Most fund houses value the rest of the papers based on amortisation.

The shift is being undertaken to ensure the net asset value (NAV) of the fixed income schemes reflect the portfolio's fair value. All categories of debt MFs including liquid funds and ultra short-term funds, which predominantly invest in debt papers with maturity below 30 days, will be impacted by the new method of calculation.

"Valuation of debt and money market instruments based on amortisation shall be dispensed with and shall completely shift to mark-to-market valuation with effect from April 1, 2020," said minutes of the Sebi board meeting held on August 21. The move is aimed at boosting transparency in bond funds and aligning their values to the market prices.

For investors in fixed income schemes, this change in valuation method would mean NAV would fluctuate more frequently as prices could swing in the event of uncertain markets or changes in credit ratings.

"

Capturing Market Risks

The move could dim the popularity of products such as liquid schemes, where investors usually park their idle money. The assets managed by the liquid category of mutual funds was Rs.5.49 lakh crore as on August 31. Ultra short-term schemes managed money worth Rs.90,293 crore.

"Until now, in the case of securities with maturity less than 30 days, interest used to be amortised over the remaining period," said a fund manager with a domestic mutual fund. "But now every day prices are released by the rating agencies. Those prices will be used for valuing securities and calculating NAV."

Daily bond prices in India are provided by credit rating agencies in the absence of an active corporate debt market. The NAV of an equity fund is calculated daily based on the closing price of the shares. MFs use amortisation method to determine the daily price of the bonds.

Consider a

mutual fund which has invested Rs.100 crore in debt papers of a company 'A' with a coupon rate of 10% and the tenure of the bond is 30 days. Since the fair market price of these bonds isn't available, the fund house would divide the total interest receivable during maturity with the tenure of the bond, i.e. in this case 0.33%, and then accrue it daily. Hence, the value of the bond would be ₹100.33 crore on the 30th day, Rs.100.66 crore on the 29th, Rs.100.99 on 28th and so on.

"In the event of a credit deterioration, a fund should mark down the value of security to reflect its true picture. In the current scenario that does not happen till the security defaults," said the fund manager of another domestic fund house.

The current methodology doesn't capture the real market risks. For instance, consider if the bonds of 'A' have been downgraded from AAA to say B+. In the current method, the NAV of the funds which have exposure to this paper will not be able to capture the impact of the downgrade in the NAV. Instead, they would add the interest for NAV calculation. However, in the mark-to-market valuation method, the downgrade will be captured in the price calculation and hence NAVs of the funds having exposure to 'A' will take a hit. Until last year, only debt papers with maturity of over 60 days were required to value the investments on a mark-to-market basis.

Alibaba-Like MSME Marketplace Soon: Gadkari

THE INTERFACE Bharat Craft to provide direct interface between buyers & sellers, turnover target of about Rs.10 lakh cr in next 2-3 years

THE INTERFACE Bharat Craft to provide direct interface between buyers & sellers, turnover target of about Rs.10 lakh cr in next 2-3 years

New Delhi: The government is working on an Alibaba-like e-marketplace for micro, small and medium enterprises (MSMEs) which is expected to bring a turnover of around Rs.10 lakh crore over the next two to three years, Union MSME minister Nitin Gadkari said.

"We are developing an e-market portal like Alibaba. We will call it Bharat Craft. This will provide a direct interface between buyers and sellers. In the next 2-3 years this portal will bring a turnover of about Rs.10 lakh crore to the MSME sector," Gadkari said via an email communication.

The government is looking at the MSME sector for its huge potential to generate income and employment, boost exports and its contribution to economic growth

Currently, MSMEs contribute around 29% to the country's GDP. "We will take this to 50% in the next five years. The sector gives employment to about 11 crore people currently, we will take this to 15 crore in the next five years," Gadkari said.

To achieve these goals, the government will need to create new channels for funding, make the sector investor friendly, bring in technological innovations, reduce logistics cost to make homegrown products competitive, provide adequate skilling and market support, Gadkari added. "However, there is an urgent need to think big and energise the sector with new and innovative ideas and out-of-the-box thinking," Gadkari said.

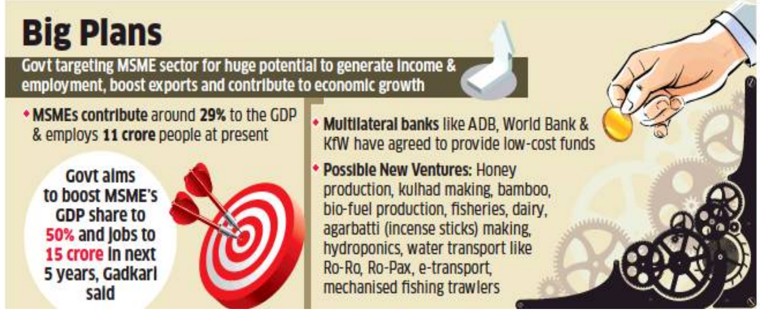
. Gadkari said that multilateral banks like ADB, World Bank and KfW have agreed to provide low-cost funds for the sector. "We must also work with cooperative banks, NBFCs (non-banking finance corporations), credit cooperative societies, Sidbi (Small Industries Development Bank of India) and financial corporations of state governments," said Gadkari, who also holds the portfolio of road transport and highways ministry.

Gadkari said that the recent announcements like bank mergers, increasing liquidity of banks, transparent one-time settlement policy, online loan tracking, fast track collaboration for loans between PSBs, will benefit the sector greatly.

The ministry is also looking at increasing exports by MSME, with an eye on import substitution. "There is a lot of scope for diversification in the MSME sector," Gadkari said.

Honey production, kulhad making, bamboo, bio-fuel production, fisheries, dairy, agarbatti (incense sticks) making, hydroponics, water transport like Ro-Ro, Ro-Pax, etransport, mechanised fishing trawlers, can be new areas for such ventures, Gadkari said.

"The government is also going to set up a Bank of Ideas and Innovations very soon, where stakeholders will be invited to give their ideas for the MSME sector and innovative technologies, Gadkari said.



Tech Firms may be Compelled to Share Public Data of Users

Cos like Google, Facebook can be allowed to charge a fee for mandatory sharing of data, think MeitY officials

New Delhi: The government may make it mandatory for companies such as Google, Facebook and Amazon to sell public, or non-personal, data that they collect to anyone in the country seeking access to it, including the government and private entities

The Ministry of Electronics and IT (MeitY) is considering issuing guidelines under the Information Technology Act that will require agencies and companies to share freely available information that they collate in the course of their operations, including traffic, buying and illness patterns. A final decision will be taken only after an 'exhaustive' consultation process, a senior official told ET..

"This follows an apparent change of view by MeitY, which now says that companies – and not a government repository – should hold and monetise public data.

The official said one has to keep in mind that "these big tech companies certainly were the first ones to come up with the idea and do the work, so just like in critical medicines, they should have the right to charge an economic fee for sharing it."

The new guidelines will also be aimed at ensuring competition in this space and universal access to the database generated from its citizens, the official said.

At present, when a company like Google takes a user's consent before allowing access to a service, there is no alternative offered.

"We want to correct this information asymmetry to ensure that there is healthy competition. Right now, the winner takes it all," the official said.

The 'Seven Super' companies – Microsoft, Apple, Amazon, Google, Facebook (all US based) and China's Tencent and Alibaba – account for two-thirds of the total data market by value, according to a recent report by UNCTAD on the digital economy.

has some 90% of the market for internet searches, Facebook accounts for two-thirds of the global social media market and is the top social media platform in more than 90% of the world's economies. Amazon boasts an almost 40% share of the world's online retail activity and its Amazon Web Services accounts for a similar share in cloud services, the report said.

Google India, like other countries, is grappling with how to break the value data chain held by big tech companies and wants them to share their data.

For this, India will need to build a coalition with like-minded partners such as the EU and Japan, which also stand to lose out if they do not address this information asymmetry at the earliest, said Apar Gupta, executive director at the Internet Freedom Foundation.

and whether it should be part of the proposed Privacy Data Protection (PDP) BiBig tech shouldn't be allowed to withhold it (public data) at any cost, but the modalities, of course, will be worked out through discussions like IP in medicines," the official said.

Discussions over public data have gained speed in recent days, with top government officials and stakeholders of the view that they should be addressed as a priority.

MeitY recently sent out a set of questions to select specialists on how to treat non-personal data ll.

" "There is an increasing consensus within various ministries that both public data guidelines and the private data legislation must go hand in hand rather than wait for the latter to first become law," a second official said.
Until now, MeitY was of the opinion that once the PDP Bill becomes law, the data authority that will then be set up could take up the matter of anonymised or non-personal data, a view that appears to have changed.

"We will soon begin consultations on this issue. However, the clear thinking in the government is that the data collected belongs to Indian citizens and should be available to Indians," the official said.
India refused to sign the Osaka Declaration on 'Free Flow of Data Across Borders' in June, highlighting its wish not to give up ownership of its data given that with the dominance of the 'Seven Super' companies, the rest of the world is trailing far behind the US and China.
"Indeed, in the global 'data value chain', many countries may find themselves in subordinate positions, with value and data being concentrated in a few global platforms," UNCTAD said.

Delhi-NCR is country's new startup capital region

New Delhi: Bangalore is India's Silicon Valley, but here's the surprise: Delhi, Gurgaon and Noida — collectively, Delhi-NCR — together are far ahead in the number of startups they are home to. Another reason to call the National Capital Region India's startup capital region is that it is home to the highest number of unicorns — companies valued at over $1bn — which underlines the economic might it possesses.

The numbers were revealed in a report launched by Niti Aayog CEO Amitabh Kant in Delhi on Tuesday; at 7,039, Delhi-NCR is a runaway leader in the number of startups, followed by Bangalore (5,234), Mumbai (3,829), Hyderabad (1,940), Pune (1,593) and Chennai (1,520).

Delhi alone, with 4,491 startups, is well ahead of Mumbai while Gurgaon (1,544), the magnet around which Delhi-NCR's corporate world revolves, has more startups than Chennai and is almost equal to Pune. Noida, where mobile payment firm Paytm is based, has over 1,000 startups and is catching up with the others fast. In terms of the total startup valuation in India, Delhi-NCR's contribution is almost 50%. The report, titled 'Turbo charging the Delhi-NCR Start-up Ecosystem', has been prepared by The India Entrepreneur (TIE) network along with Zinnov, a Gurgaon-based management consulting firm.
Commenting on the findings, Rajan Anandan, MD of Sequoia Capital, India and TIE's Delhi-NCR president, said the numbers had come as a surprise to them as well. "NCR is the strongest in consumer tech and services startups with real potential to make it to the top five globally in terms of the startup ecosystem and activity," said Anandan. According to the report, NCR — home to the likes of Zomato, OYO and Rivigo — has 10 unicorns, followed by Bangalore with nine. Mumbai has only two.
"The most interesting part is that beyond these 10 unicorns, NCR also has another 10 soon-to-be unicorns and once they touch the $1-billion mark, it will be very difficult for any other city to beat NCR in this area," Kant said.

Delhi-NCR also has three of India's four most valuable listed internet companies — Info Edge, MakeMyTrip and indiaMART. "It is quite motivating for budding entrepreneurs like me to know that Delhi has such a strong startup ecosystem. When you see so many companies touching the unicorn mark, you also get inspired and motivated to reach there," said Meghna Saraogi, founder of Styledotme, a Gurgaon-based startup. But the success story of Delhi-NCR hasn't quite led to organic growth in its support system where Bangalore is still the best-placed city.