MONTHLY SECTOR UPDATE

Issue | November 2020

Technology

"The great growling engine of change – technology."

Alvin Toffler

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in **Primus Partners India**

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Our Take

Top 3 takeaways of the month

Increase in adoption of digital payments as customers would still want to stay away from bank branches and ATMs for sometime	With uncertainty regarding physical reopening of education institutes, digital learning and EdTech is here to stay	Indian IT sector moving towards stabilization on the back of securing stable long-term deals.

Sector performance

IT Sector growth to be minimal in 2020 and expected to return in 2021-22

As per a report by Fitch Ratings, the Indian IT sector is likely to see less growth in 2020, but return to high single-digit revenue growth in 2021-2022. The demand would be fuelled by higher demand for digital transformation post pandemic. [Read more](#)

EdTech sector would continue to rise

Current trends indicate that e-learning shall be an integral part of educational institutions in the post-Covid world as well. Hence the ed-tech sector has garnered huge interest from investors. As per a report, among the eight funding rounds of $100 million (Rs 730 crore) and above in Indian start-ups in the April-September period, five were for ed-tech companies. The sector may also see some consolidation as well.

Hiring picks up pace in Indian IT companies

As demand recovers, IT majors like TCS, Infosys, HCL and Wipro are hiring in big numbers again. The top 4 firms hired 17,000 personnel in the second quarter and have already paved a robust hiring plan for December and March quarters. Salary hikes and promotions have also been announced for the existing employees on the back of strong deal wins. Thus, the industry is slowly, but steadily coming back on track. [Read more](#)

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Project in Focus

Housingforall.com – an eCommerce Real Estate Marketplace by NAREDCO

'Housing For All' is India's First E-Commerce Real Estate Marketplace launched on 14th February 2020, under the guidance of National Real Estate Development Council (NAREDCO) and the Ministry of Housing & Urban Affairs (MoHUA). The portal will be hosting India's largest e-commerce housing sale where buyers from not just in India but across the globe can explore and buy ready-to-move-in homes. There is a huge inventory of ready possession properties accumulated with real estate developers across the country. The buyers can purchase these properties at a much better price from the developers alongside lucrative home loan rates by banks. The portal's association with the government, reputed developers, top financial institutions, and real estate consultants ensures a seamless buying of properties online. The aim is to ease the challenges faced by the real estate industry and boost sales by instilling confidence in the consumers by bringing in the much-needed TRUST factor.

### Key Offerings by Housing for All (HFA) Web Portal:

- **Complete Transparency** : The entire inventory offered by Real Estate developers is displayed on the portal, including the actual status of any unit, and it is updated on Real time basis.

- **Most Informative Website:** All the important details about the project are uploaded on the web portal, including developer data, RERA Registration details, project details like area, OC status, wings, units on each floor, room size, unit specifications, possession date etc.

- **Total Security**: The information shared is fully secured with HFA. The transactions done on portal are completely secured, with a provision to refund the amount in case a buyer chooses to opt out from a deal.

- **Better Incentives to Customers:** The platform offers lowest interest rates through sponsoring banks. It also provides 1% incentive to buyers who book their unit through it.

- **Benefits to Developers:** The real estate developers get many benefits including low project listing fee, dedicated project microsite, inventory management system, saving on marketing costs etc.

Source: Twitter.com
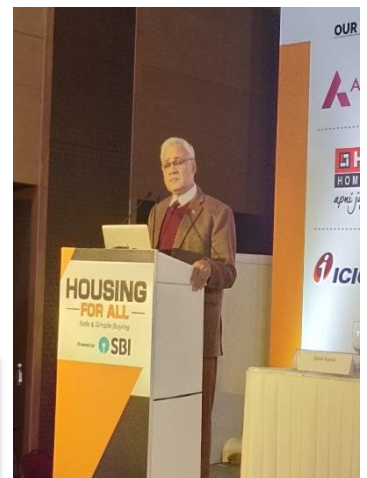
Source: Twitter.com

Source: Twitter.com

Client Speak: Shri. Rajan Bandelkar, Vice Chairman, NAREDCO Maharashtra

The COVID-19 pandemic has reinstated the importance of homes in our life. The demand for quality homes is expected to increase in coming time. In such scenario, we aim to bridge the gap between buyers and developers by bringing in the trust factor by introducing the Housing for All web portal. The portal will give access to verified projects, with the inventory getting updated on real time basis. It will also empower developers by providing them access to huge number of potential buyers and a platform to market their inventory. We will also be contributing to vision of Digital India of our Hon'ble Prime Minister by launching this portal.

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Latest in Technology

RAISE 2020: *India marches ahead in the AI world*

Artificial intelligence (AI) is a complex software that allows a computer to perform tasks in a way similar to how humans typically would. The advances made by AI in the past decade, has captivated many minds. According to an IDC report released in August 2020, global revenues for the AI market (including hardware, software, and services) are expected to cross $156.5 billion in 2020, an increase of 12.3% over 2019. With the economic impacts of the COVID-19 pandemic subsiding, this number is expected to surpass $300 billion by 2024, growing at 17.1% CAGR . Read more

From a Government standpoint, countries like US and China have led the way by committing USD billions in AI research, across sectors like finance, healthcare, retail, and defence. India too has shown promising growth in AI adoption. In 2018's budget, the budget allocation for Digital India was doubled to INR 3,073 crore. (Read more) NITI Aayog has proposed a National Strategy for Artificial Intelligence and has submitted a cabinet note requesting budgetary allocation towards these efforts. State governments like UP and Karnataka have since announced AI frameworks in the transportation vertical to avoid road accidents. Maharashtra government also declared the usage of AI-based solutions for Agriculture under the Maha Agri-Tech venture.

With an aim to highlight India's vision and potential roadmap for AI, The Ministry of Electronics & IT (MeitY) hosted a global virtual summit – Responsible AI for Social Empowerment (RAISE) from 5th-9th October 2020. The summit was inaugurated by PM Modi via a virtual address. The Prime Minister said that India had recently adopted the National Education Policy 2020, under which E-courses would be developed in various regional languages and dialects. This effort would benefit from Natural Language Processing (NLP) capabilities of AI platforms. He also remarked that more than 11,000 students from schools had completed the basic course under the 'Responsible AI for Youth' program

launched in April 2020 and were now building their AI projects. (Read more) The Prime Minister also spoke about assigning a budget under the "Atmanirbhar Bharat" plan, that would focus on developing and implementing AI technologies in India. Read more

Minister of Electronics & IT Ravi Shankar Prasad, and CEO NITI Aayog Amitabh Kant also acknowledged the importance of the platform, along with industry heavyweights such as Reliance Industries chairman Mukesh Ambani, IBM CEO Arvind Krishna, and NASSCOM president Devjani Ghosh, among several others addressing the audiences. Speakers sharing the dias underlined the role of AI in empowering social-economic development. There were engaging sessions on cross-segment subjects including 'Inclusive AI', 'Utilizing AI for Pandemic readiness', 'The Impetus that Innovation Places on Digitisation', 'Associations for Successful Innovation', 'Leveraging AI for Pandemic Preparedness', 'Partnerships for Successful Innovation', etc. There were also insightful fireside chats with various industry and academic experts, to discuss about the need and possibilities of building a robust AI-backed public infrastructure in India .

The summit also announced winners of the 'AI Startup Pitchfest', as part of Aatmanirbhar Bharat challenge. PM Modi announced 21 AI startups; of which 15 were winners, and 6 received a special mention. (Read more) The startups were from varied industries such as healthcare, edtech, NLP, smart mobility & transportation, agriculture, etc. The event saw an overwhelming 38,700 registrations from the academic/ research industry and government representatives from 125 countries. (Read more) Overall, the summit was a resounding success and ended with a promise to see India develop into a global hub for Artificial Intelligence backed by policy interventions, and also become a role model to show how to use AI responsibly for social empowerment.

Technology & Government

India bars payment firms from issuing new proprietary QR codes

RBI banned payment firms from issuing proprietary QR codes & urged them to adopt atleast one interoperable QR Code by March next year.
Read More

Govt. introduces e-invoicing as part of GST reform

Taking another step towards ease of doing business, e-invoicing system introduced in GST with an aim of improving payment cycle and boosting invoice-based lending to MSMEs.
Read More

BMC to get 600 tablet PCs for its isolated patients

BMC shall spend Rs. 1.3 Crore to purchase these tablets to help the patients deal with depression & frustration due to absence of family members.
Read More

India, Japan finalise pact for cooperation in 5G tech

India & Japan signed agreements for cooperation in 5G, Artificial Intelligence and an array of other critical areas related to information infrastructure.
Read More

New digital health ID will be used in COVID-19 immunization

Two months after he announced that a unique health ID shall be provided to each citizen, the PM indicated that this ID shall be to ensure COVID-19 immunization.
Read More

India, US likely to sign pact on geospatial cooperation

The pact shall enable the US to share advanced satellite & topographical data for long-range navigation & missile targeting with India
Read More

Tata plans to setup pan-India retail payment network

Tata Group is set to challenge the existing monopoly of NPCI as it plans to build a new mass-market payments entity that would rival UPI.
Read More

Mumbai University exams hit by 'Cyber Attack'

Exams of the Institute of Open & Distance Learning (IODL) of University of Mumbai were called off after a 'cyber attack' on the exam server.
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In the Spotlight

#	Accolades & Performance	Published by	Highlights	
1	Fortune Most Powerful Women in Business 2020	Fortune	• Julie Sweet, CEO, Accenture leads the ranking. • Other Tech. stalwarts in Top 10 include Ruth Porat, SVP and CFO Google Alphabet (#7) and Sheryl Sandberg, COO Facebook (#8) • 2 Indian origin women there in Top 50 (Revathi Advaithi, Sonia Syngal)	[Read More](#)
2	Top World's Best Employers 2020	Forbes	• Dominated by Tech. Firms • South Korean firm Samsung Electronics at the top. • 7 out of top 10 from the IT / Tech. space • HCL Technologies at No. 30 is the highest ranked Indian firm and only Indian firm in Top 50.	[Read More](#)
3	2021 – The Just 100	Forbes	• Microsoft at the top • Top 10 dominated by Tech. firms, having 9 out of 10 at the top. • 6 Indian origin (Indian American) CEOs/Leadership across the Top 50 companies – Satya Nadella, Sundar Pichai, Shantanu Narayen, Arvind Krishna, A.S. Banga, Aneel Bhusri	[Read More](#)

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Reports in Review

Re-imagining Edtech – The COVID Effect | NASSCOM

- Edtech has seen an upsurge over the past years and is expected to be the 'new normal'. This report presents the impact of COVID on the Indian Edtech industry
- COVID-19 pandemic coupled with sound technology base has led to increased adoption of Edtech in the country with a market size projections for the industry for 2022 increasing nearly 25% from the post COVID estimates.
- H1 2020 saw a 500% growth in funding in the sector as compared to H1 2019. Majority of the funding was accounted by Unacademy & Byju's.
- Rapid movement in terms of collaborations and mergers in the industry H12020 has already witnessed 13 buyouts compared to just 9 in entire 2019.
- Government has already made a substantial push towards Edtech platforms even before COVID-19 with the Diksha and E-Pathshala platform. The National Education Policy 2020 further provides impetus to digital education in the country.
- Bridging the digital divide throughout the country & creation and delivery of vernacular content shall be the key to the growth of Edtech Sector in the country.

Conclusions:
The education market in India is highly under-penetrated. With a vast socio-economic profile of students in the country, democratization of online education, accessible & affordable products & services and course content in vernacular languages can help the student community at large to gain benefits of online education and in turn lead to further growth of Edtech industry in the country.

Advancing Digital Trade in Asia | World Economic Forum

- The report describes the trends, policy innovations and challenges for the cross-border digital trade in Asia and how trade and government officials across Asia have been responding to the explosive growth of digital trade in the region.
- Digital ecosystems, cloud services, subscription services, payment solutions and cybersecurity threats are some of the key digital trends emerging in Asia.
- Governments & Trade Officials across Asia have been trying to tackle nuances of digital trade through various trade agreements including CPTPP, DEPA and DEA
- Varying laws & policies related to data privacy, protection & storage across countries is proving to be roadblock in smooth implementation in digital trade.
- ASEAN countries working on a formulating a Digital Data Governance Framework to standardize cross-border data transfer mechanisms.

Conclusion:
Grappling with issues pertaining to cross-border digital trade is likely to prove complex and challenging. However, considering the fact that internet economy in South-East Asia had hit $100 billion in 2019, & will see an accelerated trend due to the pandemic, Asian governments shall be required to play a pro-active role in streamlining the digital trade related regulatory mechanisms across countries.

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News & Announcements

Top 5 News on the sector

Apple's revenue from apps twice as much as Google's

A report by Sensor Tower reveals that Apple's App Store earned $19 billion in Q3 2020 whereas Google made $10.3 billion revenue from Play Store.

Read More

Paytm, other Indian startups vow to fight Google's clout

Google angered many tech companies with what they say are unfair practices. executives have discussed forming a new startup association aimed at lodging protests with the Indian government and courts against the Silicon Valley company. Read More

TCS, Infosys, Wipro hire 14,300 Employees in the last 3 months

IT majors like Infosys, TCS and Wipro are showing a strong rebound in net employee hiring during the second quarter due to improved revenue performance and signing of record deals in the second quarter.
Read More

US telcos dial Indian smartphone makers

Top US telcos are turning to Indian handset makers like Mrcromax and Lava to source low-cost mobile phones as the US ratchets up national-security scrutiny of Chinese companies. Read More

At 41 million real-time transactions a day, India leads the world

Covid 19 pandemic has seen India doubling its per day real-time financial transactions to 41 million as the country continues to innovate with the launch of extensive business services on real-time rails.
Read More

Top 5 sector player news

Tata Consultancy Services sets up 11 COVID-19 isolation centres

TCS has set up 11 COVID-19 isolation centres within its premises in various cities. These centers shall provide medical support to associates & their dependents who are mildly COVID-19 positive . Read More

Microsoft to let employees work from home permanently

Employees can choose to work from home permanently with prior approval from their managers. Some employees won't be eligible for remote-work arrangement such as those who work in MS Labs.

Read More

Samsung beats Xiaomi to become number 1 smartphone brand in India

As per a company report, Samsung has recaptured the top spot in India. Samsung lost the top position to Xiaomi in the second half of 2017

Read More

Jio Platforms, Qualcomm successfully test 5G solutions

Qualcomm and Reliance Jio announced that they have aligned efforts to fast-track development and rollout of indigenous 5G network infrastructure and services in India. Read More

Wipro announces promotions for 80% of staff

Wipro has decided to roll-out promotions to approximately 1,45,000 of its employees in December as a reward for maintaining high standards of service in such challenging times. Read More

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Industry Activities

Key movements in the Industry

#	Name	From	To	
1	Puneet Kaur Kohli	**Group CITO,** Manappuram Finance Limited	**CTO**, Universal Sompo General Insurance Company.	[Read More](#)
2	Rahul Jalali	**Vice President,** Walmart International	**CIO,** Union Pacific	[Read More](#)
3	Minaxi Indra	**Head of Account Management & Growth – APAC,** Uber	**President,** upGrad	[Read More](#)
4	Rajesh Nambiar	**Chairman & President,** Ciena India	**Chairman & MD,** Cognizant India	[Read More](#)

Key M&As and IPOs and investment across the Industry

#	Details	
1	**Persistent Systems** to acquire enterprise integration company **CAPIOT Software**	[Read More](#)
2	**Accenture** acquires B2B sales firm **N3** which provides AI and ML based insights to deepen B2B sales interactions.	[Read More](#)
3	**RazorPay** secures $100 million in Series D funding led by **GIC, Singapore**'s sovereign wealth fund.	[Read More](#)
4	**Walmart** and **Flipkart** Group announced a fresh round of investment in Bengaluru-based B2B supply chain company **Ninjacart**.	[Read More](#)
5	**Wipro** plans to buy back shares worth INR 9,500 Crores which represents 4.2% of its total paid up capital.	[Read More](#)
6	**Wipro** all set to acquire BFSI solution provider **Encore Theme** for INR 95 Crores	[Read More](#)

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Industry Activities

Key Investment & Launches

#	Details	
1	Technology firm **NTT** launched a hyperscale datacentre in Mumbai which shall expand NTT's datacentre capacity in India by 30%.	[Read More](#)
2	**India** plans to launch its own mobile app store if it receives enough demand from domestic firms for an alternative to Apple and Google platforms.	[Read More](#)
3	**Anand Mahindra** invests in **Genrobotics,** the firm known for making Bandicoots--fully automated robots for cleaning manholes	[Read More](#)
4	**Kapil Dev** invests in **Harmonizer India,** a firm which provides power solutions and services.	[Read More](#)

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Looking Forward

Listed below are the trends and opportunities which we feel shall define the Indian technology sector going forward.

Democratizing programming

One of the key trends emerging in technology today is democratization of programming which means putting programming into the hands of anyone who wants to do it. This trend has the potential to unleash a wave of productivity in the enterprise. Further, with an increasingly technology driven future, there aren't enough skilled professionals available to keep pace with this increasing demand. Hence, technology shall move closer to business by providing them tools to innovate in areas out of their technical skillset.

Internet of Behaviors

Internet of Behaviors (IoB) combines technologies which uniquely identify an individual like facial recognition, big data etc. with associated behavioral events like cash usage, eating preferences and purchasing patterns. Organisations shall leverage IoB in many innovative ways, for example, using computer vision to see whether employees are wearing masks or using thermal imaging to identify those with a fever. Gartner predicts that by year-end 2025, over half of the world's population will be subject to at least one IoB program.

Hyper-automation

Hyper automation enables automation of any repetitive task being executed by a business user by combining AI tools with RPA. The pandemic has heightened the demand of such technologies with a sudden requirement of decreasing human intervention and moving to a "digital first" approach especially for critical processes of an organization. Also, deploying this digital workforce for repetitive & mundane tasks helps organizations to free-up the human workforce for other complex tasks. Hyper automation shall drive significant opportunity & disruption in the technology sector over the next few years.

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About Primus Partners

Primus Partners has been set up to partner with clients in 'navigating' India, by experts with decades of experience in doing so for large global firms. Set up on the principle of 'Idea Realization', it brings to bear 'experience in action'.

'Idea Realization'— a unique approach to examine futuristic ideas required for the growth of an organization or a sector or geography, from the perspective of assured on ground implementability.

India is and will continue to be a complex opportunity. Private and Public sector need trusted advisory partners in order to tap into this opportunity. Primus Partners is your go-to trusted Advisory for both public and private sector organizations involved intricately with nation building, and the creation and growth of robust corporations as engines of progress.

Our core strength comes from our founding partners, who are goal-oriented, with extensive hands-on experience and subject-matter expertise, which is well recognized in the industry. Our core founders form a diverse cohort of leaders from both genders with experience across industries (Public Sector, Healthcare, Transport, Education, etc), and with varied specialization (engineers, lawyers, tax professionals, management, etc).

Primus Partners brings experience of working in more than 30 countries with private and public sector, including working with Government of India, building and leading large consulting teams at the leadership level, and creating one of the largest public sector consulting practice in India. They also represent 200 person years of experience in leading global and Indian consulting firms and the public sector.

The founding team is supported by a distinguished advisory board that includes experts with leadership experience across government, large corporate and notable civil society organisations.

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