The Financial Express

11th January 2017

REITs, InvITs could help raise ₹50,000 cr: Assocham-Crisil

New Delhi, Jan 10: The real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) can help raise close to ₹50,000 crore in the near-term, given the interest shown by certain players in the infra and real estate space, according to a report.

This amount can be utilised either for repayment of debt from banks/ non-banking financial companies (NBFCs)/ financial institutions (FIs) or as a consideration to the existing sponsor for dilution of stake or both, according to the study titled 'Building a new India', conducted by Assocham jointly with global research firm Crisil.

This will result in monetisation of sponsors investment in long gestation projects or result in release of loan funds for banks to fund other infrastructure projects, the report said.

Both REITs and InvITs are vehicles created to primarily invest in revenue-generating real estate/infrastructure assets.

> The study estimated that public sector banks need equity of ₹1.7 lakh crore by March 2019 — a tall order — considering that banks have so far contributed to nearly half of the debt funding needed in the infrastructure space

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But a sharp fall in profitability has reduced capital generation from internal accrual of banks while weak performance has diminished their ability to raise capital from external sources, the study said. These constraints would necessitate a large part of infrastructure needs to be met from the corporate bond market, it said.

The study suggested that the ideal mode of financing infrastructure projects is for banks to focus on funding up to the pre-commissioning stage.

After the project is commissioned and stable, banks must refinance the debt through bonds to long-term investors, as such refinancing will free up considerable funds for banks and enable their redeployment in new projects.

The report also highlighted that credit enhancement would be the key to making corporate bonds attractive to investors. *PTI*

Millennium Post

11th January 2017

REITs, InvITs could help raise Rs 50K crore: Assocham-Crisil

NEW DELHI: The real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) can help raise close to Rs 50,000 crore in the near-term, given the interest shown by certain players in the infra and real estate space, according to a report.

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The study estimated that public sector banks need equity of Rs 1.7 lakh crore by March 2019 -- a tall order -- considering that banks have so far contributed to nearly half of the debt funding needed in the infrastructure space.

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After the project is commissioned and stable, banks must refinance the debt through bonds to long-term investors, as such refinancing will free up considerable funds for banks and enable their redeployment in new projects.

The report also highlighted that credit enhancement would be the key to making corporate bonds attractive to investors. The study suggested looking at innovative channels like green bonds for financing government's ambitious target of 160 giga watt (GW) solar and wind capacity by 2022 with investments worth about Rs 8 lakh crore, as banking channel alone would not be able to support such huge requirements. PTI

Free Press Journal (Mumbai)

11th January 2017

By March 2019, public sector banks need equity worth ₹1.7 lakh crore: Assocham-Crisil

New Delhi

The public sector banks (PSBs) will by March 2019 need equity worth Rs 1.7 lakh crore, which can turn out to be higher on an increased credit growth, a recent Assocham-Crisil joint study has revealed. "The public sector banks need equity of Rs 1.7 lakh crore by March 2019, which is a tall order considering that banks have so far contributed to nearly half of the debt funding needed in the infrastructure space," noted the study, reports IANS.

The study titled 'Building a new India', was conducted by industry body Associated Chambers of Commerce and Industry of India (Assocham) with global research firm Crisil. "A sharp fall in profitability has reduced capital generation from internal accrual of banks, while weak performance has diminished their ability to raise capital from external sources. And the capital needs can turn out to be higher if credit growth is stronger," the study highlighted.

"These constraints would necessitate a large part of infrastructure needs to be met from the corporate bond market," it said. Over the past 10 years, bank lending to the infrastructure sector has grown at a compound annual growth rate (CAGR) of 28 per cent, which is faster than the overall credit growth. Besides, the infrastructure's share of bank credit has doubled from 7.5 per cent in 2005 to 15 per cent in 2016.

The study suggested that the ideal mode of financing infrastructure projects is for banks to focus on funding up to the pre-commissioning stage of projects. The report also highlighted that credit enhancement would be the key to making corporate bonds attractive to investors.

The real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) can help raise close to Rs 50,000 crore in the near-term, given the interest shown by certain players in the infra and real estate space, stated the report. This amount can be utilised either for repayment of debt from banks/ non-banking financial companies (NBFCs)/financial institutions (FIs) or as a consideration to the existing sponsor for dilution of stake or both, according to the study. This will result in monetisation of sponsor's investment in long gestation projects or result in release of loan funds for banks to fund other infrastructure projects, the report said.

The New Indian Express (Bengaluru)

11th January 2017

Real estate and infrastructure trusts to raise ₹50k crore in the near term

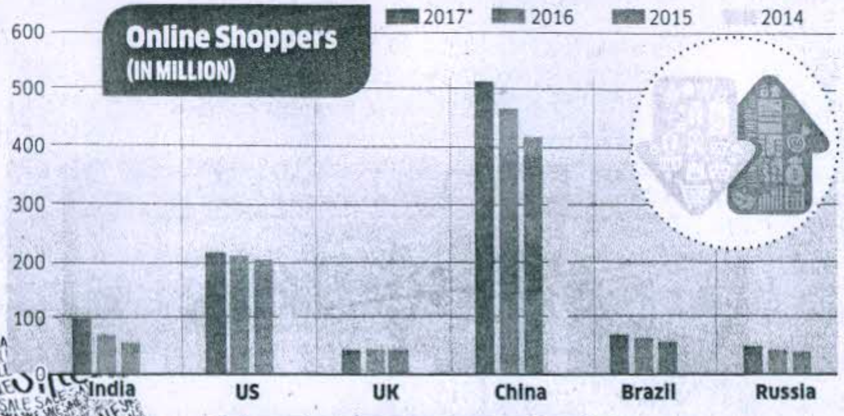
Real estate investment trusts and infrastructure investment trusts can raise close to ₹50,000 crore in the near-term, given certain players' interest in the infrastructure and real estate space, according to a study conducted by industry lobby Assocham jointly with global research firm Crisil. This amount can be utilised either for repayment of debt from banks, non-banking financial companies, financial institutions or as a consideration to the existing sponsor for dilution of stake or both, the report added.

The Economic Times

11th January 2017

No Stopping these Online Shoppers

Looks like online shoppers just can't stop. The number of online shoppers in India may touch 100 million by the end of 2017 which is a staggering 45% jump from 69 million recorded in 2016, so says a study by ASSOCHAM-Resurgent India. The mobile commerce will contribute almost half the revenues of ecommerce by the year end from the current 30-35%. In the process of this high growth, India has overtaken established markets like the UK and Russia. The size of the Indian e-retail market is likely to jump 65% in 2018 to $17.52 billion. The market was at $3.59 billion in 2013 and $5.30 billion in 2014. Such numbers have been boosted by the rise of, among others, better logistical infrastructure and broadband and Internet-ready devices. ET analyses the data and throws up some interesting facts.



CITY WATCH

- **Bengaluru saw** the highest preference for online shopping in 2016, followed by Mumbai and Delhi.
- **69% of Bengaluru's population choose to buy daily routine products through e-shopping in 2015-16, which will go up to 75% this year**
- **In Delhi, 61%** of its population decided to buy daily routine products through e-shopping in 2015-16, which will go to 65-68% by the end of 2017.

SHOP ONLINE VIA MOBILE

China	65%
India	30-35%
US	22%

CATEGORY SALES

Apparel	85%
Mobile phones	68%
Cosmetics	25%

In Mumbai, 65% of the population chose to buy daily products online in 2016, which could rise to 70% in this year

GRAPHIC: YOGEESH MH, TEXT: ARAL LOBO,
SOURCES: ASSOCHAM, PWC, STATISTA, IAMIA, GLOBALWEBINDEX