

# INDIA GLOBAL BUSINESS

Special Edition



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## Many questions left to answer

**T**he first ever UK-India Week finds both nations at a crossroads. Brexit is an opportunity to forge a new, global identity for Britain, while India – the fastest-growing major economy in the world, a rapidly emerging nation – finds itself at a strategic apex, ready to take its place among the world's top economic powers: Global Britain meets Global India.

There are many questions left to answer.

How do we ensure the UK remains India's gateway to Europe, and consolidate the UK's position as India's partner of choice in the Western hemisphere?

How can the UK and India take a leadership position in fast-emerging sectors and markets, such as digital technology, cybersecurity, renewable energy technology and green finance?

How do we leverage the bond between the UK and India to promise the best future for the next generation – a generation more mobile, aspirational and globally-connected than any of their predecessors?

There is a huge opportunity for these two great countries – now equals on the world stage – to harness their shared values, trade, technology and talent to enhance prosperity at home and around the world.

### Transformational vision

As several writers in this edition of 'India Global Business' make clear, the UK-India relationship has all the ingredients of a winning partnership. Trade and investment are strong, and we must now build on these transactional ties with a transformational vision.

Leveraging the goodwill and influence of the Indian diaspora in the UK could be a good starting point. Indian Prime Minister Narendra Modi has realised the significance of the diaspora and revitalised its role in India's global outreach. The question for Brexit-bound UK is whether it too can sufficiently invigorate its 1.5 million Indian diaspora community to help build the bridges of the future.

Modi's reforms are expected to propel India's economy to

a growth rate of 7.4 per cent in 2018-19. The World Bank's 'Ease of Doing Business' rankings placed India over 40 places in 2017 than in the previous year, at 100th place.

For success in every sector to continue on this trajectory, India needs to increase its bilateral trade ties with its overseas partners.

### Shift in UK-India balance

Economic growth has shifted the UK-India balance of power in India's favour.

The fast growth of the technology sector and the expansion of digital technology in other sectors have also changed the dynamics of the UK-India partnership.

The UK-India Fintech Dialogue, backed by an MoU between the UK and India, should be extended to further areas of the technology sector.

The UK and India can collaborate to reduce the costs and environmental footprints of industrial and energy-generating capabilities, and help India's citizens become globally-connected, bringing Indian tech ventures greater access to financial markets with innovative financial models.

Finally, the UK must realise the importance of the UK-India partnership in the global talent race.

### UK faces greater competition

The UK celebrates its status as one of the most meritocratic and aspirational economies in the world but it is now facing greater competition from President Macron's France and from Canada, Australia and elsewhere.

Brexit poses major questions about the competitiveness of UK businesses and the UK market, while India's huge growth opportunity corresponds to a whole new strategic challenge. India's young demographic in search of skills-training, the opportunity for leadership in the fast-emerging technology sector, and India's turn in the driving seat of global growth have focused the mind on a new level of UK-India engagement.

### Manoj Ladwa

Publisher & CEO, India Inc.

[@manojladwa](https://twitter.com/manojladwa)

**THE UK MUST REALISE THE IMPORTANCE OF THE UK-INDIA PARTNERSHIP IN THE GLOBAL TALENT RACE**

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This Special Edition of 'India Global Business' celebrates UK-India Week 2018, a series of high-impact events organised by India Inc. in June this year to celebrate and help enhance the bilateral relationship. There is a long list of experts and business leaders who have helped make the edition very special indeed.

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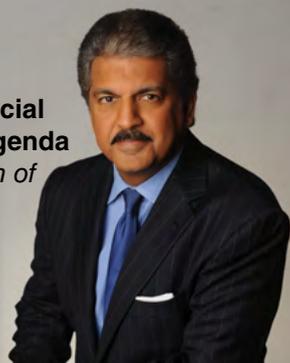
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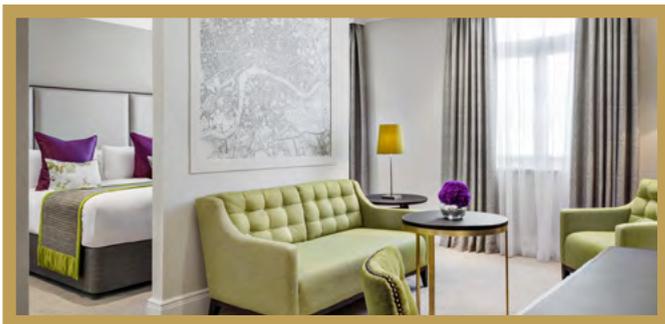


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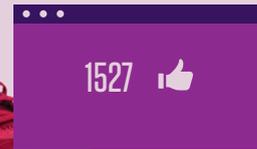
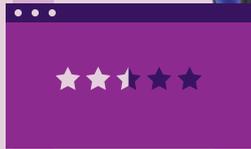
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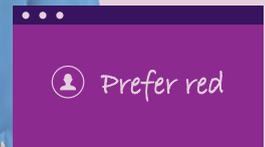
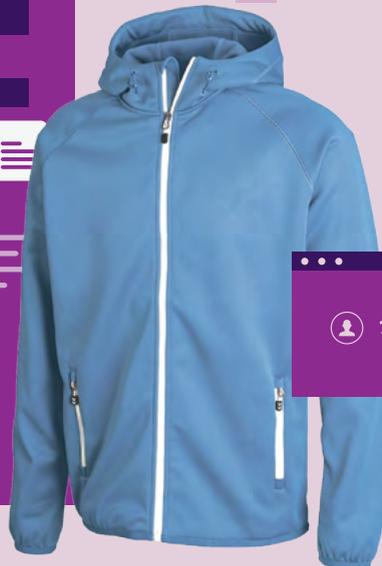
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# Big Ben meets Big Bhai

**M**any decades ago, the British Viceroy to India was considered the second most powerful man in the world — after the British Prime Minister. Independent India, truncated and weakened by Partition and hobbled by ideology and an unimaginative political leadership could never live up to that rich legacy.

But over the last four years, Indian Prime Minister Narendra Modi's conduct of the country's foreign policy has helped New Delhi regain at least some of its lost mojo.

Whether it is to ensure the freedom of navigation in seas unilaterally being claimed by newly rising powers or a bold plan to reimagine the almost century-old Commonwealth as a new-age multilateral trading body to creating a new paradigm for a non-exploitative partnership-based relationship with Africa, Modi has been at the forefront of global efforts to establish a new world order.

And even as he plays a major role in keeping with his growing stature on the global stage, he has not lost sight

of the minutiae of local and regional relationships as is evident from improved ties with neighbours such as Sri Lanka, Bangladesh and Nepal and the ever-increasing international isolation of Pakistan.

These foreign policy successes have earned Modi a global image that is larger than the sum of their parts and turned him into one of the most sought after leaders in the world.

Read on for a more comprehensive analysis.



# The new Big Brother

by India Inc. Staff



Unlike in the West where it has certain dark undertones, Big Brother is a term of respect in India. Elders, superiors, persons of prominence and those who command respect are often addressed as Big Brother. With his growing global stature, Indian Prime Minister Narendra Modi is acquiring the image of one in many parts of the world.

**O**ver the past month and a bit, the Indian Prime Minister's diary has been full of international engagements. A quick visit to the UK for the Commonwealth Heads of Government Meeting (CHOGM) and a tete-a-tete with his British counterpart Theresa May, a quick dash to Sweden and then two whistle-stop visits to Wuhan in China and Sochi in Russia for informal summits with Xi Jinping and Vladimir Putin.

These come close on the heels of his meetings in New Delhi with French President Emmanuel Macron in March and Canadian Prime Minister Justin Trudeau the previous months. In between, Modi found time to meet newly-elected Nepal Prime Minister K.P. Oli in Kathmandu without really

breaking into a sweat.

Many of these have been very high profile events accompanied with the typical hype and razzmatazz that have by now come to symbolise Modi but underlying the excitement that these meetings generate is a well thought out programme to make sense of the very complicated emerging world order and a plan to position India as one of its incipient poles.

Foreign policy experts say not only has Modi developed a very personalised style of foreign policy that relies on his personal chemistry with world leaders for success, he has also displayed an uncanny knack of being able to size up his hosts/guests very quickly, thus, enabling

him to build on friendships and bridge differences across the board.

No wonder world leaders from Trump to Putin to Xi and from May to Macron to Merkel have all started according New Delhi the kind of appreciation and respect that India has seldom commanded on the world stage.

## The solar alliance

Modi's most audacious move – one that clearly indicates his growing stature and acceptance on the world stage – is the move to stitch together the International Solar Alliance (ISA), a new grouping of 121 countries mainly lying between the Tropic of Cancer and the Tropic of Capricorn, but open to others as well, to tap the potential of solar energy. The goal: Increase the use of solar energy and

reduce the dependence on fossil fuels to control global warming and mitigate the impact of climate change.

The ISA, a brainchild of Modi, which he first publicly enunciated during his speech at the Wembley Stadium (on his first visit to the UK as Indian Prime Minister), is a treaty-based inter-governmental organisation. It was formally launched at the India-Africa Summit in New Delhi, ahead of the United Nations Climate Change Conference in Paris in November 2015. A total of 121 countries have joined the alliance so far.

It is no coincidence that the Modi government has set an ambitious target of setting up 100 GW of solar power generation capacity in the country by 2022 and of reducing its emission intensity by 33-35 per cent by 2030. India has also offered to raise the share of renewable energy capacity to 40 per cent of its total power generation capacity by 2030.

The launch of this alliance, the first truly global multilateral agency promoted by an Asian country, sends a strong signal to the global community about India's serious intent on climate change and seals Modi's global leadership position in a manner never achieved before by any Indian leader.

New Delhi has announced that it will provide 27 solar projects in 15 countries with the assistance of \$1.4 billion, clearly indicating that Modi's vision of using this India-promoted multilateral agency to cement the country's leadership position among developing nations.

### Global primacy

The ISA is working on a \$300-billion fund that will help mitigate the risks associated with payment defaults, foreign exchange risks and regime change in an effort to create a sustainable financing platform for solar energy projects around the world.

So completely is the ISA associated with India that Sir Peter Cosgrave, Governor General of Australia, said:

"ISA is being described as India's gift to the world to combat climate change."

Modi's initiative has allowed India to take the lead in the global fight against climate change and established Modi as a far-thinking leader who acts on his bold vision, especially following US President Donald Trump's decision to pull his country out of the Paris accord on the issue.

Emmanuel Macron, President of France, which has collaborated with India on making ISA a reality, took a dig at Trump, saying: "It was two years ago and it was just an idea that time. And we decided all together to act... Our solar mamas didn't wait for us. They started to act and to deliver concrete results. They didn't wait and they didn't stop because some countries decided to just leave the floor and leave the Paris Agreement. Because they decided it is good for them, their children, grandchildren—they decided to act and keep acting. That's why we are here in order to act very concretely," Macron added.

## A MAJOR REASON FOR MODI COMMANDING THE RESPECT OF THE WORLD AT LARGE IS THE MUCH NEEDED DOSE OF REALISM AND MUTUAL SELF-INTEREST THAT HE HAS INTRODUCED TO THE CONDUCT OF INDIAN DIPLOMACY

Besides France, the UK has also joined the ISA following India's decision to open its membership up to countries beyond the tropics. On Modi's recent visit to the UK, the May government signed ISA's framework agreement and expressed its commitment to the continued advocacy of ISA's aims and goals.

### Outreach in Africa

A major reason for Modi commanding the respect of the world at large is the much-needed dose of realism

and mutual self-interest that he has introduced to the conduct of Indian diplomacy, making a clean break with the past practice of ideology dominating the discourse.

Under Modi, India has reached out to Africa. The move is guided by Indian economic and strategic interests. Africa is an important market for Indian companies, it is a long-term source of raw materials, metals, minerals, uranium and oil and deep defence and strategic ties with African nations on the Indian Ocean coastline is an important component of India's efforts to retain its sphere of influence in the Indo-Pacific.

But unlike the West in the past and China more recently, Modi has taken pains to ensure that India's ties with Africa are "neither exploitative nor prescriptive."

At a summit of 54 African nations in New Delhi three years ago with the twin goals of diplomacy and deeper economic engagement, Modi said India's relationship with Africa "is driven by the aim of empowerment, capacity building, human resource development, access to the Indian market and support for Indian investments in Africa."

Under Modi, in line with his domestic political credo of Sabka Saath Sabka Vikas (Development for all), India's engagement with Africa has been qualitatively different from that continent's ties with the West or with China. Many analysts dub the Chinese presence there "exploitative" – because of its focus on extraction of natural resources to feed its domestic factories – and the western presence hypocritical and prescriptive – because of its insistence of prescribing western standards of accountability even as the West continues to do business with some of the most unrepresentative and venal regimes in the world.

The success of this outreach has raised India's profile across the world and helped establish Modi as one of the most important and powerful leaders across the globe.

The Indo-Pacific and the Quad. The officially unacknowledged 800-pound gorilla at most big and middle power meetings is the growing assertiveness of a rising China. India's new foreign policy doctrine has cleverly exploited its status as the only big frontier state against the Middle Kingdom to raise India's diplomatic status and political profile in capitals around the world.

in 2007 as part of his vision for an "arc of democracy" from Japan to India, was earlier shelved following protests by China and then revived recently at a meeting of senior officials from the four nations on the sidelines of a regional summit in the Philippines.

This is very much in line with Modi's Act East policy that increases the depth and intensity of India's

the world had hitherto been treated with benign neglect, as one of the major players in the new emerging geopolitical chessboard in Asia.

### The Commonwealth question

Post-Brexit Britain is staring at hard options: It needs to cut mutually beneficial trade deals with the EU and with other large trading partners in order to retain its existing standing in the comity of nations.



A small result of this new recalibration of geostrategic paradigm in the Asian region has seen the Asia Pacific region being renamed Indo-Pacific by the US and some of its allies. This change in nomenclature could presage a tectonic shift in the geopolitical landscape of the world – and pave the way for the emergence of an "Asian Nato" leading roles for the US, India, Japan and Australia.

The grouping, first proposed by Japanese Prime Minister Shinzo Abe

engagement with the 10-member Asean bloc, Japan, South Korea and Australia.

Though details of the Quad have not yet been thrashed out, its initial mandate of ensuring a "free and open" region, with "respect for international law", and "the rules-based order in the Indo-Pacific" has given Modi sufficient elbow room to jockey for greater diplomatic leverage vis-à-vis both the West as well as China, thus, positioning India, which

India under Modi has emerged as one of the preferred partners with whom a large number of advocates want closer ties. And in a world that is increasingly careening towards isolationism, a global Britain and a globalised India are fast zeroing in on the 53-member Commonwealth as a platform for seamless global trade partnerships and strategic cooperation.

But unlike in the past, this Commonwealth 2.0 will not be UK-led

or London-centric. Instead, in keeping with today's more egalitarian global order, it will be multi-polar, with India as one of the major movers and shakers within it.

We may have seen the first act of this new play unfold with Modi accepting the personal invitation of Commonwealth head Queen Elizabeth II to attend the Heads of Government Meeting in the UK last month and his discussions with British Prime Minister Theresa May and other British interlocutors on this issue.

**IN A WORLD THAT IS INCREASINGLY CAREENING TOWARDS ISOLATIONISM, A GLOBAL BRITAIN AND A GLOBALISED INDIA ARE FAST ZEROING IN ON THE 53-MEMBER COMMONWEALTH AS A PLATFORM FOR SEAMLESS GLOBAL TRADE PARTNERSHIPS AND STRATEGIC COOPERATION.**

It is pertinent that Her Majesty's Government considered it imperative to take Modi along. Many neutral observers felt that getting Modi on board was sine qua non, given his global standing, for acceptance of the still incipient plan by other Commonwealth members, particularly the African countries and those in the Indo-Pacific.

#### **Options open**

Despite nudging noticeably closer to the West on most geopolitical and economic issues, Modi has not turned his back on India's traditional relationship with Russia, nor has he let rising border tensions with China come in the way of a burgeoning economic relationship with India's northern neighbour.

He has leveraged his good personal chemistry with both Russian



President Vladimir Putin and Chinese President Xi Jinping to hold informal summits with them recently to sort out irritants and take ties forward.

In the elaborate game of international diplomacy, these high profile one-on-one meetings also keep his friends and foes guessing about his next move and India's long-term intentions – an essential pre-requisite of a successful and pragmatic international policy.

#### **Managing the neighbourhood**

Even as his global gambits have hogged the headlines, Modi has assiduously wrested back some of the regional advantage that India had ceded to China – most notably in Nepal, Bangladesh and Sri Lanka – under the previous regime.

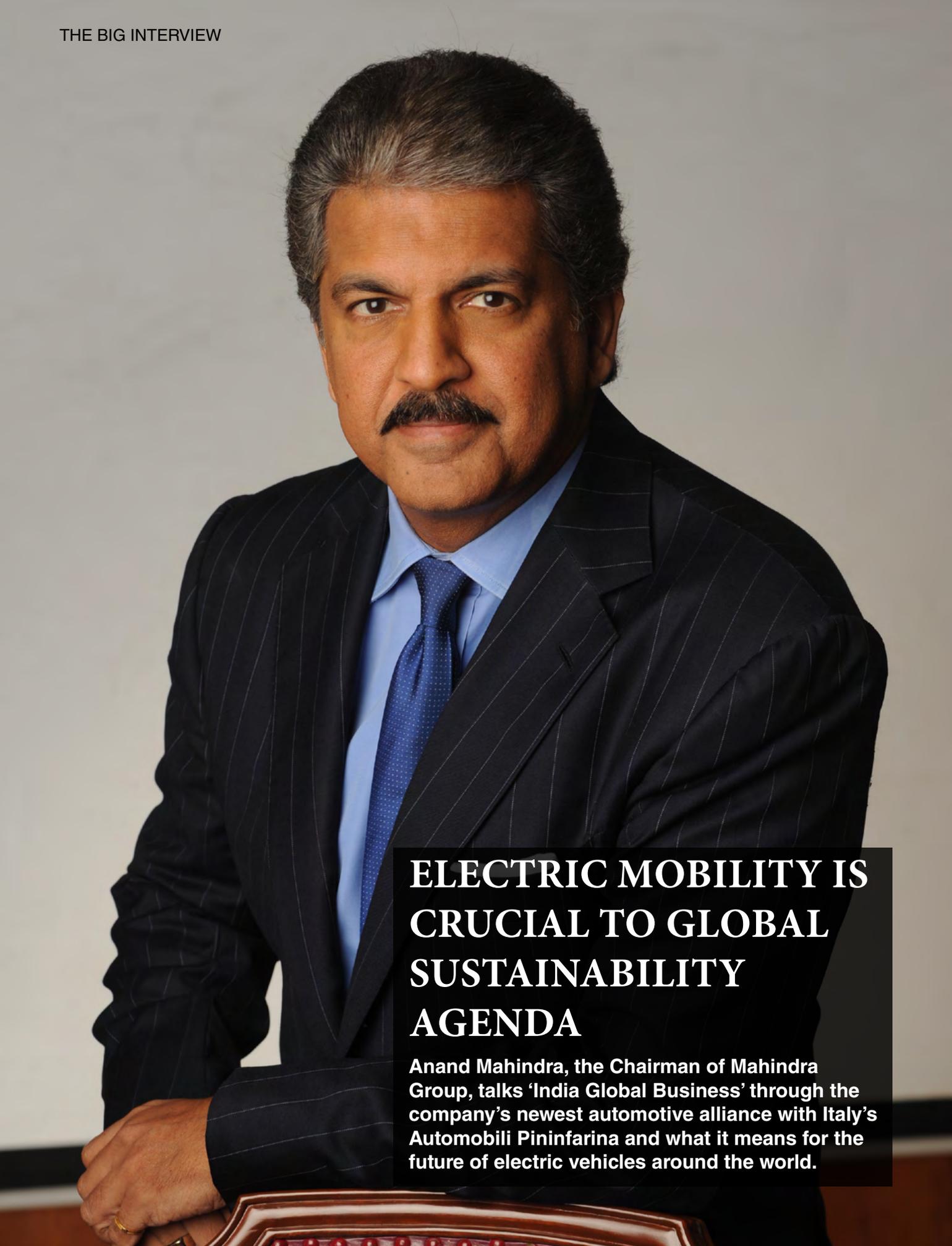
He has done this through a mix of economic diplomacy and real

politic but the end results have been gratifying.

More than a regional power, Modi's global gambits have given India a profile and made space for a role that goes far beyond the country's geographical location. The ISA, the African outreach and the Commonwealth gameplan – along with high and sustained long-term domestic economic expansion – could propel India into the Big Power league to which it has long aspired.

Many people recognise that in Modi, India has a helmsman who has what it takes to walk the talk and drag the country to the full extent of its complete potential.

That could be one reason why he is feted with so much fanfare by the political elite in capital cities around the world.

A professional portrait of Anand Mahindra, Chairman of Mahindra Group. He is a middle-aged man with dark hair and a mustache, wearing a dark blue pinstriped suit jacket, a light blue dress shirt, and a blue patterned tie. He is looking directly at the camera with a serious expression. The background is a plain, light-colored wall. The text is overlaid on the bottom right of the image.

**ELECTRIC MOBILITY IS  
CRUCIAL TO GLOBAL  
SUSTAINABILITY  
AGENDA**

Anand Mahindra, the Chairman of Mahindra Group, talks 'India Global Business' through the company's newest automotive alliance with Italy's Automobili Pininfarina and what it means for the future of electric vehicles around the world.

## What does Mahindra's new Italian partnership mean for the electric vehicle (EV) sector globally?

The Mahindra Group is truly committed to sustainability and we believe that electric mobility is going to be an important step towards it. We have been working vigorously to develop ourselves as global leaders in the EV space, and Automobili Pininfarina (AP) is the latest addition to the growing footprint of Mahindra in the same.

With Automobili Pininfarina, we are bringing together the best of two worlds – heritage and substance as well as modernity and sustainability, enhanced with the latest EV technologies, delivering what we call – true objects of desire.

The Automobili Pininfarina tie-up will lead to a sustainable luxury car brand, unique and first of its kind. Through AP, we see ourselves building our strengths in the higher end, luxury vehicle market and we will be targeting geographies accordingly.

### What is the timeframe for the new model to hit the roads and how do you see it setting new standards in the industry?

Automobili Pininfarina plans to launch its first model, a 'Pininfarina' branded electric hypercar in 2020. Drawing upon the pedigree and design vocabulary of the Pininfarina aesthetic heritage, we will develop a rare collector's item that only a handful of connoisseurs will ever own. This high-performance all-electric luxury hypercar will combine Pininfarina's legendary automotive design prowess with the use of the most advanced technologies and a focus on sustainability thanks to Mahindra's growing EV expertise gained from its participation in the Formula E electric car racing championship. It will be an innovative and pioneering product powered by high technology.

There is currently no player with a full-electric supercar in the luxury segment. That is the niche that Automobili Pininfarina will occupy.

### Will Indian roads also be ready for this exclusive luxury brand?

India is an upcoming market that we are monitoring on a constant basis for Automobili Pininfarina. The strategic core markets in phase 1 will be Europe, US and the Middle East, Asia and China specifically.

### What is Mahindra & Mahindra's vision for the vehicle industry, domestically and globally?

Our strong belief in sustainable mobility led by EVs resulted in us investing in the business back in 2010. Since then, we have been the pioneers of electric mobility in India and intend to continue holding that position.

## OUR VISION OF BEING A GLOBAL LEADER IN EVs WILL ONLY COME TRUE WHEN WE DEVELOP STRENGTHS NOT JUST IN THE INDIAN MARKET CONTEXT BUT BEYOND.

Our vision now is to become a global leader in the EV space and develop our expertise with a 360-degree approach. We intend to not just build exceptional products, but also develop advanced EV technology and even mobility solutions. We are working vigorously on technology development through in-house R&D as well as with critical global partners like GenZe, Pininfarina etc.

### How has the global footprint of the company helped shape this vision?

Our vision of being a global leader in EVs will only come true when we develop strengths not just in the Indian market context but beyond. What's exciting is that to support this

vision, a lot of our new acquisitions in the EV space are based outside of India. With Mahindra Electric we are strengthening our position as the pioneer in India, our home ground, and with all the other global players, we are further building on our technical expertise.

We are developing state-of-the-art facilities in India which will help us achieve synergies across our own global organisations as well as fulfil our India ambition. The association between SsangYong and Mahindra Electric will also help develop our footprint in overseas markets. In parallel, GenZe's expertise in electric two-wheelers combined with Automobili Pininfarina's legacy can also be leveraged in other appropriate markets.

The fact that we are one of the founding members of the Formula E electric championship also adds to the confidence we have in our technological prowess. When combined, our varied EV organisations will make Mahindra one of the strongest EV players across the globe.

### What are some of the highlights of the company's future plans?

At Mahindra, we are looking to develop our expertise with a 360-degree approach. We are working vigorously on technology development through in-house R&D as well as critical global partners. We intend to offer a complete portfolio of vehicles from two and three wheelers to buses and even high-end objects of desire.

In the India context, our focus now is on delivering accessible and affordable EV technology and we will do this by offering state-of-the-art mass mobility products starting from electric three wheelers to electric buses, a few of which were also unveiled at the recent Auto Expo in India. Our aim is to encourage adoption of EVs as well as to address key societal issues

OUR VISION NOW IS TO BECOME A GLOBAL LEADER IN THE EV SPACE AND DEVELOP OUR EXPERTISE WITH A 360-DEGREE APPROACH. WE INTEND TO NOT JUST BUILD EXCEPTIONAL PRODUCTS, BUT ALSO DEVELOP ADVANCED EV TECHNOLOGY AND EVEN MOBILITY SOLUTIONS.

like pollution in our cities. To support the scale we are expecting, on both the manufacturing and technology front, we have also announced an additional investment of Rs 900 crores (\$134mn) in the EV business in India.

But the scope doesn't end at vehicles

and technologies. We are also actively exploring solutions both in the mobility as well as allied sectors. As an example, we unveiled the +NEMO platform at the Auto Expo 2018 – a unique platform developed specifically for fleet application of EVs. Another example which comes to mind is the MESMA platform, a

unique scalable and modular EV platform which drastically decreases the time from conceptualisation to market for an EV.

We are also exploring several other business verticals which are an offshoot of the EV business.



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United Kingdom

# Understanding India's new ideological tilt

by Swapan Dasgupta

For Modi, the projection of national pride goes hand in hand with a do-what-is-necessary approach.



It is four years since India's Prime Minister, Narendra Modi, came to power in New Delhi in an election whose categorical outcome came as a shock to most India-watchers. Having grown accustomed to fragile and sometimes inchoate coalition governments since 1989, it was assumed that strong leadership and political stability had bypassed India permanently.

It is not that P.V. Narasimha Rao (1991-96), Atal Behari Vajpayee (1998-2004) and Manmohan Singh (2004-14) lacked either vision or political sagacity. However, the conflicting pulls and pressures of the coalition dharma meant that hard decisions were often kept in abeyance.

There were, of course, important exceptions. In 1991, confronted with a grave balance of payments crisis, the Narasimha Rao government took the bold step of dismantling India's inefficient and even venal licence-permit-quota raj that had become an impediment to economic growth and entrepreneurship.

Likewise, in 1998 Prime Minister Vajpayee stunned the world by undertaking nuclear tests. India was confronted with economic sanctions.

But rather than retreat into another bout of protection, the sanctions became a trigger for even greater economic deregulation and the opening up of the Indian markets to foreign investment.

India's GDP growth galloped between 2000 and 2012 but some of the beneficial effects of the boom were offset by the steep rise in corruption. The pulls and pressures of political coalition generated an unacceptable growth of ethical permissiveness.

**HAVING BEEN ELECTED ON THE STRENGTH OF DIZZYING EXPECTATION AND A PROMISE OF USHERING THE GOOD TIMES (*Achhe Din*) FOR INDIA, THE FOREMOST PRIORITY OF MODI IS ENSURING RAPID AND SOMEWHAT EQUITABLE GROWTH.**

## Road to power

Narendra Modi's journey from being the Chief Minister of Gujarat (2001-14) to winning a resounding mandate in the 2014 General Election was facilitated by a combination of factors. First, there was widespread admiration of his record as a progressive and business-friendly administrator of one of India's most dynamic provinces. Secondly, his personal reputation as a somewhat austere but completely incorruptible leader was twinned with an image of being a strong, no-nonsense leader. Finally, Modi possessed the ability to establish a direct connect with India's youthful population that, by 2014, constituted nearly half the electorate

and was unburdened by the political baggage of the past.

Unlike most politicians, Modi shied away from what has come to be known as the 'povertarian' appeal. Instead, he created a political narrative centred on aspirations, the desire of India's youth for better opportunities and more global living standards.

Modi's appeal has befuddled many India-watchers, not least within the country. The belief that the cult status he enjoys, particularly among the youth and a section of the emerging middle classes, was a manifestation of an Indian variant of fascism was assiduously disseminated by a section of the intelligentsia. Their invariable reference point was the 2002 sectarian clashes in Gujarat that led to an estimated 3,000 deaths. In the run-up to the 2014 General Election, a number of writers, academics and intellectuals based in the West wrote anguished letters to the 'Guardian' and 'New York Times' suggesting that India would change unrecognisably if Modi was to be elected. In the final days of the campaign, there was an attempt to shift focus to an abstruse debate on the 'Idea of India', a move that didn't quite resonate with the electorate.

This hostility to Modi and his government has persisted without interruption in the past four years. Almost every outrage in India — and a country of India's size and diversity has innumerable cases of uncivil conduct and some official excesses — has been met with allegations that somehow India is transforming into a lesser democracy. The protests may well be based on alternative notions of how India should evolve but they are not disconnected from the fact that the past four years have

witnessed a steady marginalisation of the old elite that was nurtured by nearly seven decades of Congress patronage. Not surprisingly this angst, stemming from a loss of political power, has also been reflected in the foreign media's coverage of India.

### Direct connect

What may have compounded matters is Modi's overall disinterest in cultivating either the old elite or even the media. His disdain for what is called Lutyens' Delhi — India's equivalent of Washington DC's Beltway — is well known and amplified by his vocal supporters on social media. Modi has also severely curtailed the special privileged access enjoyed by the media on the (unstated) ground that this was being misused for lobbying.

His over-reliance on social media to communicate directly with people, over the heads of the media, has also been a factor in the tensions between the media and the government. Curiously, these have led to spirited political battles on social media between those who are denigrated

as Modi bhakts and those who are lampooned as liberal elitists.

It is tempting to be distracted by these colourful exchanges and arriving at the conclusion that Modi's real priority is to wage ideological war against the Nehruvian consensus. To my mind, that battle is an incidental footnote. This is not least because the BJP does not possess the necessary human firepower to take the battle to the universities and the newsrooms. These enclaves of Left-liberal thinking

have been left relatively undisturbed and treated with a sense of benign neglect.

To view the Modi government through the prism of ideology is often tempting because the BJP often conveys a self-image of being an ideological party. Undeniably, there is a strong Hindu nationalist underpinning in the BJP, as reflected by its belief that what determines Indian nationhood is a cultural bond that must forever be nurtured and which predates the 'Constitutional patriotism' that came into being after 1950. This is also coupled with a loose and nebulous belief in India's 'manifest destiny' and a corresponding disdain for rootless cosmopolitanism. In many ways the battles being witnessed in Europe



between the 'nowhere' man and the 'somewhere' man has an Indian variant.

### Good times

However, these ideological tensions over nationhood are of secondary concern to the Modi government. Having been elected on the strength of dizzying expectation and a promise of ushering the good times (achche din) for India, the foremost priority of Modi is ensuring rapid and somewhat equitable growth. To that end he put

the ease of doing business and Make in India as his two top priorities. The first, aimed at minimising regulatory controls over business and at creating an environment conducive to entrepreneurship. The relentless speed at which the Goods and Services Tax (GST) was implemented and whose progress was closely monitored was part of the larger objective of tax simplification. It encountered fierce opposition initially, especially from traders accustomed to do business below the tax radar, but Modi has perverted despite its political risks. The move now appears to be yielding dividends.

The second — a far loftier objective — was aimed at creating jobs in the manufacturing sector. It was

complemented by the encouragement to what became known as the 'family sector' — very small businesses run with household labour.

As of now, the overall results of Make in India is fiercely contested with each side proffering their own statistics. However, despite the slow growth of capital expenditure of enterprises controlled by India-based business groups, the efforts

to trigger the growth of manufacturing and particularly services have had some success. Had jobless growth been the defining feature of the past four years, it is more than likely that India would have experienced social tensions on a significant scale. This certainly has not been the case. What appears to have happened is a slow shift away from 'jobs' to 'livelihood', marked by self-employment and less formal income generating schemes.

There is nothing decisively ideological

about Modi's economic policies. They have been distinguished by need-based pragmatism and a managerial approach to the problems confronting business. Perhaps the only ideological element was Modi's belief that private business must be encouraged. This has been part of the post-1991 consensus with Modi adding political will and managerial efficiency to the calculation.

### Maximum government, minimum governance

During the general election campaign, Modi often enunciated the principle of 'maximum government, minimum governance.' This was interpreted in some quarters as a prescription for rolling back the frontiers of the state, as, say, Margaret Thatcher had done in the United Kingdom. Consequently, there has been disappointment that government spending, far from being reduced, has risen quite sharply over the past four years — albeit with care that the fiscal deficit is kept firmly in check. This has given rise to the belief that, notwithstanding his campaign assurances, Modi is as much a statist as his Congress predecessors. It is said that the only difference is that he has a corresponding commitment to ensure that the state conducts itself efficiently.

Some of these conclusions are warranted. After the BJP suffered unexpected defeats in the Assembly elections in Bihar and Delhi in 2015, Modi appears to have concluded that an impression he is excessively pro-business was politically detrimental. In a significant change of tack, the Bill for the acquisition of agricultural land for industry and public works was shelved. More to the point, the political rhetoric became visibly pro-poor.

To conclude that Modi had shifted gear and embraced the Indira Gandhi-style of populism is, to my mind, hasty. One of the main election commitments of Modi was to combat corruption and cronyism. To this end, his government announced a series of tax compliance measures that culminated in the demonetisation of some 86 per cent of the currency

in circulation in November 2016. Demonetisation was sold to the people as a draconian anti-black money measure — and it certainly contributed to an exponential rise in the number of direct taxpayers. However, alongside it was the projection of the democratisation of financial institutions. By facilitating the opening of zero balance bank accounts and encouraging digital payments, Modi projected himself as the pioneer of financial empowerment of the people. Simultaneously, there was a concerted crackdown on big defaulters. These included industrialists who had negotiated their way out of debt through political connections.

### BY FACILITATING THE OPENING OF ZERO BALANCE BANK ACCOUNTS AND ENCOURAGING DIGITAL PAYMENTS, MODI PROJECTED HIMSELF AS THE PIONEER OF FINANCIAL EMPOWERMENT OF THE PEOPLE.

#### Deliverables

The impression that Modi is somehow biased against the private sector is widespread in some circles in Mumbai. Curiously, this sits alongside the charge by the Opposition parties that the government is partial to fat cats. Obviously, both can't be true. The reality is that the Modi government doesn't have a grand economic project centred on ideological convictions. The dramatic rise in public expenditure was entirely a consequence of the sluggish capital investment of the private sector. Modi had the option of waiting for Indian corporates to extricate themselves from their debt burden and clean up their internal regimes. Politically that would have been extremely costly and would have risked political discontent. Consequently, from 2015, the government stepped up public investments, particularly

in infrastructure, without waiting for the private sector to chip in. Correspondingly, it increased its reliance on foreign direct investments (FDI) on the belief that these didn't come with attached political baggage.

One of the lessons Modi drew from the experience of the Vajpayee government was that reforms — including privatisation — and infrastructure upgradation does not yield immediate political returns and often ends up disappointing supporters. Consequently, there was an attempt by the Modi government to focus simultaneously on immediate deliverables. Four of these initiatives have had a substantial impact: the electrification of all villages coupled with a significant improvement in power supply; the supply of cooking gas to women in poor households; the construction of toilets — particularly aimed at rural women — as part of the Swachh Bharat campaign; and the facilities for zero balance bank accounts in public sector banks for those hitherto outside the purview of the banking system. The next bold measure, likely to be inaugurated in October, provides healthcare up to Rs 500 million (\$75 million) to nearly half the population of India.

In Western democracies, welfare is often seen as a left-wing obsession. In India, Modi has assumed the mantle of welfare messiah and begun the process of constructing a modern welfare state with the proceeds of economic growth. The next Indian General Election will reveal whether or not an approach that blends managerial efficiency with pragmatic, non-ideological choices can also yield political returns.

For Modi, the projection of national pride goes hand in hand with a do-what-is-necessary approach. To cast Modi in an ideological mould misreads the focus of his first term as Prime Minister.

*Swapan Dasgupta is a veteran Indian columnist and Member of Parliament, Rajya Sabha.*



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# India, UK can work together to reject protectionism

by Graham Stuart

As the UK establishes an independent trade policy for the first time in 40 years, the Department for International Trade (DIT) is ensuring that the UK's trading relationship with India continues to grow apace.



**T**he strength of the India-UK relationship is already impressive. Total trade in goods and services between the UK and India was £18 billion in 2017, a 15 per cent increase from 2016 and we also have exceptionally strong investment links; the UK has been the largest G20 investor in India over the last 10 years, more than any other EU country, while Indian FDI stock in the UK stood at £1.5 billion in 2016.

My focus as the Minister for Investment is to make the most of our shared potential and to develop the UK-India investment relationship. Hundreds of companies have already taken advantage of the assistance that DIT can provide and I want many more to follow.

## Case studies

One UK company making noise in India is Leicester-based global music distribution and label services company Horus Music, which quadrupled its 2016 profits in India in just one

quarter of 2017. Horus Music launched in India in 2015 with an initial base in Mumbai. By the following year, supported by market access advice from DIT in India, business was significant enough that the firm was able to hire a full-time Business Development Manager.

In 2016, there were over 270 British companies operating in India, employing nearly 800,000 people. Indeed, it is estimated that UK companies exporting and investing in India also support one in 20 jobs in the country's private sector. As well as Horus meanwhile, Bangalore-headquartered technology services and consulting company Infosys is just one of the many Indian companies to have taken advantage of DIT help and set up in the UK as their European HQ. The company received assistance in order to have bases in London, Edinburgh and Swindon, citing the UK's business-friendly environment as the key driving force behind its decision to invest here. They were one of approximately 800 Indian companies operating in the UK in 2016, accounting for around 110,000 jobs and recording combined revenues of £47.5 billion.

## New tie-ups

So we have a strong base, but there is still a wealth of opportunities for further growth in trade with India. Work is already well under

way at DIT, the focal point for trade and investment across the UK government, to help businesses of all sizes in both the UK and India forge ties and cultivate relationships with potential buyers and investors.

A major step in this direction was the appointment earlier this year of Crispin Simon as Her Majesty's (HM) Trade Commissioner for South Asia, one of nine new HM Trade Commissioners appointed to regions across the globe to champion British trade with some of the UK's biggest economic partners. All the new Trade Commissioners will cooperate closely with Ambassadors and High Commissioners, the wider diplomatic network, and other colleagues based in countries in their region, in a coordinated government effort to promote UK trade and prosperity.

Trading relations between the UK and India have also received a boost recently after a series of visits and trade missions between the two countries. Earlier this year, my colleague, Minister for Trade and Export Promotion Baroness Fairhead, visited Mumbai and Bangalore with a group of technology businesses to strengthen ties within the industry. This follows more than 100 UK businesses from other sectors visiting India with DIT in January and February this year alone.



### Commonwealth boost

In April, we were delighted to welcome Prime Minister Modi to the UK in April as an Official Guest of Government at the Commonwealth Heads of Government Meeting (CHOGM). The meeting provided a key opportunity to progress the UK-India trade relationship and boost intra-Commonwealth trade.

CHOGM was the largest summit of its kind in UK history and alongside attending leaders, over 2,000 people representing 53 countries came together to ensure we made the most of what this historic organisation can achieve.

During Prime Minister Modi's visit, an ambitious new UK-India Tech Partnership was announced, which is expected to generate significant investment and support the creation of thousands of new jobs in both India and the UK. The partnership will identify and pair businesses, venture capital, universities and others to provide access routes to markets for British and Indian entrepreneurs and SMEs.

In addition to the UK-India Tech Partnership, Prime Minister Theresa

May and Prime Minister Modi also confirmed new commercial deals worth upwards of £1 billion and announced our intention to recruit a UK cyber security industry expert to be based in New Delhi. This expert will connect Indian private and public sector organisations with cutting-edge UK companies who can supply their specific requirements.

### TRADING RELATIONS BETWEEN THE UK AND INDIA HAVE ALSO RECEIVED A BOOST RECENTLY AFTER A SERIES OF VISITS AND TRADE MISSIONS BETWEEN THE TWO COUNTRIES.

With over 2.4 billion people, the Commonwealth is home to one-third of the world's population, 60 per cent of whom are under the age of 30. It contains some of the world's fastest growing economies and accounts for one-fifth of global trade. Currently estimated at \$687 billion, it is projected to surpass \$1

trillion by 2020. With India home to more than half the population of the Commonwealth, the UK understands the central role the nation plays in the organisation. Now, more than ever, it's time for us to build on our existing ties, to reject protectionism and insularity and to embrace an interconnected world.

DIT will continue to work closely with the Indian government to break down the barriers to boosting trade. This includes increased support for trade with India, with UK Export Finance providing an additional £2.75 billion in support for UK companies exporting to India and for Indian buyers of UK goods and services. This support will also be available in Indian Rupees.

The United Kingdom is a champion of free trade – and at DIT we will continue to work with our most important partners to remove barriers and promote commercial freedoms across the world.

*Graham Stuart MP is Minister for Investment in the UK's Department for International Trade (DIT).*

# FinTech, infrastructure in focus

**From strengthening its financial technology partnership to expanding infrastructure funding sources, India-UK ties cover a wide remit.**

## NIIF, UK tie up for new green fund

**T**he Indian government's National Investment and Infrastructure Fund of India (NIIF) announced a partnership with the UK government to launch Green Growth Equity Fund (GGEF), an alternative investment fund registered with the Securities and Exchange Board of India (Sebi).

NIIF and the UK government have committed £120 million each for the fund which will be managed by EverSource Capital, a joint venture of home-grown private equity firm Everstone Group and Lightsource BP.

British Oil and gas major BP Plc owns a 43 per cent stake in Lightsource BP. Green Growth Equity Fund aims to raise £500 million from international institutional investors to invest in areas such as renewable energy, clean transportation, water, sanitation, waste management, emerging technologies and other similar industries in India.

Everstone Group and Lightsource BP will collectively invest £20 million in the fund.

Dhanpal Jhaveri, managing partner (private equity), Everstone Capital, said: "Broadly a third of the fund would go into the regulated space, which is grid-connected renewable assets such as wind, solar, mini hydel and biomass; a third would go into off-grid strategies and a third into other clean-tech strategies around water, electric mobility etc. The final close of the fund should take about nine to 12 months."

## City of London in fintech partnership with India

**T**he City of London announced that it has become a formal programme partner for the Access India Programme (AIP) with financial technology at the heart of the tie-up.

Access India Programme was launched by the High Commission of India in London last year with the aim of facilitating investments by UK small and medium enterprises (SMEs) into India.

The formal partnership with the City of London Corporation, which has already been working with AIP informally, will revolve around hosting delegations, providing practical support and advocacy and regulatory inputs.

Catherine McGuinness, Policy Chairman at the City of London Corporation, said: "The UK is a world leader in fintech and by some estimates home to around 1,600 fintech companies. With cash accounting for most transactions in India, and around one-fifth of the population still unbanked, I look forward to seeing how UK expertise can help accelerate the digital revolution."

Indian high commissioner to the UK, Y.K. Sinha, said, "The sharing of domain knowledge and expertise in financial services and fintech will greatly benefit the programme as well as facilitate UK companies in these sectors to invest in India."

The corporation's Global Exports and Investment Team, which has an India-focused Account Manager with links to a variety of key stakeholders, will also support the expansion of UK companies to India.

## SBI launches UK subsidiary

**T**he State Bank of India (SBI) has announced the launch of its UK subsidiary, SBI (UK) Limited, with an initial capital commitment of £225 million from its parent entity.

SBI, which celebrated the new subsidiary with a special event in London this week, becomes the first foreign bank in the UK to ringfence its retail division from its wholesale business.

Sanjiv Chadha, Regional Head, SBI UK, said: "The launch of our UK subsidiary shows our commitment to operate in the UK market. Many banks primarily see the UK as the gateway to Europe and are fazed by the impact of Brexit. Our calculus is different. We see London as the ideal launch pad for a global presence and have full faith that, despite Brexit, London will remain the premier international financial centre."

SBI UK, as the largest Indian bank in the UK, said it is confident that London will continue to remain the pre-eminent financial capital for institutions seeking a "gateway to a global presence."

The new subsidiary, which came into effect on April 1, means that all retail branches of SBI in the UK will fall under a new UK-incorporated banking entity instead of their previous status as overseas branches of the Indian entity.

# Realising INDIA - UK Economic Partnership



**Rashesh Shah**  
President, FICCI

“The India-UK bilateral relationship has only strengthened over the time. Even after that, there are several unexplored opportunities which can be mutually rewarding for both businesses and investors. I firmly believe that a continued commitment from both sides will play a vital role in taking the relationship between India and UK businesses to the next level.”

Established 90 years ago, FICCI is the largest and oldest apex business organization in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies.

FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry, reaching out to over 2,50,000 companies. FICCI serves its members from large (domestic and global companies) and MSME sectors as well as the public sector, drawing its strength from diverse regional chambers of commerce and industry.

The organization with its presence in 14 states and 9 countries provides a platform for networking and consensus-building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

- A long-standing and vibrant institutional network with key UK business associations, universities & think tanks
- Sustained efforts through FICCI's UK office and India Advisory Group in the UK
- Promoting regional and state level cooperation
- Promoting track two diplomacy through FICCI's India-UK Forum of Parliamentarians
- Engaging with the Indian Diaspora in the UK
- Facilitating business synergies for UK industry by promoting their participation in FICCI's sectoral flagship events and exhibitions
- Expert B2G dialogue under India-UK JETCO in the area of Smart Cities
- Nurturing cooperation in key sectors: Infrastructure, Smart Cities, Innovation and Start-ups, Technology collaborations, Fintech, Healthcare, Manufacturing, ICT, Tourism, Culture, Media and Sports

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# What does Brexit mean for Indian companies?

by *Arbinder Chatwal*

A leading financial adviser addresses the impact of Britain's referendum to leave the European Union (EU) on UK-India investment prospects.



**W**e are approaching the second anniversary of the historic vote that became the starting gun for the UK's dash for freedom from the EU. I say dash, but it feels more like a slow, painful drudge through endless political posturing, long painful negotiations behind closed doors and a tiresome tirade of "told-you-so's".

If we look at what has been achieved, it consists of an agreed divorce bill and a set of agreed principles which we expect to shape the future and how the UK will actually exit the EU and when. As expected, there has been an effective extension added onto the date of leaving in the shape of an "implementation period".

The technical reason for this period is that much of the detail of the future relationship between the UK and the EU cannot be negotiated until the UK becomes a "Third Country" (i.e. not a member of the EU). This implementation period gives the UK the same rights and obligations to the EU as it has now, through

to December 31, 2020. The one difference is that the UK will be able to commence discussions with other countries regarding possible future trade agreements.

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**THERE ARE HUGE OPPORTUNITIES FOR INDIAN COMPANIES AS A RESULT OF THE GLOBAL CHANGES THAT ARE BEING DISCUSSED AS A RESULT OF THE UK'S EXIT FROM THE EU.**

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### **New opportunities**

There has been much talked about the opportunities for the UK to strike out on its own, into the world of trade and the opportunity to commence those trade talks and shape that future is now just around the corner.

So, once the UK is out the other side of the implementation period, with almost two years of negotiating trade agreements, we have to hope that fast-tracked deals will open the UK

market to Indian companies and open the Indian market to UK companies for trade. The UK government has expressed its desire to work closely with Commonwealth countries to build increased trade links and generate GDP growth across the organisation.

During April's Commonwealth Heads of Government Meeting (CHOGM) in London, British Prime Minister Theresa May called for greater trade within the group of countries and even the opportunity for free trade throughout the Commonwealth, with common standards. Mrs May also announced UK government funding for a new Commonwealth Standards Network to establish a common language for goods and services to help boost trade.

The UK Prime Minister also announced new programme to free up trade, improve the skills of young people and boost women's participation in business, including an offer of £7 million in Commonwealth-wide support to boost businesses owned by women in countries where being female is a professional barrier.



“As the United Kingdom leaves the European Union we have the opportunity to reinvigorate our Commonwealth partnerships and usher in a new era harnessing the movement of expertise, talent goods and capital between our nations in a way that we have not done for a generation or more,” trade minister Liam Fox stated during CHOGM.

### Opening up trade

The announcements by the UK government are aimed at opening trade right across the Commonwealth for all members – this, therefore, creates international opportunities for Indian companies far beyond just the UK as it leaves the EU. As Britain looks to finalise its exit from the tight trading arrangements with its current biggest trading partner, the European Union, its desire to create new commerce opportunities is driving far wider opportunities for Commonwealth countries including India.

The creation of a free trade agreement (FTA) across the Commonwealth will be complex as it will require an agreement across all 53 member-states, each with their own specific needs and agendas. The detail of such an agreement, including such things as common standards, will take a significant amount of time, but the political will is there and this is going to be key.

There are huge opportunities for Indian companies as a result of the global changes that are being discussed as a result of the UK’s exit from the EU. These opportunities are not restricted to the UK, if this ambitious plan for a pan-Commonwealth FTA comes to fruition. The good news for Indian companies is that the leaders of the Commonwealth are supportive. This opens a potential market of 2.3 billion people – almost a third of the world’s population – to Indian companies. This is a huge change and Indian companies need to be prepared to operate within the common standards and explore this new market if they wish to get the greatest benefits.

### Common standards

The growth in international trade will also open India to foreign companies keen to access the fastest growing middle-class market in the world. So, even if Indian companies choose not to explore the new international markets for free trade across the Commonwealth they need to meet the challenge of new entrants into their domestic market. This means that they need to ensure that they work to the common standards, that are agreed, and can match margins, product ranges and price.

The other major change with free trade deals, especially across such a large trading block, is the change in the labour market across the trading

block. Free trade normally brings more open borders for workers from the trading partner nations. This will result in Commonwealth-wide opportunities for Indian workers to pursue their careers with the potential to take skills away from India. However, the free trade area will also bring skills and opportunities into the Indian domestic market, creating new opportunities for Indian companies to benefit from.

So, like every fundamental shift in the status quo, there are huge opportunities for Indian companies from the opening of international markets but also some significant potential domestic challenges from new market entrants. Indian companies are known for their innovative nature and so we would expect them to quickly adjust to change and take advantage of the opportunities this change will bring.

On balance, I see the changes ahead can only be positive for the Indian economy and Indian companies as they have new markets opened to them and have the opportunity to employ new skills throughout their businesses.

*Arbinder Chatwal is Director & Head of India Advisory Services at BDO.*

# Has the UK undersold itself in India?

by Alpesh Patel

**It is time for India to grasp the size of opportunities the UK has to offer, writes a well-heeled UK-India dealmaker.**



**A**lmost 20 years ago, the then UK Prime Minister appointed me to the UK India Roundtable to suggest policies to the Prime Ministers of both countries to enhance ties. Both country's governments have sought closer ties for decades. But what of the future? What more can be done?

India's GDP grew at 7.1 per cent in 2016- 2017, and is expected to grow at 7.4 per cent in 2018-19, when it will overtake the GDPs of the UK and France. Initiatives to boost Indian GDP by Prime Minister Narendra Modi also boost UK exports, such as the Access India Programme – a market entry support programme aimed at facilitating investments by UK small and medium enterprises (SMEs) in India.

## The numbers

- Since 2000, the UK has been the largest G20 investor in India, investing £17.5 billion and creating 371,000 new jobs, which represent 10 per cent of all foreign direct investment (FDI) related jobs in that period. British companies in India now employ almost 800,000 people, representing one in 20 jobs in India's organised private sector.

- Over the last two decades, 8 per cent of all FDI into India was from the UK.
- Of the 600 UK businesses present in India, almost 60 per cent operate in two sectors – advanced engineering & manufacturing, and financial & professional services.
- Around 60 per cent of UK companies in India have a turnover of less than £5 million per year – so it is not just a few big companies representing growth.

Well I don't think the UK has undersold itself, I think India, unlike say America, Japan, Qatar, Saudi Arabia, Singapore, Malaysia, has not grasped the size of the UK opportunities.

**BRITISH COMPANIES IN INDIA NOW EMPLOY ALMOST 800,000 PEOPLE, REPRESENTING ONE IN 20 JOBS IN INDIA'S ORGANISED PRIVATE SECTOR.**

## Technology

PM Modi knows it is initiatives like his "Digital India" programme and

focus on artificial intelligence (AI), Fintech, Internet of Things (IoT), big data, robotics, which will tie India to countries such as the UK – also a global leader in every sector the Indian PM has identified for a strong vibrant India. But there is untapped potential.

First, consider that during the past five years, according to 'The Financial Times' last year, trade between the two countries has fallen from \$15.7 billion a year to \$14 billion. Just 1.7 per cent of British exports go to India, less than go to Sweden and a fraction of the 44 per cent that goes to the European Union (EU).

Second, having heard the Indian PM speak in London well before he was a PM thanks to the founder of this publication, one knows he does feel intellectual property (IP) protection does not necessarily benefit Indian growth. The patent revocation for GSK's Tykerb would not have troubled the PM. But it may trouble investment from the UK into India.

## Ease of business

As the UK India Business Council's (UKIBC) 2017 'Ease of Doing Business in India Report' indicated, there is still much work to do to get into the top 50 of the World Bank's



rankings. But it is also clear PM Modi has his targets on that ambition. Free trade agreements (FTAs) will mean nothing if India does not achieve that target – businesses will simply tap into other easier markets and prioritise them. The Indian PM is well aware the world does not owe his country a living, just as the British PM is aware that Commonwealth ties do not mean open migration borders.

This is key for the UK to target; helping Indian businesses establish in the UK due to the UK's ease of doing business.

The budgets of the Modi-led government with an emphasis on infrastructure and healthcare projects (Modicare), all attract trade and investment to India and benefit the country. Add to this the Swachh Bharat Abhiyan (Clean India mission). As of March 2015, some 550 UK-based portfolio investors were active in India, with investments worth £11.8 billion. This sum equates to nearly 10 per cent of the total cumulative investment by foreign institutional investors (FIIs) in India. We set up our Private Equity (PE) fund to invest in Indian companies a decade ago.

But the PM has more work to do. In a UKIBC poll of British business "Quality of bureaucracy" is rated as

the weakest component of India's business environment – 33 per cent rating it as "very poor."

#### **What will boost trade, making UK more attractive in India?**

According to UKIBC, 'Request for product or service from customers in India' emerged as a key factor, with 62 per cent of respondents rating it as "very important," followed by "Visiting the markets (personally)" – with 53 per cent respondents highlighting it as "very important" for why UK companies were active in India.

### **THE PUBLIC "REPOSITIONING" OF INDIA, COUPLED WITH TARGETED STRUCTURAL REFORMS AND POLICIES SUCH AS MAKE IN INDIA, HAVE MADE INDIA A BENEFICIARY OF A DELUGE OF FDI FLOWS, ACCORDING TO UKIBC.**

The same poll, and I credit PM Modi for this, showed a drop in corruption as a barrier to British companies doing business in India. But equally, getting payments from government contracts remains an issue. So, the biggest battle for PM Modi in

boosting India's trade is with his own bureaucracy – but he well knows that. His "E-biz" initiative will (slowly) make matters better – but again the state governments needed to be battled with and PM Modi's policy of "competitive federalism" will help.

The mandatory "Tender Transparency" in healthcare fails to encourage new and innovative ideas; the requirement to demonstrate past performance and a track-record in India is an unfair barrier for new entrants, who want to bring new ideas, technology, and finance into India. Problems such as these remain and so much more needs to be done to improve trade and investment by India, but under this Indian PM there is the will and push from above.

According to the UKIBC: "The positive movement... indicates that the government's measures to put in place better taxation structures and simplify regulations are finally starting to show results. This is also reflected by the gradual rise in the 'Quality of bureaucracy' over the last three years." Bravo Modi.

#### **Vision**

The Indian PM's vision has undoubtedly led to investment and capital from UK to India:

- **Make in India:** India is forecast to post GDP growth of 6.7 per cent in 2017-18, rising to 7.4 per cent for 2018-19. The public "repositioning" of India, coupled with targeted structural reforms and policies such as Make in India, have made India a beneficiary of a deluge of FDI flows, according to UKIBC.
- **Smart City:** The partnership struck in 2017 between Rolls Royce and Tata Consultancy Services (TCS) in order to exploit future data innovation opportunities in IoT is one example. India's young population, one in every three people below the age of 14, shows why the UK's tech advantage and India's know-how needs are inextricably linked.
- **Electric Cars:** India has a policy to have all-electric vehicles by 2030.



- **Healthcare:** The Indian healthcare industry is growing at a rapid pace and is expected to be at £197 billion by 2020.
- **Blockchain:** The Indian Finance Minister, Arun Jaitley, specifically mentioned the importance of this technology in his Budget speech 2018 and the UK is the global leader in the space.
- **MeghRaj:** The official government of India cloud, the use of AI in national security, and big data for Aadhaar – all areas of strength also for the UK to collaborate.
- **Raising Capital in the UK:** Currently there are 23 Masala Bonds listed, which have raised \$4.91 billion. Indian Railway Finance Corporation (IRFC) listed its first Green Bond in 2017 at the London Stock Exchange, raising \$500 million. Indian Power Finance Corporation raised \$400 million; Rural Electrification Corporation of India raised \$450 million; National Highways Authority of India raised Rs 3,000 crore (\$448 million) on the London Stock Exchange. It is not about Brexit or visas or who is “top dog” and “begging bowls” – it is about mutual benefits. Here, the UK definitely is not under-sold.
- **Using the UK’s know-how:**

The Indian PM through bilateral channels such as the Joint Economic and Trade Committee (JETCO), India-UK Financial Partnership and UK-India CEOs Forum has welcomed MoUs to share UK best practice with India on boosting trade, improving IP, developing the corporate bond market, enhancing financial training, technology collaboration in advanced manufacturing, aerospace, and reducing business barriers. This vision to learn from the best is a hallmark of the Indian PM.

Indeed, transport minister Shri Nitin Gadkari came to the UK to call upon Indian business leaders in the UK to come forward and cooperate with the Indian government in its Namami Gange project to clean the river Ganges. At the gathering, the Indian Minister highlighted that projects worth over Rs 2,500 crore (\$373 million) were on offer.

UK businesses make a huge contribution to the Indian growth story, not least through the employment of over 780,000 Indians, or 5.5 per cent of the country’s organised private sector workforce.

**Movement of people – developing skills**

It is vital India develops skills from

the free movement of UK businesses. And the Indian PM’s focus on skills development is critical to building modern India.

- UK businesses in India invest significantly in skills development and corporate social responsibility (CSR). UK businesses in India invest 7 per cent of total revenue on skills development and on average 4.4 per cent of their profits in CSR.
- 10 leading UK-based companies with significant presence in India have signed the UK-India Skills Pledge, committing to invest £29.29 million to train around 2 million people in India by 2020.

So, it is with his focus on ease of doing business in India and on tech and entrepreneurship, that bilateral trade will naturally increase; even as journalists and politicians continue to natter over visas. Prime Minister Modi moves over and beyond minor issues.

*Alpesh Patel is Dealmaker (India) in the Department for International Trade (DIT) and CEO asset manager at Praefinium, investing in India.*

*\*Data courtesy: UKIBC, DIT and the Indian High Commission, London.*



Government of India  
Ministry of Commerce and Industry  
Department of Industrial Policy and Promotion

# INDIA ROLLS OUT THE RED CARPET

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**WINNER**

Best Investment Project In  
South, East Asia And Oceania  
Region - AIM 2017  
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**WINNER**

Best Investment Project In  
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# To Forget or not to Forget: Lessons from the past, relationships for the future

by Kishwar Desai



The Founder of the Partition Museum in India reflects on some of the lessons of the past that can help strengthen the UK-India relationship.

**A** country should never forget the lessons of the past. In forgetting lies the possibility of making the same mistakes again.

The leaders and the people both should, with responsibility, understand that the past is a prelude, and a natural historical process, through which ideas of nationalism and territorial boundaries evolve. A country could have passed through difficult times, barbaric times or even enlightened times — all have created the nation as it stands today.

The nation will only be able to interpret its own dilemmas and challenges if it records its history truthfully — along with the difficult choices that were forced upon its people. There should be no attempt to cover up the faults or mistakes of its leaders, either. Some people have recommended an amnesia over certain tragic episodes (such as the Partition, which till a few years ago, was barely talked about) — but to deliberately forget would carry an ever present danger that the country might fall into the same trap once more. Or that future generations would be oblivious to the facts.

## Learning from history

Thus, India has faced its own fraught history with the British — comprising of invasions, battles, colonisation, slavery, White supremacy in all its shades. But we have to read the historical narrative unflinchingly — at the same time realising that even if India was previously marginalised and exploited — today, as a sovereign country, this is longer the case. With

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**THE UK HAS REALISED THAT AN INDEPENDENT INDIA, THE WORLD'S LARGEST DEMOCRACY, IS A POWER TO BE RECKONED WITH.**

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a strong indigenous, homegrown leadership — India is a sought-after nation, especially under Prime Minister Narendra Modi. It now sets its own terms and agendas. If it got a pride of place during the recent Commonwealth summit, it was because the UK has realised that an independent India, the world's largest democracy, is a power to be reckoned with.

This is an India confident of

confronting the difficult moments of the past; capable of opening up hidden chapters of history and examining them — without impacting the present Indo-UK relationship. Rather than develop amnesia, India can examine the good, bad and ugly side of our partner nations knowing full well that while we will never forget, and may not even forgive — we can move forward, in charge of our own history.

Therefore, I firmly believe that asking for apologies from the UK over its colonial past is not the way forward. What is the meaning of an apology which is dragged out? And how can it ever rectify the damage that was done 100 years ago? Rather than that, we should rectify the flawed and forgotten narratives out of which Indo-UK history has been created.

## Documenting the past

As an empowered nation, we owe it to our children and future generations that they receive not a selective truth, but the whole truth.

This is particularly true of some tragic episodes that stand out: the Bengal Famine, the forced conscription

during World Wars I and II (as there has been an attempt to romanticise the participation of Indian soldiers), the Jallianwala Bagh massacre — and of course, the complete breakdown of law and order during the Partition of India, causing the loss of countless lives and homes of over 18 million people.

Till less than two years ago, there was no Museum or public space that captured the years of the colonial rule and this was a big missing link in our understanding of contemporary history.

It is this narrative of India under colonial rule, culminating with the Partition, which we have placed in the world's first Partition Museum, at the Town Hall in Amritsar — because the Partition was not a brainwave that emerged suddenly out of the minds of leaders in the 30s and 40s but a systemic policy of divide and rule followed by the British, who did not really comprehend the holistic, undivided culture of India. This was even reflected in the Army, where instead of an Indian Army comprising of a single unit, different regiments such as a Gurkha regiment, a Sikh regiment, etc. sprung up. All policies were made for the defence of the Empire and not for the protection and security of the people, who sadly, as we saw during many of the calamities reflected above, were dispensable.

### **Holding up a mirror**

But this is the past, and that is important for us to remember. This is a past that will not recur if we understand the process under which a country as vast as India was suppressed and divided. By holding up a mirror, we also understand better why it has taken us this long to be able to comprehend the true nature of the price our ancestors paid. And what made it possible for a country thousands of miles away to control us through a handful of civil servants, Governor Generals, Viceroys etc.

Sometimes the gap of years helps us construct this mirror with more care and understanding, and not with a desire for vengefulness.

In a world that is increasingly interconnected, where populations are fluid and moving constantly and where nationalities and identities are not bound by birth, it is pragmatic to accept that what happened in the earlier centuries was under very different circumstances. That was a time when knowledge and information was jealously guarded and the subaltern populations only knew what was communicated to them.

Now these facts can no longer be hidden, information is instantly shared and fortunately contemporary history still has existing records which can be re-examined through a fresh perspective, as we have done at the Partition Museum.

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**THE NATION WILL ONLY BE ABLE TO INTERPRET ITS OWN DILEMMAS AND CHALLENGES IF IT RECORDS ITS HISTORY TRUTHFULLY — ALONG WITH THE DIFFICULT CHOICES THAT WERE FORCED UPON ITS PEOPLE.**

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### **Oral histories**

When we first began work on the Museum, many did try to dissuade us that we were going into a very difficult and contested area, one over which there had been a forced silence for many years. However, this is a people's museum and we began by collecting oral histories, experiences and objects all from the time of the Partition in 1947. Slowly as the word spread, people began to contact us and donate memories, memorabilia and money. Today the Museum, which began as an idea three years ago, is spread over 14 galleries in Amritsar and receives thousands of visitors each week.

The material has come from all over the world and the Museum tells the story of how 18 million lost their homes in the world's largest human migration. It talks of their sacrifice and courage, and how so many of them

rose from the dust to help build the nation they had migrated to.

It is a Museum which explores the joint history of four countries — the UK, India, Pakistan and Bangladesh. Most importantly, it tells the story of how a shared culture and past was divided, overnight, during the British Raj, leading eventually to three different countries — all of whom carry memories of the forced division.

I must also point out that we received unstinting support from UK academics and organisations to access research, photographs and other material which was required for the Museum narrative, as most of the documents pre-1947 all lie in the UK. We have also received support from members of the House of Commons and the House of Lords, some of whom have even visited the building at Amritsar and followed its development.

### **Looking ahead**

Through the exhibition, we are also able to interpret world events today, and shape the dialogue around India where pluralism and multiple faiths had lived together side by side till this mammoth division caused a rift. Despite the rift, however, India has continued its story of being inclusive. This is what we commemorate in the last gallery in the museum — the Gallery of Hope. In this gallery, we display the positive stories of how communities continue to live and work together triumphing over divisions.

It is in this context that we view our growing relationship with the UK — with whom we have a shared history. While some of this history is painful and will always be troubling to revisit, we must remember it. But we must acknowledge the enormous potential the Indo-UK relationship offers in the present day — because this time it is among equals.

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*Kishwar Desai is an author and Chair of the Arts and Cultural Heritage Trust, behind the Partition Museum in Amritsar, India.*

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# Future-proofing the UK-India connect

by Resham Kotecha

A budding young British politician reviews the role to be played by the next generation of UK-India champions.



Indians in the UK account for 2.3 per cent of the population and make up the single-largest visible ethnic minority population in the country. The British Indian community is the sixth-largest within the wider Indian Diaspora. Over 10,000 Indians start university education in the UK every year, many of whom then return to India, including such luminaries as Mahatma Gandhi, Manmohan Singh and Anil Ambani. Data from 2015 shows that a third of work visas in the UK were granted to Indian applicants.

As India continues to grow under Prime Minister Modi's leadership, and as the UK looks outward after Brexit, there is a benefit to both nations for the relationship between India and the Indian diaspora to be strengthened. The fact that the British Prime Minister, Theresa May, made India her first destination for a non-European bilateral visit shows just how important the relationship with India is to her government.

The governments of the UK and India, along with businesses and organisations in both countries, can play a significant role in not only

increasing cross-country trade but also in strengthening the relationship between our two countries. It is particularly important to include the younger generation as we should be working to develop long-lasting relationships and cement trading relationships for future generations.

The UK is already the largest source of FDI in India amongst the G20, investing over £19 billion in India since 2000. India is now the third-largest investor in the UK economy, investing more in the UK than into the rest of the EU combined and making up a massive 31 per cent of investments in the technology and telecom sector.

According to reports, over 800 companies operate in the UK, supporting 110,000 jobs. Incredibly, the fastest growing of these companies have a combined turnover of £26 billion and includes sectors such as technology and telecoms, pharmaceuticals and financial services.

Whilst this is impressive, in 2015-16, the UK was only India's 12th largest trading partner, with India doing more trade with Japan, Germany and Indonesia. We, in the UK, import 10 times more services from the US than we do from India, and in return, our service exports to India only account for 7 per cent of our service exports to Asia. If we strengthen and leverage our relationships, and work to support businesses in both

countries to increase trade, jobs will be generated, skills developed and further trading opportunities could be created.

Brexit presents a challenging but exciting opportunity for the UK and India to negotiate a fresh trade agreement and for British and Indian businesses to work more closely together and develop stronger trading relationships. Given that the EU and India have been negotiating a trade agreement for nine years, we might fare better at a bilateral level.

There are also significant opportunities for the UK Government and businesses to support India as it continues its digital revolution and develops its technology sector. Prime Minister Modi has listed Digital India as among his top priorities and India's technology sector is predicted to triple in the next 10 years. UK businesses should be working hard to establish themselves as advisers, providers and partners in this space, particularly in areas where British firms are considered to be world leaders such as FinTech, cyber security and research & development.

The UK and Indian governments have made significant investments into strengthening the ties between our two nations in all sectors.

Some of these developments include:



**IT IS PARTICULARLY IMPORTANT TO INCLUDE THE YOUNGER GENERATION AS WE SHOULD BE WORKING TO DEVELOP LONG-LASTING RELATIONSHIPS AND CEMENT TRADING RELATIONSHIPS FOR FUTURE GENERATIONS.**

- Both governments have invested £120 million each into a UK-India sub fund of India's National Investment and Infrastructures Fund to encourage more investment from the City of London into India's energy and renewables market. The fund aims to raise £500 million for vital Indian infrastructure projects.
  - Prime Minister May announced that the UK will be investing over £160 million across 75 start-ups in India, creating jobs and delivering critical services across several states in India. She also announced an additional £20 million for a Start-Up India Venture Capital Fund which will support 30 enterprises and leverage an additional £40 million of capital from other investors.
  - Arts Council England has invested over £2.5 million into collaborations between artists in India and England. Bodies in Wales and Scotland have also created a range of grant schemes to generate opportunities for young artists in India and the respective countries.
  - The UK and India are developing a regulatory cooperation agreement to make it easier to share innovations and trends as well as to make Fintech investments in both countries easier.
  - Through the Government's Chevening scheme (international awards scheme aimed at developing global leaders), 8 top financial services leaders of the future will attend an 8 week course in London each year.
- These are great steps towards increasing trade and building relationships between the UK and India, but governments and businesses could be doing even more to help develop relationships, especially supporting the young diaspora in the UK to play a role in shaping future trading partnerships between the two countries.
- The British Council published a survey that indicates young Indians are attracted to the UK, especially its culture. Young, middle-class Indians ranked the UK as the second most attractive economy (out of the world's biggest 15 economies) and we should be working to strengthen this positive view of the UK.

**1. Cultural placements:** The British Council launched the Generation UK-India programme in 2015. The programme offers young people in the UK the opportunity to take up short-term study and work placements in India and received thousands of applications. This programme should be expanded to offer young people the chance to interact with workers and business leaders

**2. University exchange programmes:** Exchange programmes can offer an exciting opportunity for young people to learn about another country and develop links with it. Programmes such as Erasmus have been hugely successful and the UK and India Governments should work together to encourage their students to study for a term or a year at Universities in the other country.

**3. Migration cap:** Remove students from the UK's immigration caps and offer them a two-year working visa – over 21,000 students from India study in the UK, injecting cash into our universities and local economies. Whilst the number of scholarships such as Chevening have increased, limited visas make the UK less attractive than it could be. By removing international students from immigrant caps and offering them a two-year working visa after graduating, we will encourage the brightest and best students from India to study in the UK and also help young people from both countries to develop networks and friendships – which would be helpful for developing partnerships during their careers.

**4. Make entrepreneur visas**

**cheaper:** A Tier 1 entrepreneur visa costs almost £1,000 for Indian citizens. If we want to encourage cross-country working, and more integration between business and start-ups, we should be encouraging talented entrepreneurs to come to the UK. This would further develop relationships between young entrepreneurs and also give a boost to the UK economy



Buckingham Palace for UK-India Year of Culture

**5. Best practice:** Sharing of best practice through business exchanges and forums and encouraging business leaders from both countries to interact would mean that businesses could benefit from understanding how to increase efficiency and respond to market challenges. By supporting businesses to share trading challenges in forums, Governments could tackle challenges to make trading easier and more practical. This is particularly important for young entrepreneurs who are often leading the way with technology and new methods of working

**6. Technology and innovation:** The UK is responsible for some incredibly exciting developments in technology, R&D and innovation. Governments could support businesses in both countries with a showcase event to show

off the newest technology that could be applied in both countries

**7. Talented future leaders:** An exchange programme should be arranged and supported by the Indian and UK governments for talented young people who are likely to become leaders in their field. This programme could run bi-annually, with a trip to India one year and a return trip to the UK the next year. The programme should be open to applications from all young people with talks by industry leaders, networking events, and discussions on how the two countries could work together in the future to encourage and foster relationships. Exchange programmes for politicians, financial sector professionals, cultural and literary artists, film stars, musicians, journalists and others could also foster a working relationship that would have societal and economic benefits.

Today's millennials will be responsible for future prosperity, policy and international relations and so steps to strengthen the trading partnership and friendship between the UK and India should include young people and empower them to take the UK-India relationship forward. An estimated 600 million people in India are under the age of 25 and a million young people in India reach employment age every month – the future, particularly in India, will be driven by the young.

For the sake of soft and hard power, for the mutual benefit to our economies, and for the positive shared future that we could build together, governments and businesses should work to bind our futures closely.

*Resham Kotecha is Policy Ambassador of the Conservative Party's Policy Forum.*



Confederation of Indian Industry

# India First

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

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BUSINESS	SOCIETY	ENVIRONMENT	GLOBE
Innovation	Affirmative action	Green business	Partnerships
Competitiveness	Healthcare	Conservation	Trade ties
Sustainability	Population	Ecology	Fairs & Expos
Industrial growth	Empowerment	Energy	Market access
Knowledge & skills	Functional literacy	Renewable resources	Global connectivity
Brand salience for India	HIV / AIDS	Waste management	People to people contacts
Integrity campaign	Gender equality	Technology transfer	Investment promotion
SMEs	Inclusion	Climate change	Two-way missions
Indian MNCs	Disability	Disaster preparedness	MoUs

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# What business can do; what business must do?

by Kapil Wadhawan




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Organisations driven by profits alone need to relook at their goals, writes a financial services expert.

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**I**n today's times of uncertainty, inequality and conflict, the role of business in driving 'social change' is relevant like never before. Businesses and organisations driven by profits alone need to relook at their goals. Businesses that seek to address challenges like climate change, water and hunger issues, poverty alleviation through financial empowerment to bridge the gap between the haves and have-nots can survive gainfully as profits can be deployed to scale up the business and solve more problems.

The question "What business can do; what business must do?" answers itself if we view the world empathetically. To cite an example that I cherish, let me share with you Wadhawan Global Capital's (WGC) business model. Our founder, Late Shri Rajesh Kumar Wadhawan, started the business three decades ago to alleviate social disparity. He dreamt of home ownership for every Indian through affordable finance.

The ability to interweave larger social causes to your business vision and then build an organisation around it is the way corporations need to think if they are to survive. Today, we see that our founding father's vision is still relevant and has been repeatedly championed by modern managers.

Societal problems can no more be left only to governments, NGOs, academics, researchers or volunteers more and more businesses are better at solving social problems is being advocated and implemented across businesses globally today

### Profits with a Purpose

Businesses need to build a larger purpose and set benchmarks that create sustainable and positive change in society. I call this 'Profits with a Purpose' – the larger the problem that businesses solve to make our world a better, greener and equitable place, the bigger the profits. Indeed, if you solve a problem that is big, your profits serve the cause in a

deeper and more efficient manner.

A business without profits is a drag on the larger ecosystem. Similarly, a business that operates solely for profit without addressing real socio-economic problems cannot survive in the long term. For example, when Unilever sells a bar of soap to a customer, it addresses the larger cause of creating a safe and hygienic environment at home. With healthier families and fewer diseases, reduced healthcare & sanitation costs and child mortality translate to a better world.

Financial empowerment is a focus area for us at WGC. We believe that by providing credit to creditworthy people who are outside the formal banking system we can bring large swathes of marginalised sections of the society into the mainstream. This can create a more equitable world.

Let me share with you another insight. Credit delinquency among

this category of borrowers is low and we have negligent defaults on regular interest payments. This proves that if businesses and society create fair opportunities and affordable access to the less privileged, they can participate in their own progress in a fair manner and in turn, complement such businesses with purposeful profits.

As socio-economic conditions improve, another focus area for us globally is to provide financial services to low and middle-income groups in the most efficient and cost-effective manner. These groups who contribute to the economy through arduous work and intellect are often left with less income due to inefficient high-cost financial habits and sheer ignorance.

### Compassionate Conduct

Any business that lacks soul is not worth being in. Only compassion, respect and impeccable conduct towards every customer and stakeholder can make a business successful. We have many examples of businesses that have failed because they lacked compassion or conducted themselves inappropriately.

At WGC and all our associate companies, compassion is wired into our DNA and has created a win-win situation. We believe a business founded on an empathetic understanding of the customer's needs, however small, delivers effective solutions. Such a business model is sustainable, scalable and value-oriented.

From a fiduciary viewpoint, businesses must behave in a responsible manner. Non-adherence to governance and risk management is unacceptable. In a business like ours, where we deal with money often leading to wealth creation for customers, trust, transparency and truthful conduct are non-negotiable. We have further enshrined this by leveraging new age technology and a professional team. Taking care of the stakeholder ecosystem to create value for every entity that contributes to business growth is an imperative.

Businesses can ignore this at their own peril.

### Capital for Change

While there is enough discussion about the widening gap between haves and have-nots, I firmly believe that it is an opportunity for businesses to make impactful change. 'Capital for Change' is a term that works towards creating an equitable world through narrowing income disparity, enabling home ownership and better socio-economic infrastructure and security. As the old saying goes, we want to contribute to a world where every hand has work to feed every mouth.

## BUSINESSES NEED TO BUILD A LARGER PURPOSE AND SET BENCHMARKS THAT CREATE SUSTAINABLE AND POSITIVE CHANGE IN SOCIETY.

As WGC undertakes global growth initiatives, we want to ensure that we invest for a larger cause. We believe that disruptive fintech innovations will help us achieve scale in solving socio-economic problems. Recently, a research article in a Wharton journal spoke of how the Network Revolution will be driven by platforms, technology and people to create social change.

In the last one year, we have invested in four unique fintech start-ups in the UK. Their innovations have disrupted the way financial solutions and products reach customers. Each of these businesses is creating efficiencies that help low and middle income working people in the UK by spending, lending or saving efficiently.

Whether it is peer-to-peer lending platforms or saving on commuting expenses or giving employees access to credit in a quick and reasonable manner for education and other personal expenses, our Capital is meant for effecting larger Change in society. It is empowering people through financial freedom in a

transparent yet profitable manner.

We believe that businesses that solve problems of large customer sets like the low and middle-income segment in an efficient and technology-enabled manner will drive future change profitably. We also believe that working-class customers across geographies and nationalities (for scale) are looking for better, tech-savvy and non-intrusive financial dealings.

### Give More to Get More

I believe that besides building socially relevant business models, businesses should have a philanthropic and cause-based giving focus. Corporate Social Responsibility (CSR) is a key effort of the WGC group; it is our belief that by giving back to society that has helped us thrive, we invest in a better future.

Businesses should ensure that they drive their CSR initiatives in a meaningful, scientific and measurable manner. By aligning with local communities in their holistic upliftment, we create an equal society bereft of conflicts and tensions.

Our group's CSR initiatives focus on Early Childhood Care & Education (ECCE). We also have CSR programmes that work towards rural upliftment, skill development, and spreading financial literacy. Additionally, we provide scholarships to needy meritorious students and contribute to sports, art and cultural initiatives.

To end, I leave you with a quote from the Diary of Anne Frank: "No one has ever become poor by giving." What businesses can do and must do is to contribute in a sustainable manner to make this world more equitable, democratic and fair for every citizen born on this planet.

*Kapil Wadhawan is the Chairman of Wadhawan Global Capital (WGC), a \$22-billion financial services group.*

*\*The views expressed in this article are personal*

More than  
**50 Million**  
Patrons annually

**115**  
Cities in India

**450**  
Screens

**20**  
States

Shows every  
**25 Minutes**



Carnival Group is one of the fastest growing multi assets capital company with a diversified growth model. It extends its able arms into Agri Trading, Film Production & Distribution, Film Exhibition (Multiplexes), Food & Beverages (Restaurants & Cafes), Real Estate and Event Management (Domestic & Overseas). The company continues to expand its current business by venturing into new areas further enhancing value for its stakeholders through its subsidiaries.

Carnival Cinemas, the insignia of the Film Exhibition division envisions to proudly uphold 1000 screens in India by 2018 manifesting 'Family Entertainment Centers', providing one stop entertainment destination to consumers. Company's vision further aids employment & growth opportunities with Carnival's presence across the globe.

## Carnival Cinemas Journey

First Carnival Cinemas  
multiplex in **Angamaly**

Added **278** new screens;  
Acquired BIG Cinemas & Glitz  
Cinemas. Hailed as the largest  
acquisition in the Indian film  
industry

Carnival has presence  
in **115** cities, **450** screens

Marching towards  
1000 screens

(2012)

(2014)

(2015)

(2016)

(2017)

(2018)

Acquired Broadway  
Cinemas. Added **34**  
new screens

Carnival goes global.  
Opens first cinema  
in **Singapore**

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in **Domestic &  
International Markets**



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# Innovation a cornerstone of India's tech revolution

by Arvind Gupta



A Digital India expert weighs up how innovation in India can leapfrog developments to lead a 4th industrial revolution.

**T**echnology is a game changer, and India has the potential to not only be a leader for our 1.3 billion but also leapfrog development and lead in introducing the 4th industrial revolution to the next 6 billion globally.

Innovation has been the cornerstone of India's technological revolution, with Bharat – the 70 per cent of India that lives in villages – being an equal stakeholder and beneficiary of this digital disruption. Unlike the previous urban-centric revolutions, the Bharat Net project, which is ensuring high-speed optical fibre net to every local level government in the country, will ensure that Bharat and India benefit from the innovations of the 4th Industrial Revolution, as creators and consumers.

## Digital journey

So far, the government has been the superstar of India's digital journey, through a combination of disruptive technology and agile policymaking. It has paved the way for India to produce a secure platform around Digital Payments, Identity and Documents (the 'India Stack') which

have over 1.2 billion users combined – the only public platform in the world to achieve this feat in record speed, scale, and cost.

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**THE GOVERNMENT HAS BEEN THE SUPERSTAR OF INDIA'S DIGITAL JOURNEY, THROUGH A COMBINATION OF DISRUPTIVE TECHNOLOGY AND AGILE POLICYMAKING.**

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The backbone and innovative interlinking of the Jan Dhan, zero-balance accounts to the Digital Identity Programme and mobile phones has translated into 320 million bank accounts opening in the most inaccessible parts of the country, with an individual being able to open a bank account in less than a minute. India's innovations are being appreciated and adopted by global technology giants – Google and WhatsApp are using the Made in India Unified Payments Interface, a groundbreaking financial inclusion

technology which has seen 190 million transactions in April 2018 alone. The government's Direct Benefits Transfer programme, of which 436 schemes are a part have benefitted immensely in removing the middleman and endemic corruption from welfare distribution, with an estimated \$12 billion saved to the government.

Technology entrepreneur Bill Gates appreciated India's advancements and said that "Digitisation, coupled with bold decisions, has helped India leapfrog into inclusive growth". According to a 'Harvard Business Review' report, India's digital innovation is a game-changing platform that is beneficial not just for citizens and government, but also for businesses. India moved up by 30 places in the global 'Ease of Doing Business' index, and the implementation of a singular nationwide tax – the Goods and Services Tax (GST) has amplified seamless, hassle-less and paperless taxation process in India and an increased inclusion across the nation into the formal economy. Revenue collection through the GST crossed

the \$15-billion mark in April in India, a record-breaking feat. The availability of real-time tax data allows the government to analyse information and create greater systemic efficiencies.

### AI, blockchain & cyber security

Artificial Intelligence (AI) and blockchain technology have not only been the buzzwords of the year but will also be the platforms based on which India will propel itself into the future. This will form the real backbone of India-UK collaboration. India is transitioning from a data poor to a data-rich society and AI will be the game-changer, revolutionising healthcare, credit, education, and employment. The UK is a leader in AI, especially with the new £1-billion AI sector deal and intensive capacity building in the sector. Given the shared democratic and progressive morals, India and the UK have the capability to produce radical positive changes in the field. India has already begun trials in the field of blockchain, especially in digitising and storing land titles and legal cases. Work is also underway in the localised implementation of AI. India is also building capacity with a FutureSkills program, ensuring that Indian engineers continue to be amongst the best in the world.

With powerful technology comes the need for responsibility and protection, and cyber security and data protection are pertinent for both countries. The UK's National Cyber Security Strategy 2016-21 calls for International Action, and India and the UK must collaborate on the cyber front to ensure safety, trust and security for their businesses and citizens. A joint cyber security framework has already been developed by both countries to ensure information sharing, capacity building and research in the field. The implementation of the General Data Protection Regulation (GDPR) in the UK will also hold key shared learnings for India as we build our own Data Empowerment Protection architecture, both of which will have significant consequences for bilateral businesses.



### Creative sector tie-ups

The creative sector is at the heart of the innovation economy, with the sector forming £92 billion of the UK's economy and India looking to grow its £15-billion economy by over five-fold by 2025. There is room for both lesson and collaboration in the creative industries, with both countries producing content that has a global market and benefiting from an increased bilateral market penetration. Equally, the successful implementation of India's National Digital Identity Programme, combined with effective policies that have allowed for open innovation and for anyone to build on top of the "IndiaStack" has learnings that would be critical for the UK in building their own digital identity, and perhaps to take it further to the Commonwealth as well. Again, our common value system and democratic political beliefs will be fundamental on which these technologies and policies will be based.

India's transformation from the software powerhouse of the world to a thought leader in emerging technologies is an exciting phase and will allow us to co-create with the

UK on an equal footing. India is now in the top three start-up ecosystems in the world, with over 30,000 active start-ups in the country, a testimony to the power of innovation.

This technological revolution isn't just a software one though. Till now, India imported most of its smartphones, however, the incentives to electronics manufacturing in the country have led to 120 production units for mobile phones in India and over 220 million domestically manufactured mobile phones.

The reality is that India is moving into the digital future at an unprecedented rate, and combined with the strengths of the United Kingdom, it promises to be a bright one.

*Arvind Gupta is an Eisenhower Innovation Fellow, member of the World Economic Forum's (WEF) Digital Economy & Society Futures Council and CEO of MyGov – Government of India.*

*\*The views expressed in this article are personal*

# Democracies and the crowd

by *Suhel Seth*

**Democracies – in India and around the world – are only as sound, vibrant and aware as the ones who participate in it.**



**W**hile across the world, democracies are lauded, in essence they are still more or less dysfunctional and a universal franchise never has nor ever will be the answer to basic issues like development, equality and justice. Over the years, the world's oldest democracy and the world's youngest democracy have been plagued with identical problems. In the United States, equality and gender discrimination, not to mention colour, remain hot potato items much like they are in India.

We were lulled into believing that the Tiananmen Squares and Tahrir Squares of the world would usher in everlasting peace. They haven't and both the countries continue to battle with basic freedoms for their peoples. Much like the situation in Russia.

We continue to see American liberation of erstwhile dictatorships falter when morphed into democracies. This is the fundamental flaw with democracies and the manner in which they have evolved over time. Democracies falsely lead you to believe in the concept of fundamental equality and one which is shorn of privileges and access and yet the Deep State remains active no matter which democracy you shine

the torch on. The argument that there is no better system of governance than a democracy is equally Utopian. The question that begs the answer is, whether democracies as we know them, with their imperfections, are the best for governance?

## **Meritocracy?**

I have always believed in what the venerable Alexander Pope said: "With forms of government, let fools contest, that which is administered best is best." And if you examine this quote carefully, it doesn't talk about the power of the people or the of, by and for the people adage but asks something much deeper: what is the benefit of any form of government: and is that purely undiluted and beneficial administration?

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**TO MY MIND, THE REAL NEMESIS OF ANY DEMOCRACY IS THE FACT THAT IT FLATTERS ITSELF WITH THE FACADE OF CROWDS.**

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The argument that needs to be made in favour of democracy should be merit and even on that score we have

seen democracies falter. If you look at India's Parliament, you will observe that almost 67 per cent of the elected members are either sons, daughters or spouses of politicians and thus the case weakens when you talk of a meritocracy.

When Barack Obama became the first African American President of the United States, it was hailed as a victory for racial equality but it came after hundreds of years and remember Rosa Parks and her fight was not far back. The fact that even in today's America you need to have movements like #BlackLivesMatter and #MeToo suggests that something is seriously flawed about the word equality and how it plays out on-ground for many people who are otherwise wooed for their votes.

## **Facade**

To my mind, the real nemesis of any democracy is the fact that it flatters itself with the facade of crowds. Crowds do two things: they sacrifice value in favour of volume and sense at the altar of noise. Both of which are critical to any transformation – be it political, economic or for that matter administrative. We need to fathom the impact of crowds and how they can, at times incorrectly, influence the

national narrative, no matter which country we are talking about. The recent return of Mahathir as Prime Minister of Malaysia at the age of 92 is not a victory of democracy: it is one of starved choices. The fact that India had one family rule it for decades is symptomatic of the replacement of the feudal with lip-service dynamics to democracy in the real sense.

equality and obviously the model we have employed thus far has not entirely worked. But what has also not happened is a desire for people to course-correct. Democracies are not self-correcting robotic ventures. They are inherently emergent from the cultural and political quagmire of the people they belong to. And that is the question that needs an answer. For

the-post is always about a numerical advantage and never about anything else, which again establishes the point I made of volume being given greater power and credence over value.

Democracies must have only one purpose: the greater good for the good of the poorest of the poor.



I am not for a moment suggesting that we can have better forms of representation but merely espousing democracy to be either the saviour or the messiah are both misplaced notions. More than the process (crowds) that democracies feast on, it is the outcome that must be their focus and more than any other form of government, democracies are only as sound and as vibrant and as aware as the ones who participate in it.

I believe it is time for us to examine the manner in which democracies are used for political and economic

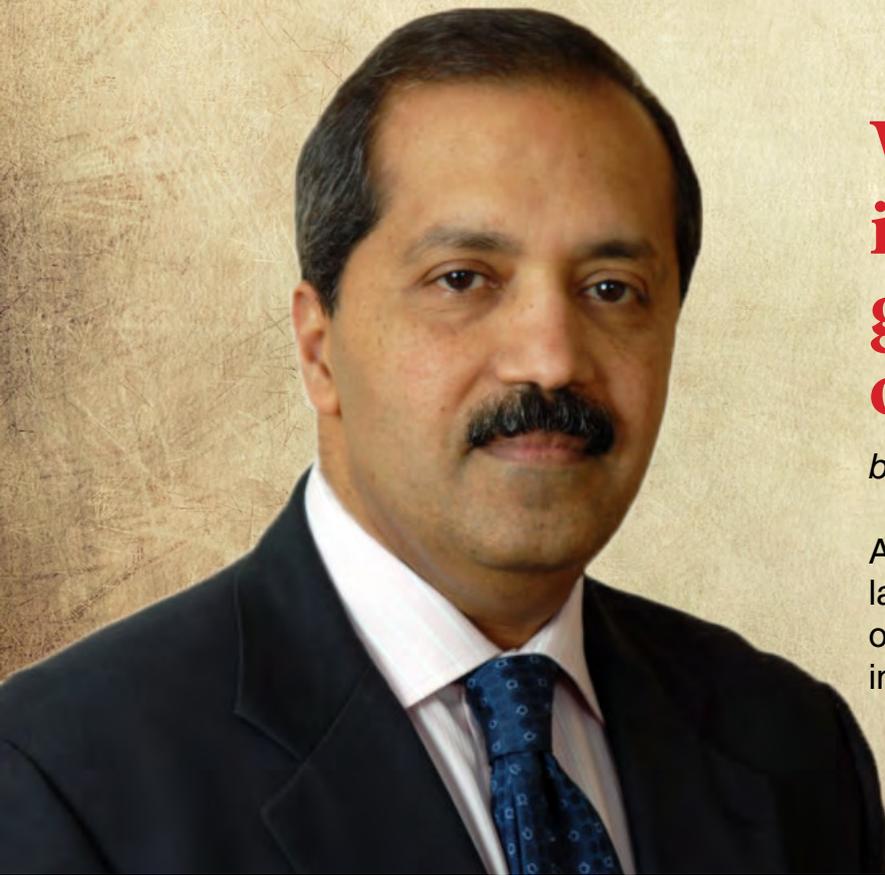
far too long, we have used democracy as work-in-progress, thereby stifling the need to look beyond their current compositions.

#### **Greater good**

There needs to be a redrawing of the fault lines and in the last US election, the very dichotomy of the popular vote being sidelined is a great testimony to the intrinsic flaws of the US electoral system. This then gives further rise to both disbelief and scepticism – both of which are avoidable emotions when it comes to a form of government. The first-past-

It must be focused only on one thing and one thing alone: equal opportunities for all, because the greatest poverty is the denial of equal opportunities owing to various factors. The time is not to invent a better mousetrap but instead exterminate the need for one.

*Suhel Seth is managing partner of consultancy firm Counselage India and well-known Indian author.*



# Why global investors should go full-throttle on India

by Sanjay Nayar

A financial services sector expert lays out the factors stacked in favour of India as a hub for foreign direct investment (FDI).

India is undoubtedly one of the world's most impressive growth stories today, and is an economy that global investors can ill-afford to ignore. We at KKR have been investing in India for almost a decade and continue to be excited about the country's future trajectory.

The last 10 years were amongst the most benign for the global economy. With expectations of hardening commodity prices and interest rates, the global economy seems to be close to the peak of the cycle. But while this next phase could bring new risks and challenges, India remains a long-term structural growth story for KKR.

By enacting difficult reforms such as the Goods and Services Tax (GST), Rural Estate Regulatory Agency (RERA), the new bankruptcy code, among others, the Indian government has started laying the foundation to harness this country's immense potential. India watchers remain optimistic that the economy is poised to achieve a consistent 6.8 per cent GDP growth.

However, to sustain this level of growth, India's inherent savings-investment gap will need to be addressed. The government has traditionally been the largest recipient of India's savings, which often creates a capital constrained environment for the country's dynamic private sector. This need for patient, long term capital represents an attractive opportunity for global investors.

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**BESIDES BEING PROVIDERS OF CAPITAL, GLOBAL INVESTORS CAN ALSO PLAY A MORE STRATEGIC ROLE BY HELPING INDIAN COMPANIES ACCESS NEW MARKETS, EXPOSING THEM TO GLOBAL BEST PRACTICES, TO HELP THEM REACH THE NEXT LEVEL.**

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Besides being providers of capital, global investors can also play a more strategic role by helping Indian

companies access new markets, exposing them to global best practices, to help them reach the next level. This approach of being more than just capital providers has always been KKR's philosophy, and we are happy that Indian entrepreneurs have begun embracing it.

Over the years, Indian businesses have increasingly seen the value in our approach of helping local players become global champions. Entrepreneurs today are not only willing to enter partnerships with international investors, but are also welcoming of the intellectual capital that we bring to the table. Specifically, private equity's expertise has become more relevant than ever as Indian business groups face the challenge of deleveraging and succession planning. I am confident that these considerations will drive even more private equity activity in the country in 2018 and beyond.

Furthermore, Indian companies have growing ambition – and potential – to thrive internationally. In order to expand overseas, Indian companies must reach global business best-

practices and standards. To achieve this, they benefit from teaming with global partners and investors who can apply their experience in other markets to help these companies raise their game to be on par or better than global peers. This has opened the door for private equity investors to start a conversation with Indian entrepreneurs, and that door continues to widen.



As a provider of flexible, patient capital, we at KKR take the long-view when it comes to success. Our approach is to seek partnerships where we can provide growth capital and partner closely with entrepreneurs with a track record of success. In addition, we provide unique value-add capabilities beyond our money – post-investment, we roll up our sleeves to identify new initiatives that can drive top-line growth, improve organisational efficiency, enhance talent and optimise capital efficiency over the long haul.

As a leading private equity investor, we have the ability to leverage the strength and expertise of both our global platform and our local teams to assist Indian businesses. Our network of global resources, which consists of sector specialists, operational experts and advisors help businesses with everything from nurturing talent to supply chain management to environmental, social and governance issue management. We further rely on our India-based team of local experts who understand the many nuances of the Indian business landscape

to marry our strong global platform and understanding of global best practices with local market knowledge and expertise. Through this global/local mix, we have the ability to invest in any part of a company's capital structure and "connect the dots" to better inform our decision-making on India investments.

Our partnership with Alliance Tire Group (ATG) is a perfect example of

our global/local partnership model. ATG is a developer, manufacturer and supplier of a wide range of off-highway tires. At the time of KKR's investment in 2013, ATG was already a well-established industry player, but wanted to grow its production capacity, international reach and market share. Given our extensive operational knowledge and local expertise, ATG chose KKR as the partner to achieve its ambitions.

With the help of KKR's operational partners in India, the UK and US, ATG was able to achieve enhanced sales force effectiveness, improved supply chain and manufacturing processes, upgrade its IT systems, and optimise its capital structure. These initiatives helped the company increase its global market share and it was eventually acquired by Yokohama Rubber Company, a global top-10 tire manufacturer, which has furthered ATG position as a leading global player.

That said, private equity is not the only form of capital that appeals to Indian companies. Alternative forms of investment such as debt financing

have become increasingly sought out by Indian entrepreneurs. We believe that key sectors in the country such as real estate have a large need for capital, but are unable to access it due to challenging debt markets and a highly regulated banking system. This presents additional opportunities to provide capital in the form of senior secured credit and junior debt to experienced partners looking to fix their capital structures, complete projects, or honour commitments to existing lenders.

Unsurprisingly, debt has been an active focus for us at KKR in recent years. We have launched two non-bank finance companies to provide more access to credit to Indian businesses across a variety of sectors. These investments often require more due diligence and command a higher risk premium versus plain vanilla bank financing. However, between the growing demand for non-traditional capital by Indian companies and the inability of banks to meet existing demand, credit remains an exciting opportunity for investors

Considering this array of investment opportunities — where global investors can partner with innovative entrepreneurs, support companies' domestic and overseas growth, and flexibly deploy much-needed debt and equity — India has indisputably developed into a hotbed of global investment activity. As the country's macro environment becomes more business friendly, global funds are likely to have more opportunities to meaningfully engage with the local business community and provide funding that is pivotal to the success of Indian business.

I am confident that India is well-positioned to make even more notable economic gains in 2018, and private investors and Indian entrepreneurs will both have ample opportunity to partake in this exciting story.

*Sanjay Nayar is Member & CEO, KKR India Financial Services Private Limited.*

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# Making India globally competitive: The Impact of Indian industry in the UK

by Rakesh Bharti Mittal

The United Kingdom stands at a strategic crossroads after the unexpected Brexit vote. While it continues its negotiations with the European Union (EU) and its members, it must re-engage with the rest of the world for a fair and free economic relationship.



**I**ndustry and businesses are following political developments in the UK very closely. While investors are anxious regarding Brexit, Indian industry continues to grow its footprint and deepen its impact in the UK, creating jobs, contributing to revenue and enabling the UK economy to become more competitive. India is among the top investors in UK, exceeding its investments in the EU as a whole. Likewise, the UK remains the second-largest G20 investor in India. The trade relationship too contributes to both economies.

India's growth is one of the world's foremost success story, hence many countries are looking for opportunities to partner India. With a special India-UK economic relationship, the potential for enhancing our partnership in new and emerging areas is unparalleled. Boasting of an impressive growth rate of 6.7 per cent in 2017 and expected to grow to 7.4 per cent in 2018, India is today the fastest growing economy in the world. As

per the latest Confederation of Indian Industry (CII) and Grant Thornton 'India Meets Britain Tracker' 2018, almost 800 Indian companies are operating in the UK, recording combined revenues of £46.4 billion, generating £2.25 billion of operating profits and paying over £360 million in corporation tax.

## Fastest-growing Indian companies in the UK

The latest CII-Grant Thornton 'India Meets Britain Tracker' records 87 of the fastest growing Indian companies in the UK. These companies registered a growth rate of 192 per cent, a huge jump from the 31 per cent for 2016. Three companies contributed to this sharp increase – TMT Metals Holdings Ltd, Wipro Holdings UK Ltd and Piramal Imaging Ltd. Even without these three companies, the average growth stands strong at 44 per cent, which remains significantly high in comparison to last year. It is heartening to see a 100 per cent growth rate recorded by Route Mobile (UK) Ltd and Accord Healthcare Ltd. Other significant contributors are Secure Meters (UK) Ltd and Rico Auto Industries, which added 9 per cent and 8.8 per cent respectively to the overall revenue of companies in the tracker.

The dominant sector in the UK-India growth story is Technology and Telecoms (23 per cent), followed

by Pharmaceuticals and Chemicals (18 per cent), Engineering and Manufacturing (18 per cent) and Business Services (16 per cent). Energy, Financial Services, Media, and Automotives stand at 5 per cent with Hospitality & Tourism, Transport & Logistics at a low 2 per cent and Healthcare at 1 per cent presenting a huge scope of growth.

As Indian businesses continued to explore opportunities in Europe, the UK attracted four of the 10 largest deals, with corporates taking advantage of 20 per cent fall in the value of the pound against the rupee since the Brexit vote. The biggest Indian acquisitions in the UK recorded in 2017 were: Dhoot Transmissions' acquisition of TFC Cable Assemblies, Infosys Facility Management India of Elite Cleaning & Environmental Services, and Larsen & Toubro Infotech's acquisition of Syncordis that included UK subsidiaries.

A general perception, especially owing to the entire immigration and mobility debate, has been that Indian companies are job takers while in 2017 itself, Indian companies created 105,000 jobs in the UK.

## Regional footprint of Indian businesses

As Indian businesses continue to enter the UK and expand



their operations at steady growth rates, CII has made a concerted effort to encourage companies to expand their footprint across regions. This has been a slow yet highly rewarding process, with much more to be done.

London continues to be the leading investment destination, with more than half of all Indian companies investing in the UK. With the “London is Open” campaign, the teams of the Mayor of London and Lord Mayor have made consistent efforts to put the City of London and the Square Mile on the world map especially in attracting Indian businesses.

Noteworthy though are the continued efforts particularly of Manchester India Partnership, Northern Powerhouse, and Midlands Engine for Growth, whose success story is not yet apparent in the tracker but one that is likely to notice a marked improvement in times to come. This will be followed closely by Scotland and Northern Ireland that are exploring long-term institutional linkages with India. These will pave the way for resource pools in pockets across regions and create a lucrative

business case for Indian investment. Improved air connectivity will encourage greater engagement.

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**AS INDIAN BUSINESSES CONTINUED TO EXPLORE OPPORTUNITIES IN EUROPE, THE UK ATTRACTED FOUR OF THE 10 LARGEST DEALS, WITH CORPORATES TAKING ADVANTAGE OF 20 PER CENT FALL IN THE VALUE OF THE POUND AGAINST THE RUPEE SINCE THE BREXIT VOTE.**

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Birmingham has secured some direct air routes from India and Manchester is well on its way to setting up one as well. Companies like Tech Mahindra and Hero Cycles have a strong presence in the North, creating scope for other Indian companies to explore opportunities. The supply chain for many large Indian and UK companies entails huge opportunities for many small and medium enterprises (SMEs). In recent years, many

SMEs and start-ups are exploring opportunities across regions in the UK.

**Conclusion**

CII is in close contact with nearly 400 Indian companies of varying sizes with an interest in the UK. This is proof that despite the debate on an ever-changing visa regime and limiting mobility policy, the UK continues to enjoy a locational advantage for Indian companies. The UK presents a global marketplace opportunity of business deals and economic collaborations and therefore remains an important destination for Indian investments. Indian industry will continue to make significant investments but evolving policies in the post-Brexit scenario will impact plans. It is pertinent for the UK government to keep connected and engage with Indian industry in the process.

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*Rakesh Bharti Mittal, Vice-Chairman of Bharti Enterprises, is President of the Confederation of Indian Industry (CII).*

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# Green Tech: The driving force for greater India-UK collaboration

by Rahul Munjal

The green energy sector can provide an impetus for India and the UK to collaborate more closely.

India's electricity demand is expected to triple from 800 terawatt hours (TWh) to 2,400 TWh by 2030. Meeting this demand sustainably is a formidable task. India's per capita power consumption is around one-fourth of China's and is one of the lowest per capita emitter of CO2 in the world but it is also the third-largest CO2 emitter in the world with 76 per cent of its electricity generation from fossil fuels.

For India to meet its economic and human development goals, its per capita energy and electricity consumption has to increase while keeping the CO2 per capita in check. In its Intended Nationally Determined Contributions (INDC) submitted ahead of the Conference of the Parties (COP) 21, India committed itself to source 40 per cent of its installed electric power supply from non-fossil fuel based energy sources by 2030 and 33-35 per cent reduction in carbon intensity of its GDP from 2005 levels.

Planning for India's energy requirement is based on energy security, affordability and sustainability.

The UK also has a 'Clean Growth Strategy' to decarbonise its economy. Currently 26 per cent of the UK's energy generation of 330 TWh is from renewables and is a leader in offshore wind power generation. Going forward, apart from offshore wind, UK also plans to focus on other "less established" green technologies such as tidal waves with plans to invest £2.5 billion in research and development of such technologies. The UK also continues to invest in development of technology for smart



grids, energy efficiency and battery storage. The UK is currently working on a massive programme of installing smart meters in every home by 2020. If India has to supply power to all through clean energy sources, then India's discoms and grid operators also have to cut their losses and improve performance. The size of India's power transmission and distribution grid is around 340 GW (expected to go up to 600 GW by 2025) compared to the UK's of around 85 GW. India can provide huge market opportunities for such digital and smart technologies across generation, transmission, distribution and storage.

As India's installed RE capacity increases, RE integration will become a challenge without the adoption of battery storage solutions. The UK is among the top storage markets in the world and its storage capacity is expected to dramatically increase in the next few years.

Another area where India and the UK can work together is energy access.

Around 240 million Indians (around 18 per cent) are still without access to electricity. Microgrids can provide accelerated access to electric power to these people, doing away with the need to wait for a centralised grid. One of the oft-repeated issues with microgrids is the risk to the microgrid operator of customer shift once they are eventually connected to national grid. However, technology-driven solutions to such problems are possible for eg, with the use of blockchain, it might become possible to have separate billing for grid and microgrid operators. The application of microgrids is not just for remote areas, even urban areas face issues pertaining to high demand load, grid stability and resilience. Microgrids can combine power from variety of generation sources to provide reliable, economic and green power and island itself when needed to protect itself from central grid issues.

Collaboration between the UK and India on research and innovation for each of the above technologies

and their adoption along with new business models would reap rich dividends for both countries, as such joint programmes benefit both manufacturers and users of technology.



## PLANNING FOR INDIA'S ENERGY REQUIREMENT IS BASED ON ENERGY SECURITY, AFFORDABILITY AND SUSTAINABILITY.

On the other hand, India is one of the least-cost renewable energy producers in the world, with power costs declining to less than 4 cents/kwh. India's expertise in producing low-cost power can be leveraged by the UK as it seeks to grow its onshore wind and solar power without subsidy. The potential is huge. According to some reports, a further £20 billion of investment in the UK till 2030 in onshore wind and solar PV can be unlocked if the tariffs are low enough. Access to low-cost funding is critical to India realising its RE ambitions. According to some estimates India needs at least \$125 billion funding to meet its targets for RE deployment.

The UK has access to a large pool of investors who are extremely keen on renewables and can facilitate India's access to such investors through instruments such as Green Masala Bonds on the London Stock Exchange. Britain's institutions and companies can also invest in renewables as the Indian business environment continues to improve. The UK can take the lead in various multi-lateral funds as the largest investor to pool in global investments into India's energy sector.

The UK and India have historically had a strong economic relationship. India invests more in the UK than anywhere in Europe. The UK is the largest G20 investor in India for the last 15 years. The two countries have traditionally partnered in areas of research and development.

Just like the mobile phone revolution leap-frogged fixed line telephony in India, distributed power generation is all set to take a similar giant leap to electrify the houses of those without access to electricity. As India grows and develops its grid connected and distributed power infrastructure combined with battery storage, the per capita consumption of electricity will go up. Increasing prosperity will also drive people to buy more electric appliances, gadgets etc. But the upward trend of per capita consumption should progressively become more and more gradual till it plateaus or even reverses as energy efficient technologies catch up.

Collaboration between countries, especially in clean technology innovation, is essential for pooling in resources for R&D, prototyping, demonstration and faster deployment. Clean technology is going to dominate the innovation scenario for years to come and has the potential to re-energise the India-UK partnership for a greener future.

*Rahul Munjal is Chairman and Managing Director of Hero Future Energies.*

# Strengthening India-UK cooperation in the financial sector

by Rashesh Shah




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An Indian industry leader highlights FinTech, infrastructure finance, financial inclusion, insurance and the bond market as key areas for India-UK cooperation.

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India and UK have a long-shared history and our bilateral relations have continued to be healthy, spanning wide areas of cooperation, trade and investment.

Even as Brexit ensues going forward, I firmly believe the Indo-UK relationship will only further strengthen. This was evident even in this year's Commonwealth Heads of Government Meeting (CHOGM) in London. In fact, India got a special invite when Prince Charles personally invited Prime Minister Modi for the event during his visit to India last year. Various agreements and MoUs were also signed between the two countries when PM Modi met Prime Minister Theresa May on the sidelines of CHOGM.

A critical area of cooperation between India and UK is the financial services sector. An institutional mechanism has been in place for this in the form of the UK-India Economic and

Financial Dialogue (EFD). This year marks the 10th anniversary of the EFD and brings to light several areas of cooperation and mutual learning in the financial sector for both the countries. While the list of potential areas of financial cooperation is huge, I would like to emphasise five specific areas. These have seen rising focus among the two countries, both at the industry as well as government levels, and enhancing mutual cooperation in these areas will be a win-win for both countries.

## FinTech

Among the several agreements signed between the two sides in April this year, India and the UK have decided to establish a FinTech dialogue to discuss further opportunities for financial services collaboration, including policy coordination. The sector has huge potential in both countries and opportunities exist for strengthening collaborations in this field.

The UK has in fact prepared a FinTech Strategy for UK-based financial and professional services, wherein strategic drivers have been identified to boost growth in the FinTech sector and to facilitate promotion of exports and investments in the field. A collaboration with a similar Indian set-up would be highly beneficial.

FinTech is growing at a rapid pace in India and there is a huge market opportunity that can be explored through joint collaborations between UK and Indian FinTech enterprises. Moreover, the experience of the UK FinTech sector can provide important lessons for Indian FinTech companies and growth of this sector.

The UK has also established "FinTech Bridges" with countries such as Singapore, South Korea, China, and most recently with Australia. These bridges enable regulators to share information about financial services

innovation in their respective markets. It then helps scaling up of domestic FinTech companies internationally. The feasibility of establishing a similar bridge with India can also be explored as a part of the UK-India FinTech dialogue.

### Infrastructure financing

It is a known fact that India has huge infrastructure financing requirements. Infrastructure development remains a priority area for the Indian government and there are plans for transforming the infrastructure landscape of the country through the creation of world-class highways, railways, ports, etc. As per conservative estimates, India requires around £167 billion annually for infrastructure development, of which only 53 per cent (around £88.5 billion) is possible through public investments sources and the remaining 47 per cent would have to come from private sources.

The UK has shown a successful track record in private financing of infrastructure investment. It has in the past successfully used the PPP model of infrastructure financing to its advantage and was able to reduce late delivery of projects from 70 per cent and 24 per cent and reduce cost escalation from 73 per cent to 22 per cent of the projects. Clearly, there are lessons to be learnt from this for India, especially in terms of regulation, contract formulation, operational mechanism, etc. The two sides can also consider collaboration between the proposed advisory body 3P India and UK's Infrastructure and Projects Authority.

### Financial inclusion

For a developing country like India, financial inclusion is among one of the key sustainable development goals. There has been significant progress in recent times, with the government working on providing basic access to finance to all households on a mission mode via the Jan Dhan Yojana. However, India needs to do a lot more.

Out of India's current adult population of 930 million, around 53 per cent

own a financial account. In contrast, in China, eight out of 10 adults had a bank account in 2015 itself. Moreover, for those with access to a basic savings account, the next step is to provide them access to other financial services, such as credit, investments, insurance, etc. Here, we need to draw lessons from the experience of the UK, especially with respect to access to affordable finance for MSMEs, housing credit for households, etc.

P2P lending can be another tool for enhancing the financial inclusion initiative. In fact, the UK government provides a tax relief on income earned through lending on P2P platforms. The Reserve Bank of India has indeed come up with directives for P2P lending platforms in India and going forward, a two-way dialogue on such subjects between India and UK can help in growth of such alternative financing mechanisms.

### Bond market

Broadening and deepening of the Indian Corporate Bond market is an immediate policy challenge for the Government of India. A healthy and active bond market will provide an alternative financial tool and reduce dependence on the banking system. In contrast, the UK bond markets have matured and India can learn a lot from them.

One of the key highlights of UK-India financial partnership in recent times has been the establishment of the UK as the world's leading centre for off-shore rupee bonds. The UK bond markets have attracted Masala Bonds to the tune of over £2.86 billion, with the UK hosting the first Indian Masala Bond from the Housing Development Finance Corporation, first government backed and Green Masala Bond from the National Thermal Power Corporation and the largest Masala Bond from the National Highways Authority of India. Even the Indian Renewable Energy Development Agency's Green Masala Bonds have been launched to the tune of £221 million, along with many other private and multilateral organisations. The robustness of the London market provides ample opportunity for future

issuances of Masala Bonds.

### Insurance and re-insurance

Insurance penetration in India is low at 3.49 per cent in 2016, of which life is 2.72 per cent and general 0.77 per cent, as against global insurance penetration of 3.47 per cent for life and 2.81 per cent for the non-life segment in 2016. Likewise, India's insurance density is at \$55, way below the global average of \$621. India needs to take more steps to transform the sector into a modern and progressive one. This would require not only policy changes but also the development of a robust re-insurance platform.

In the UK, London has emerged as the centre of the insurance and re-insurance market. It is primarily a broker-driven market, where the world's 20 largest re-insurance groups are represented, giving the City of London a clustering effect. London has also largely benefitted from the strong and robust regulatory guidelines and macro-prudential supervision in order to maintain financial stability, with no direct powers over individual institutions.

Taking a leaf out of London's insurance and re-insurance market experience, India should gradually but firmly shift from a rules-based regulatory agenda to a principles-based regulatory approach. We should also consider the development of a risk management agenda on a PPP basis, which will help reduce potential losses.

In conclusion, I would say that India offers huge unexplored potential to collaborate and cooperate with financial service providers in the UK for the mutual benefit of both countries, and investors and policymakers on either side should not miss this golden opportunity.

*Rashesh Shah, Chairman and CEO of the Edelweiss Group, is President of the Federation of Indian Chambers of Commerce and Industry (FICCI).*

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# India deserves its own formal voice in the world of news

by Barkha Dutt




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The changing landscape of the news media in India has mirrored the changing nature of politics, writes one of India's best-known television journalists.

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**R**ecently I met Jeremy Bowen, hardy war correspondent and the BBC's Middle East Editor for several years. He was speaking at a private gathering of journalists and editors in Mumbai and though most of the conversation was under Chatham House rules, there was one statistic that is safe, as well as striking, to share. Britain had only two 24-hour news broadcasters, he told a surprised audience, compared to the explosion of news media in India.

At last count there were 388 news channels in India and 495 general entertainment channels. This does not include the foreign channels with uplink and downlink permissions. The liberalisation of Indian news media was a natural, if slower, accompaniment to the opening of the country's economy in the 90s and since then there has been no turning back. Much like India itself, television news in India is highly opinionated, argumentative, raucous, colourful and diverse. It is rather different from the

more formal and restrained style of the BBC for sure.

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**MUCH LIKE INDIA ITSELF, TELEVISION NEWS IN INDIA IS HIGHLY OPINIONATED, ARGUMENTATIVE, RAUCOUS, COLOURFUL AND DIVERSE.**

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The changing landscape of the news media – and we must include the ascent of digital media in our discussions – has mirrored the changing nature of our politics. Much like the chicken and egg conundrum, it's hard to say what changed first; did the media steer politics in a certain direction or was it the other way around? Either way, we can agree that under Prime Minister Narendra Modi, many of the old rules of the game have changed.

Though, we follow the British Westminster model of parliamentary democracy, our politics today is in fact much more Americanised. By this I mean, that elections are now increasingly personality centric. Caste, incumbency, governance continue to be factors of course; but the political narrative is often centred around the individual. And mirroring global trends, populism has permeated Indian politics as well in a much more defined way than before.

All this is relevant when we examine how news media is changing. Television channels both reflect and propagate these political alterations. Television news channels too, like the politics they report on, are now firmly built around single personas, are under enormous pressure by the ratings industry to be populist and seek the theatrics of conflict more than subtlety and nuance.

The rise of social media has also played a gigantic part in how

television channels have changed. Digital media is now seen to be a natural adjunct to television and is barely separable as a distinct entity. Like everywhere else in the world, newsrooms compete for attention on Twitter and Facebook and hunger for re-tweets and likes. This has its own impact on the sort of content that makes it to prime-time bands. But unlike in other parts of the world, where the news media is facing an economic crunch, in India, there seems to be a relentless appetite for news consumption.

Modernising technologies that are cost-effective and high engagement from consumers has ensured that the media industry has remained economically healthy. In fact, according to a Federation of Indian

Chambers of Commerce and Industry (FICCI) report, the Media & Entertainment industry saw a 13 per cent growth last year in 2017, to reach Rs 1.5 trillion. It forecast that it would cross 2 trillion by 2020.

The television news genre, while being the most capital intensive, has benefited from low-cost adaptations like mobile phone-based filming equipment and back-pack sized broadband pushed uplink units. As broadcasting becomes more inexpensive, and more and more people consume content on smartphones and tablets, the cost of producing and distributing video content becomes more and more affordable. Several organisations and journalists (including this columnist) have understood that you no longer need gigantic resources to be a broadcaster. A couple of high-end phones with good cameras and microphones, a decent video editor and a strong social media distribution network means that you may spend very little and yet have your work reach millions of people.

The broadcast news industry is now

waiting for its next big push. And the one thing that India is still missing is its own version of BBC, CNN, CCTV, TRT World or Al-Jazeera. The US, UK, China and Middle East all have global networks that report news from their geo-strategic perspective on the world stage.



India is first in a list of fastest growing economies in the world for the coming decade. It could grow at 7.9 per cent every year, well ahead of China and America, according to a Harvard University report. The Centre for International Development at Harvard said countries that have diversified their economies, like India and Vietnam, will do better than others. The economic and strategic rise of India as the world's largest democracy makes the fact that the country does not have a domestically-owned international network even more ironic.

Successive governments have toyed with the idea. During the Congress years, a proposal for such a channel never got the requisite clearances from the Prime Minister's Office. During the BJP years, some private initiatives have been launched in this direction. But given the nature of the Indian market and the enormous funds that would be needed to fund such a venture the best outcome would be a private-public partnership.

A fully-government owned enterprise, such as the present public

broadcaster doordarshan, would never have the reputation of being editorially independent. India has not been able to replicate the BBC model, where a mandatory license fee protects the BEEB from the tyranny of market forces; but institutional freedom insulates its editorial

integrity from political interference. In India, in the absence of any such model or protections, the best way forward is to build a global news broadcaster that is fiercely independent and whose editorial management is managed by professionals. These professionals should not be appointed by government, because any change in government can see these individuals getting replaced.

A first step could be to create an over-arching, bi-partisan, self-regulating

body comprising eminent citizens such as a board of writers, lawyers and public intellectuals. Currently, there are different self-regulation bodies for print news and television news and none at all for digital. In a multi-media age these silos make little sense. A cohesive body that covers all genres, and that can be elected or appointed by industry leaders, makes imminent sense. This body would then be perfectly placed to determine key leaders and personnel for a global network.

Either way, India deserves its own formal voice in the world arena. For too long the Global North has dominated how we see news – and consequently how information is controlled and disseminated. It's time for India to play in the big league and reverse these inequalities.

It's time for another set of IITs – India International Networks (IINs).

*Barkha Dutt is an author, columnist, television journalist and broadcaster.*

# Smart Cities: Putting on a global lens

by Ajay Pandey

India's Smart Cities plan is one of the key components of creating industrial corridors between the metropolitan cities of the country.

**D**eveloping countries around the world are witnessing rapid urbanisation that has created the need for smart urban planning measures. Such measures are aimed at managing larger populations to unlock the greater economic potential of cities by improving the quality of life, increasing efficiency and managing complexities. Today, 31 per cent of India's population resides in urban areas and this figure is likely to reach 50 per cent by 2051. Urban migration is driven with the promise of a higher quality of life, personal wealth and opportunities. Therefore, it has now placed the burden on city administrators to simplify life for its inhabitants by making cities more livable.

Urban cities in India like New Delhi, Mumbai, Bangalore, Hyderabad, and Kolkata are grappling with issues such as lack of proper infrastructure, inefficient waste management and congested roads. This necessitates creation of Smart Cities in order to adapt to urban growth in India.

Deployment and application of Smart City initiatives will enable more efficient use of public resources, while also increasing the savings opportunities in multiple industries.

**DEPLOYMENT AND APPLICATION OF SMART CITY INITIATIVES WILL ENABLE MORE EFFICIENT USE OF PUBLIC RESOURCES, WHILE ALSO INCREASING THE SAVINGS OPPORTUNITIES IN MULTIPLE INDUSTRIES.**

The 100 Smart Cities Mission (SCM) is one of the key initiatives taken by the Government of India to change the urban ecosystem in India. To realise the objectives of this mission, cities are being planned in a way that fosters clean environment, nestles smart infrastructure and facilitates accessibility for the vulnerable groups. Additionally, adopting new

technologies remains central to the implementation of this key initiative as it addresses the key concern points in the area of water management, energy saving, urban mobility, housing and accessibility. In view of this, it becomes imperative to explore the possibility of adopting dynamic and efficient technologies for making our cities smarter.

The Smart Cities plan is also one of the key components of creating industrial corridors between the metropolitan cities in India. This includes building commercial and industrial centres as Smart Cities along these corridors. The Delhi-Mumbai Industrial Corridor (DMIC), with an investment of \$100 billion, aims at developing infrastructure like water supply, power plants, smart mobility as well as skill development programme in eight new industrial cities as part of phase one.

It has been over three years since the 100 Smart Cities Mission has been announced. So far, there are more than 2,800 projects that have been

rolled out, of which only 147 projects have been completed and 2,000 projects of the rest, are still in the initial stage.

With several Smart City development projects scheduled for completion in 2021, the cities are set for rapid transformation. Intelligent city management systems for governance and service delivery, including intelligent transport systems, smart waste management and robust information technology connectivity will improve urban services, quality of life and employment opportunities. It also will open tremendous investment and growth opportunities across several sectors. Projects worth Rs 23.5 billion have been completed while projects worth Rs 208.5 billion are under progress.

With India's GDP expected to grow at 7.4 per cent in 2018-19, it has been estimated that urban investment requirement for the next 20 years is Rs 39.2 trillion. It is projected that the mission would require approximately 80 per cent of the investments through private/international collaborations. Countries such as the United Kingdom, Germany, Japan, Canada, Israel, the United States, Singapore and Finland have shown interest in handholding the initiative either in form of technology or investment. Many of these countries are also encouraging their citizens and businesses to take the lead in developing Smart Cities.

To facilitate public-private partnerships (PPPs), India is encouraging access to its urban infrastructure and services sector for private investment. The largest sectors that are being targeted for PPPs are in areas with significant unmet infrastructure needs, such as water supply, waste management, and transportation. Opening the public services sector to private investment also unlocks the opportunity for companies to market their products to a lucrative Indian market. Apart from the above-mentioned areas, Smart Cities will also channel private investments into urban India's social infrastructure such as healthcare, safety, and education.

Global partnerships and collaborations in the area of Smart Cities through joint ventures, knowledge sharing, consulting services, technology transfers and pooling of resources can accelerate the development and implementation of infrastructure and technology solutions. United Kingdom has created exemplary Smart Cities in the past few years and India could



immensely benefit by learning from UK's experience and leapfrog the initiatives. The Governments of the two countries have also come together to work on the smart city vision of India. Three Smart Cities in India have been identified that will be supported in their development by the UK government. Of the three cities, two cities are in the state of Maharashtra (Pune and Amravati) and the third is in the state of Madhya Pradesh (Indore).

The Indian government can evaluate best practices adopted by urban development bodies, municipal commissions, and town planning departments in the UK for smoother deployment of Smart Cities initiatives. Further, Smart Cities digital solutions successfully underpin large-scale government initiatives in the UK such as planning commuter services in London and relieving motorway traffic congestion. A greater degree of collaboration between the two governments would also lead to a faster rollout of Smart Cities.

Today, global economies across the

world stand at the brink of a next phase of reform and expansion that present great opportunities for business and wider society. India is looking at an urban transformation with an array of projects announced or already launched. India is projected to spend around \$1 trillion by 2020 on a spectrum of infrastructure projects in road transport, ports, airports, power and urban regeneration.

There is immense scope for global collaborations in developing Indian Smart Cities along with supporting resilient and sustainable infrastructure development. This includes improving public safety, increasing the efficiency and reach of metro rail, integrating waste and water treatment systems and building greener urban environments through the development of green fuels and electric vehicles.

Building on strong economic ties and collaboration, the Indian economy is on the cusp of a revolutionary disruption in the urban infrastructure space which will improve how we live and travel in profound and unexpected ways.

*Ajay Pandey, Managing Director & Group CEO, Gujarat International Finance Tec-City (GIFT), is Chairman of the Federation of Indian Chambers of Commerce and Industry (FICCI) Urban Infrastructure & Smart Cities Committee.*

# 100 UK INDIA

MOST INFLUENTIAL PEOPLE  
IN UK INDIA RELATIONS



100 UK India is an exclusive list of key influencers that enrich and make the UK-India relationship tick. The list is a result of painstaking research collated by our expert editorial team and will profile influential people in business, policy, the arts, culture and media



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## The Commonwealth can fight the tide of protectionism

by Jyotsna Suri

**One of India's leading entrepreneurs evaluates what the 53-member Commonwealth of Nations can mean for global growth.**

**T**he Commonwealth of Nations is a unique grouping of countries. With 53 countries as members, spanning across continents, the sheer diversity of this association is mind-boggling. The Commonwealth comprises some of the biggest and the smallest countries of the world which are at different levels of economic development. However, the strong thread of common values based on principles of democracy, peace and shared development has held this group together. And by further strengthening our ties, we stand to benefit immensely from our collective resources and experiences.

The Commonwealth is home to 2.4 billion people – a third of the world's

population. What is even more significant is that 60 per cent of the population is below the age of 30 years, giving it a huge demographic advantage. The grouping represents a combined economy of \$10 trillion, which is expected to touch \$14 trillion by 2020.

Intra-Commonwealth trade stands at \$600 billion and is expected to touch \$700 billion by 2020. The cumulative intra-Commonwealth greenfield foreign direct investment (FDI) stood at \$700 billion in 2017, creating 1.4 million jobs through 10,000 projects. These numbers underscore the massive potential that the Commonwealth represents.

At a time when the rules of economic

engagement amongst countries are being redefined and when protectionist tendencies are on the rise globally, it is important that countries of the Commonwealth group come together and highlight the importance of greater openness with regard to trade and investment flows. Measures taken to limit not only the flow of goods and services but also movement of people and capital by creating barriers through various policy levers are a dominant risk factor today and can impede global growth prospects going ahead. Countries of the Commonwealth should prevent this tide from becoming a tsunami.

Our countries have benefitted a lot by adopting open-door policies and



continuing support in this direction is of utmost importance. Openness to trade and investments has helped enhance productivity, increase competition and improve living standards. This has also led to a more efficient allocation of resources. India is a good example of this.

Today, India is amongst the fastest growing nations in the world and remains committed to the ethos of fair and free trade. The country has been able to establish its position as one of most promising nations on the global stage not only in terms of its increasing economic prowess but also in terms of its voice on global issues.

India is the largest member-state of the Commonwealth in terms of population and the country is among top five contributors to the Commonwealth budgets and programmes providing largest number of technical experts engaged by the Commonwealth Fund for Technical Cooperation. In fact, in April Prime Minister Narendra Modi attended the 25th Commonwealth Heads of Government Meeting (CHOGM) in London reaffirming India's unconditional support towards the group's agenda of building a "Common Future" based on the fundamentals of prosperity, security, fairness and sustainability.

Given the unique position of our association, we are well positioned to respond to the challenges emerging

from issues such as growing protectionist policies, security threats and climate change.

**AT A TIME WHEN THE RULES OF ECONOMIC ENGAGEMENT AMONGST COUNTRIES ARE BEING REDEFINED AND WHEN PROTECTIONIST TENDENCIES ARE ON THE RISE GLOBALLY, IT IS IMPORTANT THAT COUNTRIES OF THE COMMONWEALTH GROUP COME TOGETHER**

Multilateralism and globalisation is the way forward and will remain a dominant force in defining relations between countries. We need to be seen as a forward-looking trade bloc. In this context, it is heartening to see the commitment displayed by the members towards building an inclusive, fair and rule based multi-lateral trading system as reflected in the communiqué issued in London.

To achieve the targets that we have set for ourselves for intra-Commonwealth trade and investment, our countries should make a thorough assessment of the barriers to trade & investment and initiate steps to bring these down over time. Our Commerce Ministers should meet more frequently

to review and assess progress on this important issue.

Further, the Commonwealth countries should consider setting up an Infrastructure Hub or a group with experts to share information and experience on infrastructure development, financing methods and the role of public private partnerships. Since infrastructure development is a key requirement in all Commonwealth countries, such a move will benefit all.

The countries may also look at building a Science and R&D network to find innovative solutions to our common problems. Many of the Commonwealth countries have a robust science and technology sector. By bringing together young researchers from diverse fields, Commonwealth nations can create a network of specialists to work on issues related to climate change, sustainable development, agricultural productivity, non-communicable diseases, green mobility, etc.

Commonwealth countries should also encourage technology flows and co-develop digital platforms for service delivery to the people. India is a pioneer in using technology for improving financial inclusion. By linking Jan Dhan bank accounts, Aadhar identity numbers and mobile phone numbers, we have a network that can deliver services and subsidies to the people in a very efficient manner. This experience can be shared with other Commonwealth countries to empower their citizens especially the poor.

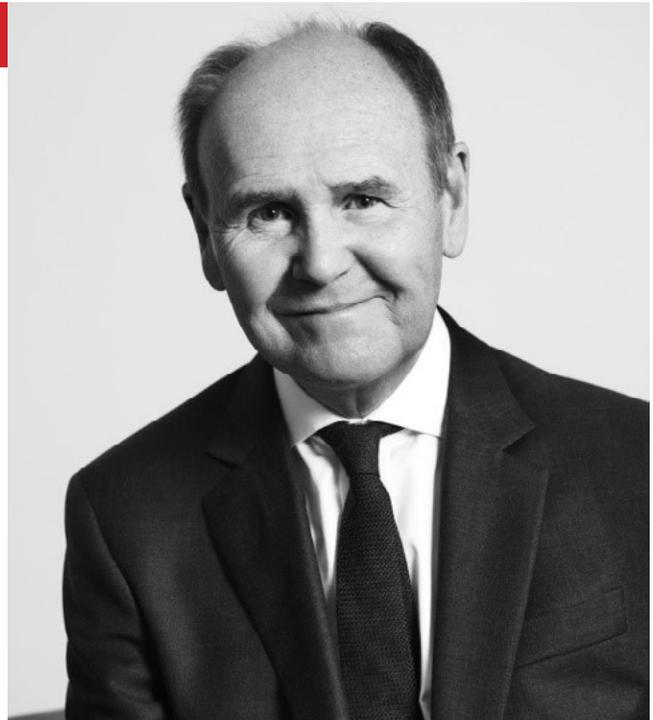
With direction from the leaders of the 53-member countries coupled with active participation and support from members of the business community we can fully capitalise on each of these opportunities in the times ahead.

*Dr Jyotsna Suri is Chairperson & Managing Director of Bharat Hotels Limited and a past President of the Federation of Indian Chambers of Commerce and Industry (FICCI).*

# An engine for UK-India investments

by John Peace

**The Midlands Engine chief explains what makes the region ripe for further investment prospects between India and the UK.**



**H**ere in the Midlands, we have a proud record as the Engine that powers the UK economy. Home to over 10 million people and 800,000 large and small businesses, the Midlands has established its reputation as a centre of excellence for a number of sectors including advanced manufacturing and engineering, automotive, aerospace, new energy, life sciences, food processing, agri-tech and high-quality consumer goods.

The Midlands Engine is a pan-regional partnership of local and combined authorities, Local Enterprise Partnerships, Universities and businesses.

Actively working with government, we have built a collective identity, which enables us to present a unified, competitive and compelling offer that is attractive at home and overseas. The partnership is about additionality, complementing the work of our partners to generate added value – at scale – right across the Midlands.

The Midlands region drives 25 per cent of the UK's manufacturing capacity and 20 per cent of the nation's exports. The Midlands has seen more foreign direct investment (FDI) projects in the last five years

than any other region outside of London.

## **Ties with India**

The region also has strong ties with India, both educational and sector-specific interactions, such as a visit to Automechanika New Delhi. Some Indian-owned Midlands businesses include Greenlam Europe, Electrosteel Castings, Briggs Industrial Footwear and more. Indeed, Tata now makes more profit per year than it paid for Jaguar Land Rover (JLR) in 2008.

**THE MIDLANDS ENGINE IS A PAN-REGIONAL PARTNERSHIP OF LOCAL AND COMBINED AUTHORITIES, LOCAL ENTERPRISE PARTNERSHIPS, UNIVERSITIES AND BUSINESSES.**

The region is at the heart of the UK's transport network – geographically we are the crossroads for much of Britain's road, rail and airport connectivity, with access to 92 per cent of the UK population in under four hours.

We are working together in new and transformative ways to invigorate the £207-billion Midlands economy. We have seen growth of 18 per cent over the last five years, but we are far from achieving our potential. Our ambition is to improve productivity further and add over £50 billion to the Midlands and UK economy by 2030.

The Midlands Engine competes on the world stage and is ripe for inward investment.

## **Vision**

The Midlands Engine 'Vision for Growth' sets out five priority areas for investment, which will enable the Midlands to contribute to the UK's Industrial Strategy. These strands of work will add significant value to the Midlands and UK economy, and help drive Britain's post-Brexit economic growth.

Our five areas of focus are:

- Connecting the Midlands through maximising new technologies to deliver a radical transformation of the Midlands transport network
- Ensuring business skills needs and the skill levels of Midlands residents are aligned

- Growing International Trade and Investment in existing and new markets
- Increasing innovation and Enterprise, creating an environment where our science and innovation strengths can be maximised
- Shaping Great Places by promoting the Midlands as a great place to live, visit, learn and work enabling the building of 600,000 new homes in 15 years.

The Midlands Connect partnership now forms the transport component of the Midlands Engine for Growth. Its key aim is to make the case for increased investment in infrastructure in the region, particularly transport, which will be a key driving force behind a thriving Midlands economy.

This includes its flagship rail project, Midlands Rail Hub, which aims to improve east-west connectivity by putting 85,000 extra seats a day on to the Midland rail network, cutting journey times between our towns and cities and supporting tens of thousands of new jobs expected by 2030. Midlands Connect's road strategy includes the Midlands Motorway Hub, which is identifying ways of cutting congestion and journey times on the M5, M6 and M42, and making the case for developing the A46 as a cross-region corridor running south-west to north-east across the Midlands.

### Workforce and skills

Midlands Connect has also secured commitment from Government to ensure that the whole of the Midlands can benefit from HS2, with £300 million earmarked to integrate it with the classic rail network in the Midlands and North. Curzon Street Station in Birmingham city centre and the Birmingham Interchange close to Birmingham Airport and the NEC will be up and running in 2026, and we are making the case for opening the East Midlands Hub at Toton three years earlier than planned, in 2030, to unlock the significant growth in jobs and housing expected in the

area. The impact on the region will be transformational, improving journey times and reliability, and creating upwards of 150,000 jobs.

We will engage with businesses to ensure that their current and future skills needs are catered for, and support the current workforce with upskilling and career development opportunities to align with their personal aspirations and employer needs.

As a partnership, we are aiming to build a collaborative skills network, bringing together industry representatives and key stakeholders to influence the future delivery of skills in the region.



Image courtesy: Birmingham Airport

The Midlands Engine is currently supporting ground breaking 5G pilots and we need to ensure that underpinning skills are provided to sectors where digital skills are an important enabler, contributing to increased productivity.

The Midlands is home to 20 universities providing cutting-edge research facilities and a rich talent pool for industry with over 100,000 graduates per year. We are also home to world-renowned brands with strength in multiple sectors including:

- New energy and energy saving
- Next generation transport (new energy vehicles, automotive parts, and aerospace equipment)
- Biopharmaceuticals and medical technology
- Food processing and innovation
- Advanced manufacturing and engineering

### SME focus

But, investment is not just about big business. Small and medium sized

enterprises (SMEs) are a key part of our diverse economy. And we realise that a barrier to growth for many of our firms is access to finance.

The Midlands Engine Investment Fund (MEIF) has launched its second phase of funding by the British Business Bank to offer a mix of debt and equity finance to SMEs in the region to help them realise their potential.

The fund will support new and growing small and medium-sized enterprises providing £250 million to approximately 1,400 smaller businesses and help create approximately 3,800 jobs.

Barclays has also launched its £370-million Midlands Growth Fund to boost jobs and economic development in the region.

There have been a number of successful trade missions over the last two years, and we are stepping up our programme, to ensure businesses have opportunity to showcase their goods or services, including our presence at MIPIM the

world's leading global property event highlighting £11 billion of investment opportunities.

We are also fostering increased innovation and enterprise, creating an environment where our science and innovation strengths in the region can be maximised. By working with our partners, we are driving sustainable business growth, powering start-up and creating quality, highly skilled jobs.

Together with multiple infrastructure developments including the new High-Speed Rail network HS2, the Midlands offers unique trade and investment propositions that are simply unparalleled.

The Midlands is the go-to place for thriving businesses and investment opportunities.

*Sir John Peace is Chairman of the Midlands Engine partnership and Midlands Connect.*

## Britain backs India's solar alliance agenda

Some solid investments laid the groundwork for closer India-UK relations in recent weeks.

### UK joins India-led International Solar Alliance (ISA).

The UK joined the India-led International Solar Alliance (ISA) ahead of Prime Minister Narendra Modi's four-day visit to Britain.

At an event held at the London Stock Exchange as part of the Commonwealth Heads of Government Meeting 2018 (CHOGM), Britain formally announced its membership of the alliance, which aims to raise \$1 trillion of private and public finance to provide affordable and sustainable energy for all by 2030.

The UK's partnership will involve providing expertise and advice to the alliance, but no monetary contributions.

The Department for International Development (DfID) said its partnership of ISA, which it described as Modi's flagship climate treaty, is aimed at giving over 1 billion of the world's poorest people access to cheap, clean, and renewable energy.

The UK said its support for ISA will be to develop solar water pumping projects, where farmers can use cheaper solar power - rather than diesel pumps - to water their crops.

UK expertise will also help increase the number of "mini grids" supplying power to remote areas that cannot be reached by the main electricity grid.

The new collaboration means ISA will be able to make solar power cheaper by helping countries join forces to procure solar energy systems.

### UK celebrates \$21.4bn in India

British companies including BP and Vodafone invested \$21.4 billion in India over the past decade, beating French and German companies put together, the UK government highlighted.

Dominic Asquith, UK's high commissioner to India, said the investments include multi-billion dollar deals inked by oil and gas company BP with Reliance Industries and telecom operator Vodafone's investments in India.

He said: "There is a need for government-to-government engagement on agreeing to frameworks for new areas of collaboration as there are commonalities between UK's industrial strategy and the Modi government's priority areas."

Asquith said the UK and India were working together in the areas of cyber security, financial technology and data management and security as the exchange of goods, services and people between the two countries intensified.

The UK was introducing a new category of visas to facilitate the entry of 'exceptional talent' from India.

The high commissioner said multiple partnerships were in the works between the two countries in areas of high-end technology such as the use of artificial intelligence-based applications to facilitate the setting up of over 5,000 medical diagnostic centres across India and

enabling over 100,000 clinics to be connected through technology.

### UK forum plans \$500mn fund to boost India ties

The Indian Professionals Forum (IPF), a UK-based non-profit think tank for diaspora related policy advocacy, is planning to spearhead an approximately \$500-million fund, which will invest in technology ventures to attract Indian entrepreneurs to the UK.

The forum was in talks with the governments of both the countries to gain their support, said its President, Mohan Kaul, who is also the Executive Chairman of the Commonwealth Investment Corporation.

The forum was formed in the last quarter of 2017 with the support of the High Commission of India. It promotes networking and professional development for working Indians, who constitute about 50 per cent of the Indian population in the UK. The fund will provide an opportunity for the forum to promote trade relations between the UK and India, replicating US-India business relations.

The UK and Indian governments are expected to raise around 20 per cent of the fund and the rest will come from fund managers.

The IPF will be the promoter and will work with governments and asset management companies.

Technology such as artificial intelligence, Internet of Things, financial technology, payment methods, and IT-enabled services in payments, healthcare, will be the primary focus of the fund.



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## The CSR revolution in India

by Abha Thorat-Shah

A British Asian Trust executive reflects on the power of corporate social responsibility (CSR) to transform lives in India.

**C**SR in India is certainly not a new concept, but in evolutionary terms it is more important than ever for leveraging social impact. With companies increasingly integrating CSR into their sustainable business strategies, serving local communities is paramount for any forward-thinking and innovative organisation. Setting new benchmarks in India, the British Asian Trust is your partner of choice to help business take the CSR ecosystem to the next level.

Though rooted in traditional ideas of philanthropy, corporate social responsibility today requires a highly strategic approach, which filters down through all day-to-day operations. Three commonly-adopted words are “Profit, People and Planet” – and CSR has a unique advantage of positively impacting on each. In adopting this principle at every level of business, investors can make a real difference and help change the future of India and its people.

Over recent years, the nature of

philanthropy in India has shifted dramatically. In 2014, the country became the world’s first to enshrine corporate-giving into law. The change mandated every firm operating in India with an annual turnover of more than Rs 10 billion to contribute 2 per cent CSR. Cementing India’s position as a leader in corporate engagement, the move fostered a new commitment to eradicating hunger, improving education and environmental sustainability, and promoting gender equality.

### A FORM OF INCLUSIVE CAPITALISM, SERVING THE BOTTOM OF THE PYRAMID BRINGS BUSINESS GROWTH

Crucially, this wider adoption of CSR has driven a move away from traditional “giving,” with companies now viewing poorer citizens as customers that can be served for the benefit of all. Such thinking stems

from C.K. Prahalad’s famed 2004 book, ‘The Fortune at the Bottom of the Pyramid’, which argued that the world’s poorest 4 billion people – two-thirds of the global population – are an untapped market with colossal buying power. Any company that could learn to serve them, he said, would not only make money but help them escape poverty too.

Microsoft founder Bill Gates memorably called the theory “an intriguing blueprint for how to fight poverty with profitability,” while Prahalad – who died in 2010 – was dubbed a “business prophet”. His theory did indeed prove prophetic; for many firms have successfully navigated the “bottom of the pyramid”, while simultaneously reducing the burden of poverty. Enter Unilever, which has historically managed to generate half of its sales within developing markets – in entirely ethical ways. Focusing on domestic products such as single-use shampoo sachets and water purification systems, Hindustan Unilever Limited’s pioneering Shakti initiative trains

local women as rural sales agents to sell its products door-to-door. To date, Project Shakti has created and empowered more than 72,000 micro-entrepreneurs, and it has been extended to include men. “The question is, ‘do you run this for society or not?’” muses Paul Polman, Unilever’s CEO. “The real purpose of business has always been to come up with solutions.”

A form of inclusive capitalism, serving the bottom of the pyramid brings business growth, profit and an immeasurable “give-back” to humankind which helps narrow the gap between rich and poor. Those areas of India which lack infrastructure have also become testing grounds for environmentally sustainable technology and products that enrich the wider world.

In the same vein, BT, one of the British Asian Trust’s partners, is at the forefront of using digital technology as a tool for empowerment. Our work together involves developing long-term investment in education and training and lifting children out of the poverty trap by equipping them with IT and engineering skills.

The transformative power of social impact investment is also highlighted by our upcoming \$10-million Development Impact Bond (DIB), designed to improve learning outcomes for more than 200,000 marginalised children in Rajasthan, Gujarat and Delhi. In partnership with UBS Optimus Foundation, Michael & Susan Dell Foundation, DFID, Tata Trusts, BT, Comic Relief and the Mittal Foundation, the performance-based initiative aims to catalyse a system change that could transform the lives of millions of young people in India. As international philanthropist and social innovator Sir Ronald Cohen stated: “What the British Asian Trust is doing in social finance is truly groundbreaking: it is capable of delivering vital social improvement at scale.”

Elsewhere, other corporates are shaking up CSR in India through supply chain management. For example, clothing retailer New Look

consults workers at every level to identify their needs, while also encouraging communication between employees and management. Furthermore, comprehensive staff training has improved skills and teamwork in its Indian factories. In this way, CSR allows companies to build brands that staff – as well as customers – believe in. As employees play a vital role in day-to-day operations, internal engagement is just as essential as external impact. In the words of Sir Richard Branson: “It should no longer be just about typical ‘corporate social responsibility’ where the ‘responsibility’ bit is the realm of a small team buried in a basement office. Now it should be about every single person in a business taking responsibility to make a difference in everything they do, at work and in their personal lives.”

**THOUGH ROOTED IN TRADITIONAL IDEAS OF PHILANTHROPY, CORPORATE SOCIAL RESPONSIBILITY TODAY REQUIRES A HIGHLY STRATEGIC APPROACH, WHICH FILTERS DOWN THROUGH ALL DAY-TO-DAY OPERATIONS.**

Being at the heart of the community is a fundamental guiding principle for any successful CSR strategy. The British Asian Trust works closely with the John Lewis Foundation, which in 2016 funded our Feasibility Study into issues contributing to child labour in Rajasthan. Following recommendations from the report, the John Lewis Foundation is now funding the business transformation component of our “Hotspots” programme, which aims to eliminate child labour in the city of Jaipur through targeted grassroots interventions. In addition, they have been supporting India’s KATHA School of Entrepreneurship. Here, women, young people and other marginalised groups receive access to income generation schemes

through vocational training and employment support.

While little attention has previously been paid to the CSR practice of consultancies and legal firms, this is another big area of change. Reed Smith LLP – the British Asian Trust’s counsel and development impact partner – has won several awards for its CSR programmes, and Senior Partner Michael Skrein points out that his company has an “ethical responsibility to the communities in which we work, our clients, our personnel and the world in which we live, and want to live.” Legal expertise itself is a highly valuable commodity, which allows a company to stand out.

Drawing on all of the above, it is clear that a long-term, innovative CSR strategy is a business imperative which should not be overlooked. No longer can any firm afford to simply “tick boxes.” Now more than ever, consumers are drawn to companies that champion employee welfare, community progress and environmental sustainability. With businesses now forced to work harder to earn customer trust and loyalty, it is no coincidence that swathes of millennials are choosing to support those who act on their social and environmental responsibilities.

It is our firm belief that business and philanthropy can work together harmoniously in India, and as our Chief Executive Richard Hawkes, states: “At the British Asian Trust, it is in our DNA to think beyond traditional approaches; to be entrepreneurial and creative in our approach to achieve impact at a larger scale.”

For this reason, partnering with the British Asian Trust in India, not only makes smart business sense, but also contributes to the greater good, today and for generations to come.

*Abha Thorat-Shah is Executive Director (Programmes and Partnerships) at the British Asian Trust.*

# M&As in the Indian start-up ecosystem

by Param Shah



With the recent Walmart acquisition of Flipkart as a base, an industry expert analyses the mergers and acquisitions (M&As) activity within India's start-up landscape.

The recent acquisition of Flipkart by the US retail giant Walmart is the buzz word in the start-up ecosystem in India. Walmart picked up 77 per cent stake in India's largest online retailer, Flipkart, for \$16 Billion. Experts have categorised this as the country's largest acquisition and the world's biggest purchase of an e-commerce company.

This has led to a discussion around M&As as a trend, which offers an easy and quick exit for start-ups and early stage investors.

In recent times, India has seen the M&As scenario change drastically – from big acquisition or acqui-hires to M&As between start-ups which have raised angel to Series B funding. Over the years, the latter has gradually and steadily been on the rise. As reported by media platform Inc42, until November 2017 the start-up ecosystem of India had witnessed 123 acquisitions as against 155 in 2016 and 117 in 2015.

What has been interesting to see is that not all M&As are hostile. Some of them have been a game-changer for the existing market. These acquisitions have been by larger corporates, established as well as fast growing start-ups and global giants and venture capitalists (VCs).

Strategic acquisitions within start-ups are on the rise both in terms of the number of deals as well as exit value for investors, the data available indicates. Another important aspect of the evolving M&A landscape are companies acquiring bootstrapped entities with a strong performance track record and global companies buying Indian start-ups to strengthen their tech products and expand in the Indian market.

Over the coming years we will see more start-ups consolidating their energies and resources to either survive the growing competition or to become market leaders. This will also result in lesser number of Start-ups closing shops. As the Indian Start-up ecosystem continues to grow and attract greater foreign interest, we may expect the value of M&A deals to increase commensurately in times to come.

India has been a fertile landscape for innovative and globally scalable start-ups. The right environment, regulatory support and consolidation will allow start-ups to embed themselves as key components of India's rapidly evolving, technologically-oriented economic growth story.

## India calling

The payment infrastructure developed in India over the last eight years is

second to none. Additionally, there is a massive digital drive taking place in India as a result of the Pradhan Mantri Jan-Dhan Yojana, an increase in smart phone penetration and demonetisation. India also happens to be the largest remittance receiver in the world.

In the "India Calling" series this month, we review a FinTech company with a twist. Co-founders of Yooz – Arunjay Katakam and Lara Gilman – recognised the need for having low-value money transfers within minutes, with no hidden fees and most importantly without hassles. The Yooz team is made up of people who live far from home, hence understanding that sending money can help one feel closer to family and friends, as well as to one's goals.

Arunjay Katakam, CEO & Co-founder, is a payment expert and consulted with the GSMA's Mobile Money programme for three years, where he provided a comprehensive understanding of the evolution of mobile money, including analysing the impact of new technologies and business models. Prior to the GSMA, Katakam built and sold two businesses and invested in another, which was acquired by Twitter. He spent the first five years of his career counting beans at Ernst & Young.

## Big Boys Go Shopping

Acquired by	Company Acquired
Bharti Airtel Ltd	Seynse Technologies Pvt Ltd
Marico Limited	BEARDO
Times Internet	House of God

## Global Giants Shop in India

Acquired by	Company Acquired
Ebix Inc.	Via.com
	ItzCash
Dentsu	Sokrati
OMA Emirates	MobiSwipe
APUS	Siftr
Google	Halli Labs
Espacio	The Tech Panda
Mara Group	Nimbuzz
Alibaba Pictures Group Limited	TicketNew

Gilman, the COO & Co-founder of Yooz, has also joined from the GSMA Mobile Money team. At GSMA, Lara provided operational support to more than 25 operators across 18 countries, including eight in-depth consumer research projects focused on driving adoption. Prior to GSMA, she worked in financial services and, in 2009, earned her MBA from INSEAD.

The software that powers Yooz has been developed by an in-house team based in Bangalore, India.

Yooz aims to be the world's first remittance company that does not rely on transaction fees and focuses instead on ecosystem-based revenue streams. Their mission is to help migrants send more money home, whenever they need to and as fast as possible.

Yooz believes that FinTech should do more for financial inclusion and reducing the poverty trap. The cost of remitting from the UK varies per destination country and transfer method. The major money transfer operators in the UK typically charge

from 7 to 11 per cent of the total amount remitted. In international remittance, people who send the lowest values often pay the highest fees as business models cater to high-value senders. As a percentage, it can cost up to 10 times more to send £50 than it does to send £1,000. Therefore, instead of sending money when they need to, migrants bundle their funds or use risky informal channels to make the economics work.

Yooz focuses on the UK to India corridor worth \$3.6 billion. According to the latest figures available from the World Bank, the UK's biggest remittance corridor is to India. The amount of remittances each year, works out to roughly 16 per cent of the total remittances from the UK. Considering India is the second most common country of birth among migrants to Britain, this shouldn't come as a surprise.

In addition to the market size, it is one of the few corridors that allows for instantaneous cross-border transactions. By reinventing the business model and leveraging new payment infrastructure, Yooz aims to unlock the commercial and social value in the long-tail of cross-border transactions.

It is a single corridor (UK to India) focused start-up, looking to leapfrog its competitors using new payment infrastructure available in India. The company plans to build deep links with Indian recipients and help them on their journey to financial inclusion by offering micro-credit and micro-insurance products through their partners. While UK to India is their first corridor, as the company grows it will open other corridors such as

## Big Move: Start-ups acquired by established ones

Acquired by	Company Acquired
Flipkart	eBay India
Byju's	Edurite
	Vidyarthi
	TutorVista
Paytm	Nearbuy India
	Little
Zomato	Runnr
Swiggy	48East
BookMyShow	Burrrp!
Flipkart	F1 Info Solutions & Services
Ola	Foodpanda

Singapore to India, Australia to India, Middle East to India and the US to India.

The company is developing the Yooz proposition to test the following hypotheses in 2018:

- By enabling low-value transfers, the frequency of transactions will increase as they will be driven by demand rather than cost structures.

- Low-value transactions will unlock an opportunity for exponential growth and increase the incentive to send money digitally rather than informal or cash-to-cash.

It would be interesting to closely monitor the progress the company makes in testing the hypotheses and change the remittance landscape. What would be more important to see is the impact the company makes in financial inclusion of the recipients and stand out from the competition.

*Dr Param Shah is Director – UK, Federation of Indian Chambers of Commerce & Industry (FICCI).*

*\*The views expressed herein constitute the sole prerogative of the author. They neither imply nor suggest the orientation, views, current thinking or position of FICCI. FICCI is not responsible for the accuracy of any of the information supplied by the author.*



## A new age of India, West Midlands relations

by Andy Street

**The Mayor for West Midlands Combined Authority sets out what makes the region a potential engine for UK-India relations.**

**W**hen we think of regions with close links with India, the West Midlands does not come immediately to mind. We think of London, Scotland or the Northern Powerhouse, but actually the West Midlands has, over the past 10 years, worked with the 200,000 strong Indian diaspora and with Indian investors to create a new age of India-West Midlands relations.

I am the Mayor of the West Midlands Combined Authority (WMCA). That is a geographical area spanning from Coventry to Wolverhampton, and encompassing Solihull, Birmingham, Walsall, Dudley and Sandwell in between. Before becoming the Mayor of the West Midlands in May 2017, I was the CEO of John Lewis nationally

and also the Chair of the Birmingham and Solihull Local Enterprise Partnership (GBSLEP). Due to effective partnership working between the LEPS, businesses and local Councils, the WMCA area attracted 70 FDI projects from India in the last 10 years, creating 13,322 new jobs.

### Facts & figures

India is ranked third for project numbers (behind US and Germany) but ranked first for job creation during that time. Indeed, when I am out and about I often meet people that live and work in the West Midlands but are employed by a successful Indian company. India has generated 7.6 per cent of all projects and 28.1 per cent of all jobs in the WMCA area from foreign direct investment (FDI) over

the past 10 years – which is over a quarter of all jobs created in the area. Tata JLR is alone responsible for 12,257 of the new jobs created from Indian FDI. This is 92 per cent of all jobs created by Indian investors in the last 10 years. It has really been a game changer for local people and for the graduates of our world-class institutions.

It will come as no surprise that Indian FDI trends are hugely influenced by the Tata Group's ownership of Jaguar Land Rover (JLR), which contributed 27 of those projects (39 per cent of all Indian projects). Jaguar Land Rover really is the jewel in the crown of the West Midlands, an Indian investment that has created a whole automotive cluster around it, sustaining a large

local supply chain made up of local businesses and driving forward our research and development into the future of automotives – including the development of the electric car.

pleased to lobby for a direct Amritsar flight and to launch it with Air Indian and Birmingham Airport earlier this year.

what the West Midlands has to offer. As well as the hard economic case, we have the world-class restaurants, retail, culture and arts that are driving tourism to us every day.



I was privileged to visit Mumbai last year to meet the Indian heads of both JLR and the wider Tata Group and they are absolutely committed to the business in the West Midlands. As Mayor, I am committed to helping this key business thrive – and to spreading the message that investing in the West Midlands does pay off – we have the talent, infrastructure and connectivity (physical and digital) that is unparalleled in the UK.

### Connectivity

We have the youngest population in Europe, are the most diverse region in the country and are within a four hours' drive to most of the United Kingdom.

Birmingham Airport has a daily flight to India – flying with Air India on any day will land you either in Delhi or Amritsar, and the Amritsar flight has had to increase in capacity due to high demand. I was personally

**WE HAVE THE YOUNGEST POPULATION IN EUROPE, ARE THE MOST DIVERSE REGION IN THE COUNTRY AND ARE WITHIN A FOUR HOURS' DRIVE TO MOST OF THE UNITED KINGDOM.**

I am absolutely committed to developing our case to India further and am looking forward to visiting again this year. The West Midlands Combined Authority is working with the Midlands Engine to really make things happen between the region and India and we are focussing on advanced manufacturing, life sciences and digital.

### Beyond economics

I implore you all to come and see

HS2 will bring a new level of connectivity with London and the north of England. Our Balti triangle is famous – we have had museum exhibitions on our famous curry industry. We are pleased to host the biggest Indian Film Festival in the UK and Birmingham University has a dedicated India Institute – driving forward joint academic research and a deeper insight into all that ties us together.

India is a main strategic priority for our region and it is not backed by hard strategy papers but a mutual understanding and a natural market relationship. I am committed to making it grow.

*Andy Street is the Mayor of the West Midlands Combined Authority.*

# India-China: Turning rhetoric into reality

by Gareth Price



A foreign policy expert analyses the India-China relationship in the aftermath of the recent Narendra Modi and Xi Jinping summit in Wuhan.

High-level meetings between India and other countries generally result in a list of memoranda of understand (MoUs) and, relatively, concrete action plans. This could not be said of the informal summit held in late-April between the Indian Prime Minister, Narendra Modi, and China's President, Xi Jinping. Whether the meeting reflected an Indian pivot to China; a reset of the relationship; or was simply an opportunity to put differences to one side; has been hotly discussed, in India at least.

The summit reflected strengths and weaknesses on both sides. The increasingly assertive US approach towards China would seem likely to have encouraged it to "reach out" to India: while India is increasingly situated within the US ambit, its position remains somewhat ambiguous. For India, with elections due within a year, another military stand-off with China would bring electoral (and military) risks. Furthermore, while it remains opposed to China's flagship Belt and Road Initiative, its position is softening somewhat. Domestic imperatives, coupled with concern over the direction of US foreign policy ambition means that at this juncture a degree

of rapprochement between India and China would serve both sides well.

Relations between China and India remain the sum of a number of contradictory drivers, rather than simply being half-full or half-empty. The personal rapport seemingly apparent between Modi and Xi certainly serves to strengthen the relationship – the two have met 13 times in total, and Modi is the only foreign leader that Xi has hosted, now twice, outside of Beijing.

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## FOR INDIA, WITH ELECTIONS DUE WITHIN A YEAR, ANOTHER MILITARY STAND-OFF WITH CHINA WOULD BRING ELECTORAL (AND MILITARY) RISKS.

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Economic ties are another positive driver, though the imbalance in China's favour is a cause of Indian concern. At the summit, they agreed to enhance trade whilst working to counter the trade deficit. While this may have seemed somewhat vague, the Chinese announcement a couple of days later that it would allow the import of 28 drugs from India, including all cancer treatments,

is significant. India had long argued that Chinese impediments to exports of pharmaceuticals, among others, served to worsen its trade deficit.

One of the more significant – though not yet detailed – outcomes of the summit may have been the commitment to improve people-to-people links between India and China. Whenever relations between the two countries deteriorate, the lack of mutual understanding within each country of the other quickly becomes apparent. Greater interaction can only be positive.

Perhaps the most surprising agreement was the agreement to cooperate in Afghanistan, as well as the re-launch of BCIM – the Bangladesh-China-Indian-Myanmar corridor. The latter had stalled largely because of Indian concerns regarding the correlation between connectivity with China and a surge of imports. However, many North East Indian states supported the initiative given the absence of alternatives, and the fact that North East India is already over-run with Chinese products.

Engagement in Afghanistan – first mooted a year ago – certainly makes sense on paper. Both countries



have similar economic interests, in particular focussed on developing Afghanistan's mining sector, and to do so requires political stability and security. If they could cooperate within Afghanistan, the likely benefits would not be confined to Afghanistan. In addition, India will participate, along with both China and Pakistan, in military exercises in Russia later this year as part of the Shanghai Cooperation Organisation.

Two issues are firmly on the negative side of the ledger: China's close friendship with Pakistan and the border dispute. Pakistan's position remains an unanswered question. China has pledged billions for infrastructure development in Pakistan but – as in Sri Lanka – there are serious questions over the economic viability of the infrastructure. Were India to be the end-point of the China-Pakistan Economic Corridor it may make more sense, but that would require some political shift within the region. Historically – with occasional

exceptions – the border dispute has been dealt with through a high-level annual meeting which agrees to disagree, and returns the next year to repeat the ritual. In recent years, actual military stand-offs have taken place, which increase Indian concern regarding China's motivations, and enhance the fear that China is seeking to encircle India. The days when mountainous Tibet operated as a buffer between the two are long gone.

The Wuhan Summit – rhetorically at least – signalled a desire to return to the status quo ante. Both countries stressed the need for peace along the border and stated their support to the special representatives on the border question. While their call for a mutually-acceptable settlement may be more substantive than symbolic, another military stand-off seems unlikely before the Indian general election.

Perhaps the biggest question stemming from the meeting regards

Modi and Xi's articulation of the two countries as central to the Asian Century. Clearly, given their size, this is a truism if there is to be an Asian Century. And yet, of late India has appeared to be shifting towards an anti-Chinese position, with the resurrection of the Quad, along with the US, Japan and Australia and in its clear opposition to the Belt and Road. If China and India do start to act as though they need each other, the talk about mutually-beneficial outcomes could start to come to fruition. Many Indian commentators have been sceptical about the summit outcomes. And the geo-strategic concerns regarding China's motivations will certainly circulate in strategic circles in Delhi. But starting with these concerns would be unlikely to overcome distrust. If India and China did work together to tackle some of the challenges suggested at the summit – disease control, disaster management, climate change and digital empowerment or indeed Afghanistan – some of the rhetoric may become reality.



A Singapore-based legal professional throws up the prospect of an India-UK-Singapore investment dynamic within a wider Commonwealth landscape.

## What makes Singapore a hub for Indian investments

by Babita Ambedkar

**T**he connection between India and Singapore feels, to some extent, effortless. Singapore derives its very name from Sanskrit: “Simha,” meaning Lion, and “Pura,” meaning city, and that sets the context for its very important relationship with India.

Nearly 10 per cent of the population of Singapore citizens and permanent residents are ethnically Indian and people of Indian and Sri Lankan origin were one of the constituting communities of the Republic of Singapore. Tamil is an official language, Indian food is commonplace, a number of Indian languages are regarded as “Mother Tongue Languages” within the Singapore education system and Little India is often fondly regarded as “India outside of India.”

This connection has not been without

effort though. In the early 1990s, Singapore actively built its trade and investment activities with India. A number of Singaporean entities were involved in the development of India’s infrastructure at that time and this helped such enterprises to build an active presence in India early on. The connection was further nurtured and built-upon by the signing of the India-Singapore Comprehensive Economic Cooperation Agreement (CECA) in 2005. The CECA created a platform from which the two nations could explore mutually beneficial economic opportunities, including the elimination of tariff barriers, double taxation, duplicate processes and regulations. The CECA also improved collaboration in industry sectors such as science and technology, education and aviation.

Airline connectivity between Singapore and India grew as a

consequence of this initial economic activity such that Singapore is now highly connected to multiple first and second tier cities across the subcontinent. Due to the early progress that they had made, Singapore’s companies are now at an advantage in the new wave of inward investment in India due to their familiarity, proximity and existing presence in select industry sectors. Singapore has invested in projects to upgrade India’s infrastructure and is helping to develop information technology parks, smart cities and special economic zones. Over the past decade, Singapore’s total trade with India has increased from S\$11.8 billion to S\$24.6 billion and Singapore’s investments in India have grown from S\$653 million to S\$12.1 billion.

Singapore is now a leading hub for Indian investments. The channel is

both inbound and outbound with global investments into India being structured in Singapore as well as the offshoring of a number of Indian companies seeking to leverage the flexible funding opportunities and user-friendly business ecosystem of Singapore. There are now more than 7,000 Indian companies in Singapore and the number is increasing day by day. Tourism is also an important element: over 1.27 million Indian nationals visited Singapore as tourists in 2017. Due to the similar time zone, cultural familiarity, ease of access, safety and transparency, Singapore has become a regular holiday destination for Indian nationals.

Singapore has also excelled as a centre for the resolution of disputes involving Indian parties. Indian parties have consistently been among the top three users of the Singapore International Arbitration Centre (SIAC) over the past seven years. In 2015 and 2016, Indian parties were SIAC's top foreign user, with the number of Indian parties growing at almost 70 per cent within those two years. Indian parties also bring high value disputes to Singapore and over 22 per cent of SIAC's high value cases are from Indian parties, with sums in dispute of over S\$25 million.

The impact of the changes in the Singapore-India double taxation agreement, essentially eliminating the capital gains tax advantage of establishing a presence for India-focused activities in Singapore, were of concern when implemented last year. It seems however that, in the eyes of the investor world, Singapore is now cemented as a hub for inward investment due to transparency, ease of access and reasons other than those purely motivated by tax. This is an encouraging sign and demonstrates the true depth of the relationship.

Singapore recognises the importance of India in its future and has been quick to support the initiatives for infrastructure and other development that have been materially accelerated by the Modi administration. This was bolstered by the signing of the

India-Singapore Strategic Partnership by PM Narendra Modi and PM Lee Hsien Loong in 2015 and the opening of the Indian Heritage Centre in the same year to recognise the contributions of Indians in Singapore and Southeast Asia.

While Singapore prides itself as an international hub for investments from various places, India clearly presents a major opportunity to the island nation. Particular areas of focus will be on skills development and infrastructure. Singapore has achieved success in securing mandates to support certain Indian states in the development of smart cities such as Amaravati and its ability to efficiently plan, implement and execute projects stands it in good stead.

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### **SINGAPORE NEEDS TO KEEP PACE WITH OTHER DESTINATIONS IN CONTINUING TO PROVIDE A CONDUCTIVE OFFERING FOR INDIAN INVESTMENTS**

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Equally, its ability to offer asset-light Indian companies a home and access to a wide pool of funding and ancillary services enables it to effectively act as an accelerator for India's burgeoning entrepreneurial sector. Many of India's leading new economy businesses are headquartered in Singapore.

As India now courts the world however, Singapore needs to keep pace with other destinations in continuing to provide a conducive offering for Indian investments. Singapore will also need to demonstrate a willingness to go the extra mile and leverage its ability to deploy expertise with speed and efficiency in order to maintain relevance in the new dynamic of



India. Singapore must also leverage its diaspora, including its incredibly capable South Asian ministerial cadre, in a more pronounced way.

Singapore has been fortunate in many ways due to its proximity to India. However, the Singapore-India story is now taking a new trajectory. It is evident though that Singapore will remain a key channel for Indian investments, from an inbound and outbound perspective for the foreseeable future.

Finally, in the context of UK-India Week 2018, it may be appropriate to consider how the UK may be able to leverage Singapore as an investment hub in the context of its relationship with India. As a British citizen who has lived in Singapore for over a decade, I consider the initiative of re-defining the Commonwealth and the establishment of trade relationships within the Commonwealth to be an important one.

Let us remember that Singapore too is a Commonwealth country and the UK-Singapore-India dynamic should certainly be leveraged in a more considered way.

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*Babita Ambekar is Special Counsel and Head of Duane Morris & Selvam's India and Japan Practice Groups.*

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# India's rich cuisine is a soft power that deserves investment

Chef Sriram is an award-winning Michelin star genius who has been instrumental in popularising Indian flavours in Britain. In this interview, he talks about his passion for cooking and how India can take the lead in skills training in the food industry.



## How has the face of Indian cuisine changed in the UK over the years?

In the last 20 years, there has been a complete sea change. The number of authentic Indian restaurants have gone up dramatically, not just in London but across the country. That is a very good sign and reflects the spread of Indian flavours all over. You can find classical Indian food even in the smallest of counties now.

This includes regional cuisine and a greater focus on regional dishes. It has meant great exposure for Indian food and is a perfect way to showcase the country.

The stereotypical menus have given way to a lot more broader variety, which is good for the restaurant industry as well as the image of India.

London is a melting pot and because of the importance of the city in terms of international business, there could not be a better place to showcase India's exceptional cuisine. People

come to London from all over the world and a large majority of the clientele tends to be non-Indians. That helps make our cuisine international in its true sense. It is one of the best soft powers India has to make a lasting impression about the country overseas.

## Has India successfully harnessed this soft power to enhance the India-UK partnership?

Absolutely. That is the beauty of this business. Food is just one part because it also helps showcase Indian hospitality. When people walk into a good Indian restaurant, they are experiencing the best aspects of India's culture – from music to hospitality.

All your senses are engaged – be it taste, smell or touch. As Indians, we are naturally very hospitable and that sets the tone of the kind of experience we bring to the table. To my mind, there is no better soft power than cuisine. It is eternal and caters to a very basic need of people.

If they enjoy it, they will remember everything about it, including the country where the food originates from. I don't think anything else can bring that same kind of experience.

## What in your mind stands out as a turning point for Indian food as Britain's favourite?

India's love for the UK and the UK's love for India has been there for centuries. There may have been ups and downs but for the last 70 years, things have only got better.

The quality of Indian food being served in the UK has dramatically improved over this period and has won over global respect. It is in large part down to a clear and concerted effort on India's part to portray different aspects of the country. India opening up for globalisation has given the biggest boost and made the world take India very seriously.

## Is there a better understanding about the variations offered by different regions of India?

When we opened Quilon [Flagship Taj restaurant in London] in 1999, guests would come in and still be looking for some very stereotypical dishes that they knew about. Today people know the huge variety of cuisines India has to offer – be it Kerala food, Tamil Nadu food or Punjabi food.

As people travel to India more and more, there is an ever-growing tendency to know more about these regional variations. The exposure has increased and we have come a long way today, where everyone is comfortable and open to trying new flavours.

People realise there is a huge diversity in our cuisine and culture and have learnt to appreciate that with an open mind. Everybody is ready and open to experience what is on offer from India today.

### How important are aspects such as Quilon's Michelin star and your string of awards in enhancing that understanding?

Quilon first got its Michelin star in 2008. Any rewards or recognition you get, especially in a city like London which offers all kinds of cuisines from around the world, bring a great sense of pride. It is a validation that we are being compared to all other cuisines and are able to offer the same standard. It is also a good check for oneself, like a personal score-card for the team.

Indian chefs are today winning awards around the world and that is great. It means we are able to meet the high global standards. Just shows that we are able to offer something that is globally acceptable.

In the last couple years, even India has been recognising this talent with awards like the Padma Shri for chefs. It is very encouraging that as a nation we are respecting and recognising talent in the field.

### How should the industry tackle the challenge of skill shortages?

It has become a challenge to bring in chefs and other hospitality staff from India to the UK. It feels like we went from one extreme to another, from a very open-door approach to a complete shut policy. The solution, to my mind, lies somewhere in between.

We can still attract skilled professionals in any field and be stringent with visa rules at the same time to ensure they add value. It is not all about employment and employability, a restaurant adds value to the local economy.



### WHEN PEOPLE WALK INTO A GOOD INDIAN RESTAURANT, THEY ARE EXPERIENCING THE BEST ASPECTS OF INDIA'S CULTURE – FROM MUSIC TO HOSPITALITY.

The issue of training is important. We need to recruit and train locally but that is a long process. It takes times and there are institutions trying to address this. But they all need far more support, finance and focus. The industry and academia need to work together to develop a model that works.

Most restaurants tend to be medium or small enterprises, which cannot afford to support large training infrastructure. We need such training to be formalised for it to work.

This is one opportunity India has, where it can create a solid chef training model in India which can then be replicated. It will require state support and a recognition that our cuisine is a soft power that deserves investment.

### How does being a Global Indian impact your professional life?

I don't feel like I belong to any one place. I feel I belong to the world, which keeps my mind open to all cultures. I was born and brought up in India and have a strong connect with the country.

I get to travel quite a bit, across Europe, America and India, which helps keep me connected with what's happening around the world. The advantage of working with the Taj Group is that we have a large footprint in India and abroad and that exposure also enhances the experience.

We also support lots of local charities and work with women, children and health-related issues and try and help them raise

funds.

In terms of food, I feel Britain is the best country in the world because it offers so much of variety and scope to experiment. And, when we get it right, people really appreciate it.

Very simply, I love food. Even when I am at home, my great stress-buster is to cook. I love this whole business, love the whole idea of cuisine and interacting with other chefs and professionals. I truly enjoy the art of cooking and welcome all the experimentation that is happening in the area of raw materials. It is all very exciting. I think I live and dream food all the time; it is a part of me and it's my life.

# Indian companies are integral to post-Brexit growth in UK

by India Inc. Staff



The 2018 'India Meets Britain Tracker' by Grant Thornton presents a promising view of what India-UK ties of the future look like.

**A**s many as 800 Indian companies in Britain had combined revenues of £46.4 billion, employ nearly 105,000 people and paid £360 million in corporation tax over the previous year.

The 'India Meets Britain Tracker', released annually by professional services major Grant Thornton in collaboration with the Confederation of Indian Industry (CII), identified a record 87 fast-growing Indian companies in Britain to conclude that Indian investment remains integral to post-Brexit growth in the UK.

Anuj Chande, Head of South Asia Group at Grant Thornton UK, said: "The report clearly shows that the UK remains a highly attractive destination for Indian investors.

"Following the Brexit vote, the UK economy is in a period of flux as it looks at how to reinvigorate its role as a global trading nation and seeks to forge new trade deals... The UK cannot overlook the significance of the Indian economy (set to be the third-largest in the world by 2030) and must ensure that, beyond Brexit, it remains a leading investment destination."

This year's Tracker highlights 87 fast-growing Indian companies in the UK, as well as the top Indian employers, and provides insight into the evolving scale, business activities, locations and performance of the Indian-owned companies making the biggest impact in the UK. The top five fastest-growing Indian companies and employers in Britain have been identified as TMT Metal Holdings Ltd, Wipro Holdings

UK Ltd, Piramal Imaging Ltd, Tata Group firm TCNA UK Ltd, Route Mobile UK Ltd.

"The phenomenal growth rate just goes to show that Brexit or no Brexit, the UK remains a very important partner for India," says Y.K. Sinha, the Indian high commissioner to the UK. To be included in the Tracker, now in its fifth year, Indian corporates must have a minimum two-year track record in the UK, turnover of more than £5 million and year-on-year revenue growth of at least 10 per cent, based on the latest published accounts filed as at February 28, 2018. The companies that made it to the tracker achieved an average annual growth rate of 44 per cent, with seven companies seeing turnover growth of more than 100 per cent.

# Tracking the UK's top Indian companies



Of these **22** companies featured in 2017



Companies have appeared in the list every year since 2014. They are Accord Healthcare Limited, Glenmark Pharmaceuticals Europe Limited, Milpharm Limited and Secure Meters (UK) Limited



**SME's**  
(£5m to £25m turnover)



**Mid-size corporates**  
(£25m to £250m turnover)

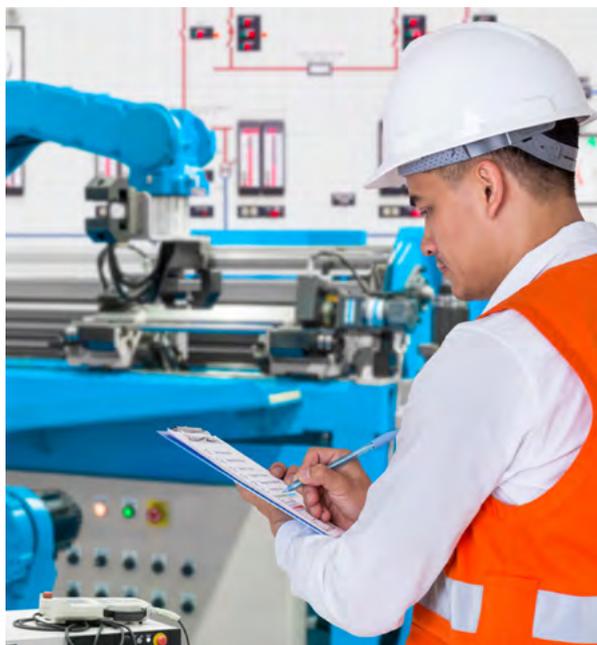


**Large corporates**  
(over £250m turnover)

Companies in technology & telecoms and pharmaceuticals & chemicals sectors have again featured strongly and this year make up 20 per cent and 16 per cent of the list respectively. For the first time this year, companies from the engineering and manufacturing sector came joint second in the number of companies in the tracker.

This year's report also identifies operating profits of £2.25 billion for Indian companies operating in the UK. For the first time, the tracker also identified that 19 per cent of these fast-growing Indian companies in the UK had women on their boards.

"At a time when the UK is forging a future outside of the European Union, it will be looking to strengthen its ties with long-standing partners like India. The Indian economy is forecast to grow substantially and what the UK must focus on is both creating new and maintaining existing investment opportunities as it competes for India's investment on a global platform," says CII's Shuchita Sonalika.



cut for 2018, 22 had featured in last year's list as well and one-third of the total number of firms recorded an impressive growth rate of over 50 per cent. London strengthened its dominance as the leading destination for Indian investment, with over half of the fast-growing firms now based in the British capital, up from 44 per cent in 2017 and 39 per cent in 2016.

Seven companies in the ranking achieved turnover growth of more than 100 per cent, including TMT Metal Holdings Ltd, Route Mobile (UK) Ltd and Accord Healthcare Ltd, and four companies appear in the

Tracker for the fifth consecutive year – Accord Healthcare Ltd, Glenmark Pharmaceuticals Europe Ltd, Milpharm Ltd, and Secure Meters (UK) Ltd.

Wipro, Union Bank of India, Accord Healthcare and Secure Meters were also recognised with Grant Thornton 2018 awards for an impressive fast growth trajectory in their respective sectors.

## THIS YEAR'S TRACKER HIGHLIGHTS 87 FAST-GROWING INDIAN COMPANIES IN THE UK, AS WELL AS THE TOP INDIAN EMPLOYERS

Of the 87 companies that made the

## India Tracker 2018 at-a-glance



Just under  
**800**  
Indian companies  
operating in the UK



Recording combined  
revenues of  
**£46.4 bn**



Employing nearly  
**105,000**  
people



Over **£360m**  
total corporation tax paid  
by Indian companies  
operating in the UK



Total capital expenditure  
by Indian companies  
in the UK of  
**£4.7 bn**



**£2.25 bn**  
Operating profit for all  
Indian companies  
operating in the UK



**87,000**  
people employed by  
13 largest employers



**19%**  
of Indian owned UK  
subsidiaries have women  
on their board

## The UK's top fastest-growing Indian companies

Rank	Domestic ultimate owner	Global ultimate owner (GUO)	Latest Growth %
1	TMT Metal Holdings Limited	UD Holdings Limited	10335%
2	Wipro Holdings (UK) Limited	Wipro Limited	1778%
3	Piramal Imaging Limited	Piramal Enterprises Limited	940%
4	TCNA(UK) Limited	Tata Chemicals Limited	356%
5	Route Mobile (UK) Limited	Route Mobile Limited	145%
6	Incessant Technologies (UK) Limited	Niit Technologies Limited	113%
7	Accord Healthcare Limited	Intas Pharmaceuticals Limited	104%
8	Cigniti Technologies (UK) Limited	Cigniti Technologies Limited	99%
9	Prometheon Enterprise Limited	Cox & Kings Ltd.	98%
10	Prime Focus International Services UK Limited	Prime Focus Limited	97%
11	Union Bank Of India (UK) Limited	Union Bank Of India	84%
12	Intellect Design Arena Limited	Intellect Design Arena Limited	77%
13	Appirio Limited	Wipro Limited	74%
14	BB (UK) Ltd	Cravatex Limited	71%
15	HCL Technologies UK Limited	Hcl Technologies Limited	70%
16	NIIT Limited	Niit Limited	68%
17	Faces Cosmetics Limited	Indivision Ventures li	67%
18	BSR Pipeline Services Limited	Tata Steel Limited	66%
19	Atul Europe Limited	Atul Limited	63%
20	Avt Tea Services Limited	Avt Natural Products Limited	63%

## UK's top Indian Tracker companies sector breakdown

(number of companies by sector)



## Major Indian employers in the UK

Ultimate parent company	UK subsidiaries	Latest employee number
Tata Motors Limited	Tata Motors European Technical Centre Plc, Jaguar Land Rover Automotive Plc, Incat International Plc	40,611
Tata Steel Limited	Tata Steel Europe Limited, Bsr Pipeline Services Limited	21,168
Cox & Kings Ltd	Clearmine Limited, Cox & Kings (UK) Limited, Prometheus Enterprise Limited, Quoprrro Global Limited, Holidaybreak Limited	5,099
Cesc Limited	Firstsource Solutions Uk Limited	4,620
Hcl Technologies Limited	Hcl Insurance Bpo Services Limited, Hcl Eas Ltd, Hcl Great Britain Limited, HCL Technologies UK Limited	2,787
Tata Consultancy Services Limited	Diligenta Limited	2,697
Essar Global Fund Limited	Essar Energy, Essar Capital Services (UK) Limited	1,991
Tvs Logistics Services Limited	TVS Logistics Investment UK Limited	1,826
Prime Focus Limited	Prime Focus International Services UK Limited, Prime Focus Technologies UK Limited, Double Negative Holdings Limited, De-Fi Media Limited	1,523
Hinduja Global Solutions Limited	Hinduja Global Solutions Europe Limited	1,449
Tata Chemicals Limited	Homefield Pvt UK Ltd., Tcna (UK) Limited	1,084
Intas Pharmaceuticals Limited	Accord Healthcare Limited, Astron Research Limited	1,075
Tech Mahindra Limited	Target Topco Limited, The Bio Agency Ltd, LCC United Kingdom Limited, Citisoft Public Limited Company, LCC Deployment Services UK Limited, Mahindra Engineering Services (Europe) Limited, Sofgen (UK) Limited	1,061

Source: Grant Thornton 'India Meets Britain Tracker' 2018

# Supporting India's Energy Quest — Civil Nuclear Cooperation

Professor Nawal K. Prinja, Technology Director (Nuclear), Wood Group, sheds light on how nuclear cooperation is a step forward in strengthening UK-India bilateral ties and help them work collectively towards a better future.

## Backdrop

There are several big challenges facing the world and without doubt, one of the biggest is how to produce clean sustainable energy to meet the aspirations of millions. On one hand, we have the United Kingdom where the world's first commercial nuclear power plant was built in the 1950s and such is the maturity of this industry in the UK that nearly all of the nuclear power plants with the exception of one will be shut down by 2030 as they reach the end of their design life. And on the other hand, we have India that is embarking on a programme to build an array of new nuclear power plants trotting the path that the UK has already traversed. The opportunity to collaborate could not be any clearer. It is driven by the global need to have cleaner, sustainable forms of energy.

### Need for cleaner energy

In 2013, the UK government declared in its nuclear power strategy that nuclear energy has an important role



**THE OPPORTUNITY TO COLLABORATE COULD NOT BE ANY CLEARER. IT IS DRIVEN BY THE GLOBAL NEED TO HAVE CLEANER, SUSTAINABLE FORMS OF ENERGY.**

to play in delivering the long-term objective of a secure, low-carbon, affordable, energy future. It also identified significant challenges that need to be met, both in the short term and for the longer term, to 2050 and beyond. The UK wants to maintain options for nuclear power making a major contribution to the longer-term energy mix.

As India's economy grows, the demand for power will grow as there is a direct correlation between per

capita GDP and electricity consumption. On top of meeting the increase in demand for electricity, India must meet its obligation to reduce emission of greenhouse gases. There is an urgent need to rely on cleaner forms of energy and India's ambition is to achieve it by increasing the nuclear contribution to 25 per cent by 2050.

### Trade barriers

One of the stumbling blocks to India's civil nuclear power growth has been created by China that has indicated its unwillingness to support India's attempt to enter

the Nuclear Suppliers Group (NSG). China is blocking India's entry in the elite group on the grounds that NSG's rules disallow a member that has not signed the Non-Proliferation Treaty (NPT). India's position is that it would not surrender its national interest by signing the accord but wants its track record of non-proliferation to be considered as it does meet the intent of the NPT, therefore, it is entitled to join the NSG. India will do its best to convince China and if the Chinese

**WE HOPE THAT THE NEW UK POLICIES EMERGING AFTER THE BREXIT VOTE WILL HELP TO FOSTER RELATIONSHIPS, REMOVE BARRIERS AND CREATE OPPORTUNITIES FOR BRITISH COMPANIES TO OFFER THEIR EXPERTISE IN DEVELOPING INDIA'S CIVIL NUCLEAR PLANTS.**

objection remains, all the signs are that India will continue and should continue with its plan to expand its civil nuclear power capacity to produce electricity.

dormant in its archives. Collaboration in development of FBR, where India has definitely taken a lead, is another opportunity worth considering.

Small Modular Reactor (SMR)

further development and even first deployment in India.

**Conclusion**

The opportunities for civil nuclear trade are ripe. The UK needs India as much as India needs the UK. We hope that the new UK policies emerging after the Brexit vote will help to foster relationships, remove barriers and create opportunities for British companies to offer their expertise in developing India's civil nuclear plants.

**THERE IS AN URGENT NEED TO RELY ON CLEANER FORMS OF ENERGY AND INDIA'S AMBITION IS TO ACHIEVE IT BY INCREASING THE NUCLEAR CONTRIBUTION TO 25 PER CENT BY 2050.**

The UK government, in its long-term nuclear energy strategy, has declared an intention to enhance strategic relationships with India to help realise these opportunities. A host of new business opportunities exists in the field of civil nuclear power. The time has come for India and Britain to build

on their nuclear legacy and work together for one glorious future.

*The above are extracts from one of the chapters from 'Winning Partnership: India-UK Relations Beyond Brexit', edited by India Inc. Founder & CEO Manoj Ladwa.*



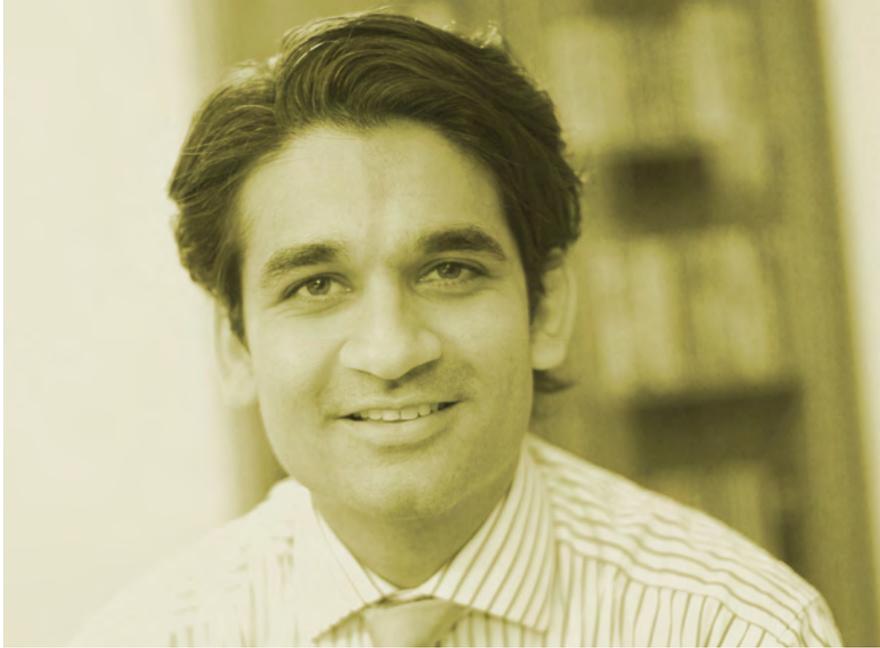
**Innovation for future**

One of the areas where India has already raced ahead of the UK is in Fast Breeder Reactor (FBR) technology. Britain also has a need for an FBR which can be put to good use by burning the stockpile of nearly 100 tons of plutonium which is costing millions of pounds to store. The UK used to be active in research and development of FBR but that project has stalled and almost all of the FBR-related information lies

technology is another area ready for development and exploitation. SMRs are ideal for a large country like India, especially for strategic remote areas where there are no grid connections. The UK government is currently running a competition to fund development of an SMR which is clearly aimed at deployment in the UK and other countries. In addition to the SMRs, a much smaller and safer micro SMR like the U-Battery concept is worth considering for

# What attracts the world to Yoga and Ayurveda

by Keerti Mathur




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Yoga and Ayurveda are not just the cornerstones of the global well-being revolution but also seen as credible and cool, explains India Inc. Yoga expert.

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**T**he Indian High Commission in London, on behalf of India's Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH), signed a memorandum of understanding (MoU) with Dr Michael Dixon of the College of Medicine in April to create AYUSH centres around the UK. The Indian government set up the Ministry of AYUSH to promote professional standards, public safety and the proper development of these natural systems of medicine from India.

This landmark MoU will introduce AYUSH Centres of Excellence (ACE) to the UK for the first time. This initiative will cross-pollinate clinical excellence and evidence-backed research, which will highlight the diagnostic prowess of this ancient Indian medical system which was once the cornerstone and inspiration of ancient Greece.

Modern Western medicine can find many of its roots in Ayurvedic philosophy, specifically from

scriptures such as the 'Upanishads' dating back to the mid-300s BC. Somewhere along the line, however, western medicine has become increasingly reductionist, enabling them to hone in on disease studying and analysing it at the micro level. This certainly has its value, because it has given doctors the ability to answer questions like, the cause of a heart attack. Doctors know the pathophysiology and reasoning at the cellular level, however at a broader and more social level, they don't have the answers as to why?

### Holistic view

To answer these questions, doctors need to take a broader and more holistic view of the patient and his or her environment, also note their individuality and understand the way in which they operate on a physical, emotional and deeper conscious level. Ayurveda considers such nuances through its pulse diagnosis and the categorising of patients, energy and environment. This new UK-India association has

great potential for cultural, social and economic exchange. At the heart of every ACE is patient wellbeing and a patient-centric approach to disease management.

So why are these ancient Indian practices resonating globally and transcending social, economic, geographical and even religious boundaries?

Let's start with the obvious. Celebrities are doing it, not just endorsing it. Looking healthy, youthful and maintaining your charisma is a full-time job. In 2003, then 45-year-old pop sensation Madonna sang about doing yoga and Pilates in her hit song video 'American Life'. It was as though Yoga and Ayurveda had arrived in the West on a G6 touching down on a Santa Monica airport red carpet and the so-called "new age" suddenly went mainstream. These days it is hard to find a copy of a lifestyle magazine where a celeb isn't photographed with a yoga mat under his/her arm. I'm not saying

that Madonna was the first, let's not forget Sting and his openness about his passion for Ashtanga Yoga and his insights into the 'Karma Sutra' in the late 1980s. He was a little ahead of his time and let's face it, we were only just realising that smoking was actually bad for you, suffice to say, we still had a lot to learn.

### **New Age philosophy?**

In the 1990s, Ayurveda and Yoga were referred to as "New Age" – compartmentalising them with the rest of the occult. They were not appreciated as sciences and disciplines that were comprehensive, tried and tested. But the failings of Western approaches to health and the need for the Western world to look and feel good, broke the barriers of acceptance and the West embraced these sciences based on what they saw and felt with their own eyes, not randomised controls and evidence-based studies which are inherently flawed due to the level of control imposed on them.

The last time I checked, I was physiologically a different person to my sibling, cousins and friends, meaning what works for me doesn't necessarily work for others and vice versa. Diagnosis needs to be less about putting people into compartments or disease check boxes and more about discovering a multi-faceted understanding of how individuals function. Or, better still, train doctors in the principles of Ayurvedic diagnosis.

Hollywood has been a great PR machine for Yoga and Ayurveda, providing exposure and inspiring people to seek it out and make changes in their lives. But, the fact that these disciplines actually benefit you quickly, effectively and relatively inexpensively have helped spread the word. The spark has been created by India's ashrams, particularly in the south of India where such traditions have been upheld and maintained with dignity and sanctity by its propagators – be it Sri Sri Ravi Shankar, founder of the Art of Living Foundation, or Baba Ramdev of Patanjali. It has meant that accessing treatments and medicines have been made easier.

### **Secrets of success**

I have only been in clinical practice for 11 years, but what I have seen is the need of people to have a tool, a technique, a proverbial hand-rail to help them walk the path to better health. If you have had to manage illness and disease on any scale, you will know how it feels to just want something that you can apply yourself to so that you never find yourself in such a predicament again.

Drugs and surgery may save lives, but they are not curing people. Only people can cure themselves, and a good physician can help facilitate and support this process. The use of turmeric was once ridiculed as being pointless and unfounded in its relevance as an anti-bacterial and anti-inflammatory agent, perhaps as it was not produced by a pharmaceutical company, but now it is widely accepted. I had the opportunity to meet with London-based cardiologist Dr Aseem Malhotra whose views on high-fat diets and strong voice within the anti-sugar lobby have been influencing the UK government to rethink its public communication on cholesterol. He is against linking heart disease with it, without fully informing the masses on the science behind inflamed cardiac blood vessels which are the true cause of blockages.

He is pushing the science behind carbohydrates and their role in Type II diabetes and dementia, which he believes are the current health epidemic costing the UK government billions in the National Health Service (NHS). His lone voice is being heard by millions of Britons who are becoming increasingly mindful and conscious of what they eat and how they live, despite the constant messaging and product placement of sugar brands in our lives.

Dr B.M. Hegde from Mangalore in India is also a true bastion of natural and holistic healthcare and will wax lyrical on the effects of commercialising healthcare and how pharma companies have imposed their own commercial agenda on doctors. All of this has reached a boiling point in society.

### **Move towards mindfulness**

People have witnessed financial institutions collapse and lose public trust because of the greed and commercial agenda of banks, which serve the few and take advantage of the many. The public are now mindful and more confident in their own appraisal and a proven track record, non-fad, tried and tested technique is what they are getting behind.

Independent thought and clear plans are being sought after. Whether there is a study that outlines its rationale or appraises the science, the public knows there is no harm in herbs, there are no adverse side effects when administered by a trained professional. This system of medicine is deeply effective.

But one has to acknowledge and recognise the strength and confidence of the Indian people. Wherever they are around the world, you see Indians flying the flag for what is rightfully theirs to share with the rest of the world. This commitment is supported by events such as International Yoga Day, and the recent initiative and collaboration of AYUSH and the UK College of Medicine will lend further credibility to Ayurveda internationally.

In my opinion, it is hope and curiosity that has captured the imagination of people around the world – hope that there are effective and long-term solutions to their health concerns and curiosity in the sheer depth of wisdom that lies within Ayurveda.

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*Keerti Mathur is an associate at the Gait and Posture Centre at Harley Street in London and has been practicing Osteopathy for 10 years. He is part of the Art of Living faculty and a keen musician. Under the guidance of Art of Living Founder Sri Sri Ravi Shankar, Keerti worked to set up India's first school of Osteopathic medicine in Sri Sri University Orissa.*

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# Four years of reforms and hard graft in India

The Modi government's performance over the last four years can be assessed through the lens of some key indicators.

**A** one-page editorial is hardly enough space to do justice to a review of four years of governance, so, this piece will necessarily have to only touch upon a few mainly economic headlines that in the opinion of this publication can be proxies for the performance and potential of the Indian economy.

What is the best way to rate the Narendra Modi government's performance on the economy? Let us look at a few indicators.

A few months ago, the government completed the task of electrifying the last un-electrified village in the country. But the peculiarities of governmental classification meant almost a quarter billion Indian were still without access to electricity. To address this legacy issue, Modi announced the Saubhagya scheme to reach power to every single household in the country. Till the end of April 2018, about 6.24 million such households had been electrified. The goal: deliver access to electricity to every last household in the country by the end of March next year.

Then, Modi's scheme to provide cooking gas connections to families below the poverty line, to save them from the health hazards of firewood smoke, has benefitted about 40 million poor households.

The Jan Dhan Yojana, the world's largest financial inclusion scheme, which the World Bank wants to roll out in Africa with India's help, has benefited 316 million individuals and enables the government to deliver billions of dollars in subsidies and doles to these beneficiaries.

These are just a sample of the many socially beneficial schemes rolled out successfully since 2014. On the broader economic front, the Modi government can take credit

for restoring India's position as the world's fastest growing large economy and the toast of the world's investment fraternity – a huge turnaround from 2014 when it was counted among the Fragile Five economies that were expected to go belly up any time. The country is expected to clock a GDP growth rate of 7.1 per cent when final figures for 2017-18 come in and of closer to 8 per cent for the current year.



## THE MODI GOVERNMENT HAS SIMPLIFIED RULES AND STREAMLINED PROCESSES

There are signs that the private investment cycle, which has remained tepid for years, is picking up pace and this should add ballast to India's growth rate in the quarters to come.

India has traditionally been a difficult place to do business in and this has been one of the main constraints holding back larger inflows of both foreign and domestic investments. The Modi government has simplified rules and streamlined processes

and the country jumped a record 42 places to make it to the top 100 nations for the first time in the World Bank's 'Ease of Doing Business' rankings last year. This year's rankings are awaited.

If crony capitalism was the bane of the previous Congress-led UPA government, the Modi government has struck at its foundations by legislating a new Insolvency and Bankruptcy Code (IBC) that mandates a resolution for defaulting companies within a maximum of 270 days. This has brought to an end the days of politically connected promoters wilfully defaulting on billions of dollars in loans.

But in the public perception, the two biggest reforms are demonetisation and the rollout of the Goods and Services Tax (GST). Both caused massive disruption but they were necessary to flush out unaccounted cash and formalise the economy. The expected rise in indirect tax collections in the current financial year proves that demonetisation and GST have brought hitherto unreported business activities overground and into the tax net.

In other areas, the rate of highway construction, a major enabler of economic expansion, doubled to more than 9,200 km last year and is expected to rise even further this year.

This is not to say that the government has been successful on every count. Job creation has not kept pace with expectations and many people, including well-wishers of this government, consider this an area the authorities should focus on.

There are several other hits and a few misses as well but overall, 'India Global Business' would rate India's economic performance over the last four years as good.

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