

# INDIA GLOBAL BUSINESS

Yearend Edition



14

**THE BIG INTERVIEW**  
India is now at the forefront in the world in many frontiers  
*Amitabh Kant, CEO, NITI Aayog*



51

**HOTSPOT**  
Indian aerospace and defence can be at ease in Quebec  
*Aasheesh Chudasama, Director, Investissement Quebec*



19

**EXPERT VIEW**  
India hits the top spot in South Asia for ease of doing business  
*Rita Ramalho, Senior Manager, Global Indicators Group, World Bank*





**Go Global**  
Trade and Investment Forum

Organisers

**india  
inc.**

ENGAGING  
LEADERS  
INCISIVE  
CONTENT  
IMPACTFUL  
EVENTS

 @indiaincorp

**REGISTER INTEREST**

# Go Global Trade and Investment Forum

12-13 March, 2019 • The Lalit, New Delhi

The Go Global Trade and Investment Forum is a one-of-its-kind high-level business forum for Indian companies keen to expand their business internationally.

This highly focused event will bring together senior executives from India's medium and large companies with investment promotion agencies from around the world for one-on-one business meetings, interactive seminars and valuable networking opportunities – all over just two days!

## Expand Your Business Globally?



## Contact us

**Nav Mann**

Event Director

**Office:** + 44 (0) 208 230 0066

**Mobile:** + 44 (0) 797 683 7651

**Email:** nav.mann@indiaincgroup.com

In Association with

**INDIA GLOBAL  
BUSINESS**  
India's Foremost Trade & Investment Magazine

Visit [www.indiaincgroup.com/go-global/](http://www.indiaincgroup.com/go-global/) for more information



# Wrexite: Is the UK wrecking its own destiny?

According to hardcore Brexiteers like the swash-buckling Boris Johnson, Brexit was supposed to herald a new bright era for Britain – unshackled from the EU, Britain would take back control of its borders, its laws and its destiny. British Prime Minister Theresa May, reconciling her own antipathy to Brexit, laid out a vision for a Global Britain. But as we end 2018, the outlook looks awfully different from the rising sun future that Johnson et al dreamt of.

Let's face it, Theresa May inherited a poisoned chalice. She was damned whichever way she went. She now cuts a very lonely figure, encircled by political sharks. I don't necessarily agree with her approach to the negotiations with the EU, nor the deal she has presented to the UK Parliament, but I am convinced that history will judge her much better and more kindly; and for that matter, David Cameron a lot worse.

Amber Rudd, a senior Cabinet Minister and aspirant to May's job, has likened the prospect of a no-deal Brexit to a car crash. In the cover of the Yearend Edition of 'India Global Business,' we depict this as Britain being shipwrecked on a deserted island – whilst Britannia once ruled the waves, today some very serious questions arise.

In some ways the current outlook for Britain harks back to the days of the early years of the 19th century when Britain withdrew from the post-1815 Concert of Europe after the Congress of Verona in 1822.

Then, however, Britain was the world's leading power and "splendid isolation" was a considered choice. Now, the situation is very different. Britain's future as an A-list economic power is inextricably intertwined with the fate of the rest of the EU and a bad deal or none at all can have severe consequences.

This, coupled with the Bank of England raising the very real possibility of a run on the pound, rising interest rates, crashing house prices, and the UK government

announcing unprecedented peace-time contingency measures such as deploying troops on the streets, is certainly worrisome for the British public, as it is for Britain's friends.

Last year I edited a study on UK-India relations beyond Brexit, titled 'Winning Partnership'. My friend and a co-author, Lord Karan Bilimoria, was quick to point out that the title was rather presumptive. To which I have argued over these months that Brexit is much more a state of mind that is somewhat entrenched in large sections of the British psyche, and is more to do with concerns about immigration than anything else.

**BRITAIN'S FUTURE AS AN A-LIST ECONOMIC POWER IS INEXTRICABLY INTERTWINED WITH THE FATE OF THE REST OF THE EU AND A BAD DEAL OR NONE AT ALL CAN HAVE SEVERE CONSEQUENCES.**

Here, the new skills-based immigration approach proposed by Her Majesty's Government could help Britain retain its place as a leading global economic centre and London as the world's financial capital. It could also help the UK put the somewhat turbulent turn its relationship has taken with India on the issue of immigration curbs on Indian students and professionals behind it and make a fresh start building on the otherwise

robust bilateral relations by leveraging the goodwill, hard work and achievements of the expat Indian community in Britain that Indian Prime Minister Narendra Modi has dubbed a "Living Bridge."

But fundamentally, the shenanigans in Westminster are leading to very real questions about whether Britain can be the stable and trusted partner it has so proudly been for its allies around the world.

There is an urgent need for a mission-mode approach to engaging with India. The recently signed UK-India Tech Partnership offers a template for taking this forward. But to succeed, it will need all hands on deck.

**Manoj Ladwa**

Publisher & CEO, India Inc.

[@manojladwa](#)

# CONTENTS

The Yearend Edition of 'India Global Business' looks back at an eventful 2018 and the strides made by India in the global arena. With Brexit dominating the headlines, it uses 'Wrexit' as a wide cover theme to encapsulate some of the major developments that will continue to play out in the New Year.

## COVER STORY

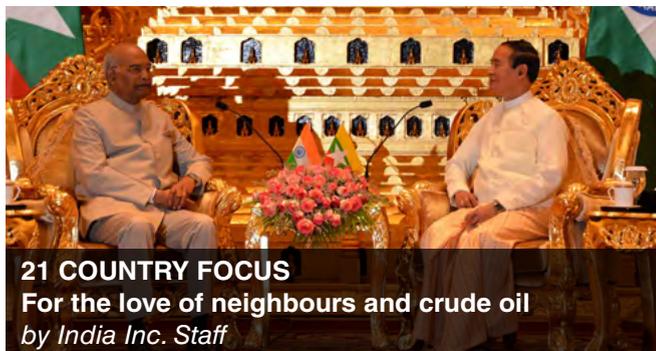
8



## EXPERT VIEW



**19 India hits the top spot in South Asia for ease of doing business**  
Rita Ramalho, Senior Manager,  
Global Indicators Group, World Bank

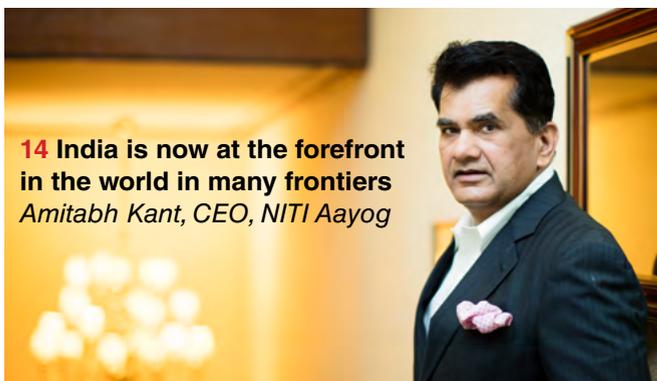


## FROM THE TOP



**3 Wrexit: Is the UK wrecking its own destiny?**  
by Manoj Ladwa,  
Founder & CEO, India Inc.

## THE BIG INTERVIEW



## YEAREND SPECIAL





**34 UK-India Week 2019: On course for an even bigger, brighter and better chapter**



**38 ANALYSIS**  
**A window of opportunity for India-LAC ties**  
*Hari Seshasayee, Trade Advisor, ProColombia*



**41 INTERVIEW**  
**Solar assets should be sustainable, replicable, bankable**  
*Nandita Sahgal Tully, MD, Merchant Banking, ThomasLloyd*

**43 THE SMALL PRINT: A start-ups 2018 report card**  
*Dr Param Shah, Director UK, FICCI*



**46 REGION FOCUS**  
**India's Vibrant laboratory of development models**  
*by India Inc. Staff*

**HOTSPOT**



**51 Indian aerospace and defence can be at ease in Québec**  
*Aasheesh Chudasama, Director, Investissement Québec*



**56 INDIANS IN FOCUS**  
**New Zealand can offer cold storage solutions to India**  
*Kanwaljit Singh Bakshi, Member of Parliament, New Zealand's National Party*



**58 REALTY CORNER**  
**Wobbly start gives way to some solid sales**  
*Deepak Varghese, Real Estate Finance Specialist*



**60 SPECIAL REPORT**  
**Tata Motors celebrates new baby Range Rover**  
*by India Inc. Staff*

**62 LAST WORD: Only a brave punter will bet against Modi in 2019**

Published by



ENGAGING LEADERS  
INCISIVE CONTENT  
IMPACTFUL EVENTS

Incorporating

**India Investment Journal**

[www.indiaincgroup.com](http://www.indiaincgroup.com)

© India Inc. Limited, all rights reserved. Reproduction in whole or in part without our written permission is prohibited. Views expressed by our contributors are their own and do not necessarily represent the views, policies of India Inc. While every effort is made to achieve total accuracy India Inc. cannot be held responsible for any errors or omissions.

**Editorial**

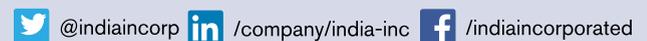
[editorial@indiaincgroup.com](mailto:editorial@indiaincgroup.com)

**Advertising & Sponsorship**

[sales@indiaincgroup.com](mailto:sales@indiaincgroup.com)

PRICE £4.95  
PUBLISHED IN LONDON

Follow us:





Committed to planetary energy needs,  
planting hope for a sustainable future.



**QUERIES ON UK, EUROPE, MENA & AFRICA**

**Business development: Robert Ayres**  
robert.ayres@herofutureenergies.com

**Investment & partnership: Naveen Khandelwal**  
naveen.khandelwal@herofutureenergies.com

**Rooftop solar: R Sunder**  
r.sunder@herofutureenergies.com

**INDIA  
LONDON  
SINGAPORE**



[www.herofutureenergies.com](http://www.herofutureenergies.com)

# At home in the world

**I**t has been another hectic year for Indian Prime Minister Narendra Modi and his foreign policy establishment. The year began with question marks still hanging over the impact of Donald Trump's presidency on India, the impact of Brexit, a cloud over India's relations with China and uncertainty over the emerging security arrangement in the Indo-Pacific region.

A year later, there are still many question marks over the Trump administration's impact on India. Of particular importance to New Delhi is his hard line stance on the issue of H1B visas, which a vast majority of Indian IT professionals use to live and work in the US. There is no resolution in sight yet on this. But on others, like

punitive tariffs on some Indian exports and sanctions on India for buying arms from Russia and engaging with Iran on oil imports and the Chabahar port, Modi has successfully used his diplomatic heft to procure waivers.

Post-Brexit Britain and the EU also present India with their unique sets of challenges but two very positive developments during 2018 – a new UK-India Technology Partnership and a new EU strategy document on gainfully engaging with India – present a new opportunity to take these two very important relationships forward.

China remains a problematic relationship. It has gained considerable economic leverage

even as Beijing regularly upsets the geopolitical balance. The big issue during the year was the very welcome Wuhan summit between Modi and Chinese President Xi Jinping to soothe jangled nerves on both sides following the standoff by the two armies in Doklam.

During the year under review, India's burgeoning ties with the 10-nation ASEAN bloc, the Middle East, Africa and Australia progressed and became stronger.

Read about these in our round-up of India's global economic and diplomatic engagements during 2018 in the following pages.



# Vasudhaiva Kutumbakam: The world is India's family

by India Inc. Staff




---

The year 2018 will go down in history as a seminal year in India's foreign policy establishment. The Modi government's proactive engagement with the UK, the US, the EU, China, the Middle East and Africa have brought India to the centre-stage of global diplomacy and will shape the contours of India's progress in the years ahead.

---

**T**he Narendra Modi government, which came to power in 2014, has brought about a paradigm shift in India's foreign policy. The diffident, almost reactive impulse has been replaced with a very proactive and robust engagement with the world at large.

In 2018, the Modi government took several major and minor steps to engage with key partner countries. Here, we bring you a round-up of India's relationships and key developments during the year.

### **The UK: Old partners, new beginnings and some potholes on the way**

Brexit is, understandably, hogging all the headlines in the UK and headlines about Britain across the world but the most expensive divorce in history has once again underlined the urgent need for Her Majesty's Government to actively pursue bilateral and

multilateral trade deals to make up for the anticipated loss of duty-free access to the common market in Europe.

But hopes of an early conclusion to talks on a free trade agreement with India have been belied. Any such complex trade negotiation involves delicate give and take on a wide range of issues. But one major reason why the talks have not got anywhere is the UK government's hard line stance on the issuing work and student visas to Indian nationals.

After all, no Indian government can be seen to be making concessions to Britain on trade without a reciprocal easing of entry restrictions for Indian professionals and students. The new immigration policy announcement by Theresa May's government this week promises to focus more on skills than quotas may benefit Indian talent, and subject to the fine print, could help

soothe this perennial thorn in UK-India relations.

Defence and legacy manufacturing are two sectors that promised much but flattered to deceive. Britain's position as the Indian industry's preferred beachhead for entry into the European market and London's status as one of the world's leading financial centres are also facing potentially existential crises thanks to Britain's fractious exit from the EU.

Then, Indian companies such as Tata, AV Birla, Essar and Infosys, among hundreds others are watching the Brexit drama unfold with some concern as the outcome will directly impact their investments in and access to the European Union. The effect Brexit has on the City of London's fortunes will also shape the decisions of Indian companies when they set out to raise funds abroad as London remains their favoured location for such programmes. But the UK-India Tech Partnership, which was launched earlier this year, proved to sceptics that both countries actually want to take bilateral ties forward despite the understandable distraction of Brexit.

Experts and analysts expect this initiative to meet with greater success than earlier ones because, unlike in the past, this partnership will be driven by the private sector in the two countries. In other words, financial viability and potential for mutual profit will take this partnership forward.

However, the lack of any great personal chemistry between British Prime Minister Theresa May and Modi – in sharp contrast to his easy and close rapport with her predecessor David Cameron, is a cause of concern.

Then, May is battling for political survival and in India, Modi faces a General Election in five-to-six months. This means the political heft needed to push this relationship to the next level may not be available in the foreseeable future, despite the presence of the 1.5-million strong Indian diaspora, which has

contributed significantly to this country's social, political and cultural life, in the UK.

### **The US: Poised for growth despite irritants**

It used to be said of Indo-US relations that for every forward step it took, circumstances and geopolitics conspired to take it two steps back. That has changed. Now, for every two steps forward, US President Donald Trump ensures that it takes one step backward.

## **BEING ASIA'S LARGEST BUSINESS SUMMIT, VBS IS ATTENDED BY LEADING INDIAN MINISTERS, BUREAUCRATS AND POLICY-MAKERS AND PROVIDES DELEGATES OPPORTUNITIES TO INTERACT WITH KEY POLICY MAKERS, INDUSTRY LEADERS, GLOBAL THOUGHT LEADERS, REGULATORS AND RENOWNED ACADEMICIANS FROM ALL OVER THE WORLD.**

This bilateral relationship, arguably the most important for India and quite possibly an era-defining one for the US, has seen ties reach highs in some areas like geopolitical alignment and dip to new lows in the equally important arena of economics.

Bilateral trade continued to grow apace and is expected to close 2018 at a record \$140 billion, despite the US President's high-pitched and somewhat heavy-fisted attempts to balance the skew that is tilted towards India.

On visas for Indian professionals, the picture is less rosy. New rules put in place by the Trump administration, especially on minimum qualifications and wages, has made it tougher for many Indians to qualify for work visas

such as H1B. Almost three out of every four H1B visa holders are Indians.

And a blanket revocation of work permits for spouses of H1B visa holders, though on hold following loud protests from powerful US industry bodies, promises to queer the pitch further, both for Indian professionals and bilateral ties.

But geopolitics is one sphere where the two countries have a near total convergence of interests, be it terrorism, the rise of China, the Indo-Pacific and military cooperation and defence trade.

In a major, but mostly unheralded success for Modi's foreign policy thrust, the US, for the first time, named Pakistan as a source of terrorism and withheld several hundred million dollars in aid. Modi also succeeded in getting waivers from sanctions on buying arms from Russia and importing oil from Iran as well as India's involvement in the development of the Chabahar port in Iran.

In another positive, Modi seems to have developed a personal rapport with Trump, though how far this will help smoothen the rough edges that keep appearing on the fabric of this relationship is unclear, given the US President's cultivated unpredictability. However, most foreign policy wonks feel this is one long-term relationship that can be turned it into one of the defining partnerships of this century.

### **China: Economic engagement amidst geopolitical divergence**

India's economic ties with China are headed in a very different direction from its diplomatic and geopolitical equations with the world's second-largest economy.

In 2017, bilateral trade between the two countries crossed \$84 billion, an all-time record, despite diplomatic muscle flexing on Doklam, Beijing's hard line stance on admitting India into the Nuclear Suppliers' Group (NSG) and the Chinese veto on designating Mumbai terror

mastermind Hafiz Saeed a global terrorist by the United Nations.

So how should one categorise this relationship at the end of 2018? Friends would be incorrect and enemies would be an exaggeration. Using social media speak, it will be fair to call it complicated.

On trade and business, Chinese companies such as Xiaomi, Oppo and Vivo dominate India's red hot market for mobile phones; Lenovo is the market leader in laptops and Chinese solar panels power about 80 per cent of India's 26GW solar power capacity. A concern is China's growing cyber activities targeted at India, which includes a hitherto unchecked flurry of Chinese investments in India's burgeoning social media space.

Of the total trade figure, Indian exports to China, despite growing 40 per cent over the previous year, totalled a little more than \$16 billion, leaving a gaping trade deficit of \$51 billion.

Despite several attempts by the Indian government, China has not relented on allowing imports of Indian IT services and pharmaceuticals, two items in which India enjoys a competitive advantage. Exports by Indian companies in these two sectors could reduce the trade gap but Beijing, despite making occasional conciliatory statements, has shown a definite reluctance to meet India half-way on these.

Meanwhile, China has continued its string of pearls policy of encircling India by leveraging its massive Belt and Road Initiative (BRI) to entrap countries in India's neighbourhood, such as Nepal, Bangladesh, Sri Lanka, Myanmar and the Maldives, in sovereign debt traps and then seeking to entice these nations into its own sphere of influence.

Fortunately for India, the Modi government's proactive diplomacy and generous financial backing has enabled Sri Lanka and the Maldives to loosen China's vice-like grip on their destinies in the last couple of

months of 2018 but these are early days yet and many more such proxy tussles, amidst vigorous economic engagement, will undoubtedly unfold in the years to come.

### **The EU: Writing a new chapter**

Historically, the Indian government and most Indians have viewed Europe through the prism of the United Kingdom. When India did engage with countries in the Continent, such as France and Germany, it was at a bilateral level.

---

## **BRITAIN'S POSITION AS INDIAN INDUSTRY'S PREFERRED BEACHHEAD FOR ENTRY INTO THE EUROPEAN MARKET AND LONDON'S STATUS AS ONE OF THE WORLD'S LEADING FINANCIAL CENTRES ARE ALSO FACING POTENTIALLY EXISTENTIAL CRISES THANKS TO BRITAIN'S FRACTIOUS EXIT FROM THE EU.**

---

The European Union (EU) and the bureaucracy at Brussels, which often lectured India in hectoring tones on human rights and other issues, thus, ensured that it almost completely cut itself off from the Indian growth story, which its members Britain, France and Germany were partners in.

But there was evidence, towards the end of 2018, that EU may be coming to terms with India's rise and recognising the need to form a new and mutually beneficial relationship with the world's fastest-growing large economy.

A strategy document released recently by the European Commission recognised India as the fastest-growing large economy in the world that "has acquired an important geopolitical role" with which it wanted to engage on a range of issues

such as a rules-based global order, sustainable development and trade & investment.

This strategy document shows that the EU top brass has belatedly recognised that its holier-than-thou approach has rubbed the Modi government the wrong way and its only tangible result has been to deny its members a piece of the India growth story that three of its largest member-states (and several other countries) have become an integral part of – at great profit to both sides.

Except for issuing a bland statement welcoming the new strategy, the Indian government has not reacted to this development but one thing is clear – the days of benign neglect seem to be over. What form the increased engagement takes will become clear in the coming months, especially is Brexit actually happens.

### **ASEAN: A belated focus on India's backyard**

The narrative is turning for the better in India – on the economy and elsewhere. The Indian foreign policy establishment has traditionally been more concerned about relations with the big powers than small countries in the immediate neighbourhood. In the early Nineties, the P.V. Narasimha Rao government did try to change this with its Look East Policy, but it was only after 2014 when Narendra Modi became Prime Minister that India actually began to Act East, which, incidentally, is the name of the new policy to engage with India's neighbours to the east of its borders, namely the 10-nation ASEAN [Association of Southeast Nations] bloc and South Korea.

This year, for the first time in history, Modi invited all 10 Heads of State or Heads of Government of the ASEAN nations as chief guests at India's annual Republic Day function. It was an unprecedented gathering in New Delhi, where the leaders of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam witnessed the annual Indian show of its military might and cultural diversity.

India's Ministry of External Affairs (MEA) announced that India and the ASEAN were marking 25 years of dialogue partnership, 15 years of summit-level interaction, and five years of strategic partnership. A wide range of activities culminated in a summit with the theme of "Shared Values, Common Destiny".

This robust and dynamic action-oriented engagement with ASEAN and also with Japan and the rest of the Indo-Pacific has a thinly disguised and officially denied goal: create a

10 ASEAN members – Vietnam, Brunei, Malaysia and the Philippines – are directly affected by China's unsubstantiated claims over their territorial waters.

It is in this context that New Delhi has upgraded its relationship with ASEAN to a strategic partnership and has, in recent years, sought to deepen its defence and strategic relationship with Vietnam by exploring a deeper military engagement including the sale of weapons.

### **Australia, Africa and the Middle East: New frontiers for Indian foreign policy**

There are an estimated 700,000 Indians working or studying in Australia and several large Indian corporate houses like the Tatas, the Adanis and the Aditya Birla Group, among many others, have large investments there but most Indians still don't know much about Australia beyond the identities of its cricketers.

But Prime Minister Modi's Act East Policy has, in recent years, increased



balance of power with an increasingly aggressive and expansionist China, which has claimed, without any basis in international law, sovereignty over all of South China Sea, as well as dominance in the Indian Ocean Region.

Among ASEAN countries, Vietnam and Singapore have long been urging India to play a more assertive role in the region even as four of the

The economic engagement is still a work in progress. Indian companies such as Tata, AV Birla Group, L&T, Infosys and others have invested in facilities across ASEAN, and especially in Cambodia, Laos, Myanmar and Vietnam. Singapore has emerged as a preferred Asian gateway for Indian companies raising money abroad and as a beachhead for foreign expansion.

bilateral official contact between New Delhi and Canberra and this is bound to result in increased visibility of this relationship in future.

Reciprocating Modi's push for deeper engagement with Australia, its government has set a target of elevating India among the top three export markets for Australia.

The goals are quite stiff. A new

strategy unveiled by the Australian government this year calls for it to increase its exports to India by a factor of almost three – from \$12.5 billion in 2017 to \$33 billion – and Australian FDI into India by 10 times – from \$7.6 billion to almost \$75 billion – over the next two decades to bring about what it rightly calls a “transformational expansion of the relationship.”

This strategy has identified 10 states – Maharashtra, Gujarat, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, West Bengal, Punjab, the National Capital Region of Delhi and Uttar Pradesh – and 10 sectors of education, which the report calls a flagship sector, agribusiness, resources and tourism, which it has dubbed as lead sectors and energy, health, financial services, infrastructure, sport, science and innovation in which these investments and cooperation will mainly be focused.

Then, the Quad security architecture comprising the US, Japan, Australia and India held its first meeting earlier this year. This emerging security grouping of four democracies, many experts feel, could be the first baby steps towards eventually forming a NATO-like alliance in Asia.

The message is clear: Australia now recognises the transformation in the Indian economy under Prime Minister Modi and wants to tap into this opportunity to be part of what promises to be one of most exciting growth stories of this century.

This report complements Modi’s Act East Policy perfectly by setting the economic relationship within a broader framework that includes geopolitical convergence and cooperation and closer people-to-people ties.

Here, it will be apt to recap how Modi has made Indian expats in the UK, the US and elsewhere a key pillar of his foreign policy regime. He has eloquently called the 1.5-million Indian diaspora in the UK, which has contributed richly to its public, business and academic life and



emerged as an integral part of a vibrant and diverse British society, as a “Living Bridge” connecting the two countries.

**NEW DELHI HAS UPGRADED ITS RELATIONSHIP WITH ASEAN TO A STRATEGIC PARTNERSHIP AND HAS, IN RECENT YEARS, SOUGHT TO DEEPEN ITS DEFENCE AND STRATEGIC RELATIONSHIP WITH VIETNAM BY EXPLORING A DEEPER MILITARY ENGAGEMENT INCLUDING THE SALE OF WEAPONS.**

Given the cultural similarities, with both India and Australia being part of the Commonwealth culture, there is a very high probability of closer people-to-people ties helping cement the strategic and economic relationship.

Africa and the Middle East also figured prominently in Modi’s outreach to the world. As ‘India Global Business’ has highlighted previously,

Modi has proposed a partnership model of development to the 54 African nations as opposed to the more exploitative resource extraction and land purchase model followed by rival Asian powers. This has been enthusiastically welcomed by every African leader. Though the desire by some less scrupulous African leaders for immediate dollars than sustainable growth may keep the balance in China’s favour for some time to come.

In the Middle East, too, Modi’s foreign policy thrust is showing very positive results. This region, which is home to over three million Indian expatriates, also accounts for more than 75 per cent of India’s oil imports. Several Indian companies, such as Tatas, Larsen & Toubro, Mahindra and others have a large presence there.

Increased economic and diplomatic engagement with the Middle East under Modi is beginning to bear fruit. Last month, the UAE extradited Christian Michel, a British national wanted in India on bribery allegations, the first time that a Middle Eastern nation has taken such an action with a citizen of a Western country. This for India is a huge step forward, and a personal vindication for Modi’s diplomatic overdrive.

# Capital. Commitment.

# Community. Conscience.

Lending | Investments | Protection | Strategic Investments



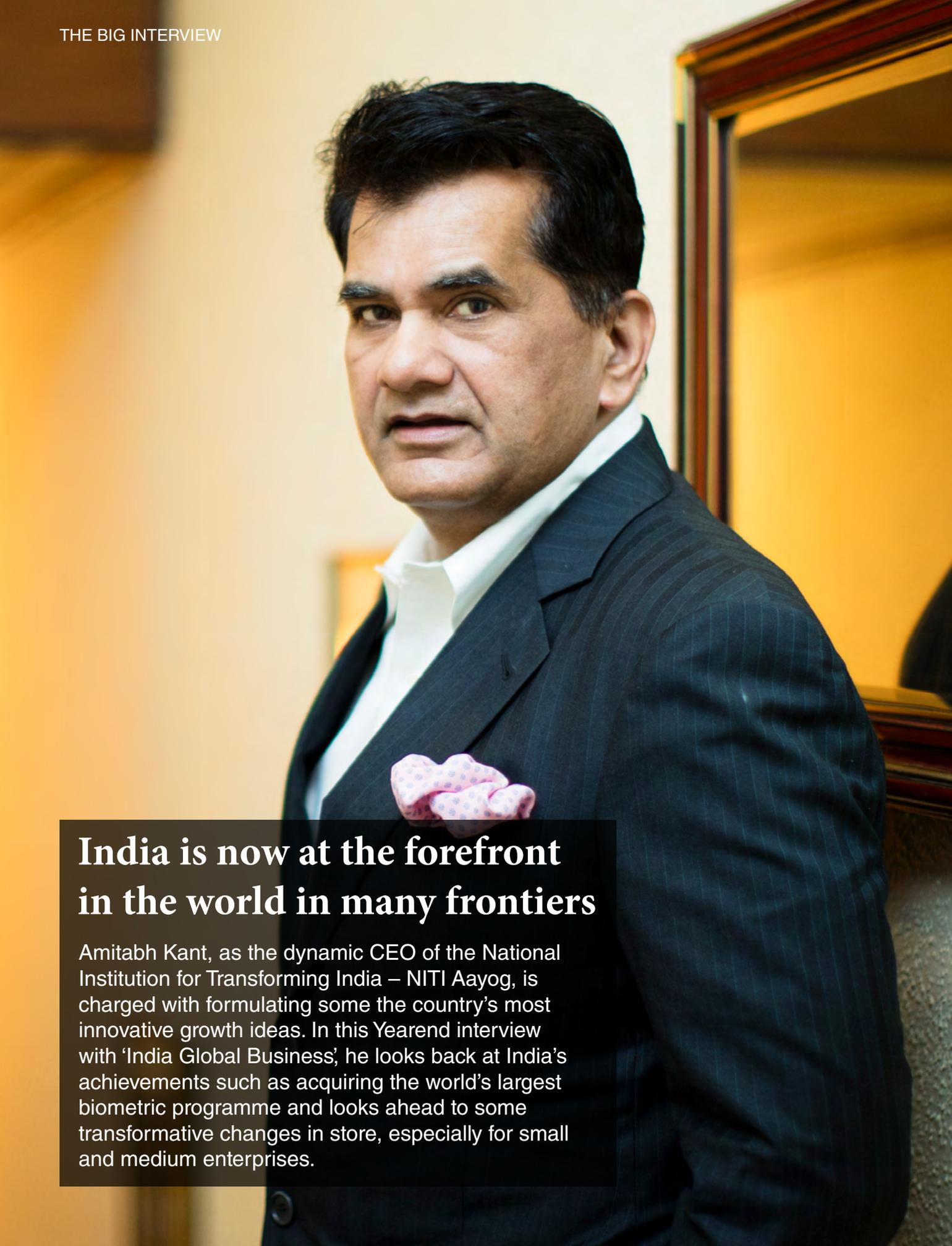
Wadhawan Global Capital

## Group Companies



Wadhawan  
Wealth Managers





## India is now at the forefront in the world in many frontiers

Amitabh Kant, as the dynamic CEO of the National Institution for Transforming India – NITI Aayog, is charged with formulating some of the country's most innovative growth ideas. In this Yearend interview with 'India Global Business', he looks back at India's achievements such as acquiring the world's largest biometric programme and looks ahead to some transformative changes in store, especially for small and medium enterprises.

## What is the expected impact of PM Modi's recent announcements to help MSMEs?

A major step announced by the Prime Minister is to launch a portal where MSMEs [micro, small and medium enterprises] will be provided with loan approval in just 59 minutes for a loan amount up to Rs 1 crore (\$150,000). No physical visit to banks will be necessary. MSMEs will also be getting a 2 per cent interest subvention by the government.

So, getting credit will become easier and cheaper for the small and medium businesses. I expect a large increase in the number of MSMEs accessing credit from banks as opposed to informal money markets, where interest costs can be very high. There should be a massive impact in terms of pushing growth higher and generating employment. It is noteworthy that these steps were enabled by the massive efforts of government to bring small and medium businesses into the formal economy, through transformative steps like the push for digital payments and introduction of the Goods and Services Tax (GST).

In addition, a host of measures have been taken to reduce procedural requirements and regulations faced by MSMEs and improve their accessibility to the market. The government has signalled that it is ready to promote and support the small and medium businesses, which is very important as they are the engines of growth, innovation and employment generation in the country. We need to continue in the direction of making our MSMEs more productive.

### How is technology transforming the economic landscape of the country?

Technology is a crucial important vehicle for economic transformation. It promotes transparency, accessibility and innovation in the economy. In the last few years, the country has achieved remarkable success in utilising technology for bringing socio-economic change. India is now at the forefront in the world in many frontiers. For example, it has the world's largest biometric programme, and it has

**THE GOVERNMENT HAS SIGNALLED THAT IT IS READY TO PROMOTE AND SUPPORT THE SMALL AND MEDIUM BUSINESSES, WHICH IS VERY IMPORTANT AS THEY ARE THE ENGINES OF GROWTH, INNOVATION AND EMPLOYMENT GENERATION IN THE COUNTRY.**



created world-class publically-owned digital payments architecture, the Unified Payment Interface (UPI), which has attracted investment from global digital giants and has started replacing cash and plastic cards. We are now attempting to replicate these successes in other sectors, such as artificial intelligence.

Adoption of e-governance has

made the government smarter and more efficient. Most government services are now available online and the physical interface has been minimised. Direct benefits transfers are being given in over 400 schemes run by the Government of India, thus removing the middle-man and reducing leakages. Government procurement has been digitised through the government e-Marketplace (GeM), which is revolutionising the procurement processes. The government has also enabled the use of technology to grow in the private sector, and through the dynamic start-ups, daily lives of people are being transformed. I would particularly like to highlight the role being played by FinTech, through which millions are now part of the mainstream financial system.

### What in your view are the key policy decisions that have made the most impact on India's improved Ease of Doing Business rankings?

India's Ease of Doing Business rankings have improved from 142 to 77 in just four years, which is unprecedented anywhere in the world. This has been achieved by taking up the challenge on a mission mode, relentlessly pushing for adoption of global best-case practices in every regulatory area, and competition spurred on between the states by the rankings on their improvement in ease of doing business. The

outcome has been significant improvement in processes for starting a new business, issuing construction permits, filing of tax returns, and ease of trading across borders. Simple and transparent online processes have replaced cumbersome paperwork, and unnecessary regulations have been done away with.

Massive structural reforms have

## THE BIG INTERVIEW

been pushed as part of the efforts to improve India's rankings. The Insolvency and Bankruptcy Code (IBC) has established a world-class legal system for resolving insolvency and has already led to remarkable

in sectors such as mining and oil and gas. The government has been bringing reforms to make these sectors market-friendly and attractive for investments and further efforts are underway.

potential of the country. NITI Aayog has taken upon this agenda on mission mode across sectors like health, nutrition, and education.

Let me give one of the examples.



improvement in the time taken to resolve cases, and the recovery rates for the banks. With the GST, a uniform and fully online indirect tax system has been created for registration, return filing and tax payments, which will again contribute to ease of doing business.

### **What are some of the tough steps required in specific sectors to further improve efficiencies and attract foreign investments?**

India has been attracting a very high rate of Foreign Direct Investment (FDI) flows on the back of successive reforms undertaken in recent years. India has now become one of the most open countries in the world for FDI, with most investment coming to India through the automatic route. So, a lot has already been achieved. In my opinion, the next big challenges are to attract global players with world-class technologies

On improving ease of doing business in the country, both the Central and state governments have taken several remarkable decisions already, and many more are in the pipeline. I am sure we will see significant improvements in India's ranking in the coming years. One area in which we lag though is in enforcement of contracts, which is under the domain of the judiciary. There is a need to put a lot of emphasis on speedy resolution of commercial disputes in courts, and promotion of alternative dispute resolution mechanisms.

### **What, in your view, are the biggest challenges in India's path to faster economic growth and how is NITI Aayog tackling them?**

Our aim should be to achieve a growth of 9-10 per cent for over the next couple of decades. For this we need to harness the human capital

A lot of work is being done on transformation of the 117 most backward districts under the Aspirational Districts Programme. The districts are being challenged on a real-time basis by measuring and ranking improvement made by them on 49 indicators related to their socio-economic progress. Several grass-root level innovations are taking place as a result of this programme. I believe that as human development improves in the areas which are lagging behind, a big push would be given to the human development indicators of the overall country.

In addition, NITI Aayog has also successfully championed several path-breaking reforms in the social sectors, such as higher education reforms, and the overhaul of medical education in the country, and will be continuing to do so.

# Investments into India remain robust

Google, Sequoia among prominent firms betting on the Indian market in recent weeks.

## Google buys travel app Where Is My Train



**G**oogle has acquired Sigmoid Labs Pvt Ltd, a Bengaluru-based start-up that owns travel app Where Is My Train.

Announcing the acquisition, Sigmoid Labs said: "We created the Where Is My Train' app with the mission to use technology to improve the lives of millions of Indian train travellers... we're excited to share that Sigmoid Labs, the team behind the app is joining Google."

Sigmoid Labs was founded around two years ago by former TiVo Corporation executives Ahmed Nizam Mohaideen, Arun Kumar Nagarajan, Balasubramoniam Rajendran, Sashikumar Venkataraman and Meenakshi Sundaram. The company's app enables travellers to keep track of train schedules and provides information on the availability of seats and reservation status. It claims more than 10 million downloads on Google's Play Store.

Google has made several start-up investments and acquisitions in India in the recent past. In July last year, Alphabet Inc acqui-hired Bengaluru-based artificial intelligence (AI) venture Halli Labs. In December last year, Google had invested over \$12 million in daily tasks management app Dunzo, another Bengaluru-based firm.

## Sequoia Capital invests \$9mn in Wakefit

**B**engaluru-based mattress maker Wakefit Innovations Pvt. Ltd has raised Rs 65 crore (\$9 million) in a Series A round of funding from venture capital firm Sequoia Capital, a company statement said.

The VC firm has picked up a 31.9 per cent stake in the company, the statement noted.

Ankit Garg, co-founder and CEO of Wakefit, said in the press note that the firm will use the capital to strengthen its manufacturing and fulfilment capabilities across the country, build its brand and hire the right talent.

The company will use 10-15 per cent of the money raised to automate processes and increase production capacity at its manufacturing arm from 250 mattresses per day to 700 mattresses per day. It will also launch new products such as bed sheets fabricated with wood pulp fibres, comforters, pillows and sleepwear, the statement added.



Wakefit makes mattresses, pillows and mattress protectors. It currently sells its products online and via e-commerce sites Amazon, Flipkart and Pepperfry.

## Actis may buy solar assets of Shapoorji

**U**K-based private equity firm Actis is in advance talks to acquire alternative power assets of Shapoorji Pallonji Group for about \$200 million as the emerging market-focused investment firm looks to ramp up its renewable energy capacity in the country.



The transaction will be through its renewable energy platform, Spring Energy, where it has already invested close to \$450 million. Actis is looking to expand the platform.

The deal is expected to include the sale of seven operational assets of SP Solar Energy and some under-construction ones with a total generation capacity of 400 MW.

Founded in 2011, SP Solar Energy has seven operational assets with a total capacity of 270 MW while another asset of 130 MW is under development. Its major assets are located in Tamil Nadu, Telangana, Rajasthan, Maharashtra and Karnataka. Its biggest facilities are in Telangana with a total capacity of 144 MW.

Actis, which focuses on investments in emerging market economies, has a strong interest in alternative energy assets in the country.

india  
inc.

ENGAGING  
LEADERS

INCISIVE  
CONTENT

IMPACTFUL  
EVENTS

UK WEEK  
2019  
INDIA  
24-28 JUNE 2019



UK-India Week is a landmark global leadership event held annually in June. It is focused on developing strong business and strategic relationships. The event boasts of a packed agenda of impactful forums, high-calibre speakers and networking.

**Key features of the Week include:**

- The '100 Most Influential in UK-India Relations' list
- India Inc. Leaders' Summit
- The UK-India Awards

The 2018 event was a resounding success, with:

- 50+ high-calibre and engaging speakers
- 200+ media articles and interviews published around the event
- 750+ participants across the Week
- 8 new initiative announcements and publications released

What's new about UK-India Week 2019?

- First-ever "India Day" at the UK Parliament
- 8 specially curated business and policy forums
- Full-day Global Investors' Conclave



[www.indiaincgroup.com](http://www.indiaincgroup.com)

100  
UK INDIA  
MOST INFLUENTIAL PEOPLE  
IN UK INDIA RELATIONS

LEADERS'  
SUMMIT 2019  
25-27 JUNE | BUCKINGHAMSHIRE

UK CONCLAVE  
2019  
INDIA  
25-26 JUNE | BUCKINGHAMSHIRE

GLOBAL CONCLAVE  
2019  
INVESTORS'  
26-27 JUNE | BUCKINGHAMSHIRE

UK AWARDS  
2019  
INDIA  
28 JUNE 2019 | LONDON

# India hits the top spot in South Asia for ease of doing business

by Rita Ramalho




---

India has made considerable strides on the ease of 'Doing Business' with a strong reform agenda, writes the World Bank expert behind the rankings.

---

The last four years have seen India make tremendous strides on the ease of doing business, as measured by the World Bank Group's 'Doing Business' report. India has climbed to a global rank of 77, out of 190, in the latest report and was also recognised as a top improver for a second consecutive year, a distinction achieved by only nine other countries in the past eight or so years. The country's success in the global ranking benchmark is underpinned by its absolute progress towards international best practice, as measured by the Doing Business Score. India's overall score has significantly improved to 67.23, from 54.58 four years ago.

Since 2014, when India initiated its business reform programme and was ranked 5th amongst its South Asian neighbours and last among the BRICS, India is now in 1st

place in South Asia and 3rd among the BRICS.

The country's successes in reducing bureaucratic hurdles for domestic small and medium enterprises (SMEs) are commendable, especially given India's demographic characteristics and the challenge of creating jobs for over 325 million people aged 15 to 20 years.

Enabling entrepreneurship, which allows people to become self-employed and create jobs for others, is, thus, particularly important for India. However, an enabling regulatory environment that facilitates business start-ups and their growth is vital. Research shows that creating a regulatory milieu that enables private enterprise, especially small firms, to function and be creative has a large positive impact on job creation and is, therefore, good for the economy. It is

in this spirit that the 'Doing Business' report shines a spotlight on some critical regulatory constraints affecting SMEs in 190 economies around the globe, including India.

The areas of business regulation covered by the report's 10 indicators are: Starting a Business; Dealing with Construction Permits; Getting Electricity; Registering Property; Getting Credit; Protecting Minority Investors; Paying Taxes; Trading Across Borders; Enforcing Contracts; and Resolving Insolvency. A major advantage of 'Doing Business' is the comparability of data across the world's economies.

However, there are many other factors that are equally or more important to a well-functioning business environment, such as macroeconomic stability or the availability of a skilled workforce, which 'Doing Business'

does not cover. Therefore, policy-makers wishing to implement regulatory reforms can use the report as a starting point for identifying necessary reforms but should by no means stop at what is measured by the report. Despite the report's limitations, governments around the world have embraced the value of 'Doing Business'. Over the past decade, more than 70 governments, including India, have established regulatory reform committees that use the 'Doing Business' indicators to improve their business climate.

During the past year, India carried out six business reforms, bringing to a total of 20 the number of reforms implemented in the last four years.

The reforms of the past year included making Starting a Business easier by fully integrating multiple application forms into a general incorporation form. India also replaced the value added tax with the Goods and Services Tax (GST) for which the registration process is faster in both Delhi and Mumbai, the two cities measured by the Doing Business report. In addition, Mumbai abolished the practice of site inspections for registering companies under the Shops and Establishments Act. As a result, the time to start a business has been halved to 16 days, from 30 days.

With streamlining of processes, India made it faster and less expensive to obtain a construction permit. It also improved building quality control by introducing decennial liability and insurance. The cost for completing all procedures to build a warehouse has been slashed to 5.4 per cent of the warehouse value, from 23.2 per cent earlier, while the total time needed for obtaining a permit has been reduced to 95 days, from 144 days. India's continued effort to make Dealing with Construction Permits easier has this year catapulted the country to a global rank of 52, from 181 last year. Getting Electricity was made cheaper and faster in Delhi with the cost for low voltage connections reduced by more than 30 per cent of the income per capita, while the time needed was reduced to 31 days, from 39 days.

India made Paying Taxes easier by merging diverse sales taxes into a single General Sales Tax (GST). This is another area in which reforms have been carried out for a third consecutive year.



**DURING THE PAST YEAR, INDIA CARRIED OUT SIX BUSINESS REFORMS, BRINGING TO A TOTAL OF 20 THE NUMBER OF REFORMS IMPLEMENTED IN THE LAST FOUR YEARS.**

And, importing and exporting was made more efficient, also for a third consecutive year. The latest reform initiatives included electronic submission of documents and upgrading of port infrastructure. As a result, the time needed for exporters to comply with documentation requirements was reduced to 14 hours, from 38 hours.

India performs well in the area of Getting Credit. This year, the country further strengthened access to credit by amending its insolvency law to give secured creditors absolute priority over other claims in insolvency proceedings. The country's global rank in getting Credit improved to 22 this year.

India also performs particularly well in the area of Protecting Minority Investors, with a global rank of 7, and scoring a perfect 10 in the index measuring shareholders' rights and role in major corporate decisions.

The sustained effort towards business regulatory reform, begun in 2014, needs to continue in the coming years to address the areas of continuing weakness. For example, India lags in areas such as Enforcing Contracts (with a global ranking of 163) and Registering Property (166). It takes 69 days and costs about 8 per cent of the property value to register a property, compared to 20 days and 4.2 per cent among high-income OECD economies. And, it takes 1,445 days for a company to resolve a commercial dispute through a local first-instance court, almost 3 times more than the 582 days needed in high-income OECD economies.

This year, 'Doing Business' examined the relationship between efficient design and poor implementation of rules to understand why some reforms succeed while others fail. The data show that across economies there is a significant positive association between the availability of training programs for public officials and streamlined business regulation. One case study from this year's report finds that training is associated with lower border and documentary compliance times, easing the movement of goods across borders. It notes that India has supported its ambitious reform agenda by providing regular training to both customs officials and private sector agents, as well as by establishing Customs Clearance Facilitation Committees which bring together actors involved in international trade at regular meetings.

As we begin a new cycle for the next edition of the 'Doing Business' report, we look to recording further successes in India as it pursues a better business climate for its SMEs and budding entrepreneurs.

*Rita Ramalho is Senior Manager at the World Bank's Global Indicators Group, behind the 'Doing Business' report.*

# For the love of neighbours and crude oil

by India Inc. Staff




---

As 2018 comes to a close, 'India Global Business' reviews some of the major foreign visits, inbound and outbound, as a base to assess the course of India's foreign policy for the New Year.

---

**I**ndia's overall foreign policy underwent a significant and dramatic shift in stance in 2018. It was dictated by two major developments — the ones in the immediate neighbourhood and the need to secure energy in light of the US sanctions on Iran.

While in the first four years of its tenure, the Narendra Modi led administration wanted to expand its horizons with the aim of getting India its rightful place in the world order, this year the focus was towards more pressing issues of reclaiming the neighbourhood and strengthening ties in the Indian subcontinent.

The nature of the trips made by the Indian Prime Minister, who regularly doubles up as India's brand ambassador overseas, is a testimony to that. By his own high standards, Modi has been very active on the road in 2018. So far, he has made 23

trips outside India in this year and before the year draws to a close, he will make at least one more trip to participate in the 20th SAARC summit scheduled in Sri Lanka. This year ranks second in terms of number of visits in a year after 2015, his first full year as the Prime Minister, when he made an unprecedented 28 trips.

While in previous years, he would regularly travel to the US, Germany, France, China and Japan — countries that he has travelled to at least three times or more since May 2014, this year he has made two trips to Nepal, besides visiting Indonesia, Malaysia and Maldives. Modi has made the customary trips to annual bilateral summits like the World Economic Forum in Davos in January, BRICS summit in South Africa in July and the just concluded G-20 summit in Argentina last month. But compared to previous years, 2018 is an outlier with an out of proportion attention



bestowed to the country's immediate neighbourhood.

India's re-focusing its attention towards the Indian subcontinent and India Oceania region was most evident early in the year when the heads of state of nine countries that are part of the ASEAN block — Vietnam, Cambodia, Myanmar, Philippines, Singapore, Laos, Indonesia, Brunei and Thailand — came as the chief guests at India's Republic Day parade in January. This was also much needed. India goes to polls next year and though matters of foreign policy seldom make a good copy at the hustings, the country's pride and stature is decided to a large extent on how the neighbours perceive it. India, flanked by China on one side and Pakistan on the other, always had difficult neighbours but the importance of others is perhaps more now than in recent times.

Historically, China's expansionist actions were more confined in the deep Pacific Ocean of the South China Sea but in the last couple of years it has tried to flex its muscles in the Indian subcontinent. The Dragon has been trying to increase its influence in Bhutan, Bangladesh and Nepal — countries that have been traditionally friendly with India. In Sri Lanka and the Maldives, it has gone a few steps further, extending

substantial financial aid to Sri Lanka for rebuilding infrastructure and signing a free trade agreement with the Maldives. Another agreement involves the Maldives joining the China-led Belt and Road initiative (BRI).

### THIS YEAR THE FOCUS WAS TOWARDS MORE PRESSING ISSUES OF RECLAIMING THE NEIGHBORHOOD AND STRENGTHENING TIES IN THE INDIAN SUBCONTINENT.

At the same time, there has been no change in Pakistan's stance towards India despite fresh elections brought a regime change there. In fact, its poor economic health has only pushed it further towards China, bolstering the Dragon's anti-India axis. Pakistan's presence in SAARC has often been blamed for the lack of the desired cohesiveness in the region and the relative failure of the multilateral forum but of late Of late, India has been more active on another regional multilateral forum — the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), which groups Bangladesh, India, Myanmar, Sri Lanka, Thailand, Nepal and Bhutan,

to compensate for that.

The overarching strategy of India's foreign policy in 2018 was to juxtapose its soft power diplomacy against China's economic and military might and to deftly manage its countries in the Middle East to secure its energy requirements.

#### Sri Lanka and the Maldives

The two island nations provided the toughest challenge to India's diplomatic stratagem in 2018. By the end of last year, China had made decisive strides in Sri Lanka by winning a long-term lease contract for the Hambantota Port. Similarly, in the Maldives, it brought about much instability courtesy former President Abdulla Yameen, who is known to be on friendly terms with Chinese premier Xi Jinping. The free trade agreement was a result of that bonhomie. But India has managed to recover a lot of ground this year following the formation of a new government under President Ibrahim Mohamed Solih in the Maldives.

Modi attended Soli's swearing-in ceremony last month and the latter will be visiting India as per tradition in mid-December. A number of other high-ranking Maldivian ministers and officials including Foreign Minister Abdulla Shahid, Finance Minister Ibrahim Ameer, Economic Development Minister Fayyaz Ismail, Minister of State for Foreign Affairs Ahmed Khaleel, and Foreign Secretary Abdul Ghafoor Mohamed, have already visited India, signaling a fresh start in ties between the two nations.

Sri Lanka has proved to be more tangled but a thaw in ties has been achieved. Following the Hambantota Port incident, India stepped up its investments in the country — it has forever been Sri Lanka's biggest trade partner, and talks were initiated with the Sirisena government in Sri Lanka towards developing Trincomalee port into a naval and commercial base. There were also indications that Sri Lanka was getting weary of China and the debt that it brings to the table for the investment it makes.

## WHILE IRAN HAS BEEN A BIG ALLY OFFERING LENGTHIER CREDIT PERIODS TO INDIAN REFINERS FOR CRUDE, ITS ISOLATION ON THE GLOBAL SCALE WAS BEYOND INDIA'S BANDWIDTH.

The cancellation of a \$300-million housing deal to China Railway Beijing Engineering Group Co. and awarding it to Indian company ND Enterprises was an example of that. Yet, the political instability in Sri Lanka — President Maithripala Sirisena fired Prime Minister Ranil Wickremesinghe in October and appointed Mahinda Rajapakse in his place — and the intent of all major political leaders to engage both with India as well as China means there is still work to be done.

billion Sitakundu-Cox's Bazar marine drive motorway — and is contributing \$753 million to the dual-gauge rail track between Joydevpur and Ishwardi as well as \$1.4 billion to the Dhaka airport to Ashulia motorway. This makes Bangladesh the second-biggest recipient of Chinese money from the belt and road plan in South Asia, after Pakistan.

India has also stepped up its investment in the country sinking in \$ 7 billion on infrastructure projects

countries in the subcontinent, India has invested much in Afghanistan. The overall diplomacy, however, is largely dictated by the US administration and that has not changed much.

### Nepal

Traditionally a reliable friend of India, Nepal got a new government headed by K.P. Oli in April this year, which presented a diplomatic headache for the country. Traditionally the two nations have been extremely close.



### Bangladesh and Afghanistan

One in the far west and the other in the East, the two Islamic countries have been traditionally India's most solid allies, besides the small Himalayan kingdom of Bhutan. India's prominence in the formation of Bangladesh means it remains an integral part of its existence. Flanked from three sides, Bangladesh shares much of its border with India.

That, however, has not deterred China from trying to cosy up to Bangladesh. Under its Belt and Road Initiative, China intends to spend \$30 billion on infrastructure in Bangladesh — including the \$2.86

since current Prime Minister Sheikh Hasina came to power. A lot has also been done towards improving connectivity to Bangladesh from India's North-eastern states that always yields diplomatic and economic dividends. The country, however, goes to polls on December 30 and a lot hinges on Hasina's re-election as a pro-India Head of the State.

India's ties with Afghanistan are dictated by both countries' mutual distrust for Pakistan. Both countries have suffered from global terrorism and, like in the case of other smaller

Both nations have a Hindu majority, share an open border, customs and cultures.

In recent times, however, relations have deteriorated partly due to India's foreign policy ambivalence on Nepal, a gradual distrust that has built up over time and the emergence of China which is intent on playing a role in the tiny nation. The Madhesi crisis of 2015 where India tacitly supported the demands of people from 22 of the 75 districts of Nepal that comprises the plains and the border areas of the country alienated the more influential people in the hills. The disgruntlement

brought China, which was already looking for an opening into the mix.

Prime Minister Modi's two visits to Nepal and Oli's visit to India has managed to undo some of the damage of the past. At the same time, India has also increased investments into Nepal. The annual grant to Nepal has been hiked by 73 per cent in fiscal 2019 from Rs 375 crore to Rs 650 crore. "While China has definitely become a more important partner for the Maldives and Nepal, it is an exaggeration to say India will end up losing its neighbours to China. Despite challenges, it would be hard for China to replace India throughout South Asia for geographic and economic reasons," says Dhruva Jaishankar, fellow, Foreign Policy studies, Brookings India. "After all, majority of Nepal's exports are through nearby ports in India, over a million Nepalese work in India, and Gurkhas serve in the Indian army. The particular nature of this relationship cannot be replicated by China."

**China**

As far as India's direct relations with China is concerned, no news is good news and 2018 has been a year of no news. A repeat of the Doklam flashpoint of 2017 has been avoided and while Indian and Chinese bureaucrats and diplomats shadow boxed their way through various consulates across the world through the year, there was no stand-off between the two countries. Bilateral trade between the two Asian giants remained as strong and as lopsided towards China as ever as more and more Chinese firms set up shop in India. Since the Doklam stand-off of 2017, there have been multiple engagements between the Chinese and Indian military establishments. In this context China's Defense Minister and state councillor Wei Fenghe made a trip to Delhi in August.

Modi himself made two trips to China this year. There has been no breakthrough in relations— China remains opposed to India's

candidature in the Nuclear Supplier's Group or for its permanent seat in the UN, but there has been no deterioration in relations either.

**The Middle East**

Ever since the US administration decided to walk out of the Iran nuclear deal in May this year and impose economic sanctions, not only on the Middle Eastern country but on anybody who transacts with it, the issue of energy security and crude oil became hot in India. In the last few months running up to the deadline of November 5, Indian officials in the ministry of finance, commerce, oil and gas, hosted and in turn visited most of the critical crude oil suppliers of India including Saudi Arabia, Iraq, UAE, Qatar and Kuwait. India imports over 80 per cent of its crude oil requirement every year and is the world's third largest oil consumer. Iran has traditionally been a big supplier. In 2017-18, India imported nearly 22 million metric tonnes or roughly 10 percent of its annual consumption of crude from Iran. The task of filling up for it from other sources was daunting.



In the end, the diplomatic parleys bore fruit and India managed to source more oil from Saudi Arabia, Iraq, Kuwait and Qatar as also US and Russia. While Iran has been a big ally offering lengthier credit periods to Indian refiners for crude, its isolation on the global scale was beyond India's bandwidth. Yet, it can also act as a blessing in disguise helping it strengthen its ties with other middle eastern nations like Saudi Arabia and UAE.

**The United States**

Often touted as a natural ally, India's relations with the US retained status quo with very little to suggest any fundamental change in the dynamics. President Trump's maverick nature of governance did rock the boat a few times — his referring to India as tariff king on numerous occasions were obvious pressure points, but it never became anything more than a friendly sparring session. Trump's turning down the invitation to become the chief guest at the Republic Day parade was also being billed as a diplomatic failure but the US held firm where it mattered. After walking out of the Iran nuclear deal in May, US granted waivers to India to enable it to continue to import from Iran beyond the November 5 deadline recognizing India's dependence on Iran for crude. More importantly, it indicated that the US treated India differently if not necessarily preferentially compared to the rest of the world.

Another example was India's purchase of Russia's S400 Triumf long range air defence system and the US choosing to look the other way and not enforce Countering American Adversaries Through Sanctions Act (CAATSA), a special legislation in the US that seeks to dissuade neutral parties from doing business with its direct adversaries. In a similar deal that involved China, the US was quick to enforce the legislation for the first time just a few weeks before India's deal. The two countries also held the first 2+2 dialogue in New Delhi in September where India's defence and foreign ministers Nirmala Sitharaman and Sushma Swaraj respectively, sat face to face with US Secretary of state Mike Pompeo and Defense secretary Jim Mattis to conclude the Communications Compatibility and Security Agreement (COMCASA) which enables India to buy sensitive American military equipment. While there may be a lack of inherent personal vibrancy for India between the US under Obama administration and US under Trump, on the ground ties have only strengthened.

# 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 by our expert editorial team and profiles influential people in business, policy, the arts, culture and media.



Download Now

View more at [www.Indiaincgroup.com](http://www.Indiaincgroup.com)

Contact us :  
For Business Development & Advertising Opportunities  
Email: [sales@indiaincgroup.com](mailto:sales@indiaincgroup.com)



# Some Indian companies that dreamt big in 2018

As the year comes to a close, 'India Global Business' looks back at some of the key developments that shaped India's global agenda and will resonate well into the New Year.

## JANUARY

### India sends its 100th satellite into space to watch borders

India launched its 100th satellite in January as the Indian government sought to project the country as a global low-cost provider of services in space. A total of 31 small satellites were launched into space. More than half of the micro and nano satellites were for the US, and the remainder India, Canada, Finland, France, South Korea and the United Kingdom.

India's space programme has a budget of around \$4 billion and the Modi government hopes the launches will improve its prospects of winning a larger share of the more than \$300 billion global space industry. India will use these satellites for better border surveillance and obtaining high-resolution images of the earth.



## FEBRUARY

### Justin Trudeau gets a mixed welcome to India

Canadian Prime Minister Justin Trudeau said his visit to India yielded investments worth over \$1 billion that will generate 6,000 'high quality' jobs. "This is a true vote of confidence from the Indian Business community and the desire from companies around the world to set up shop in Canada makes sense," he said, notwithstanding some reports that indicated a lukewarm welcome laid out for the Canadian PM over some controversial policies towards Canadian Sikh groups.

Trudeau insisted his visit was a success and said India and Canada must "deepen and broaden" its historic friendship. He also called for achieving trade and growth that lifts the poor and historically disadvantaged.

## MARCH

### India, Russia, Bangladesh in civil nuke pact

India signed a tripartite agreement with foreign partners Russia and Bangladesh for civil nuclear cooperation. The Nuclear Power Cooperation of India Limited (NPCIL) will play a key role in building a nuclear power plant on foreign soil with the proposed supply of equipment and material for the power station being built by Russia in Bangladesh.



While India has been working with major powers (US, Russia and Japan) across various sectors as well as firming up joint ventures in third countries in Africa, South-East Asia and Central Asia, it would be the first occasion where Delhi will be involved in a civil nuclear project on foreign soil, marking India's global entry into a strategic sector. It will also boost the Make in India initiative amid a proposal by Delhi to Moscow for manufacturing of some nuclear power reactor equipment in India.

## APRIL

**PM Modi invites Nordic investments**

During his visit to Sweden, Prime Minister Narendra Modi invited top Swedish companies to invest in India and take part in the country's flagship initiatives, saying stronger bilateral business relations would augur well for the people of the two countries. Modi held bilateral meetings with his counterparts from Finland, Denmark, Iceland and Norway and discussed ways to enhance ties in key areas such as trade and investment, and renewable energy. He met the leaders of the four Nordic countries on the sidelines of the India-Nordic Summit in Stockholm.

Swedish companies have committed to invest \$1.1 billion in India over the

## MAY

**Walmart buys controlling stake in Flipkart for \$16bn**

Walmart Inc. agreed to pay \$16 billion for a roughly 77 per cent stake in Indian online e-commerce website Flipkart, the American retailer's biggest foreign investment ever as it battles Amazon in one of the world's biggest emerging markets.

Walmart said it expected the deal to knock about 25-30 cents off its earnings in fiscal 2019, assuming the

deal closes at the end of the second quarter. It also said that the deal included \$2 billion of funding from new equity in Flipkart, which could be sold to additional investors in the future, diluting the company's overall stake.

**India, Nepal start power plant construction**

Indian Prime Minister Narendra Modi visited Nepal in May to launch building work with his counterpart K.P. Sharma Oli on the country's biggest hydroelectric project, as New Delhi seeks to rebuild trust in the Himalayan republic, where China has made deep inroads.

At a ceremony in Kathmandu,

Modi and Oli pushed a button that opened the curtain on a plaque at the site of the 900 MW hydro-power project, formally marking the start of construction work there. The project, which is expected to cost \$1.04 billion and is being built by state-run Indian firm Satluj Jal Vidyut Nigam (SJVN) Limited, will be the single biggest foreign investment project in cash-strapped Nepal.

## JUNE

**India strikes river, rice deals with China**

China and India settled a dispute over the flood-prone Brahmaputra river that flows from Tibet to Bangladesh in a sign of growing cooperation between them. Indian Prime Minister Narendra Modi and Chinese President Xi Jinping signed the agreement as they began the two-day Shanghai Cooperation Organisation (SCO) summit.

Under two deals signed on the sidelines of the SCO summit, China will share hydrological data on the Brahmaputra river and amend certain requirements on Indian exports of rice other than the premium Basmati variety to China.

India's trade gap with China has widened to \$51 billion, a nine-fold increase over the past decade. The rice deal should help India finally crack the market in China, the world's biggest buyer of the commodity.



## JULY

**Samsung opens world's largest phone factory in India**

Samsung Electronics has formally opened a new factory in India, which the South Korean tech group says is the world's biggest mobile phone manufacturing plant, part of its plans to expand production in the world's fastest-growing major mobile phone market.

The factory in Noida, on the outskirts of New Delhi, will allow Samsung to make phones at a lower cost due to its scale at a time when other phone making hubs such as China are getting more expensive. The new factory will help Samsung to double its current capacity for mobile phones in Noida to an annual 120 million units after the phased expansion plan is complete, the company said in a statement.

## AUGUST

**India, China agree to expand military ties**

India and China have agreed to expand their military ties and enhance interaction to ensure peace on their common border, India said after a meeting between the old rivals' defence ministers. Relations between the Asian giants were strained last year over a 73-day military face-off in a remote, high-altitude stretch of their

disputed Himalayan border.

But the neighbours have been working on mending ties and visiting Chinese Defence Minister Wei

Fenghe told Indian Prime Minister Narendra Modi that their countries' friendship dated back to ancient times. The ministers also discussed their border and agreed to implement "confidence building measures" to ensure the maintenance of peace, including the early operationalisation of a hotline between their armed forces.

## SEPTEMBER

**Modi, Macron receive named Champions of the Earth**

United Nations Environment names Indian Prime Minister Narendra Modi and French president Emmanuel Macron winners of the 2018 'Champion of the Earth' award for their leadership in the promotion of solar energy. The organisation's citation for its highest environment honour read: "UN Environment is recognising Indian Prime Minister Narendra Modi for his bold environmental leadership on the global stage. Under Modi's leadership, India pledged to eliminate all single-use plastics in the country by 2022."



The honours were announced less than a week before the first International Solar Alliance assembly in New Delhi, which was attended by the UN Secretary General.



## OCTOBER

### Statue of Unity

The 'Statue of Unity' honouring Sardar Vallabhbhai Patel was inaugurated by Indian Prime Minister Narendra Modi on October 31. The



ambitious project on the banks of the Narmada river was a Gujarat government initiative. Unveiled on the birth anniversary of Sardar Patel, the statue is built near the Sardar Sarovar Dam in the Narmada district, close to 200 kilometres from Ahmedabad. The interiors of the project include a museum of Sardar Patel, elevators, and the viewing gallery. The museum will have 40,000 documents, 2,000 photographs and a research centre dedicated to Sardar Patel's life. At 182 metres, it is now the tallest statue in the world.

### India, Russia ink \$5.2bn defence deal

India and Russia, in a move that could invite US sanctions under CAATSA, formally inked the \$5.2 billion deal for S-400 system. The air defence system is expected to be delivered by the year 2020.



The S-400 Triumf is an advanced surface-to-air missile system, developed by Russia's state-owned company Almaz-Antey, and can shoot down hostile aircraft and ballistic missiles. It has an estimated range of 250 kilometres and a possible upgrade is speculated to extend it to 400 kilometres.

Russian President Vladimir Putin, who was on a two-day visit to India, met Indian Prime Minister Narendra Modi and discussed a number of key global and regional issues, including the US oil sanctions on Iran.

## NOVEMBER

### India makes a dent in the Ease of Doing Business rankings

India leapfrogged to 77th rank in the World Bank's 2018 'Ease of Doing Business' rankings, jumping 23 notches from the previous year.

The report recognised India as one of the top 10 improvers in this year's assessment, for the second successive time. India is the only large country this year to have achieved such a significant shift. It improved its rank by 53 positions in the last two years, and 65 positions in



the last four years (2014-18). PM Modi has launched brainstorming sessions within weeks to explore measures required to realise the vision of India breaking into the top 50.

## DECEMBER

### India pushes for counter-terror cooperation at G20

While engaging in several bilateral meetings on the sidelines of the G20 summit in India, Prime Minister Narendra Modi mainly emphasised on jointly combating the menace of terrorism, which is a global phenomenon.



Indian Foreign Secretary Vijay Gokhale said that in a meeting with President of European Commission Jean-Claude Juncker, President of European Council Donald Tusk and German Chancellor Angela Merkel, the Prime Minister asserted on how the countries could jointly cooperate in combating terrorism.

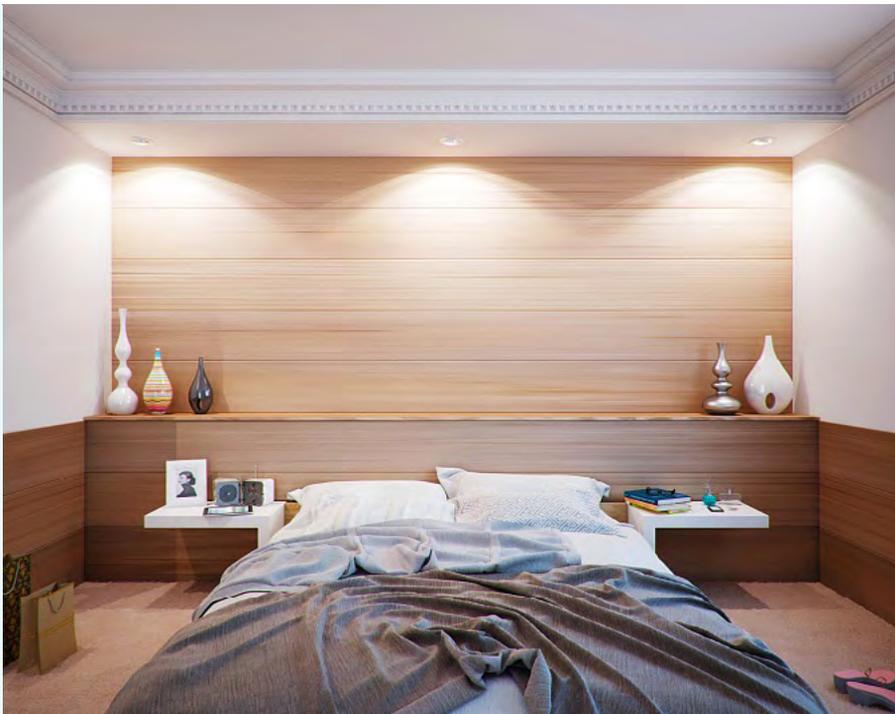
In addition to this, he hoped that Indian companies would be given data adequacies status in line with the European Union's data protection regulations which have recently come into force.

# The small companies that dreamt big in 2018

The year gone by was marked by a number of Indian companies taking their ambitions global and here we highlight some of the start-ups and small and medium enterprises that took a giant leap.

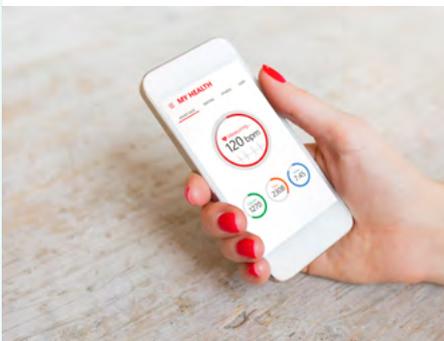
## OYO expands into China, UK

Earlier this year, Indian budget hotel chain OYO announced its arrival in China, where it covers 11,000 (exclusive) rooms across 26 cities, including Hangzhou, Xian, Nanjing, Guangzhou, Chengdu, Shenzhen, Xiamen and Kunming. In September, the brand announced its foray into London, marking the expansion of its footprint beyond Asia. Over the next two years, the company plans to invest £40 million in Britain and will look to launch in 10 cities that would include Manchester, Birmingham, Glasgow and Edinburgh.



## OLA drives into UK, New Zealand

After entering its first overseas market in Australia in February 2018, Ola launched its operations in the UK in August this year. The ride-hailing firm set up operations in Manchester first and then plans to expand to other parts of the country. The company also announced plans to enter New Zealand, beginning with Auckland, Christchurch and Wellington. Ride-hailing app Ola has announced plans to enter New Zealand, beginning with Auckland, Christchurch and Wellington.



## Healthifyme forays into Malaysia

Bangalore-headquartered health and fitness app HealthifyMe has raised \$6 million as an extension of Series B round it raised in February this year. Besides raising funds, the start-up has also launched its services in Malaysia as part of its plan of overseas expansion into southeast Asia. The company has also hired a team of nutritionists and fitness coaches to develop personalized diet and fitness plans for its southeast Asian users. The start-up will expand its services across southeast Asia to Singapore, Indonesia and will also enter the Gulf region over the next quarters.

## Paytm launches PayPay in Japan

Paytm, run by One 97 Communications Ltd, launched a barcode-based smartphone payment service called PayPay in Japan, in a joint venture with SoftBank Corporation and Yahoo Japan Corporation.

SoftBank Group is one of the largest investors in Paytm. PayPay Corp., established in June, will help SoftBank build and expand its payment system in the country. Incepted in October 2018, PayPay allows users to store money from a bank account in their “PayPay” wallet and aims to promote the use of cashless payment in Japan, which is heavily dependent on cash for payments. With the launch of “PayPay,” Yahoo Japan will terminate “Yahoo! Wallet” — its current smartphone settlement function.



## TVS Motor Company enters Mexico

South India’s leading two-wheeler maker, TVS Motor Company, announced their association with Torino Motors, a subsidiary of Grupo Autfin, to participate in the growing North American market.

In the first year of the association, Torino Motors will work with TVS Motor Company to open 40 exclusive stores in the country for the distribution of two-wheelers.

R. Dilip, Senior Vice President – International Business, TVS Motor Company, said: “We look forward to the market knowledge that they will bring on board. Their insights will allow us to personalise our offerings to suit the customers of Mexico and their vast network of distribution will ensure maximum reach in the country.”



## Travelxp to enter UK market

Mumbai-based Travelxp, a leading travel-related online channel, will enter the UK market through Freeview digital terrestrial technology-based platform.

Prashant Chothani, CEO, Travelxp, said: “Freeview platform has helped us become the first Indian TV channel to beam travel-related content for the UK mainstream audiences. We will produce local content through our UK production house [which is] to be opened soon.”

In the last seven years, Travelxp has grown to provide content to almost 91 million TV homes and it hopes to touch 100 million soon. Plans were on to double it 200 million TV homes by 2021.

## Royal Enfield forays into Argentina

Indian middleweight cruiser maker Royal Enfield has announced its entry into Argentina, the second largest motorcycle market in Latin America, with the launch of its first flagship store in the heart of Buenos Aires. The store is capable of full commercial operations including after sales, spares and service.

As a part of its growth strategy and focused international thrust of leading and expanding the global mid-sized motorcycle market, Argentina is the third country after Brazil and Colombia in the Latin American region to have an exclusive Royal Enfield store.



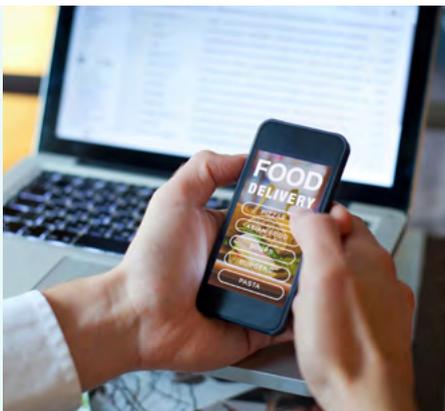
## Charcoal Eats eyes international shores

QSR start-up Charcoal Eats is racing ahead on its plans to foray into international markets starting with Middle East and Europe.

The firm which is currently present in about 30 locations across 11 cities in India is looking to enter Middle East through Bahrain with about 8-10 outlets and then expand to other countries in the area.

Beyond Middle East, the firm is also looking to launch in UK with four-five outlets by March next year even as it doubles down on the India market simultaneously.

Charcoal Eats works with several aggregators such as Zomato, Swiggy, Foodpanda and Dine Out and has also partnered with Sodexo for corporate customers.



## Burger Singh plans UK entry

Indian QSR start-up Burger Singh is to foray into the UK. It has already set up two outlets at North London and is signing master franchise deals with Corks and Keys to set up 18 more outlets in the next three years.

Founded in 2014 by Kabir Jeet Singh & Nitin Rana, it already has presence in West & North India with 20 outlets and counting. It has already raised over \$1 million in pre-series A funding from both strategic and angel investors like Ashvin Chadda, Rahul Singh, Dheeraj Jain, Ranvijay Singh and Avtar Moga.

# Creating lasting change in India through diaspora-giving

The British Asian Trust works with business to tackle poverty and build brighter futures



## The British Asian Trust thinks differently

By combining innovative finance with diaspora giving and traditional philanthropy, we are committed to achieving maximum social impact to help reduce poverty in India. Our work is geared towards education, anti-trafficking, livelihoods, disability and mental health, with an emphasis on children, young people and women.

‘Doing good’ can go hand-in-hand with a strong business imperative. We support powerful cross sector partnerships and investment in local communities by measuring outcomes, which makes our investors confident that we can deliver results at scale.

## Help us make a lasting difference

For more information please contact:  
[Abha.Thorat-Shah@britishasiantrust.org](mailto:Abha.Thorat-Shah@britishasiantrust.org)  
and visit [www.britishasiantrust.org](http://www.britishasiantrust.org)



BRITISH ASIAN TRUST  
TRANSFORMING LIVES TOGETHER

The British Asian Trust is a UK Registered Charity (1127366)

# UK-India Week 2019: On course for an even bigger, brighter and better chapter



Global Investors Forum 2018: Sanjay Nayar, CEO, KKR, in conversation with Indian Minister Piyush Goyal



Manoj Ladwa, Founder & CEO, India Inc. Group



Sir Vince Cable, Leader, Lib Dems

The UK-India Week is an annual landmark event organised by India Inc. to foster stronger strategic, economic and cultural ties between the UK and India. The Week consists of a series of high-impact events packed with incisive content, thought-provoking panel discussions involving influential speakers, and networking opportunities.

In 2018, the Week launched with a special reception at the Taj Hotel in London and featured keynote addresses by Dr Liam Fox, UK Secretary of State for International Trade; Matt Hancock, then Secretary of State for Digital, Culture, Media and Sport and now Secretary of State for Health; and recently-retired Y.K. Sinha, then Indian High Commissioner to the UK.



UK Health Secretary Matt Hancock at the launch of UK-India Week 2018



Social Impact Roundtable by British Asian Trust

The evening included the unveiling of the second edition of the '100 Most influential in the UK and India' list by the UK ministers as well as Manoj Sinha, Minister of Communications and Minister of State, Railways, in the Government of India.

The launch gave way to the UK-India Leadership Conclave, now in its sixth successful year, which brought together over 50 high-profile industry chiefs across sectors and political leaders and featured keynotes by Barry Gardiner, UK Shadow Minister for Business, Energy and Climate Change; Dr Rajiv Kumar, Vice-Chairman NITI Aayog; Sir Vince Cable, Leader of the Liberal Democrats; among others.



Audience at the UK-India Leadership Conclave 2018



In Conversation: Dr Rajiv Kumar, Vice-Chairman, NITI Aayog



Vivek Oberoi at the Young Leaders Forum



“

**THE CONCLAVE OFFERS A UNIQUE OPPORTUNITY FOR DISCUSSING THE WAY FORWARD IN STRENGTHENING UK-INDIA BILATERAL TIES WITH LEADING EXPERTS AND DOMAIN SPECIALISTS.**

*Dr Rajiv Kumar,  
Vice-Chairman, NITI Aayog*



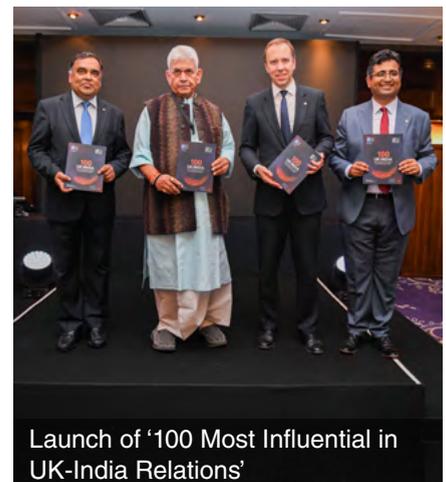
India Inc. CEO with UK Trade Secretary Liam Fox



Global Investors Forum panel members



UK-India Week 2018 Launch



Launch of '100 Most Influential in UK-India Relations'

The grand finale to the Week was the annual UK-India Awards, which brought together the brightest stars working tirelessly to bring the two countries closer and celebrated some of the standout success stories of the bilateral relationship.

The UK-India Week 2019 will take this vision onto an even bigger platform, with the core themes revolving around building winning partnerships and enhancing the technology and innovation collaboration between Brexit-bound Britain and General Election ready India.

The 2019 week will feature a first-of-its-kind "India Day" in the UK's Houses of Parliament complex, eight specially-curated business and policy forums, and a day-long Global Investors' Conclave. It will culminate in the annual UK-India Awards, the highlight event in the bilateral calendar.



Shilpa Shetty receives a Special Global Indian Award



“

Thank you for all the important work you're doing to strengthen the ties between the UK, London & India.

**Sadiq Khan**  
Mayor of London

Sadiq Khan, Mayor of London, delivers keynote address

“



The UK-India Week is, if you like, a symbol of the friendship that exists between the world's oldest democracy, and the largest.

**Dr Liam Fox, UK Secretary of State for International Trade**



UK-India Awards 2018 gala evening



Nikhil Rathi, CEO, London Stock Exchange - Best Financial Services Organisation of the Year



“

**I THINK THE UK-INDIA WEEK 2018 IS VERY TIMELY, AND WILL REALLY HELP IN UNDERLINING THE VERY STRONG PARTNERSHIP THE UK & INDIA HAVE.**

*Y.K. Sinha  
Former High Commissioner  
of India to the UK*



Lady Kishwar Desai, Chair, Partition Museum - Media, Arts & Culture Award



Vivek Oberoi hosts the UK-India Awards 2018



UK Foreign Office Minister Mark Field at the Awards



Manchester India Partnership - Trade & Investment Promotion Organisation of the Year

# A window of opportunity for India-LAC ties

by Hari Seshasayee

A region expert lays out the potential for India's relations with Latin American and Caribbean (LAC) countries against the backdrop of the G20 summit in Buenos Aires last month.

India's Prime Minister Narendra Modi made a rare visit to the South American continent – for only the second time since taking office, out of a total of more than 90 international visits. Just like the last time he visited the continent (for the 2014 BRICS Summit in Brazil), Modi made the trip to attend a multilateral summit – the G20 Annual summit in Buenos Aires on November 30. The visit gives us an opportunity to examine India's ties with the Latin American region: How important are bilateral ties? Where is India-Latin America relations headed in the 21st century?

Today, India is closer than it has ever been to Latin America's economic orbit. Testament to this is the fact that since 2014, India is the third-largest export market for the Latin American region, behind only the United States and China. Latin America now exports more to India than to the UK, France and Russia combined. All manner of products, from petroleum to teak wood, make their way from Latin America to India. The region is an important export partner for India too: it is the largest market for India's car and motorcycle exports and nearly 10 per cent of Indian pharma exports are destined for Latin America.

Besides trade, there is also sizeable cross-border investment. About 150 Indian companies have so far invested roughly \$16 billion in Latin

**ABOUT 150 INDIAN COMPANIES HAVE SO FAR INVESTED ROUGHLY \$16 BILLION IN LATIN AMERICA, MOSTLY IN THE AUTOMOBILE, PHARMA, IT AND AGRICULTURAL SECTORS.**

America, mostly in the automobile, pharma, IT and agricultural sectors. Bajaj Pulsar and TVS Apache motorbikes are ubiquitous in Central America and northern South America, while the Tata brand finds excellent recall throughout the region – credit to the 15,000 people employed by TCS in Latin America. Similarly, some Latin American companies have managed to successfully capture the Indian market, and around 35 Latin American companies have opened office in India.

Thousands of Indians have been to a Cinépolis movie theatre, whose 350 screens dot the entire nation, from smaller towns like Muzaffarpur, Bihar

(population 370,000) and Ambala, Haryana (population 200,000) to India's metropolises like Mumbai and Delhi (population of 20+ million). Thousands more have ridden in the Tata-Marcopolo buses across India, jointly manufactured by India's Tata Motors and Brazil's Marcopolo.

Such advances in trade and investment ties over the past two decades have brought the commercial relationship front-and-centre. India and Latin America thus view each other through the lens of economic diplomacy; both see each other as a source of economic diversification. Today, they are reaching a new status quo in their economic relationship, turning a new page in South-South relations.

The political relationship, however, lags behind the commercial one. Even as India's diplomatic missions in 14 Latin American and Caribbean (LAC) countries and the 20 LAC diplomatic missions in India work diligently to deepen bilateral ties, there lacks a certain political will that could take relations to the next level. High-level visits, especially at the level of heads of government, are few and far in between.



Out of Modi's 92 international trips, only two have been in Latin America – a visit to Brazil in July 2014 for the BRICS Summit, and a short four-hour visit to Mexico in June 2016. For Modi, Latin America is the least visited region in the world. In comparison, he has visited Central Asia eight times, Africa nine times, and even Oceania three times. Latin American heads of government visit India more often, but still much less frequently than traditional partners. Nonetheless, in time, political ties will also pick up steam.

Like any relationship, India and Latin America also face certain challenges. The most commonly cited are those of distance, language, and a lack of direct shipping routes. However, these should be considered matters of the past.

In this era of globalisation and technology, distance is no longer a major obstacle. China's booming business with the Latin American region is a prime example, and it has flourished despite the distance – China is the largest trade partner for Brazil, Peru and Chile, and is one of the largest investors and lenders in the region. Indirect shipping routes too should not be considered a deterrent.

Goods now frequently pass through transshipment hubs like Singapore, Dubai, Netherlands, Panama and Belgium.

Perhaps the most cited challenge is that of language. It is also perhaps the most unfounded. International commerce transcends language. Every country in the world does business with others that speak different languages, and India and Latin America are no exception. India's trade with Japan and South Korea at \$30 billion each is roughly equal to its trade with Latin America in 2016, yet business with these countries is often conducted in English, Korean and Japanese, with or without interpreters that facilitate these exchanges. Language must be understood as part of the learning curve, rather than a limitation.

There are only two real challenges here. The first is perception: India and Latin America must learn to shed their images of the old India and the old Latin America, and embrace the modern, contemporary sides. The second is a lack of knowledge of the market and the subtleties of each other's cultures. Companies from both sides, for example, must research the local market and adapt to the different realities, rather than follow a one-size-fits-all approach.

Most India-LAC exchanges have taken place only in the past three decades. Prior to this, both remained at the far edge of each other's foreign policy. The opportunities for India and Latin America thus far outweigh the challenges.

Business will remain on an upward trajectory, given the natural convergence in trade and services. We should also keep an eye on increasing people-to-people ties. This is already evident through the increasing number of student delegations and academic exchanges, and the continuous cultural exchanges through films, art and literature. A real deepening of diplomatic ties could add significant value to India-Latin America ties. This could be done through the opening of

more Embassies and Consulates, and India could also consider appointing the equivalent of China's Special Representative on Latin American Affairs, an envoy who could help shape a cohesive strategy for India in Latin America.

The larger context, however, is one of South-South relations. India and Latin America will continue to face similar challenges: combating poverty, increasing financial and social inclusion, improving the quality of governance, expanding and improving public services like healthcare and education. They will also have at their disposal similar opportunities such as an empowered middle class and the rapid spread of technology. It would be to the benefit of both India and Latin America to begin a conscious dialogue on such themes and find solutions to long-term issues such as energy and food security.

Going forward, both India and Latin America should focus on the one thing that could rapidly enhance bilateral ties: a perception overhaul, leaving behind nostalgic cultural ties and embracing the realities of the modern India and Latin America – from India's 500+ million middle class and its booming service sector to Latin America's unique startup culture and innovative urban development.



*Hari Seshasayee [@haricito] is a Latin America analyst, currently working as trade advisor for ProColombia, a Colombian government agency.*

*\*This is an updated version of an article published by Inter-American Development Bank.*

# The home of India-related foreign direct investment

Up-to-date insight into India's accelerating globalisation story and the role India is playing on the global stage.

Incise Content



INDIA GLOBAL BUSINESS  
India's Foremost Trade & Investment Magazine

Engaging Leaders



100 UK INDIA  
MOST INFLUENTIAL PEOPLE  
IN UK INDIA RELATIONS

Impactful Events



2<sup>nd</sup> Annual  
UK WEEK 2019  
INDIA  
24-28 JUNE 2019



Go Global  
Trade and Investment Forum

“  
*We deliver business opportunities and insights for our clients, by engaging senior leaders, and producing incisive content and impactful events, globally.*”

Manoj Ladwa, Founder & CEO, India Inc.



@IndiaIncCorp



/indiaincorporated



/company/india-inc



## Solar assets should be sustainable, replicable, bankable

by India Inc. Staff

Nandita Sahgal Tully, MD Merchant Banking at ThomasLloyd, talks 'India Global Business' through the company's recent investment in Indian solar energy company SolarArise, the wider impact on the renewables sector and the growing influence of impact-based investments.

### What are the objectives behind Thomas Lloyd's investment in SolarArise?

ThomasLloyd's philosophy is to invest where its money makes a difference. This is very similar to the philosophy of the management team of SolarArise of building high quality solar assets leading to long-term value creation by focusing on technology, operations, and finance over the lifetime of the plant.

We share the company's objective that building a portfolio of solar assets should be sustainable, replicable, bankable, and governed in line with international best practices.

### How do you see India's solar-powered growth trajectory?

India's utility solar capacity has significantly grown in 2017-2018 over the previous period, where 9.1 GW of utility solar was installed against 5.5 GW in 2016-2017, taking the country's cumulative solar capacity to 24.4 GW.

We expect this trend to continue, as the government pushes for its target of 175 GW of renewable energy by 2022, of which solar accounts for 100 GW.

---

**WITH A STRONG COMMITMENT TO SOLAR POWER, INNOVATIVE SOLUTIONS AND ENERGY EFFICIENCY INITIATIVES BOTH TO SUPPLY ITS PEOPLE WITH 24X7 ELECTRICITY, INDIA IS EMERGING AS A FRONT RUNNER IN THE GLOBAL FIGHT AGAINST CLIMATE CHANGE.**

---

Based on various new schemes such as floating solar, manufacturing-linked solar, and offshore wind projects, there is an expectation that India could overachieve the target of 175 GW to 227 GW. While we have

seen more market caution over the introduction of safeguard duty on the importation of solar panels, we still believe that long-term demand outlook for solar energy is favourable, especially considering the regulatory and policy support and the increasing cost competitiveness of solar PV-based grid-connected installations.

### Is the India-led International Solar Alliance (ISA) making an impact?

In 2015, when Prime Minister Modi launched the ISA along with the then French President, Francois Hollande, there was a strong desire from member countries for significant deployment of affordable solar energy. The alliance invites nations to facilitate infrastructure for solar projects to reduce the costs of financing solar power and the required technology. It is mobilising more than a trillion dollars to build solar facilities and infrastructure by 2030.

India has a key part to play in this



strategy. At the World Future Energy Summit (WFES) held in Abu Dhabi in January 2018, the government announced the establishment of a \$350 million solar development fund to enable the financing of solar projects. Just as recently as October 3 this year, at the first meeting of the ISA in New Delhi, the Prime Minister Modi was quoted as saying: 'The role of the oil wells today will be that of the sun's rays' tomorrow'. With a strong commitment to solar power, innovative solutions and energy efficiency initiatives both to supply its people with 24x7 electricity, India is emerging as a front runner in the global fight against climate change.

**What are some of the key attractions of India's wider renewables sector from an investment point of view?**

The main advantage in a wider renewables sector is the huge government support to meet their targets. This helps to drive down financing costs at the same time as increasing the demand for the generated power.

Therefore, India offers a significant opportunity to invest and scale up capacity further. The renewables sector is favourably placed compared to conventional thermal-based projects, often with shorter construction periods and lower execution risks.

**What are ThomasLloyds' other key infrastructure investment plans for India?**

Being an impact investor, the sub-sectors we are interested in are renewable energy, energy distribution and transmission, energy storage, water treatment, waste management and clean transportation.

**BASED ON VARIOUS NEW SCHEMES SUCH AS FLOATING SOLAR, MANUFACTURING-LINKED SOLAR, AND OFFSHORE WIND PROJECTS, THERE IS AN EXPECTATION THAT INDIA COULD OVERACHIEVE THE TARGET OF 175 GW TO 227 GW.**

**Is the concept of impact investment bearing fruit across emerging markets of the world?**

Given today's global challenges such as climate change, rising demographics, and the need for sustainable infrastructure, impact investing is now a moral and political imperative. As a matter of fact, we have been observing a growing desire and interest among institutional investors to put their money, along with ThomasLloyd, where it makes a difference.

This has been our clear investment strategy for a number of years, the success of which we are very proud. By way of example, we have been and continue to be an impact investor on Negros Island, in the Republic of the Philippines. Together with our local partner, Bronzoak Philippines Inc. we have already constructed 125 MW of solar PV and are currently in late stage construction of a further 70 MW of agricultural waste to energy biomass facilities.

Negros accounts for over 70 per cent of Philippines' sugar crop and is ideally suited to solar PV and biomass. Therefore, and as a direct result of ThomasLloyd's investment, these projects have created for the local community thousands of jobs, provided an additional income to farmers, and improved energy security, while at the same time delivering cleaner air quality and a clean energy solution to the island's long-term economic growth and security.

In a nutshell: ThomasLloyd believes that in the right locations, impact investing can make a real difference in emerging markets.

*\*The ThomasLloyd Group is a global investment and advisory firm, solely dedicated to the infrastructure sector in Asia and is one of the leading financiers and investors in this market sector. ThomasLloyd says it combines detailed technological knowledge, a high level of investment expertise and in-depth regional knowledge of social, financial and political realities in a best practice approach to investment solutions with high, risk-adjusted economic viability.*

# A start-ups 2018 report card

by Param Shah



Our industry expert rewinds to analyse some standout moments within the Indian start-ups going global landscape.

Ever since Indian Prime Minister Narendra Modi announced the Start-up India initiative in 2015, the Indian start-up story has become global.

Government policy, investor support and a conducive ecosystem are all driving forces encouraging and promoting the start-up culture in India. The Indian start-up ecosystem is looking at the start of another wave, like the internet and dotcom wave, with investors writing big cheques regularly.

As the third-largest start-up destination globally, and with one of the fastest-growing base of tech entrepreneurs in the world, India is a hotbed for some of the most innovative start-ups the world has ever seen, offering truly inspiring solutions that are redefining how we spend our day to day lives. The start-up landscape in India has become the epitome of innovation, bringing solutions that are aimed at solving local problems. Today, India is brimming with new ideas that need the right mentoring and funding to be scalable for the market. The start-up ecosystem is playing a critical role by bringing in innovation and disruption in critical areas, creating jobs and

presenting technological solutions to problems, thereby improving the lives of people.

## Start-ups & Ecosystems

India has witnessed sustained growth in number of new start-ups, making it the world's third largest start-up base with more than 14,000 start-ups recognised by the Department for Industrial Policy and Promotion (DIPP). More than 8,200 start-ups were recognised by DIPP in 2018 alone. Start-ups have been contributing to job creation to the Indian economy. According to DIPP figures, start-ups led to the creation of more than 89,000 new jobs this year, taking the total job creation contribution of recognised start-ups to 141,775. The year 2018 has also witnessed the mortality rate of start-ups go down as compared to previous years. Though Bangalore, Delhi NCR and Mumbai continue to be the hot beds for new start-ups, cities like Hyderabad, Chennai, Pune are also witnessing steady growth. Tier 2 cities like Jaipur, Chandigarh, Ahmedabad and Cochin are fast emerging as start-up hubs. These are signs of a matured ecosystem.

In 2018, India has also witnessed a YoY growth of 11 per cent in active

incubators and accelerators. India now has 210+ active incubators and accelerators. Other than academic and government supported incubators, India has more than 50 corporate incubators and accelerators. Since 2015, a large number of corporates have launched accelerator programmes to benefit from the innovation that start-ups provide.

## Funding Scenario

Investors have shown more faith in Indian start-ups and as a result, Indian start-ups saw a 108 per cent YoY growth in funding in 2018. Start-ups attracted a total funding of \$4.2 Billion till September 2018, with a substantial increase in late-stage funding. The investors have become cautiously optimistic, where they are participating in fewer deals but investing bigger amounts in mature start-ups. This year has also seen debt funds getting more active in India and a rising number of mature start-ups raising funds through debt.

## Mother of all deals

The Indian start-up ecosystem was abuzz in the second quarter of 2018, when US retail giant Walmart picked up a 77 per cent stake in Flipkart for \$16 billion. The investment in Flipkart



become the biggest-ever that Walmart had made in its history, supplanting Asda in the UK. This year has also witnessed a \$445-million investment by Alibaba in Paytm Mall, making India an e-commerce battleground for global giants. And, there were more than 80 M&A deals and over 350 investor funding start-ups at various stages from seed funds to Series D, E, F.

#### **From Boys to Men: New Unicorns on the block**

India's Unicorn Club is getting new members year on year. In 2018, there are quite a few that have graduated to the big boys' club. Byju's (Edtech), Freshwork (SaaS), Paytm Mall (E-commerce), Policy Bazaar (Fintech), Swiggy (Foodtech), Zomato (Foodtech) joined the unicorn list this year.

What is interesting to see that each of these represent a different industry. According to the recent Nasscom report, India witnessed the addition of eight tech unicorns in 2018 (till October), the highest addition in one single year. India has the highest number of unicorn start-ups after the US and China, with 18 unicorns out of 250+ total unicorns globally. As India aims to get closer to the US and China in the number of unicorn

---

**INDIA IS A HOTBED FOR SOME OF THE MOST INNOVATIVE START-UPS THE WORLD HAS EVER SEEN, OFFERING TRULY INSPIRING SOLUTIONS THAT ARE REDEFINING HOW WE SPEND OUR DAY TO DAY LIVES.**

---

start-ups, it remains to be seen how many of these unicorns will be able to build lasting enterprises by going for an IPO.

#### **Going Global...**

The year 2018 has seen Indian start-ups expanding their wings and going global. A large number of Indian start-ups are breaking the geographical barriers and are expanding in other markets.

The noteworthy ones have been the global expansion stories of Oyo and Ola as they continued their global march in 2018. Oyo expanded in China and the UK this year, in addition to its existing operations in India, Malaysia, Indonesia and Japan. Ola, on the other hand, after giving a hard time to global players at home,

ventured into two major markets – Australia and the UK – in one single year. Ola is now operating in Sri Lanka, Bangladesh, Australia and the UK as well.

Overall, it has been an eventful year for Indian start-ups. Technopreneurs will continue to build world-class start-ups and attract global investors in large numbers and create a fair share of unicorns. India is at a juncture where it could soon be leading at a global stage for start-ups. Given the excitement of the investors and other stakeholders in Indian start-ups, it would be interesting to see how 2019 shapes up for this ecosystem.

We hope to see more start-ups coming on to the scene, with new and innovative solutions, and more investors opening up their vaults for start-ups and more start-ups joining the coveted Unicorn Club.

---

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

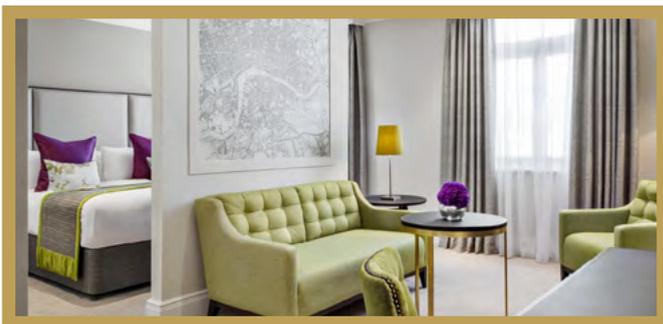
---

*\*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.*

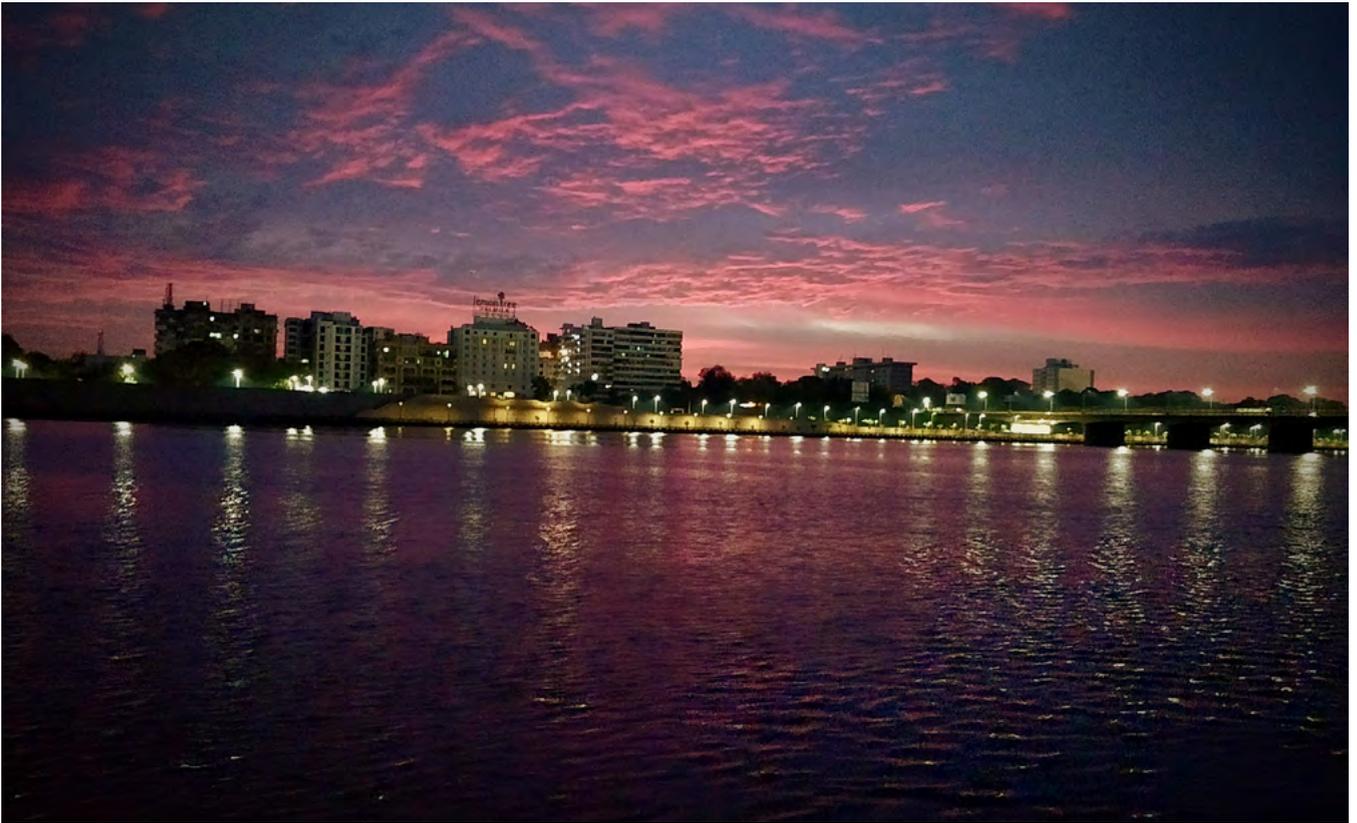


ST. JAMES' COURT  
LONDON  
A TAJ HOTEL

PREMIUM ROOMS AND SUITES  
WE ARE DELIGHTED TO LAUNCH OUR BRAND NEW SELECTION OF  
BEDROOMS AND SUITES.



St. James' Court Hotel, A Taj Hotel  
54 Buckingham Gate, Westminster, London SW1E 6AF  
[www.stjamescourthotel.co.uk](http://www.stjamescourthotel.co.uk) | +44 (0) 20 7834 6655



## India's Vibrant laboratory of development models

by India Inc. Staff

The next edition of the biennial summit kicks off in Gandhinagar on January 18 in the New Year, when it will be inaugurated by Prime Minister Narendra Modi. As in previous years, leading ministers, bureaucrats and policy-makers from around the world will be there, as will CEOs of Fortune 500 companies and India's top companies.

**I**f India is now the hottest investment destination in the world, at least a part of the credit should go to the biennial Vibrant Gujarat Summit (VBS), the first organised effort to sell an Indian state as a viable location for global businesses to set up shop.

The ninth edition of this summit is scheduled to be held between January 18 and 20 in Gujarat's capital Gandhinagar, though a Vibrant Gujarat Global Trade Show 2019 will run on for two more days. The summit will be inaugurated by Indian Prime Minister Narendra Modi on January

18, 2019, in the presence of heads of states and global and Indian captains of industry and trade.

It also offers investors the best opportunity to network and exchange ideas with top Indian ministers, bureaucrats, C-suite occupants, policy-makers and Fortune 500 corporate leaders in India.

### Great networking opportunity

Being Asia's largest business summit, VBS is attended by leading Indian ministers, bureaucrats and policy-makers and provides delegates opportunities to interact with key

policymakers, industry leaders, global thought leaders, regulators and renowned academicians from all over the world.

The section of VBS dedicated to MSMEs gives this critical section of Indian business a golden chance to connect with potential customers and collaborators from across the world to explore both B2B and B2C business opportunities. This is particularly important as this group of businesses, which are responsible for maximum employment generation in any economy, usually lack the resources and the wherewithal to establish a

connect with potential collaborators outside their immediate sphere of operations.

The list of ministers who will attend the 2019 summit has not yet been released but in the previous edition of VBS, the entire who's who of all the important economic ministries – from Finance Minister Arun Jaitley to then Defence Minister (and current Goa Chief Minister) Manohar Parrikar, then Urban Development Minister (and current Vice President of India) Venkaiah Naidu, Transport Minister Nitin Gadkari, then Commerce and Industry Minister (and current Defence Minister) Nirmala Sitharaman and then Power Minister (and current Railways Minister) Piyush Goyal, besides Gujarat Chief Minister Vijay Rupani – were present. The organisers expect a similar power-packed gathering of ministers and officialdom next month as well.

“The Vibrant Gujarat Summit is definitely India’s largest and highest profile investment promotion meet and offers investors a unique opportunity of interacting and networking with the country’s top political leadership and policy makers,” Deepak Bagla, CEO of Invest India, the country’s recently set up investment promotion agency, had said last year.

**Objectives of VBS 2019**

The website for VBS 2019 sets out five main objectives behind organising this edition of the summit:

- \* Strengthen the foundation for Gujarat to become economically and socially the most developed state in India by 2030, at par with the best in the developed world
- \* Leverage Gujarat’s manufacturing leadership in the country and its economic strength to connect the global investor with India and the state
- \* Attract the brightest minds from across the world to ideate, showcase innovation and best practices and discuss their application to the state

and the nation

- \* Empower India to compete with the best global economies
- \* Provide a platform for global business networking

**Trade also in focus**

As in previous years, the primary focus will be on attracting investments into Gujarat but this time the summit will also facilitate trade into and from the state, especially with Africa. With this in mind, the Vibrant Gujarat Summit 2019 will celebrate Africa Day on the second day of the summit.

And like previous years, investors, businessmen and policy-makers will explore business opportunities not only in Gujarat but also in the rest of India.

“Exports from the ports of Gujarat to Africa have doubled over the last four years. We now export products

**AS IN PREVIOUS YEARS, THE PRIMARY FOCUS WILL BE ON ATTRACTING INVESTMENTS INTO GUJARAT BUT THIS TIME THE SUMMIT WILL ALSO FACILITATE TRADE INTO AND FROM THE STATE, ESPECIALLY WITH AFRICA.**

to 51 out of 54 African countries. On January 19, we will be celebrating Africa Day to mark trade ties between India and Africa. We will be focussing on 14 sectors where trade between the two sides is good,” Gujarat’s Principal Secretary, Tourism, S.J. Haider has told the media.

The African Pavilion at the trade show will feature the progress of various projects being implemented under the various memoranda of understandings (MoUs) between Gujarat and over 20 African countries. “Gujarat exports different goods of worth \$16.9 billion to Africa every year

and that is the significant rise during last four years as it has doubled in the due period. That is why Africa is very important. Companies that have investments or business ties with Africa will also participate in this edition of the summit,” Haider said.

Thirty-two African countries have confirmed their participation and some others, too, are expected to join. The Indo-African Chamber of Commerce is a partner organisation and will facilitate the participation of African countries and companies.

**Vital stats**

This year’s exhibition will cover more than 2 million square feet of space in which over 2,000 stalls will showcase about 25 sectors such as agro & food processing, automobiles & e-Mobility, banking and finance, chemicals & petrochemicals, oil & gas, pharmaceuticals, biotechnology, ceramics, renewable energy, start-ups & innovation, textiles, urban infrastructure and engineering, among others.

This year, the organisers are expecting upwards of 1,500 participants to attend the buyers-sellers meet, a new addition in this year’s summit, which will be held on the occasion.

**Importance of Vibrant Gujarat**

This biennial summit, Asia’s largest and arguably most important such meeting was leveraged by Modi, who as Chief Minister of Gujarat launched it in 2003, as a platform to attract investments across India. Apart from attracting investments, VBS has also become a stage where participants, many of them CEOs of Fortune 500 companies and leading consultancies share global best practices with delegates and audiences, thus, leading to a general improvement in knowledge levels and, when adopted, governance standards across the board.

This exchange of ideas on development models developed in a particular context that could work under different circumstances contributed significantly to the

## REGION FOCUS

much-vaunted Gujarat Model of Development, which transformed Gujarat in the decade since 2002 and is now being rolled out across India.

Over the years, the summit has emerged as a platform, not only for attracting investments to Gujarat and elsewhere but also to exchange ideas on development models that could work under different circumstances. Many of the elements of the much-lauded Gujarat Model of Development that are now being rolled out across India emerged from discussions at earlier editions of this summit. Many of the schemes Modi launched on a

pan-India basis such as his flagship Make in India, Start-up India, Digital India, Sagarmala, Ayushyaman Bharat, Indradhanush and the solar energy initiative had their genesis in VBS.

### **Imitation the best form of flattery**

The success of VBS and its importance in India's business calendar can be gauged from the fact that even those who oppose and decry Modi in public borrow liberally from the concepts and ideas discussed at the summit and even implement many of them in their own states.

### **On show this year**

At the trade show this year, some of the attractions this year include the Farm-to Fabric Pavilion and a fashion show to popularise Khadi. This last item will be held on the banks of the Sabarmati River on January 19.

There will be a simulated version of the Bullet Train, which will run between Mumbai and Ahmedabad from 2022, at next month's VBS. Also on display will be robotic laser cutting and an exhibition on digital economy.



# Private Equity activity on a high in India

The trend of funds being injected into segments of the Indian economy continues.

## Cerberus Capital to set up India office



**G**lobal private equity and distressed assets investor Cerberus Capital is set to enter India as it seeks to tap the mounting opportunities in domestic stress assets space. Cerberus is in the process of setting up its office in Mumbai with senior-level hirings.

For its India operations, Cerberus has hired Indranil Ghosh as managing director. Ghosh, former principal at special situation fund AION Capital Partners, will spearhead Cerberus' investments in private equity and stressed assets, said two people aware of the development.

He is expected to join in the first quarter of next calendar year.

Founded in 1992, Cerberus has assets under management (AUM) of over \$35 billion across credit, private equity and real estate verticals. In Asia, Cerberus has offices in Hong Kong, Singapore, Beijing and Tokyo. Cerberus has more than 650 professionals working from 14 offices around the world.

As the regulations for buying stressed assets has been improved after passing of the Insolvency and Bankruptcy Code (IBC) two years ago, several global distressed funds are actively pursuing opportunities to set up offices or strengthening their positions in India.

## Petronet eyeing US LNG deal

**I**ndian gas importer Petronet LNG is looking to sign a deal in a year's time to buy at least 1 million tonnes of US natural gas annually for a period of up to 10 years, as it pushes to diversify its supply sources beyond the Middle East.

As part of any deal, the firm could potentially take a stake in a US liquefied natural gas (LNG) project, said Petronet's Managing Director, Prabhat Singh.

He added that the US offers lots of opportunities and the company would like to explore that properly and make a venture there.

Petronet currently runs a 15 million tonnes per annum (mtpa) liquefied natural gas (LNG) regasification site at Dahej in the western state of Gujarat and a 5 mtpa plant at Kochi in southern India.

It has long-term deals to buy 10 mtpa of LNG, with 8.5 mtpa of that coming from Qatar's RasGas.

Singh said Petronet was in talks with various companies including Tellurian Inc about a potential US deal.

Singh said Petronet was also in talks to invest in exploration and LNG projects in Qatar, as well as continuing to scout for opportunities in Bangladesh and Sri Lanka.

## Spanish brewing major enters Bengaluru

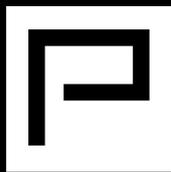
**M**ahou India, the first subsidiary of Spanish brewing major Mahou Group outside of Spain, has entered Bengaluru. The entry marks the launch of their portfolio which includes Belgian beer in wheat and lager category.

Fernando Bustamante, CEO, Mahou India, said: "We are thrilled to expand our presence to the beer lovers' city of India i.e. Bengaluru. Our premium lager beers – Mahou 5 Star and Mahou Clásica have received a great response since their launch in the last three years in other parts of India and we are delighted to launch these products for the city.

"Mahou Maestra Wheat is the first wheat beer in India that comes with a pull-off cap in its pint bottle. Bengaluru, a city known for its beer culture, is a significant market for us."

Mahou India is a 100 per cent subsidiary of Mahou Group, which is a Spanish-owned family company and market leader in Spain with a production share of 34 per cent. The firm's history dates back to more than 128 years, beginning with the birth of Mahou in 1890.

India is the first country for Mahou Group where it has a fully owned subsidiary outside of Spain. The company has its brewery located in Bhiwadi, Rajasthan. The group entered the Indian market in August 2012.



**PENNINGTONS  
MANCHES**

# INDIA GROUP

## **SPECIALIST LEGAL ADVICE FOR BUSINESSES AND INDIVIDUALS**

Penningtons Manches has a strong track record of working with Indian companies investing in Europe and European companies entering the Indian market.

- banking and finance
- commercial contracts
- corporate mergers and acquisitions
- cross-border litigation and international arbitration
- immigration visas and employment
- intellectual property, life sciences and technology
- international financial services regulation
- private wealth

### **KEY INDIA CONTACTS**

#### **RUSTAM DUBASH**

**Partner and head of India group**

T: +44 (0)20 7457 3176

E: rustam.dubash@penningtons.co.uk

#### **PAT SAINI**

**Partner and head of immigration**

T: +44 (0)20 7457 3117

E: pat.saini@penningtons.co.uk

#### **PHILLIP D'COSTA**

**Partner, commercial dispute resolution**

T: +44 (0)20 7457 3029

E: phillip.dcosta@penningtons.co.uk

#### **JOANNE VENGADESAN**

**Partner, commercial, IP and IT**

T: +44 (0)118 402 3833

E: joanne.vengadesan@penningtons.co.uk

#### **TEJA PICTON-HOWELL**

**Consultant, corporate**

T: +44 (0)20 7457 3002

E: teja.pictonhowell@penningtons.co.uk

**Penningtons Manches LLP - your partner in law**

**LONDON**

**BASINGSTOKE**

**CAMBRIDGE**

**GUILDFORD**

**OXFORD**

**READING**

**SAN FRANCISCO**

**www.penningtons.co.uk**



## Indian aerospace and defence can be at ease in Québec

**Aasheesh Chudasama is the Mumbai-based Director of the India office of Investissement Québec. In this interview with 'India Global Business', he lays out the investment appeal of Canada and Quebec for Indian businesses.**

### **W**hat is role played by Invest Québec in India?

Investissement Québec is the go-to partner for international businesses thinking of locating to Québec. Our team of experts provides the full range of services you need to set up in Québec and make your venture a long-term success. And once your subsidiary is up and running, we help ensure your business stays competitive over the long haul. We have over 450 employees across 12 international offices spread across the globe and managing over C\$8 billion in assets. Our role at the India office is to help companies from the Indian sub-continent identify market opportunities in Québec and help them set a subsidiary in the province and provide them with support in the entire decision making and commissioning cycle.

Invest Québec and all its partners have in-depth knowledge of Québec and we help companies with scouting business locations/ manufacturing sites, organising visits and meetings with strategic partners in order to understand more about the on-ground actuality and the eco-system of the province.

Also, as a financing corporation, we can provide the financial resources that a foreign company may need to get its expansion plans off the ground. Our dedicated team will continue to help our investors compete in the global arena and expand their business. To give you an idea of our scale of operations, in 2017–18, our prospecting helped 70 projects from international companies see the light of day, representing a total value of \$2.2 billion. Once they are operational, these ventures

are expected to create or maintain more than 4,162 jobs, according to company estimates.

Furthermore, since we are an economic development body, all our consultation and facilitation is free and pro-bono in nature.

### **W**hat are some of the steps/ measures taken by Invest Québec and the wider administration to attract investment from India?

Investissement Québec has stepped up its presence in India over the past few years by maintaining a permanent base in the country to cater to the South Asian market and also by organizing several exploratory missions for Indian companies in different sectors.

Investissement Québec is much

## HOTSPOT

more than a trusted Economic Development Body that can help international business grow in Canada. Invest Québec also has a rare distinction of being a financing corporation that helps get projects off the ground. We provide a wide array of financial solutions, including loans, equity financing, tax credits and more.

### **What is the scale of Indian presence in the region and what are some of the success stories?**

A little-known fact is that several Indian companies have operations in Québec. Three of them are large conglomerates: Tata, Mahindra and Jubilant Pharmaceutical. Indeed, despite the obvious distance, the two business communities share a common business culture.

Jubilant Pharma is present in Kirkland, Québec, via its subsidiary Jubilant DraxImage Inc. The subsidiary focuses on manufacturing and commercialisation of radiopharmaceuticals used for the diagnosis, treatment and monitoring of various disease. The company has 160 highly skilled employees that provide quality radiopharmaceutical products in 21 different countries around the globe.

Another significant investment from India comes from Tata Steel, Tata Steel Minerals Canada Limited is a fully-owned subsidiary to Tata Steel Limited and has a Direct Shipping Ore (DSO) project which involves mining, crushing, washing, screening and shipping the sinter fines and pellet fines to Tata Steel's European steel making facilities. TSMC was awarded a Financial Contribution of C\$175 million by the Government of Québec to support the development of its DSO Project. The Financial Contribution includes equity stake of C\$125 million through the Capital Mining Hydrocarbons Fund which supports mining activities in the Northern Region of Québec and a loan of C\$ 50 Mn through Invest Québec.

Other large significant Indian companies in Québec include Tata

Communications, Tech Mahindra and Mahindra's Tractor division.

### **What are the sectors you would highlight as central to the India-Québec connect?**

Québec and India share a lot of commonalities in various sectors. For example, the booming Indian aerospace and defence sector can be at ease in Québec, knowing that Montreal has the third-largest aerospace cluster in the world and has an eco-system of OEMs, sub-contractors and service providers all located in a single place.

---

### **OUR ROLE AT THE INDIA OFFICE IS TO HELP COMPANIES FROM THE INDIAN SUB-CONTINENT IDENTIFY MARKET OPPORTUNITIES IN QUEBEC AND HELP THEM SET A SUBSIDIARY IN THE PROVINCE AND PROVIDE THEM WITH SUPPORT IN THE ENTIRE DECISION MAKING AND COMMISSIONING CYCLE.**

---

Because of easier visa regulations and proximity to major North American and European markets, Québec excels in sectors like IT services, where a lot of traction is being gained from India for setting up development centers along with centres of excellence for advanced technologies such as AI, Blockchain and Industry 4.0, Big Data Analytics, etc.

The other sector that has shown a lot of potential for investment in Québec is that of the digital and multi-media industry. Because of easy availability of highly skilled manpower, lower cost of operations and tax credits to the tune of as much as 42 per cent, Québec is home to many industry leaders like Ubisoft, RodeoFX, Cinesite, Double Negative et al and other significant local players as well.

Québec also boasts of a territory rich in Natural resources, the spodumene rich Lithium reserves has attracted a lot of interests from major mining players from across the world.

Apart from these sectors Indian companies in Food Processing, Ground Transportation and Pharmaceuticals (Manufacturing, R&D, Clinical trials and CRAMS) also see a lot of opportunity in establishing their operations in Québec.

We are sure that as Indian companies are getting ready to make a mark on the global business map, Québec with its strong manufacturing/ services ecosystem and favourable business policies is bound to take the lead in North America.

### **What distinguishes Québec from other provinces in terms of ease of doing business and general business environment?**

For any company with global ambition, government support, policies and stability is an extremely crucial factor these days given the high levels of volatility in the current business environment. The commercial environment in Québec is extremely pro-business this can be presumed on the fact that the fiscal policy for FDI in the province has been more or less stable over the past several years thereby gaining trust and confidence from large global investors.

To give you an idea, the cost of establishing a Québec corporation is relatively modest. The government fee is approximately C\$300. The incorporation of a Québec corporation can be accomplished very quickly and routine incorporation could easily be completed within a week.

Also, the Québec Business Corporations Act does not impose a residency requirement for directors and officers unlike other provinces in Canada which require a minimum of 25 per cent of directors to be local Canadians.

Under the QBCA, shares may be

issued without being fully paid, providing for greater flexibility.

### **What are some recent Trade Agreements that Canada has administered and are we likely to see a free trade agreement between India and Canada?**

The Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) is a progressive trade agreement that upholds and promotes the values that Canada shares with the EU. This landmark agreement was signed on October 30, 2016, and came into force on September 21, 2017.

On September 30 this year, the United States, Mexico and Canada announced the completion of negotiations toward a new United States-Mexico-Canada Agreement (USMCA). The outcomes preserve key elements of this trading relationship and incorporate new and updated provisions that seek to address 21st-century trade issues and promote opportunities for the nearly half a billion people who call North America home.

As far as India is concerned, the 10th round of negotiations towards a Canada-India Comprehensive Economic Partnership Agreement (CEPA) was held on August 21-23, 2017, in New Delhi. Constructive discussions were held on various issues, including cross-border trade in goods and services, e-commerce, telecommunications, sanitary and phytosanitary measures, as well as technical barriers to trade. Canadian and Indian officials agreed to continue their engagement in the coming months to advance the CEPA negotiations.

Canada would like to see a CEPA that is inclusive, progressive and mutually-beneficial to both countries.

### **Please highlight any upcoming plans in relation to investment promotion.**

We have just concluded with two important back-to-back visits to India.



Mr David Brulotte (Director – APAC and ME) was in New Delhi and Mumbai on a commercial mission. We also recently welcomed Mr Iya Toure (Vice President-Resources Québec) and Mr Denis Williams (Director General - Resources Québec). Resources Québec is a subsidiary of Invest Québec that supports mining companies at every stage of their projects, from exploration and development through to processing. It offers a full range of financial products, including investments in share capital, debentures and various types of loans. Some of the most notable investments of RQ include financing for Québec operations of Tata Steel Canada, Nemaska Lithium, VanadiumCorp Resource Inc, and others.

City based economic development bodies from Montreal (Montreal International) and Québec City (Québec International) visited Bengaluru and Mumbai in November for a series of events organised by Consider Canada City Alliance.

Invest Québec and its representatives will have presence at India Joy & India Game Developers Conference in Hyderabad (December 2018), for Pharma at CPhI exhibition in Delhi (December 2018) and Aero India in Bangalore (February 2019).

### **Please give some background to the region.**

With a population of around 37 million and a robust GDP per capita of almost \$50,000, Canada features very strongly amongst all the developed nations in terms of growth potential and new market opportunities. The Canadian economy is dominated by the service industry, which employs about three quarters of Canadians. Canada has the fourth highest total estimated value of natural resources, valued at US\$33.2 trillion in 2016. Major export partners of Canada include the US, EU, China and Japan with US accounting for almost 75 per cent of total exports.

Québec is Canada's largest province in terms of sheer size and is the second most populous province in Canada with a population of over 8.2 million. Québec is the second-biggest contributor to the Canadian GDP. Its economy grew faster than the overall Canadian economy during the first three months of 2017, which bought the province's GDP to over \$400 billion, on a seasonally-adjusted and annualised basis, for the first time. The top four major economic centers of the province of Québec include Montreal, Québec City, Gatineau & Sherbrooke.

## Indian firms steady on global vision

Global markets continued to offer new opportunities for companies eyeing expansion beyond Indian shores.

### PremjiInvest leads \$103mn investment in US firm

**P**remjiInvest, the family office of Wipro Ltd chairman Azim Premji, has led an investment of \$103 million (around Rs 730 crore) in US-based business intelligence software firm Looker Data Sciences Inc.

Looker Data Sciences said in a statement that the infusion was part of a Series E round of funding in which American investment firm Cross Creek Advisors also came in as a new investor while existing backers participated as well.

Looker's existing investors include Alphabet Inc's growth capital arm CapitalG, Kleiner Perkins Caufield & Byers, Meritech Capital Partners, Redpoint Ventures, First Round Capital, Sapphire Ventures and Goldman Sachs.

Sandesh Patnam, lead partner in the US for PremjiInvest, said: "We chose to invest in Looker because we were impressed with its business execution, product differentiation and vision." Looker has raised a total of \$280.5 million since 2013. It was founded in 2012. The company's business intelligence software and big data analytics platform help customers explore, analyse and share real-time business analytics.

The company is headquartered at Santa Cruz in California and has an employee base of nearly 600. It has offices outside the US in London, Tokyo and Dublin. Earlier this year, it expanded operations into Tokyo to support customers in the region and drive growth across Asia-Pacific.

### TVS launches three new products in Peru

**T**VS Motor Company recently announced the launch of three new products - super-premium motorcycle TVS Apache RR 310, 125cc scooter TVS NTOURQ 125 and motorcycle TVS Apache RTR 160 4V - in the Peru market.

TVS Motor Company, in partnership with its local distributors Indian Motos, also announced the opening of a showroom in Lima.

Indian Motos distributes TVS Motor Company products to over 170 sales points across Peru, the company said in a statement.



R. Dilip Senior Vice President, International Business, TVS Motor Company, said the company is optimistic about strengthening its presence in the Peru market with the help of its distributors Indian Motos.

He added, "In our six-year association, they have helped establish our brand in the country especially in terms of three-wheelers. We are delighted to launch three new products and open a state-of-the-art showroom in Peru."

### Wipro absorbs personnel of Australian design firm

**E**xpanding its reach in the Australia and Asia-Pacific region, Indian IT service provider Wipro has integrated the strategic design consulting team of Australian design agency Syfte, it said in a statement.



Syfte's team of designers will be absorbed within Designit, Wipro's strategic design arm, the statement added.

As part of the transaction, Syfte's founder Katja Forbes will be retained as managing director of Designit, Australia and New Zealand and will be based from the Sydney office.

Rajan Kohli, President, Wipro Digital, said: "Wipro has a well-established presence in Australia. With this expansion, we now bring a substantial and differentiated design and local engineering capability to the market."

Wipro Digital and Designit serve clients from 18 digital pods around the world.

Humberto Matas, Global Managing Director, Designit, said: "As we expand into Australia, with the addition of talent from Syfte, we are now significantly better positioned to co-create the digital agenda for our Asia Pacific client base."

# Commercial Mortgages

Expand your property portfolio with us



Commercial mortgages are available for purchase of business premises or new properties. We also offer re-finance solution or the release of equity on an existing property. We will consider lending requests from Professional Landlords and Business Owners.

## Properties we lend against

- Commercial properties including retail units and office spaces
- Semi-commercial properties for mixed use

## Important information

All loans are subject to successful completion of related documentation and are secured against the property. The property or properties offered as security will be required to be located in England or Wales. PROPERTY OR PROPERTIES PROVIDED AS SECURITY, MAY BE REPOSSESSED IF YOU FAIL TO KEEP UP REPAYMENTS ON A MORTGAGE. EARLY REPAYMENT CHARGES MAY APPLY.

## Relationship manager

- A dedicated relationship manager will assist you during the process of addressing your lending requirements

## For more information:



Visit our ICICI Bank UK branches



[uk.business@icicibank.com](mailto:uk.business@icicibank.com)



0344 412 4444



[www.icicibank.co.uk](http://www.icicibank.co.uk)



United Kingdom



## New Zealand can offer cold storage solutions to India

**Kanwaljit Singh Bakshi is a New Zealand based politician and member of Parliament for the country's National Party. He is among the special guests invited to the Pravasi Bharatiya Divas 2019, to be held in Varanasi, Uttar Pradesh, in January 2019. In this interview with 'India Global Business', he delves into New Zealand's investment credentials and his enduring connect with India.**

**I**s New Zealand a business-friendly place for Indian migrants, based on your own experience over the years?

New Zealand has consistently been voted in the top five places for ease of doing business. Individuals can set up their business with ease and they can do so online without needing to travel to multiple clearance windows of bureaucracy. After migrating to New Zealand, I have set up multiple businesses with ease. Many Kiwi Indians run a number of small, medium and even some large businesses in New Zealand.

**What attracted you to the world of politics in the country?**

Politics for me stands as one way to serve, one way to play my part

in assisting our community. New Zealand gave me the opportunity to be of service. From being able to assist my constituents to being instrumental in furthering the New Zealand-India political, economic and trade relationship are achievements that I and my office take pride in.

**What are the kind of steps being taken by your party to promote India-NZ trade and economic ties?**

During the New Zealand National Party's time in government we engaged with India very proactively. The then Prime Minister of New Zealand, Rt Hon John Key, led two delegations to India. I also visited India with ministers to further the trade, economic and bilateral relationship. Our trade has consistently increased year on year

with India for New Zealand. The current government continues to make progress on the framework set up by the previous government. In New Zealand, we had the honour of hosting the former President of India, Shri Pranab Mukherjee and the Speaker of federal Indian parliament visited us twice and we had a number of state and federal ministers who took time to visit to discuss a number of topics.

**What are some of the areas where India and NZ could explore closer relations?**

I believe that New Zealand can offer cold storage solutions for the 40 plus per cent Indian produce of wheat, rice, vegetables etc that is either lost in transit or rots due to lack of proper storage facilities. Apart from cold



storage, huge potential for growth exists in horticulture and aquaculture sectors.

India and Indians love consuming dairy products. There is likely to be a shortfall of high-quality dairy products which our companies, such as Fonterra, can cover.

New Zealand is also known as the adventure destination of the world; bungee jumping as an adventure and recreational sport was discovered in New Zealand. We also have river rafting, snorkelling and a number of other adventure sports that we can share and set up in India.

New Zealand has formalisation of trades training such as electrical, plumbing and building. India has a large informal sector that currently does this work. Providing formal training to those who are keen to have a career in this area can lead to further enhancement and improvement in India's building and trade sector.

**As Chair of the South East Asia Friendship Group, do you feel the true strength of the Indian diaspora in the country is being harnessed?**

Yes, each day I come across a

number of smart working Indians who have, due to their presence of mind, excelled in all areas of New Zealand. We have had a Governor General (equivalent to President) of Indian origin, my fellow Members of Parliament, Judges, Company Directors on state-owned enterprises and, nominations on the censor board. It shows that a person with the right calibre is being appointed and selected at all levels.

---

### **MANY KIWI INDIANS RUN A NUMBER OF SMALL, MEDIUM AND EVEN SOME LARGE BUSINESSES IN NEW ZEALAND.**

---

**And, how does being a Global Indian impact your professional and personal life?**

I feel privileged and honoured as a New Zealand Member of Parliament. I have travelled with the New Zealand Prime Ministers to India. During one of our official visits the then Prime Minister, John Key, and his Indian counterpart, Dr Manmohan Singh, discussed India's use of nuclear power towards

generation of electricity and other peaceful uses. Dr Singh sought and immediately got New Zealand's support from PM Key towards India's membership at the Nuclear Supplier's Group. We also paid homage to the victims of the Mumbai terrorist attack.

I also had the opportunity to travel along with the then Minister for Primary Industries to meet the Chief Ministers of Himachal Pradesh to discuss ideas of collaboration for horticulture and to meet with the Deputy Chief Minister of Punjab to discuss collaboration in dairy.

The New Zealand National Party released the India Inc report, amongst a number of other reports to further strengthen our relationship with India.

The Asia New Zealand Foundation also completed a research paper on benefits of a free trade agreement (FTA) between New Zealand and India.

A number of organisations continue to work in this space, such as the India New Zealand Business Council (INZBC) constantly advocates for Kiwi Indian Business and hosts trade delegations regularly from India.

# Wobbly start gives way to some solid sales

by Deepak Varghese




---

A real estate expert takes a lookback at the year to encapsulate some of the key trends and what to expect in the New Year.

---

**T**he year began with a wobbly start in residential sales that strengthened as the year passed. The compact segment led the way, surpassing sales numbers in many markets over 2017. The segment is classified as units less than 1,000 sq ft. Given that the Indian realty market is dominated by over 80 per cent of the residential market, the compact segment remains the most crucial.

With the Real Estate (Regulation and Development) Act (RERA) being implemented in most states and enforcement getting a reasonable push, the number of new project launches were also limited across markets. Hyderabad has seen the best growth, with Bangalore and Pune following suit. Surprisingly, Kolkata too had good sales growth over 2017.

Overall, it has been, by and large, a year of selling existing residential inventory of which over 10 per cent has been ready-to-move-in units. Despite an increase in sales volume

and velocity, due to stock of inventory being in the 24 months to 40 months range across markets, developers have not been able to increase prices. This has led to price stagnation for two years in a row. Further, given that the average impact of tax has gone up from 8 per cent to 12 per cent by way of Goods and Services Tax (GST) – the buyers felt the impact of a price hike, but the developers were not the beneficiary of the difference.

---

**COMMERCIAL REALTY HAS HAD A GOOD YEAR ACROSS GEOGRAPHIES WITH SUPPLY GETTING MOPPED UP AND RENTAL RATES SHOWING A GENERAL UPTICK ACROSS MARKETS.**

---

Commercial realty, on the other hand, has had a good year across geographies with supply getting

mopped up and rental rates showing a general uptick across markets. This market produces around 30 million square feet each year and a similar sum has been getting absorbed each year with vacancy levels being in the 12-15 per cent range for 2 consecutive years. With marquee assets being traded in the near half-a-billion-dollar range between funds, this market is beginning to show depth and demand for A grade assets and a clear bias in construction of A grade assets. There also seems to be a stable appetite from investors for leased commercial assets with capital rates in the 8 per cent yield range. Bangalore, Chennai, Hyderabad and Pune seem to have hit rental peaks, similar to that of Q3 2008, signalling a strong trend in this segment going forward.

#### **Liquidity impact and NBFCs**

The unravelling of the IL&FS saga triggered a domino effect on non-banking finance companies (NBFC), who were lenders in situations where banks were not willing to extend

loans to real estate developers. NBFC lending for construction finance was the bloodline to the mid-sized developers. While the overall book may be less than half of that of the banks, the number of entities that availed of this funding was nearly five times. Also, the NBFCs extended loans to home buyers of these developments thereby keeping the cycle going. With an institution as large as IL&FS coming under a cloud of illiquidity, the same effect spread to large NBFCs who had exposure to the realty sector. The market was speculating that large NBFCs like IIFL, Edelweiss and DHFL besides other would not be able to meet the obligation of their debts.

tabloids recalling the Lehman crash days. This combined with a rapid rise of oil prices, which in turn pulled the rupee down, made up a month of general uncertainty all around with businesses preferring to sit on their hands rather than do something and get caught on the wrong side.

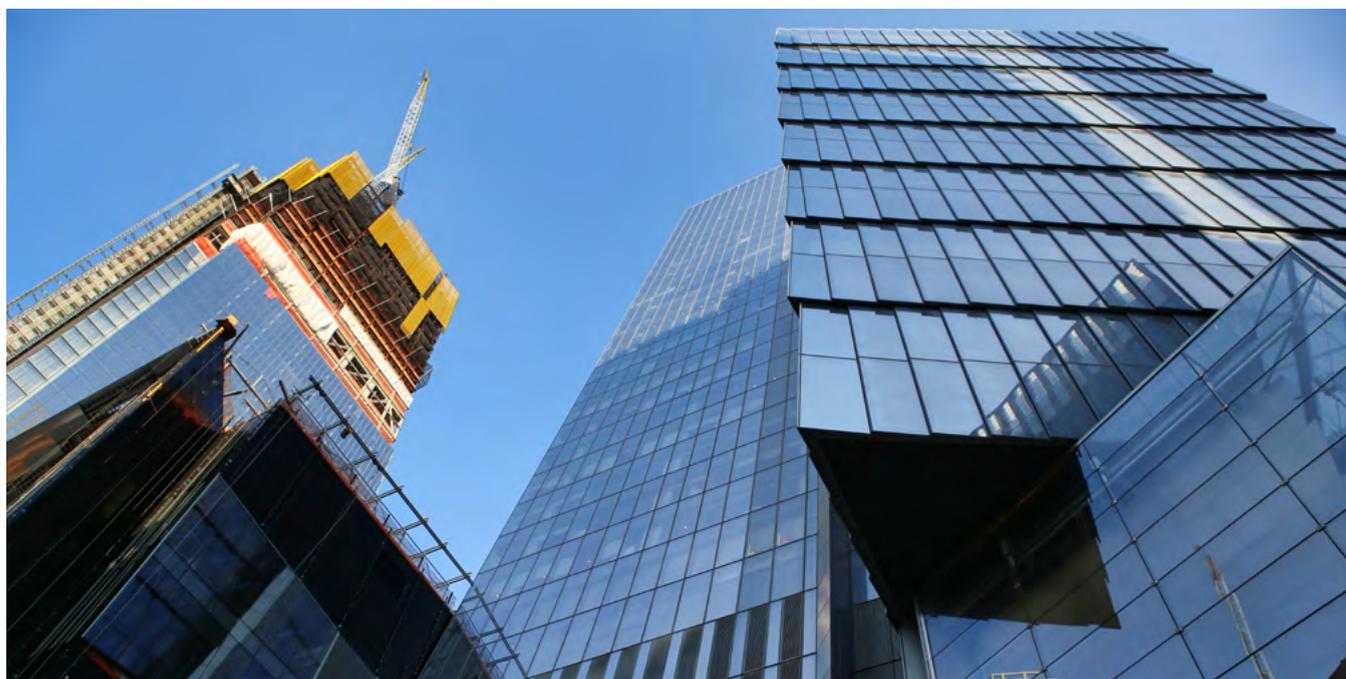
---

**OVERALL, IT HAS BEEN, BY AND LARGE, A YEAR OF SELLING EXISTING RESIDENTIAL INVENTORY OF WHICH OVER 10 PER CENT HAS BEEN READY-TO-MOVE IN UNITS.**

---

reasonably certain that like all run-ups into an election year, the first half will be volatile given that sales will be dependent on the General Election mood. Post which, depending on how the election goes, stabilisation of sales demand may take two-three months or it might be the end of 2019 by the time we see stability return. What seems to be certain is that residential unit prices will go through the majority of the next year without an increase in prices.

The way forward for the residential segment will be led by compact homes with an estimation of being over 80 per cent of the overall market in terms of value.



November being a month with some large repayments by some of these NBFC, marked a time of great liquidity squeeze for these institutions and this in turn affected the disbursements and liquidity of mid-sized developers.

In fact, it is said that some NBFCs went slow on disbursing mortgage loans to retail customers, in order to preserve liquidity. The pain of the liquidity crunch extended to the medium and small industries too, which depressed the key buying season during the festivals of Dussehra and Diwali. While India did not really feel the impact of Lehman in 2008, last month had quite a few

#### **Long and short of it**

The last quarter of the calendar year has left the larger developers getting a lion share of sales as the mid-sized developers were in the negative news regularly and with the liquidity squeeze it is going to be quite a task for many of the mid-sized developers to recover. From the middle of the year, smaller developers have been collaborating with larger developers on the land bank that they have not been able to develop. The momentum of such deals will only increase as we go further into 2019.

If one were to attempt crystal ball gazing into 2019, it seems to be

Retail spaces have stabilised with a handful of developers in this segment backed by equity funds like Blackstone and CPPIB. The commercial segment will continue to grow with the possibility of a mild hiccup during the election season and newer segments like warehousing, co-living, co-working and senior housing will gain far more traction in the marketplace.

---

*Deepak Varghese is an india-based Real estate finance specialist.*

---



## Tata Motors celebrates new baby Range Rover

by India Inc. Staff

Tata Motors owned Jaguar Land Rover (JLR) unveiled its new compact luxury SUV to hit the roads in 2019, designed, engineered and made in Britain, as a sign of its commitment to the UK car industry.

**T**he new Range Rover Evoque, which had its world debut in London recently, comes with a £1-billion investment to support its production line in the UK. The new model, dubbed a “baby” Range Rover, has been described as a technology revolution by JLR. It is priced from around \$41,000 and will hit the roads from next year.

“Our commitment to UK production remains firm and the new Evoque benefits from a £1 billion investment. With this, we are introducing new technology and Range Rover refinement into the luxury compact SUV segment that the original model created,” said JLR CEO Dr Ralf Speth.

“The Range Rover Evoque has been a fundamental driver in Jaguar Land

Rover’s global success. Since it first rolled off the Halewood production line, we have exported 80 per cent of all we have made,” he said.

Order books for the new Range Rover Evoque opened this week, with first deliveries to customers in UK, Europe and US beginning in the first months of 2019.

Over £4-billion worth of contracts have been placed with UK companies to support production of the new Evoque, which JLR said was a testament to its continued confidence in the competitiveness of UK suppliers.

### Investment plans

The company’s £1-billion investment in the new Evoque covers research, development, design, advanced

technology engineering and manufacturing.

The company said the new Evoque joins the Range Rover family with a choice of petrol, diesel and hybrid electric engines, enabled by an all-new Premium Transverse Architecture. From 2020, every new Jaguar and Land Rover will have the option of electrification and, in a first for the compact luxury SUV segment, the Range Rover Evoque will be electrified with a 48 Volt mild hybrid system from launch. It will also be available with a line-up of efficient four-cylinder diesel and petrol engines and, 12 months later, a three-cylinder plug-in hybrid engine.

“The new model’s compact footprint, at just 4.37-meters-long, will make the new Range Rover Evoque the go-to

luxury city SUV,” JLR said. “An entirely new architecture delivers Range Rover refinement, with agile on-road handling and world class off-road capability,” it noted.

### Promising history

The original Evoque is celebrated as JLR’s greatest sales success stories. With over 217 international accolades since it was launched, it is also the most awarded Land Rover.

With its resulting new body style, vehicle architecture, emissions reduction technologies including hybrid-electric, and design features such as deploying door handles, the latest Range Rover is a sophisticated evolution of the original, the Tata Group company said.

“The centre will help JLR adapt their existing engine production facilities to be capable of making electric vehicles,” said UK business and energy secretary Greg Clark.

“Through our modern Industrial Strategy, we are harnessing our globally-renowned automotive heritage and engineering excellence to unlock the economic opportunities future vehicle technologies present to businesses across the country,” he said.

JLR’s project will bring together a consortium of academic and industry partners, with the aim of developing strategies and capabilities to produce electric drive units alongside internal combustion engines at its manufacturing facilities.

Speaking at the soft launch of the new National Automotive Innovation Centre in Warwick recently, JLR CEO Dr Ralf Speth said the UK-based car manufacturer had grown to become a global player in the luxury, premium and performance marketplace under the Tata Group’s ownership.

“The opportunity for today and tomorrow is to harness India’s rich expertise and skill in a new mobility ecosystem. Not just to Make in India, but to Make with India and to Make for India,” said Speth.

“Prime Minister Modi said ‘Make in India’ is a lion’s step. From the home of the British Jaguar, we encourage and support you in taking this Indian ‘lion’s step,’” he said.

## THE COMPANY’S £1-BILLION INVESTMENT IN THE NEW EVOQUE COVERS RESEARCH, DEVELOPMENT, DESIGN, ADVANCED TECHNOLOGY ENGINEERING AND MANUFACTURING.

“Enhancements to develop state-of-the-art flexible manufacturing for the new Evoque at Halewood, Merseyside, comprise a new stamping line and hybrid-electric assembly technology, alongside significant extensions and upgrades to existing facilities. Production overseas will meet local market demand for the latest addition to the Range Rover line-up,” JLR said. The new Evoque launches with innovations such as ClearSight Ground View and ClearSight Rear View.

### Low-carbon future

The news of the new model came as JLR emerged among three new research and development projects to have won the backing of the UK government’s £25-million grant for projects aimed at accelerating the development of innovative low-carbon vehicle technologies.

The funding will be provided through the UK’s Advanced Propulsion Centre (APC) enabling JLR and others to drive the development of low-carbon propulsion technologies and their supply chains.

A second project led by Ford will work with a consortium to collaborate on the development of digital engineering tools for a new engineering process that enables the next generation of electrified commercial vehicle technologies to be developed and brought to the market much quicker.

The third major R&D project will be led by Arcola Energy to bring to market complete fuel cell electric powertrains, develop an integrated motor drive unit, strengthen UK capability in battery packs supply and demonstrate hydrogen technology on a commercial vehicle.

The projects, valued at £54 million in total including the grant funding from the APC, are expected to save around 2.5 million tonnes of CO<sub>2</sub> and help build the future of major UK automotive facilities, creating and safeguarding a total of 1,750 jobs.

### Make in, with and for India

The Tata Group company has also gone on record to say that it plans to harness India’s skills expertise and work towards making advanced vehicles in and for the country.

The National Automotive Innovation Centre is a £150-million facility and is dubbed as the largest single automotive facility in Europe. JLR experts note that autonomous, connected, electrified and shared vehicles will define future mobility, something that has been categorised by the company as Destination Zero – zero emissions, zero accidents and zero congestion.

“Collaborations are vital – for no company alone can deliver Destination Zero. This is why JLR, Tata and WMG have together now invested GBP 150 million in the largest single automotive technology facility in Europe, now officially named as Lord Bhattacharya building,” said Speth.

“Ten years ago, [Tata Group Chairman Emeritus] Ratan Tata had the vision to bring Jaguar Land Rover into the Tata family. Since then, JLR has grown to become a global player in the luxury, premium and performance marketplace, an exemplar of British invention and engineering excellence,” he said.

# Only a brave punter will bet against Modi in 2019

State elections are not exactly the right measure of what is in store in General Elections in India.

A very senior Western diplomat serving in Delhi is widely rumoured to have placed a wager against a big Indian industrialist that Modi won't win in 2019.

The elections to the five Indian states are done and dusted. In an upset, the ruling BJP lost the three states, Madhya Pradesh, Chhattisgarh and Rajasthan. The Opposition Congress party won all three, although it also lost two other state elections, in Mizoram and Telangana quite badly.

A section of New Delhi-based commentators, who had declared these elections, like so many earlier ones all of which the Congress lost, the semi-final before the Lok Sabha polls due in May 2019, have already started writing obituaries of the Narendra Modi government.

Is that really the message that voters in the three Hindi heartland states that had voted overwhelmingly for the BJP in the 2014 General Elections (and the previous round of Assembly polls) are sending out?

To begin with, Indian voters have, over the past several decades very often voted differently in state and General Elections. The results of these three states offer an interesting picture.

In the 2003 Assembly elections, Madhya Pradesh, Chhattisgarh and Rajasthan voted in BJP governments at the state level with thumping majorities. In the Lok Sabha polls that followed barely six months later, the BJP government of Atal Bihari Vajpayee was voted out of power. Five years later, in 2008, Madhya Pradesh and Chhattisgarh again voted in their incumbent BJP governments to power but the Congress-led

United Progressive Alliance (UPA) government led by Dr Manmohan Singh returned to power in 2009 with a larger majority than the one it had won in 2004. In 2013, all three states again voted in the BJP and Modi went on to sweep the General Elections the following year.

As the examples above show, there is little correlation between election results in these three crucial states that send a combined 65 lawmakers to Parliament and the eventual victor of the Lok Sabha polls.



## THERE IS LITTLE CORRELATION BETWEEN ELECTION RESULTS IN THESE THREE CRUCIAL STATES THAT SEND A COMBINED 65 LAWMAKERS TO PARLIAMENT AND THE EVENTUAL VICTOR OF THE LOK SABHA POLLS.

Then, a closer look at the election results in Madhya Pradesh and Rajasthan reveal that the BJP actually won more votes than the Congress! The BJP, which had ruled the state for three straight terms won 0.9 per cent more votes than the principal Opposition party in Madhya Pradesh. In Rajasthan, which has a history of alternating between the Congress and the BJP every election (this was the Congress' turn to rule by that logic), India's Grand Old Party won by a wafer thin overall majority of 0.5 per cent of all votes cast.

Now that doesn't look like such a grand victory any more, regardless of what the Congress spin doctors say.

Then, Modi, who is widely acknowledged, even by the Opposition, as a major vote catcher in his personal capacity, did not campaign as doggedly as he is known to do, in the just-concluded round of elections. One major reason was his foreign travel commitments, which are made months in advance. He addressed only 26 election rallies across the three states each of which had a strong and easily recognisable BJP chief minister to lead the party's election machinery.

In 2019, Modi will be the star campaigner and he will approach the electorate on the strength of his report card – 100 per cent household electrification, near 100 per cent coverage of cooking gas, low single digit inflation, lower taxes and easier tax administration. Also, an economy that is the toast of the world, as compared to one that was counted among the Fragile 5 when the UPA government demitted office, and one that has just broken into the top 100 ranks in the World Bank's ease of 'Doing Business' list, up from 140 four years ago, and a corruption-free administration, will no doubt be significantly highlighted.

The icing on the cake is Modi's pan-India personal credibility versus an open slate of till-recently feuding regional leaders with several Prime Ministerial aspirants.

No, it will take a very brave and foolhardy punter to bet against a second consecutive term for Modi and the BJP-led National Democratic Alliance (NDA).

# 2018: The Year That Was

A snapshot of the wide spectrum of coverage by 'India Global Business' over the course of this year. The flagship publication of UK-based media and publishing house India Inc. has been tracking all the key developments around India's globalisation agenda through an array of in-depth analysis and expert opinion.

India Inc. wishes its readers a Happy New Year with a promise of an equally power-packed 2019.





# In the UK since 1921. Now a UK Limited company.

SBI, the largest Indian bank in the UK and a global top 50 bank, celebrates the launch of its subsidiary SBI UK Ltd., showing its strong commitment to the United Kingdom. Open 7 days a week to serve our customers better.

[sbiuk.com](http://sbiuk.com)  
0800 532 532

**25,000 STATE BANK GROUP BRANCHES IN 37 COUNTRIES. 500 MILLION CUSTOMERS.**

Personal Banking | Corporate Finance | Debit Cards | Internet Banking | Money Transfer | NRI Services

**CITY OF LONDON | BIRMINGHAM | COVENTRY | EAST HAM | GOLDERS GREEN | HARROW  
HOUNSLOW | ILFORD | LEICESTER | MANCHESTER | SOUTHALL | WOLVERHAMPTON**

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority and Financial Conduct Authority are available from us on request. State Bank of India (UK) Limited is a member of the Financial Services Compensation Scheme established under the Financial Services and Market Act 2000. The Financial Services Compensation Scheme protects deposits held with our UK branches. Payments under this scheme are limited to £85,000 of your total deposits with us in the UK. In practice, this means that each eligible depositor will be compensated up to a maximum of £85,000 of their total deposits. For more information and clarification, visit us at our website [www.sbiuk.com](http://www.sbiuk.com) or visit your local branch. The contact centre (0800 532 532) is open 24/7.