

Foreword by **Piyush Goyal**,  
Hon. Minister of Railways and  
Commerce & Industry, India  
on pg 4

## Foreign Direct Investment

The country's economy served notice, in the financial year 2019-2020, with positive inflows and outflows.

# INDIA'S THE BIG DEAL!

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## India has emerged as a reliable and one of the most attractive destinations for foreign investors

**As investors begin to rethink and de-risk their supply chains and seek new investment destinations, India will feature prominently in their plans.**

Piyush Goyal, Hon. Minister of Railways and Commerce & Industry, India

**U**nder the visionary and dynamic leadership of Prime Minister Shri Narendra Modi ji, India has set a vision of becoming a \$5 trillion economy. Government has been taking various steps to achieve this, and as a result, India has emerged as a reliable and one of the most attractive destinations for foreign investors.

According to the Global Investment Trend Monitor report, compiled by the United Nations Conference on Trade and Development (UNCTAD), India was among the 10 top recipients of FDI in 2019. India has emerged as a major manufacturing and export destination whether it be in the modern fields of electronics or IT, and the relatively traditional fields of marine exports and automobiles.

India has eased FDI norms considerably, in order to facilitate foreign investors and attract foreign companies. Government has relaxed conditions on local sourcing for single-brand retail, allowed 100 per cent FDI in commercial coal mining, and permitted contract manufacturing through the automatic route. The historic decision to cut corporate tax rates has made India competitive. This will be a boost to domestic industry particularly manufacturing, and create more opportunities. India's rankings in the World Bank's Ease of Doing Business Index and the Global Innovation Index too have been improving consistently.

We are now working on creating an Investment Clearance Cell for genuine single window clearance. This will provide "end-to-end" facilitation and support, including pre-investment advisory, information related to land banks, various central and state Government schemes and benefits & facilitate clearances at centre and state level. Other measures in the pipeline include facilitating logistics, promoting Make in India and exports.

The world is currently going through unprecedented times, and we are united in our endeavour to save humanity. Under the leadership of PM Modi, the tireless efforts of frontline warriors and the various relief measures and required assistance by the Government, the country has been able to fight the outbreak and contain the spread significantly.

India has emerged as a leader in handling the COVID-19 pandemic with its emphasis on lives and livelihood. India has also proven its reliability, ensuring supply of essential goods including medicines to partners and global supply chain. This has also boosted the confidence of the world in India.

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On a global scale, COVID-19 has inserted a new imponderable into the complex equation that foreign investors will consider while arriving at investment decisions. I remain confident that as investors begin to rethink and de-risk their supply chains and seek new investment destinations, India will feature prominently in their plans, especially in sectors such as mobile phones and accessories, electronic equipment, pharmaceuticals, food processing, automobiles and other sectors in which we have proven or emerging competencies.

India has been taking appropriate steps to maintain its competitiveness and pro-business attitude, and I am sure that many more investors will consider investing in India.



## Despite COVID-19, incoming and outgoing FDI flows to keep growing

Given its commitment to economic reforms,  
India can expect significant FDI in the near future.

by Manoj Ladwa, Founder and CEO, India Inc.

The COVID-19 pandemic will almost certainly extract a heavy economic price and push the world economy into a recession. As a result, I expect global investment flows to fall over the next couple of quarters before picking up slowly.

The crisis has bought into stark relief the world's overdependence on supply chains originating in China also shown how, in a crisis, Beijing cannot always be trusted to do the right thing. As a result, US, Japanese, European and South Korean companies are considering moving large parts of their supply chains away from China.

And India, with its low corporate taxes and huge improvements in the World Bank's Ease of Doing Business Index rankings, is potentially in a very good position to attract a significant part of the FDI flows that will move out of China.

In fact, a recent, albeit pre-Indian lockdown survey conducted by the Emerging Market Private Equity Association (EMPEA), the global industry association for private capital in emerging markets, said India is the most attractive emerging market for the coming 12 months. That is important as FDI has emerged as a critical driver of economic growth in India. Since India could still possibly be one of the few large economies to escape the global recession, I expect the survey findings could hold.

The signs are promising. They are showing up in concrete numbers: Apple, Amazon, Saudi Aramco and several others committed massive billion-dollar-plus investments each during the year under review. Just this week, Facebook announced a \$5-billion-plus investment in India's JIO.

### **The outbound investments**

Over the last couple of decades, as Indian industry developed greater linkages with global supply chains and as it began to face intense competition from

foreign companies on its home turf, Indian businesses also started scouring the globe for supplies of raw materials, technologies and products to fill in critical gaps in their own portfolios.

During the year gone by, such investments have ranged from the string of pearls strategy followed by most Indian companies – which involves buying up small and medium-sized companies in strategic sectors in order to acquire critical technologies, knowledge, IPRs, or customers in key markets mainly in the West – to big-ticket purchases of oil and gas blocks, mainly in Russia and Africa by ONGC Videsh, the overseas investment arm of India's national oil explorer ONGC Ltd.

### **Why the report is important**

This report helps keep track of these trends in inbound and outbound FDI and also follows the journeys of many small and medium-sized Indian firms (you'll find several of them in the list that follows) as well as several start-ups that have emerged at the vanguard of India's march up the global production value chain.

It also enables us to gauge the response of foreign investors to the many initiatives taken by the Indian government to make the country a more attractive investment destination and a more competitive industrial hotspot.

The months and quarters ahead will be exciting as we are almost certain to see a remaking of the existing global industrial order following the COVID-19 outbreak. As I said at the beginning of this foreword, there are expectations that following a period of lull, there will be a rush of FDI flows into and out of certain countries. Significant inflows of FDI are expected into India as a result, as long as its commitment to economic reforms continues.

Watch this space!



# 5 key **inbound** announcements



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India stood among the top 10 FDI recipients in the world in 2019. These investments were spread over sectors like tech, infrastructure, auto, to name a few. But among these, the leading contender for high-value deals was the energy sector which saw billion-dollar pacts with giants like Saudi Aramco and BP for development projects in India.

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1

## RIL, Saudi Aramco in one of India's biggest FDI deals



\$75b



Petroleum major Saudi Aramco agreed to invest around \$75 billion for a potential 20 per cent stake in Reliance Industries Limited's oil-to-chemicals division. This deal could see Saudi Aramco supply 500,000 barrels per day of Arabian crude oil to the Indian company's Jamnagar refinery on a long-term basis.

2

## Reliance, BP to develop third gas project in India



\$5b



Indian conglomerate Reliance Industries Limited (RIL) and oil & gas major BP announced the sanction of the MJ project in Block KG D6, offshore the east coast of India. MJ and two previously announced projects are collectively expected to develop a total of about 3 trillion cubic feet (tcf) of discovered gas resources with a total investment of \$5 billion.

3

## SoftBank arm bets big on renewable energy in Gujarat



\$4b



SB Energy, a sister company of Japan's SoftBank, announced plans to invest \$4 billion in the energy sector in Gujarat – in solar energy, wind energy and other unconventional renewable energy sources. This investment comes at a time when the state aims to ramp up its renewable energy capacity from 8,885 MW to 30,000 MW by 2020.

4

## ADNOC, Adani, BASF in \$4bn JV



\$4b



Following German chemical producer BASF's and Adani Group's investment plans announced in January 2019, Abu Dhabi National Oil Company (ADNOC), BASF SE, Austria's Borealis AG and Adani signed an MoU to engage in a joint feasibility study to evaluate a collaboration for the establishment of a chemical complex in Mundra, Gujarat. The total investment is estimated to be up to \$4 billion.

5

## Brookfield inks \$3.5bn deal with RIL



\$3.5b



Canada's Brookfield Infrastructure Partners, alongside its institutional partners, agreed to invest \$3.55 billion to acquire a 100 per cent stake in telecom tower company Reliance Industrial Investments and Holdings Ltd, a subsidiary of Reliance Industries. This will see Brookfield acquire a portfolio of about 130,000 communication towers that forms the infrastructure backbone of Reliance Jio's telecom business.



# 5key **outbound** announcements

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Indian companies with expertise in tech, hospitality have been steadily expanding operations and acquiring companies across borders. Here again, as is the trend in inbound investments, we saw some high numbers in energy deals. Indian hotel chain OYO also made several commitments in line with its plan to become a leading global hospitality player.

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1

**OVL, partners to invest \$20bn in Mozambique project****\$20b**

ONGC Videsh, Oil India, Bharat Petroleum Corporation, US-based Anadarko Petroleum and other partners committed an investment of \$20 billion for the Rovuma Offshore Area-1 Mozambique LNG project, expected to be commissioned by 2024. The project will initially consist of two LNG trains with a total nameplate capacity of 12.88 million tonnes per annum and is expected to be commissioned by 2024.

2

**Petronet signs pact with Tellurian****\$2.5b**

Petronet signed an MoU with Houston-based Tellurian for the purchase of up to 5 million tonnes per annum of LNG, during Indian PM Narendra Modi's visit to the US state. Petronet agreed to spend \$2.5 billion for an 18 per cent equity stake in the \$28 billion Driftwood LNG terminal and promised an additional \$5 billion to be given as a debt commitment.

3

**OYO to buy @Leisure****\$410m**

OYO Hotels & Homes agreed to acquire Amsterdam-based vacation rental company @Leisure Group from German media and technology company Axel Springer. The deal is estimated to amount to about \$410 million. This agreement put the company one step closer to becoming the largest hospitality brand in the world.

4

**OYO to boost US presence****\$300m**

The Ritesh Agarwal-owned hotel start-up also announced plans to invest \$300 million to grow its presence in the US. The company revealed its intent to use the investment for talent acquisition, competency building and infrastructure development. With hotels in Dallas, Houston, Augusta, Atlanta and Miami, it is looking to expand presence to cities like New York, Los Angeles and San Francisco.

5

**Hexaware acquires US-based Mobiquity****\$182m**

Navi Mumbai-based IT firm Hexaware Technologies acquired US-based customer experience consulting firms Mobiquity for \$182 million. The acquisition strengthens Hexaware's key strategic offerings like Cloudify Everything and Customer Experience Transformation and also increases the depth and breadth of Mobiquity's services.



## India will emerge as a strong investment destination

The country's position as a strong trade partner may never have been stronger, notes the leader of one of India's biggest tech firms.

by Mohit Joshi, President, Infosys

India has proven itself a highly attractive market since its economic liberalisation in 1991. The last 15 years have seen foreign direct investments grow 22 per cent annually to \$44.4 billion, according to government statistics. In the past five years, India jumped up to 63rd place from 142nd on the World Bank's Ease of Doing Business list.

The services and computer sectors account for a third of inflows. India attracts nearly half of all new IT delivery centres in APAC. Initially attracted by the affordability of technical skills, now global companies come to India for cutting-edge expertise. It's no surprise then that Indian-born CEOs lead world-beating Silicon Valley firms such as Google, Microsoft, Adobe, Palo Alto Networks, and NetApp.

But it's not just IT skills. Across sectors, inflows are pouring into large corporates and start-ups alike, sometimes for intellectual property, and in others, to gain access to a lucrative market. For instance, fintech start-ups attracted over \$3 billion in 2019. In January 2020, Mastercard announced its plans

to invest \$1 billion over five years to double R&D in the country. French oil and gas major Total invested \$810 million in Adani Gas at the end of 2019. India has set a target to build a capacity of 175GW of renewable energy by 2022, spurring foreign investment of nearly \$5 billion into this sector since 2015. Of course, Walmart's acquisition of home-grown Amazon competitor, Flipkart, for \$16 billion in 2018 is perhaps the best example of India's value as a digital consumer market.

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And there is more headroom to grow. Amidst the ongoing US-China trade war and with China's supply chain being disrupted due to the COVID-19 pandemic, India's position as a strong destination for investment may never have been stronger.



## India's retail sector awaits a better tomorrow

Industry specialist touches upon the changes we can expect in retail trends as we journey through the COVID crisis and beyond.

by Anil Talreja, Partner and Leader,  
Consumer Business, Deloitte India

For India, the opportunity continues to be 'Here and now'. India is fast progressing on its growth trajectory, promising to be the third-largest consumer market in the World. So, while the road may look bumpy, the good news is that the onslaught of the COVID-19 crisis may not necessarily deter the large mass of shopaholics who are dying to get out to shop as soon as normalcy is restored.

The graph could well turn into a V-curve fuelled by the shopping sprees of a consumer base marked by numerous factors including rising urbanisation, growing middle-income segment, young demographics and digital penetration, among others.

The Indian retail market is expected to grow from \$700-800 billion in 2019 to \$1,300-1,500 billion by 2024, growing at a CAGR of 10-12 per cent over 2019-24. The golden question, therefore, lies as to whether these numbers will stack up in view of the current COVID-19 crises. An important touchpoint here is that it all seems to be a 'deferral of businesses' and not an 'abandonment of it'. Thus, the business and trade which would, under normal circumstances, continue are now being deferred till normalcy is achieved.

This means that a lot would depend on the pent-up of the demand and it is only a matter of time that the retail sector will recover the loss which is currently being suffered.

The next question is 'how much time?' – the sector, and the potential in the Indian market, is

promising. Hence, keeping a few assumptions underlined, it should take about a year to fully recover – needless to add that the recovery will kickstart immediately.

The Indian retailer would explore various creative ways to continue to stay connected with the consumer – one of the key aspects of rebound. Contactless, faceless and community-centric shopping is going to be the mantra to tap the consumer.

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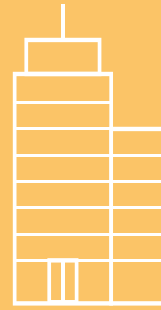
**The retail sector will see a growing affinity of consumers for value-based purchases after the reality check is received during the pandemic on needs versus wants.**

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Every offline store, including the mom-and-pop stores, will increase the channels to the consumer by using online modes. The retail sector will see a growing affinity of consumers for value-based purchases after the reality check is received during the pandemic on needs versus wants. Further, hygiene and sustainability will take centre stage in purchasing decisions whereas technology will play a key role in connecting with the consumers, creating new markets for the retailers and new channels for distribution of products.

The Indian retail sector is resilient and will not succumb to the current volatility. It will come up with its attributes intact, in fact, improved and brighter than before.

In FY 2019-20, India's infrastructure sector witnessed numerous high-value investments from foreign firms, several being from Canada. Firms from Asia also showed great confidence in the growth potential of the sector, especially given the government's plans to rapidly increase development over the next five years.



## INFRASTRUCTURE



1

## AustralianSuper, Ontario Teachers' to invest \$2bn in NIIF

AustralianSuper, Australia's largest superannuation fund, and Ontario Teachers' Pension Plan, Canada's largest single-profession pension plan, each signed an agreement to invest up to \$1 billion in the NIIF Master Fund.



This investment made NIIF Master Fund the largest infrastructure fund in India with assets under management of over \$1.8 billion and a co-investment pool of \$2.5 billion.

2

## Warburg, Runwal form \$1bn JV

Private equity major Warburg Pincus and Mumbai-based developer Runwal Group joined hands to develop shopping malls across Tier 1, 2, and 3 cities in India. Both partners committed \$200 million each in the form of equity



and announced plans to raise another \$600 million in debt. The platform looks to build large, destination malls as well as smaller hypermarket and cinema-anchored community malls across the country.

3

## NIIF scores \$600mn from CPPIB

Canada Pension Plan Investment Board (CPPIB) committed to invest \$600 million in the National Investment and Infrastructure Fund (NIIF) of India. This agreement comprises an investment



of \$150 million in the NIIF Master Fund and co-investment rights of up to \$450 million in future opportunities to invest alongside the NIIF Master Fund.



4

## L&T bags contract from KOC

Mumbai-headquartered infrastructure major Larsen & Toubro won a gas pipeline order, falling under the large contract category ranging between \$350-700 million, from Kuwait Oil



Company (KOC), a subsidiary of Kuwait Petroleum Corporation. The new export gas strategic pipeline and its associated facilities will run a span of approximately 145 km.

5

## CDPQ buys IDFC PE's road assets

Canadian pension fund Caisse de dépôt et placement du Québec (CDPQ) agreed to buy Mumbai-based finance company IDFC Private Equity's road portfolio Highway Concessions



One (HC1) for approximately \$340 million. HC1 comprises seven road assets covering 472 km and having consolidated revenues of \$89 million a year.



## Domestic savings must be used efficiently for infrastructure development

Industry expert suggests a two-step approach the government could adopt to help the business remain solvent during the pandemic.

by Sujoy Bose, MD and CEO,  
National Investment and Infrastructure Fund (NIIF)

The only method to fight the COVID-19 pandemic is social-distancing and self-isolation. India is following a lockdown to break the chain of infection. I see this tough, but necessary, move as the top priority to tackle this crisis and would describe this phase as "Protection".

The fight to "flatten the curve" and stop the spread of this pandemic disease will have a negative impact on businesses, individuals and livelihoods at a scale that has not been experienced in over a century. Factors include: (i) several crucial industries simultaneously experiencing a zero or almost-zero revenue situation; (ii) revenue losses lasting for an extended period, as lock-downs move across important economic centres around the world; (iii) supply chain and trade routes disruptions hampering the ability to respond to recovering demand once health aspects stabilise. Governments and Central banks are doing what they can to get ahead of the economic challenge, but the end of this uncertainty is still not visible.

As this challenging situation unfolds, here is an effort to put some structure around a possible policy response with a two-step approach:

Preservation – to ensure that good companies continue to function, and good projects continue

to be built so that jobs and livelihoods may be preserved. At this stage, as in other countries, the government will have to bear the burden and deploy all possible tools at its disposal – monetary, fiscal and financial, to help existing businesses weather the massive liquidity squeeze and remain solvent without laying off staff and defaulting to suppliers and lenders.

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**The government will have to bear the burden and deploy all possible tools at its disposal to help existing businesses weather the massive liquidity squeeze**

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At normalcy, shift policy focus towards the second objective, Resumption – to restart investment-led growth, focusing on critical sectors, particularly physical and social infrastructure. This is the stage at which commercial funding can resume its role in the investment cycle. While over the last few years, international investors have dominated large investments in India, it might be incumbent on domestic capital to play a bigger role in the next phase. India's domestic savings must be used efficiently for infrastructure development in the country. Homegrown institutions will play an anchoring role, and we at NIIF look forward to being an important part of that effort.



## 2019 was a milestone year for tech investments

A market specialist encapsulates the major investment trends in the tech sector in the past year.

by Vaibhav Kapoor, Finance and Strategy Professional

Incoming Foreign Direct Investment (FDI) in the Technology sector is broadly classified by the Department for Promotion of Industry and Internal Trade (DPIIT) as 'Computer Hardware & Software'. Usually, this sector is among one of the top sectors in terms of the amount of FDI it receives.

As per the data provided by DPIIT, this sector accounted for 10 per cent of FDI inflows from 2000 to 2019. In 2019 (April-December 2019), the sector received \$6.3 billion in FDI which was already similar to the \$6.4 billion received in the full financial year between April 2018 and March 2019.

This sector includes some of the most high-profile industries in the Indian economy including the Indian tech start-up ecosystem, the IT/ITeS sector and mobile manufacturing, among others. 2019 was the year of many milestones for the technology sector in India – not only in terms of incoming FDI but also for outgoing FDI deals completed by Indian tech companies as well.

It was the year when the Indian start-up ecosystem truly expanded its wings globally. Ola cabs grew aggressively across the UK. Paytm's PayPay reached 10 million users and 100 million transactions in Japan. As highlighted in this report, OYO announced its plans to invest \$300

million for its expansion in the US and is expected to have spent \$410 million to acquire Amsterdam-based @Leisure Group from Axel Springer. Large international investors including Softbank, Carlyle group, Temasek and T. Rowe Price poured money into the Indian start-up ecosystem which saw record funding come through in 2019.

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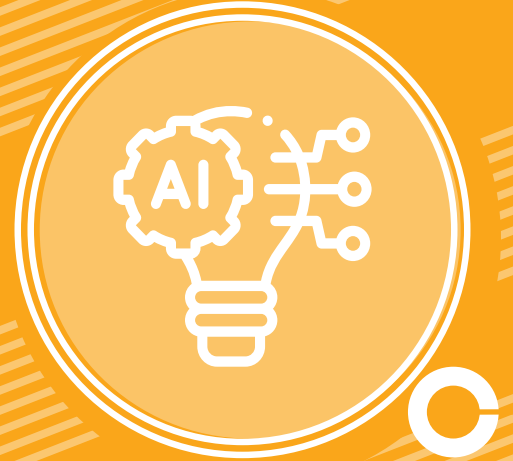
**It was the year when the Indian start-up ecosystem truly expanded its wings globally. Ola cabs grew aggressively across the UK. Paytm's PayPay reached 10 million users and 100 million transactions in Japan.**

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It was in 2019 that Samsung decided to invest \$493 million to set up its first smartphone display plant in Noida. This deal was significant for India, not just because of the magnitude of investment, but also because it comes after Samsung started the world's largest mobile manufacturing unit in India in 2018. This reflects the technology giant's commitment and trust in the country. The year also saw a \$500-million commitment (over five years) from Hewlett Packard Enterprise to expand its presence in India.

Finally, the IT/ITeS sector continued to shine as is highlighted in the report with HCL's \$1.3-billion seven-year renewal contract with US-based digital printing company Xerox.

The country's tech sector has always been one of the biggest recipients of foreign investment. Apart from significant funding in Indian start-ups, several multinational corporations have also expanded operations in the country due to its skilled workforce, innovative talent and large domestic market. Companies are also considering its potential as an export hub.



## TECH





1

## HCL signs \$1.3bn renewal deal with Xerox

Noida-headquartered HCL Technologies signed a \$1.3-billion seven-year renewal contract with US-based digital printing company Xerox to manage part of its shared services, including global administrative



and support functions and other tech-enabled operations. With this partnership, Xerox aims to strategically evolve its shared services into process-first, technology-led digital operations.

2

## Paytm raises \$1bn from T. Rowe Price, others

Indian digital payments company Paytm secured \$1 billion in a round led by US-based asset manager T. Rowe Price, raising its valuation to \$16 billion. Existing investors like Japanese conglomerate



SoftBank and Chinese fintech company Ant Financial also took part in the round. This new funding will help Paytm expand its service offers to include investments, insurance and loans.

3

## Mastercard plans \$1bn investment in India

Global payments major Mastercard announced an investment of \$1 billion over the next five years in India. A major part of this investment will go towards establishing a full on-soil domestic transactions processing centre in and for India. Another part



of the investment will be directed towards building a services hub which will focus on developing and delivering other value-added services such as authentication, tokenisation, cyber security and intelligence solutions and data analytics.



4

## HPE to pump in \$500mn in India

California based tech major Hewlett Packard Enterprise revealed plans to invest \$500 million in India over the next five years to grow its operations, manufacturing and employee base in the country, increase its R&D and



services exports, as well as invest in technology initiatives to drive positive change for local Indian communities. The company also announced its intent to start manufacturing in India.

5

## Samsung to set up India's 1st mobile display plant

South Korean electronics maker Samsung announced plans to set up India's first smartphone display manufacturing unit on the outskirts of Delhi. It will invest about



\$493 million for the facility in Noida. The plant would initially produce displays for mobile phones but could later extend it to laptops and televisions.

The past year saw some of the biggest deals in this sector in the country. While we saw corrections in the housing sector, commercial real estate emerged glorious, having drawn in several big-ticket investors from across the globe. These players underline that the long-term outlook is bright.



## REAL ESTATE



## 1 Hines to invest \$500mn for new projects in India

Texas-based real estate company Hines revealed plans to invest \$500 million in India to develop new commercial and residential projects as it sees great prospects for growth in the country. It would continue to focus on developing



and investing in office and residential projects in the medium term but could explore opportunities in retail and logistics/warehousing projects in the long term.

## 2 Blackstone Group strikes deal with Mumbai's BKC

US-based private equity firm Blackstone Group acquired a sought-after building in Mumbai's Bandra Kurla Complex (BKC), One BKC, for about \$350 million in one of the country's largest



commercial real estate deals. One BKC is spread across 700,000 sq ft and hosts offices of multinational companies such as Bank of America, Facebook, Merrill Lynch, Cisco and Amazon.

## 3 Xander acquires office park in Pune

Xander Investment Management, the private equity real estate arm of Singapore-headquartered investment firm The Xander Group acquired Weikfield IT Citi Info Park in Pune's Viman Nagar for \$130 million. The



1.1 million sq ft commercial office park is leased to tenants like Maersk, WNS, Whirlpool, PTC, Nihilent, Tavisca, amongst others. The company also set up a \$250-million industrial real estate platform for India.

Canada

USA

Singapore

## 4 Blackstone buys stake in L&T Business Park

Blackstone Group purchased an office building at Larsen and Toubro Ltd's (L&T) Business Park in Mumbai for almost \$100 million. The New York-based private equity giant acquired a 4,00,000 sq. ft office space at the



business park in Powai as part of its plans to accelerate its realty investments in India. The company has so far put in \$5.4 billion in Indian real estate across office buildings and retail assets, across 33 transactions.

## 5 Colliers buys Synergy Property Development Services

Real estate services and investment management firm Colliers International completed the acquisition of Synergy Property Development Services, a leading Indian project management

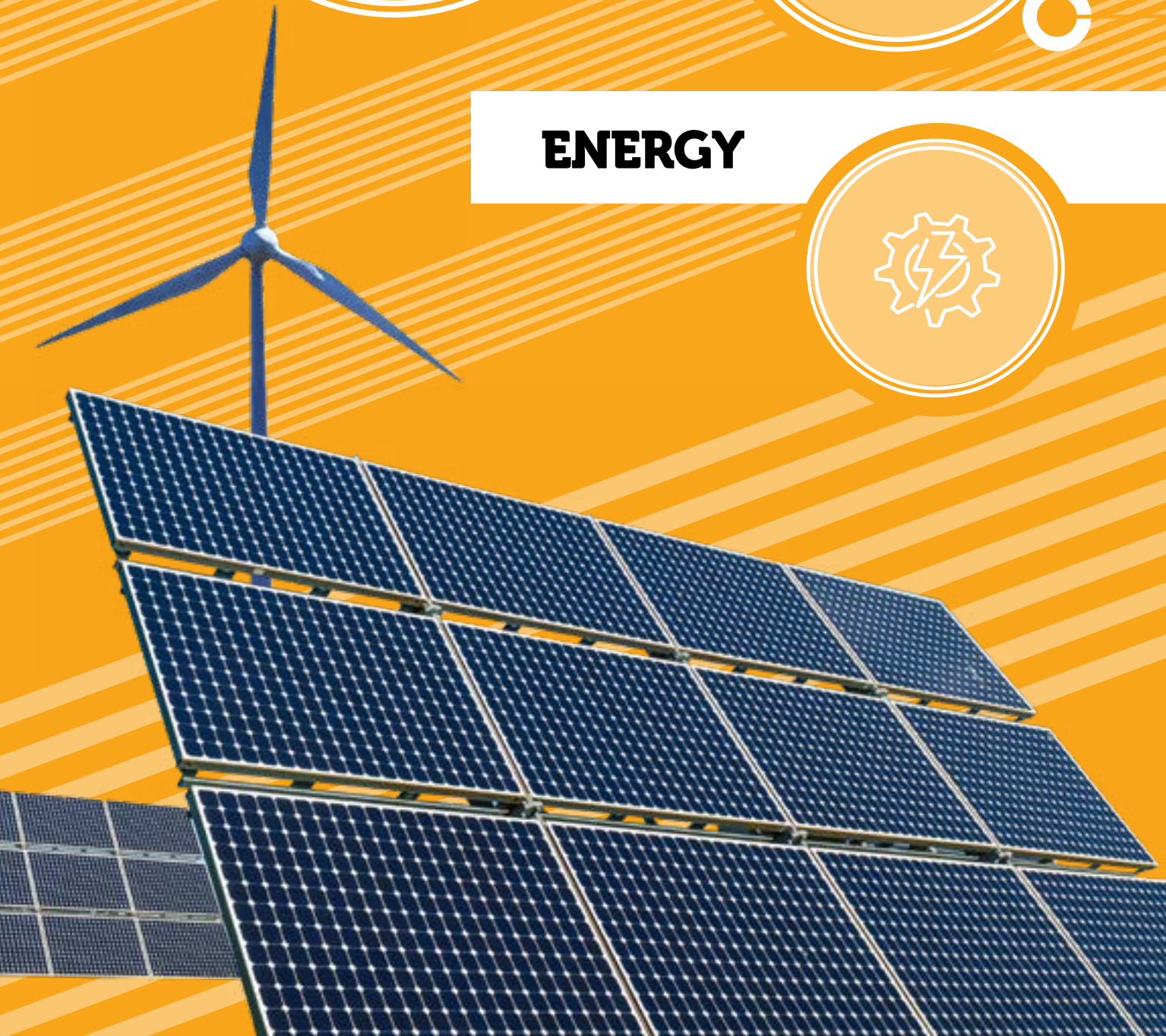


firm. The company will merge with Colliers' existing operations. With this transaction, Colliers wishes to establish itself as a top tier player in India.

India has emerged as one of the fastest-growing energy markets in the world – and foreign companies have lined up to make the most of this opportunity. Apart from marquee oil and gas partnerships, the government's target of installing 175 GW of renewable energy capacity by 2022 has prompted several players in the segment to take part in development projects in the country.



## ENERGY



1

## Total partners Adani for India expansion

French oil major Total expanded its partnership with Indian energy and infrastructure conglomerate Adani Group to contribute to the development of the Indian natural gas market. The partnership



includes two imports and regasification LNG terminals – Dhamra in East India and potentially Mundra in the West – as well as Adani Gas Limited. The company purchased a 37.4 per cent stake in Adani Gas for about \$686 million.

2

## GIC, ADIA invest in Greenko

Indian renewable energy firm Greenko Energy Holdings signed definitive agreements to raise \$495 million from an affiliate of Singapore's GIC and Abu Dhabi Investment Authority (ADIA). The two firms pumped in an additional



\$329 million in the company a month later. Greenko secured equity commitment for two Storage Projects with total capacity of 2.4 GW (1.2 GW in Pinnapuram and 1.2 GW in Saundatti), which are expected to be completed and operational in 2022.

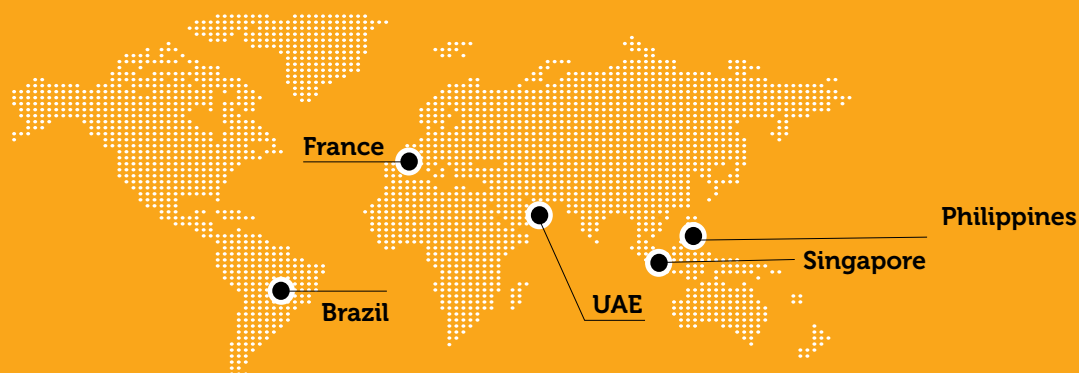
3

## Sterlite Power signs Pampa project deal

Sterlite Power signed an agreement for the Pampa transmission project in Rio Grande do Sul, Brazil, entailing an investment of \$202 million. The project, expected to be completed



in 2023, includes the construction of three energy transmission lines, for a total length of 316 km, two substations and 1,544 MVA transformation capacity.



4

## Avaada Energy raises \$144mn from ABD, others

Solar energy producer Avaada Energy Pvt Ltd raised \$144 million from investors such as the Asian Development Bank, Germany's Deutsche Entwicklungs- und Investitionsgesellschaft (DEG)



and Dutch development bank Netherlands Development Finance Company (FMO). The funding will help finance 2.4 GW of the company's renewable energy portfolio out of the targeted 5 GW.

5

## Masdar buys stake in Hero Future Energies

Abu Dhabi government owned Masdar Clean Energy bought a 20 per cent stake in Hero Future Energies for \$150 million. The strategic investment will help facilitate the further expansion



of the company in India and other key markets. The Hero Group arm expects 25 percent of its growth will come from new international markets, including Europe, Bangladesh, Singapore, Vietnam, Philippines and Indonesia.

India's young population creates massive opportunities in the education sector – this fact was highlighted in the recent Union budget. Edtech firms like BYJU'S are not only making waves in the country but also on the global front, pulling in financiers from the US and the Middle East, in particular, to escalate investments in this sector in the country.



## EDUCATION



1

### Tiger Global, General Atlantic invest in BYJU'S

New York-based hedge fund Tiger Global Management invested \$200 million in Indian edtech unicorn BYJU'S. A month later, the company raised an additional \$200 million from American



PE firm General Atlantic. The company also announced plans to roll out programmes in vernacular languages in addition to launching online tutoring in the future.

2

### KKR buys majority stake in EuroKids

Global investment firm KKR & Co bought a majority stake in Mumbai-headquartered education services provider EuroKids International from existing investor Gaja Capital, estimated at \$207 million. KKR will work with EuroKids and its portfolio of brands to



identify growth opportunities and ways to enhance offerings and practices. Some of the areas of focus will be tech-enabled/digital learning and tailored pedagogy to provide more students with access to a world-class, holistic education.

3

### Blackstone ties up with Aakash Educational Services

Private Equity firm Blackstone partnered with Aakash Educational Services Limited (AESL) to form India's largest digitally enabled, omni-channel education company. It is estimated that the US company picked up a



37.5 per cent stake in AESL for about \$190 million. With this partnership, AESL will be able to leverage Blackstone's global reach and expertise, and move to newer areas and cutting-edge education technology.



4

### QIA leads \$150mn round in BYJU'S

Online learning company BYJU'S also scored an investment of \$150 million in a round led by Qatar Investment Authority (QIA), the sovereign wealth fund of the State of Qatar. Silicon Valley-



based Owl Ventures also participated in the round. This funding will aid Byju's plans to expand in international markets and creating world-class learning products for students across the globe.

5

### Foundation Holdings, Ryan group form education JV

UAE-based Foundation Holdings agreed to pour in \$100 million in a joint venture with India's Ryan International group, creating a platform called Ryan EduNation. The brand will operate



schools on a franchise model or build them on its own. In its first deal, Ryan EduNation acquired a managed school platform from Pearson India Education Services.

The automotive industry in India is the fourth-largest in the world and is on its way to becoming the third-largest by 2026, with a strong position in the international heavy vehicles space. Betting on the country's growing urban population and increasing individual income, several auto giants announced billion-dollar commitments in the country in recent months.



# AUTO





1

## Volkswagen to pump over \$1bn in India

German multinational automaker Volkswagen Group (VW) announced a fresh \$1.1-billion investment in the Indian market. The company will launch SUVs, sedans, electric vehicles and mini cars



over the coming years to hopefully step ahead in one of the world's largest automobile market. The company had previously pumped in \$1 billion in the country in 2010.

2

## GWM rides into India

Chinese SUV maker Great Wall Motors announced its foray into the Indian market with a commitment of \$1 billion (Rs 7,000 crore) in a phased manner across different verticals. The company will launch two



brands in India – Haval for all types of SUVs and GWM EV for non-SUV electric vehicles. The company also plans to use its capabilities in India to export to other countries.

3

## MG to invest \$422mn more in India

British automobile company Morris Garages (MG), now part of China's SAIC Motor, reaffirmed its vision for the Indian market with an investment of about \$422 million. The company has previously



infused about \$280 million in the country and has started manufacturing operations at its plant at Halol in Gujarat. It also plans to launch an electric internet sport utility vehicle with four models by July 2021.



4

## Mahindra & Mahindra to invest in South Korean arm

Indian automaker Mahindra and Mahindra announced plans to invest about \$420 million over the next three years to bring its South Korean subsidiary SsangYong



back to profitability. The recovery plan also includes bringing more synergy between Ssang Yong, Mahindra and Ford – M&M's new partner in India.

5

## CDPQ picks up M&M stake

In its first investment in the Indian automobile sector, Canadian institutional investor picked up shares of Indian carmaker Mahindra & Mahindra for about \$206 million.



Mahindra said that the M&M Benefit Trust had sold 19.2 crore million shares to CDPQ. In addition, the investment firm bought 2.78 million shares from M&M Employees Welfare Fund.

# REST OF THE BEST

The year saw several Canadian and American investors make large bets in Indian organisations and also witnessed some noteworthy pacts with Asian and European companies. Here, we map a few significant Indian deals with some of its biggest trade partners and track the flow of funds in (➔) and out (➜) of its key global markets.

## Canada

- ➜ Brookfield Asset Management acquired Hotel Leelaventure assets for over \$550mn.
- ➜ CDPQ and Piramal Asset Management set up a \$300mn platform to target private credit financing opportunities in India with CDPQ contributing 75% of the investment.
- ➜ Canada Pension Plan Investment Board (CPPIB) committed \$225mn in India Resurgence Fund, a distressed asset buyout platform set up by Piramal Enterprises and Bain Capital Credit.
- ➜ CPPIB invested \$115mn in logistics company Delhivery Pvt. Ltd.
- ➜ CDPQ announced an investment of \$75mn in solar power developer Azure Power. It later bought an additional 717,701 shares in the firm.
- ➔ Software services firm Tech Mahindra bought IT firm Objectwise Consulting Group Inc for about \$2mn.
- ➜ Piramal Enterprises signed an agreement with CPPIB to co-sponsor India's first renewable energy-focused infrastructure investment trust.

## USA

- ➜ Software firm Ebix acquired online travel company Yatra for \$337mn.
- ➜ Blackstone invested \$233mn in Future Lifestyle Fashions, the flagship fashion arm of the Future Group.
- ➜ World Bank arm International Finance Corporation (IFC) anchored an investment of \$222mn in Cholamandalam Investment and Finance Company.
- ➜ Homestay marketplace Airbnb invested about \$150-200mn in hospitality chain Oyo Hotels & Homes.
- ➜ Trucking start-up BlackBuck raised \$150mn in a round of equity funding led by Goldman Sachs Investment Partners and Accel.
- ➜ Cloud data protection start-up Druva raised \$130mn in a round led by Connecticut-based hedge fund Viking Global Investors.
- ➜ Kora Management agreed to invest up to \$125 million in financial services major Edelweiss Group.
- ➜ Robotic process automation leader Automation Anywhere committed to invest \$100mn in India over the next 3-5 years.
- ➜ (IFC) proposed an investment of about \$60mn in Deepak Fertilisers and Petrochemicals Corporation Ltd.
- ➔ Automaker Mahindra & Mahindra Limited signed an agreement to own 51% in a joint venture with Ford Motor Company.
- ➜ E-commerce giant eBay picked up a 5.5% stake in e-commerce marketplace Paytm Mall.

## Asia

- ← Singapore's sovereign wealth fund GIC signed a \$600mn agreement with Indian Hotels Company Ltd to acquire hotels in India.
- ← Chinese smartphone maker Coolpad Technologies announced plans to invest \$500 million in India over the next 5 years.
- ← Automotive Electronics Power – a JV comprising Japanese tech giants Suzuki, Toshiba, and Denso – committed about \$488mn for the second phase of production of lithium-ion batteries in India.
- ← Online grocery company Grofers raised \$200mn in a round led by Japan's SoftBank Vision Fund, alongside new South Korean investor KTB, and existing investors Tiger Global Management and Sequoia Capital.
- ← Online grocery store BigBasket joined the unicorn club after raising \$150mn from South Korea's Mirae Asset-Naver Asia Growth Fund, UK's CDC Group and Chinese giant Alibaba.
- ← Zomato received \$150mn from Ant Financial, a subsidiary of Chinese e-commerce giant Alibaba.

- ← Chinese internet giant Tencent led a \$110mn investment in video streaming platform MX Player.
- ← Asian Development Bank announced an investment of about \$100mn into the National Investment and Infrastructure Fund (NIIF) of India's Fund of Funds.
- ← Japanese electric & thermal energy major Fuji Electric co-acquired Chennai-based power backup manufacturer Consul Neowatt Power Solutions for about \$96mn.
- ← Wipro Infrastructure Engineering's automation business unit partnered with Korean-based Hanwha Robotics to develop Cobots Business in India.
- ← ReNew Power joined hands with South Korea's GS E&C for the execution of its 300 MW solar power plant in Rajasthan.

## Europe

- ➔ IT major Infosys acquired a 75 stake in Slater NV, a subsidiary of Netherlands-based ABN AMRO Bank, for \$144mn.
- ← Apis Growth Fund II, a private equity fund managed by UK's Apis Partners, invested \$110mn to acquire a minority stake in L&T Infrastructure Debt Fund.
- ➔ Reliance Industries subsidiary Reliance brands bought British toymaker Hamleys for about \$88mn.
- ← UK's CDC Group Plc invested \$57mn in Cholamandalam Investment and Finance Company Ltd through 10-year masala bonds.
- ← Germany-based Henkel Adhesives Technology invested around \$53mn for a new manufacturing facility in Pune.
- ➔ Auto component maker Minda Industries agreed to acquire Germany-based automotive lamps design and engineering company Delvis GmbH for about \$23mn.
- ➔ Hero Cycles Ltd bought a stake in German e-bike maker HNF Nicolai as part of its plans to achieve a 5% stake in the global e-bike market.
- ➔ National Engineering Industries (NEI), part of the CK Birla Group, acquired Slovakia-based Kinex Bearings to expand its geographical footprint and add to its product portfolio.
- ➔ Mahindra & Mahindra's Farm Equipment Sector invested \$4.3mn for an 11.25% stake in Swiss agritech start-up Gamaya SA.
- ← Netherland-based flying car-maker PAL-V signed an MoU with the Gujarat government to manufacture its flying cars in the state.

Apart from the big-number pacts, there were several announcements that could create massive opportunities for advanced technological development and employment generation. Several tech majors announced the inauguration of tech sectors to give an impetus to the local start-up ecosystem and upskill the workforce to make them more future-ready, while energy leaders turn to green solutions for a sustainable future.



## MAKING AN IMPACT



1

### Tech Mahindra inaugurates Missouri tech centre

Tech Mahindra, the IT arm of the Mahindra Group, inaugurated a new state-of-the-art technology centre in St. Louis, Missouri – in line with the company’s commitment to strategic collaboration and helping create a

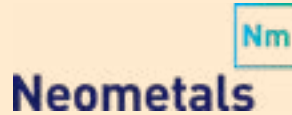


future-ready technology workforce in the Midwestern US. The centre aims to create local employment opportunities and will leverage Tech Mahindra’s learning and development platforms to train local talent in key digital skills.

2

### Neometals, Manikaran Power to set up India’s first lithium refinery

Australian mining company Neometals entered in a deal with India’s Manikaran Power to jointly fund a feasibility study to set up India’s first lithium refinery. If established, the refinery will process ore from



the Mount Marion mine in Western Australia to produce battery-grade material for electric cars. The study could take up to 24 months and is expected to make an investment decision in the first half of 2021.

3

### Infosys sets up design and innovation studio in London

Indian IT giant Infosys opened its Experience Design & Innovation Studio in Shoreditch, London to provide a state-of-the-art space for Infosys and its clients to ideate and innovate by combining design and the latest



technology offerings. It will focus on developing emerging technologies for use in a wide range of UK businesses. It will also provide local start-ups with the opportunity to showcase their products to clients.



4

### Temasek, EQT form \$500mn Indian renewable energy platform

Singapore’s Temasek Holdings and Swedish private equity firm EQT AB launched a \$500-million renewable energy platform to invest in solar and wind power generators across India.



O2 Power, headquartered in Gurugram, will target over 4 GW of installed capacity and focus on developing utility-scale solar, wind, and hybrid energy projects.

5

### Microsoft opens third India R&D hub

Tech giant Microsoft announced the launch of the India Development Center (IDC), National Capital Region (NCR), its third in India. The facility will build on the company’s commitment to tapping India’s world-



class engineering talent to create solutions for global impact. This centre will open opportunities for thousands of engineers, with the company planning to expand it into a full-fledged development centre.

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