India among top 10 FDI recipients, attracts US$ 49 billion inflows in 2019: UN report

IBEF: January 22, 2020

According to a UN report, in 2019, India was among the top 10 recipients of Foreign Direct Investment, attracting US$ 49 billion inflows, which is a 16 per cent increase from the previous year, driving the FDI growth in South Asia.


It said that the inflow is against the backdrop of weaker macroeconomic performance and policy uncertainty for investors, including trade tensions.

More than half of the global FDI inflow is in developing economies with South Asia attracting US$ 60 billion which is a 10 per cent increase in FDI and "this growth was driven by India, with a 16 per cent increase in inflows to an estimated US$ 49 billion. The majority went into services industries, including information technology," the report said.

In 2019, India attracted an estimated US$ 49 billion of FDI, witnessing a rise of 16 per cent from the US$ 42 billion recorded in 2018, it said.

Though, there was decrease by six per cent in the FDI flows to developed countries remaining at a historically low level, with an estimated US$ 643 billion.

The FDI to the European Union (EU) decreased by 15 per cent to US$ 305 billion, whereas there was zero-growth of flows to United States, which received US$ 251 billion FDI in 2019, as compared to US$ 254 billion in 2018, the report said.

Irrespective of this, the largest recipient of FDI remained United States, followed by China with flows of US$ 140 billion and Singapore with US$ 110 billion. Though, China also witnessed zero-growth in its FDI inflows. Its FDI inflows in 2018 were US$ 139 billion and stood at US$ 140 billion in 2019. The FDI in the UK decreased by six per cent as Brexit unfolded.

According to the report, cross-border M&As declined by 40 per cent in 2019 to US$ 490 billion, which is the lowest level since 2014.

European M&A sales halved to US$ 190 billion due to sluggish Eurozone growth and Brexit. Deals targeting United States companies remained significant, accounting for 31 per cent of total M&As. Cont on P. 2
Services sector witnessed the deepest fall in global cross-border M&As sales with 56 per cent decline to US$ 207 billion, followed by manufacturing (a 19 per cent decline to US$ 249 billion) and primary sector (14 per cent decline to US$ 34 billion), the report said.

Sales of assets related to financial and insurance activities and chemicals declined sharply. There were lower number of mega deals in 2019, with only 30 mega deals above US$ 5 billion compared to 39 in 2018, it said.

UNCTAD expects the FDI flows to rise moderately in 2020, as current projections show the global economy to improve somewhat from its weakest performance since the global financial crisis in 2009.

The corporate profits are expected to remain high and signs of waning trade tensions arise. Though, there was decrease of announced greenfield projects by 22 per cent, which is an indicator of future trends, high geopolitical risks and concerns about a further shift towards protectionist policies temper expectations.

The report said that GDP growth, gross fixed capital formation and trade are expected to increase, both at the global level and, especially, in several large emerging markets.

These improvement in macroeconomic conditions could prompt MNEs to resume investments in productive assets, given also their easy access to cheap money, the fact that corporate profits are expected to remain solid in 2020, and hopes for waning trade tensions between the United States and China, it said.

It added that the significant risks persist, including high debt accumulation among emerging and developing economies, geopolitical risks and concerns about a further shift towards protectionist policies.

**Targeting Construction of National Highways at the Rate of 40 Km Per Day: Nitin Gadkari**

*IPEF: January 27, 2020*

Shri Nitin Gadkari, Minister for Road Transport & Highways and MSME along with General (Retd.) V. K. Singh, Minister of State for Road Transport & Highways reviewed projects of all National Highway development, on 23rd and 24th January 2020 at Manesar near Gurugram, Haryana. The review was done state wise. All senior officials of the Ministry, NHAI, State Governments, contractors, concessionaires, and consultants attended the review meeting. Every ongoing project was reviewed with a 360-degree view from all stakeholders. The meeting led to identification of issues and way forward with clear timelines for most of the delayed projects. The major reasons found were delay in land acquisition by State Governments, delay in regulatory clearances such as for quarrying etc. In addition, lack of coordination and communication between and within government agencies continues to delay decision making. About 740 National Highway Projects of 16 States were reviewed.

The Minister Shri Gadkari went into the minutest of detail of every project making sure a clear path forward emerged to speed up projects. Officials and contractors also committed to redoubling of efforts to ensure timely completion of projects. The issue of timely approval of Extension of Time (EOT) and change of scope (COS) was particularly raised by the Contractors/ Concessionaire. As these timely approvals would help in facilitating lending by banks, an on-line tool called "GATI" has been launched and this will be closely monitored at the highest level. Shri Gadkari also instructed to start performance audit of officer and fix responsibility to delays.

The meeting concluded with all stakeholders committing to impart greater momentum to construction of highways by identifying issues holding up/delaying construction and completion of highways.

In order to carry the momentum of the meeting forward, Shri Gadkari decided that monitoring and review at the official level needs greater attention and focus. To deal with this issue he has directed all chief engineers in the Ministry and all members of NHAI to organise "Review Mondays" on the first and third Monday of every month. On these days no meetings other than for the purpose of review will be held by officials.

Technology and video conferencing will be the means for review and monitoring. These days will be dedicated only for reviews to impart more focus on completing highway projects. Delay in completion of projects has a high probability of leading to claims by contractors and hence the focus on review and monitoring by officials of the ministry will lead to cost savings in addition to timely delivery of projects.

Interacting with media after the meeting today, the Minister informed 22 Greenfield Corridors of length 7500 kms is being developed with a total
capital cost of Rs 3.00 lakh crore (US$ 42.92 billion). Work has started on some while awarding all other projects are/ will be completed expeditiously. These projects are being pursued vigorously and are being implemented on priority. He added that besides reducing length and decongesting existing NHs, the projects will work as growth engines as they fast through the less developed backward / tribal areas. The development of way-side amenities will result in more opportunities for business and employment. The minister also added that the construction of National Highways in terms of kms per day have been increasing and this is targeted to reach the level of 40 kms per day. The Minister also informed that the pilot project on convergence of National Highway works and conservation of water in Buldhana district in Maharashtra is running successfully. As many as 152 villages benefitted covering a population of 4,83,360 where 22800 wells were recharged, and irrigation facilities increased in 1525 hectares. These details were shared with all the Stakeholders in the review meeting with an aim to implement the scheme in more areas. He also informed that the progress of FASTags was also reviewed. All 537 Toll Plazas are now ETC enabled and more than 1.37 cores FASTags have been issued. My FASTag App has crossed 10 lakh downloads.

**Rearways to run 100% on electricity by 2024, become net-zero emission by 2030:** Piyush Goyal

*IBEF: January 28, 2020*

The entire network of the Indian railways will be run completely on electricity by 2024 and will become a net-zero emission network by 2030, according to the Minister of Commerce and industry, and railways, Mr Piyush Goyal.

Mr Goyal was present at the India-Brazil Business Forum where he said, "By the year 2024, we expect the entire Indian Railways, which is about 125,000 km of track length and nearly 68,000 km of route length, to be 100 per cent run on electricity".

"By 2030, we plan to make the entire railways network a net-zero emission network. We will have no emission from the railways, it will run on clean energy and clean power," he added. Indian railway will be the first railway in the world to be run fully on electricity. This move is towards a better and safe environment. Thus, the Indian railway is focusing on rapid electrification of the rail network.

The minister also added that the partnership with Brazil on a rapid engagement on the railways side is welcomed and it is expected that investments will also increase in the sectors of clean energy, start-ups, railways and creation of value chains between the two countries where goods may be semi assembled in one country and finished in another.

According to Mr Goyal, both the countries have set up a target to take the bilateral trade to US$ 15 billion by 2022 from the present US$ 8.3 billion and suggested the Brazilian side to reconstitute and activate India-Brazil Business Leaders Forum to enhance the economic ties between the two countries.

He further requested the Indian industry to give fresh nominations of people who are looking for engaging with the South American country.

He further added that businesses of both the sides can look at potential in areas like railways, infrastructure, tourism, agriculture, clean energy and start-ups. He said that visitors for business and tourism between two countries will be benefited by the announcement of visa free travel between the two countries by President of the Federative Republic of Brazil, Mr Jair Bolsonaro.

**Cabinet approves allocation of thirty percent of the NEC's allocation for new projects for focused development of deprived areas, neglected sections of society and emerging priority sectors**

*IBEF: January 30, 2020*

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi, has approved the following:

- Allocation of 30 percent of North Eastern Council's (NEC's) allocation for new projects under the existing "Schemes of North Eastern Council" for focussed development of deprived areas; deprived/neglected sections of society and emerging priority sectors in the North eastern States. The balance allocation shall be bifurcated in the existing two components (State component - 60 per cent and Central component-40 per cent).
- Revision of the NEC guidelines for simplification of appraisal and approval mechanism.
- Allowing projects under State component, up
to 25 per cent of each State's normative allocation, for sectors not covered in the mandate of NEC, but which are considered important as per local felt needs as per the recommendations of the State Governments.

The projects under the existing "Schemes of NEC" will accrue socio-economic benefits to the marginalized and vulnerable groups of people in backward and neglected areas of the North Eastern States. It will lead to faster decision making and quick implementation of the projects.

MARKETS

PE, VC investments in India grew 28 per cent to US$ 48 billion in 2019, says EY data

IBEF: January 24, 2020

In 2019, private equity and venture capital investments in India reached an all-time high in terms of both value and volume. In terms of value, investments increased at 28 per cent to US$ 48 billion, compared to US$ 37.4 billion recorded in 2018.

The growth witnessed was on the back of increased investments in the infrastructure sector which alone accounted for 30 per cent of the overall investments in 2019 by value compared to 12 per cent in 2018, as per the EY data. The data also included deals that were announced but are still awaiting closure like ADIA, PSP and NIIF's investment in GVK and others.

In 2019, in terms of volume, there were 1,037 deals recorded witnessing an increase by 35 per cent over from a year-ago period (769 deals in 2018), 60 per cent of which were in the start-up space. Start-ups recorded a 61 per cent rise in terms of number of deals in 2019 as compared to last year (378 deals in 2018).

Though, there was a decline of three per cent in pure play PE/VC investments but there was a significant increase in investments in the infrastructure and real estate asset classes which recorded an increase of 225 per cent and 13 per cent, respectively, on a y-o-y basis.

In 2019, PE/VC investments recorded the highest ever value in the infrastructure sector with US$ 14.5 billion as compared to US$ 4.5 billion in 2018 while real estate received US$ 6.1 billion against US$ 4.6 billion in 2018.

Buyouts overtook growth capital deals for the first time and were recorded as the primary PE/VC deal type accounting for 34 per cent of all PE/VC investments by value in 2019. It recorded an increase of 56 per cent in terms of value with US$ 16.2 billion in 2019 as compared to US$ 10.4 billion in 2018.

In the last two years, buyouts received US$ 26.7 billion in deal value, which is more than the value of buyouts in the previous 12 years combined. Also, there were 58 deals of buyouts in 2019 which are the highest ever. This was driven by significant increase in the value (180 per cent increase y-o-y) and number (123 per cent increase y-o-y) of buyouts in the infrastructure and real estate sectors. Buyouts in the traditional PE/VC space, though, decreased in both value (26 per cent decline y-o-y) and volume (19 per cent decline y-o-y) in 2019.

In 2019, growth capital investments increased by 9 per cent at US$ 14.5 billion against US$ 14.2 billion in 2018. This too was primarily on account of increase in growth investments in infrastructure and real estate sectors which witnessed a growth by 136 per cent (US$ 7.3 billion in 2019 against US$ 3.1 billion in 2018) in terms of value and 97 per cent in terms of volume (59 deals in 2019 against 30 deals in 2018) respectively.

Though, pure play PE/VC growth capital investments witnessed a decline of 26 per cent in terms of value and 13 per cent in terms of volume.

In 2019, investments in Start-up were the highest ever in terms of value and volume with US$ 7.9 billion as compared to US$ 6.5 billion in 2018. This was 22 per cent growth. OYO received US$ 810 million from Softbank, which was the largest start-up investment in 2019.

There were 111 large deals (value greater than US$ 100 million) recorded in 2019, accumulating to US$ 35.2 billion and accounting for 73 per cent of total PE/VC investments made in year compared to 81 large deals aggregating US$ 27.9 billion in previous year. The value and volume of large deals have been progressively increasing over the past four to five years.

BUSINESS

Indian pharma industry likely to grow at 10-13 per cent in FY21: Icra

IBEF: January 30, 2020

According to the rating agency ICRA, Indian
pharmaceutical industry is expected to grow at 10-13 per cent in 2020-21 irrespective of the challenges in the industry. This expected growth in the next financial year is on the back of increase in demand from the domestic market because of increase in spending on healthcare along with improving access, according to Icra.

It further added that the growth in 2020-21 is also supported by the decrease in pricing pressure for the US market, new launches and market share gains for existing products and consolidation benefits, it added.

"The Indian pharmaceutical industry's growth remained stable at 12.2 per cent during H1FY2020 led by rebound in domestic growth in Q2 FY2020 to 14.2 per cent supported by seasonal factors and stable growth in chronic therapies," said Mr Gaurav Jain, ICRA Vice President & Co-Head.

He added that there were many diseases outbreak in the country during Q2FY2020, leading to the growth of the anti-infective segment.

ICRA further said that though, the margins remain healthy, pricing pressures for the US base generics business (albeit moderating), lack of limited competition products and manufacturing quality issues will continue to put margin pressure.

The margins are provided a little relief by the higher share of domestic business and operational efficiencies, it added.

The major sensitivities effecting the growth and profitability of the Indian pharma industry will be regulatory interventions such as price controls and compulsory genericisation for domestic market and continued regulatory overhang with respect to manufacturing quality deficiencies during USFDA audits, the statement said.

"The US market growth at 13.6 per cent in H1FY2020 was impacted by regulatory overhang in the form of warning letters, one-offs such as delayed shipments, voluntary recall, though few limited competition products, lower pricing pressure, volume expansion for existing and new product launches supported growth," Mr Jain said.

The statement also added that, in present, many Indian pharma companies are focusing on optimising their R&D spend, while in the past, these companies have increased their R&D spend targeting pipeline of specialty drugs, niche molecules and complex therapies.

"The credit metrics of leading pharma companies are expected to remain stable in view of future growth prospects in regulated markets and relatively strong balance sheets," Mr Jain added. The capital structure and coverage indicators are expected to remain strong irrespective of the pressure on profitability and marginal rise in debt levels given inorganic investments, he added.

"The key sensitivity to ICRA's view remains productivity of R&D expenditure, increasing competition in the US generics space and operational risk related to increased level of due diligence by regulatory agencies," Mr Jain said.

Indian food-tech industry to touch US$ 8 billion mark by 2022: Report

IBEF: January 29, 2020

In the next two years, Indian food-tech industry is expected to reach US$ 8 billion mark, clocking a CAGR of 25-30 per cent, as per the report by Google and Boston Consulting Group (BCG). The food tech space has been the fastest growing e-commerce segment in terms of reach and engagement, on the back of the rapid advancement in internet adoption and continued investments on consumer trials and delivery satisfaction.

According to the report, titled 'Demystifying the online food consumer', the major reasons for growth in the use of online food ordering apps includes a large variety of cuisines, good discounts and convenience. It said, "In fact, once users are satisfied with the service and start becoming habitual, they become more discerning about value - this behaviour is observable independent of town, class, social status, age and gender."

The peer or network advocacy is playing an important role in attracting first-time consumers to the food ordering apps.

Ms Roma Datta Chobey, Director of Travel, BFSI, Classifieds, Gaming, Telco & Payments, Google, said, "The food-tech industry is nascent but one of the fastest growing in the country. Food tech has now made its presence in more than 500 cities in India and with consumer confidence growing, there are new opportunities for the players to 'win with the consumer' in an evolving market."

Further Mr Rachit Mathur, MD and Partner, India Lead of BCG's Consumer & Retail Practice added, "Overall online spending in India is rising rapidly and expected to grow at 25 per cent over the next five years to reach over US$ 130 billion. Riding on the wave of rapid digitization and
steadily growing consumption, the reach of food-tech companies has grown six times over the last couple of years and will continue to increase further."
The major hurdles faced by these app that hinder consumer adoption consist of lack of trust in the app, delivery charges, food quality concerns and lack of customisation, the report noted. "Interestingly, these observations vary based on the maturity of the market. While delivery charges is the top reason for not ordering food online in metro cities, in tier-I cities, lack of trust in apps is the primary roadblock," it added.
The report is based on feedback of about 1,500 respondents across 12 cities.

**Warehousing sector to add 40 million sq. ft. space across top 8 cities this year: Report**

*IBEF: January 28, 2020*

Warehousing sector is expected to add around 40 million sq. ft. space across the top eight cities by this year, as the sector is becoming important part of integrated logistics network on the back of the technological advancement and the reform-led policy measures, according to a recent survey. According to the study by global property consultant Savills, the warehousing space absorption across eight cities like Mumbai, Pune, Chennai, Bengaluru, Hyderabad, Ahmedabad, Delhi and Kolkata, is expected to increase to 35 million sq. ft. in 2020. Though, in 2019, the total supply of warehousing space stood at 37.94 million sq. ft. whereas the absorption was at 33 million sq. ft.

"Warehousing industry in India has come a long way and it's going to continue to mature as a favourable real estate asset class. The sector has witnessed a massive participation from institutional investors and developers amid rising demand from across the sector like ecommerce, retail, FMCG, 3PL (third-party logistics) , cold storage, pharma and manufacturing," Mr Srinivas N, Savills India Managing Director, Industrial Warehousing and Logistics said.

Mumbai and Delhi are expected to witness a major addition of around 8 million sq. ft. each in 2020, followed by Bengaluru and Kolkata, as per the study.

In 2019, Mumbai added 5.7 million sq. ft. while Delhi witnessed an addition of 8.1 million sq. ft. The report added, "Delhi NCR, Bengaluru and Mumbai followed by Kolkata will be the front runners in absorbing majority of occupiers since these are sourcing and consumption hubs".

According to the study, Pune and Chennai will lead in servicing manufacturing clients' needs, followed by Delhi-NCR and Ahmedabad. Mr Srinivas added, "Government initiatives like make In India, GST, FDI policy, corporate tax reduction, improved infrastructure of road, port, rail and airports has and will continue to impress the growth".

He further said that compliance, quality and improved specifications offerings will be the need of the hour with growing requirements at tier-II locations from organised developers.

Srinivas added that tier-II locations like Gu-wahati, Coimbatore, Lucknow, Jaipur, Patna, Bhubaneshwar, Ludhiana, Vapi, Nagpur and Vizag / Vijayawada cumulatively will witness a total addition in excess of 6 million sq. ft. of additional absorption.

In 2019, around 6 million sq. ft. was absorbed by manufacturing sector, whereas e-commerce and 3PL utilised around 20 million sq. ft. Sectors such as SMEs and electronic components manufacturers and auto sector rented out considerably in few cities.

"It's also important to note that there is in excess of 800 million sq. ft. of Grade 'C' and Grade 'D' stock across India which will start migrating to Grade 'A' and 'B' over the next 3 to 5 years," Mr Srinivas added.

**Digital ad industry to cross Rs 50,000-crore-mark by 2025: Dentsu Aegis report**

*IBEF: January 27, 2020*

By 2025, the digital advertising industry in India is estimated to cross the Rs 50,000 crore (US$ 7.15 billion) mark supported by faster internet adoption, proliferation of smartphones on the back of cheap data plans and technology advancement, according to a report by Dentsu Aegis Network (DAN), a global ad and marketing services group.

The growth in the digital advertising industry in 2019 was at a faster clip of 26 per cent to reach the Rs 13,683 crore (US$ 1.96 billion) mark. It said, "Digital ad industry is expected to grow at 27 per cent to reach Rs 17,377 crore (US$ 2.49 billion) by the end of 2020," adding that by the end of 2025 the growth will reach to Rs 58,550 crore (US$ 8.38 billion), clocking a CAGR of 27.42 per cent.
"Advancements in marketing technologies and subsequent fusion with marketing creativity, along with the advent of 5G technology and increased adoption of E-commerce advertising will lead to the evolution of content for the next 500 million internet users, thereby catapulting the digital media industry towards the Rs 50,000 crore (US$ 7.15 billion) milestone by 2025," stated the DAN Digital Report 2020.

Mr Ashish Bhasin, CEO, APAC and Chairman, India, Dentsu Aegis Network, said, "The media and advertising industry is shifting at a rapid speed and digital is certainly taking charge. Consumers are leaving behind huge digital footprints and there is a lot more emphasis on managing data and developing martech capabilities, now. 2020 is expected to witness a major change in advertising in India, with digital becoming a bigger medium."

"In fact, by 2021, it should surpass that of print. Yet, despite this progressive swing, the industry has failed to come together to agree upon a common measurement metric for digital. As leaders in digital, Dentsu Aegis Network today stands at the forefront of this evolution and understands the need to have more information on digital," he added.

Though, the overall ad industry market size increased by 9.4 per cent to Rs 68,457 crore (US$ 9.79 billion) by the end of last year. The largest share of media spends was by television segment (39 per cent), followed by print media (29 per cent) and digital media. The DAN Digital report added that the Indian advertising industry is expected to grow by 10.9 per cent to Rs 75,952 crore (US$ 10.87 billion) by end of 2020 and will achieve a market size of Rs 1,33,921 crore (US$ 19.16 billion) by 2025, at a CAGR of 11.83 per cent.

FMCG likely to grow 9-10 per cent in 2020: Nielsen

IBEF: January 23, 2020

According to market researcher Nielsen report, India’s fast-moving consumer goods (FMCG) market is expected to grow 9-10 per cent in the January-December period, matching the expansion rate in 2019. Since the rural slowdown has bottomed out, demand is expected to stabilise. The growth witnessed a slow down to 9.7 per cent growth last year from 13.5 per cent in 2018. The growth was lowest in at least three years to 6.6 per cent in the December quarter from 15.7 per cent a year ago.

"A mix of macroeconomic factors and channel and zone factors driven by manufacturers, coupled with consolidation of smaller players, have been instrumental in the slowdown," said Mr Prasun Basu, South Asia zone president, Nielsen Global Connect.

In 2019, the growth was slow for more than a dozen categories within daily household, personal and food products from 2018 with many segments witnessing growth rates reducing to half. This indicates that the consumer demand was weak despite price cuts to increase growth. The growth rates of the soaps, shampoos, biscuits, tea, hair oil, skin cream and toothpaste, among other categories, fall to low single digits in 2019 as compared with double digits in the previous year, industry executives said.

"The year 2019 was a difficult one when value and volume were both compromised," said Mr Mayank Shah, category head at Parle Products. Consumers were cautious to spend as the economy slowed, limiting themselves to spending on essential purchases only, he said. The rural demand which accounts for about a third of the market and had been outperforming urban sales, witnessed a slow-down. It was majorly affected because of lower farm incomes and liquidity constraints, squeezing the wholesale channel.

Nielsen report also stated that the stable consumption was on the back of the final tranche of Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) payments, improved ease of doing business ranking to 63 from 77, expectations of budget tax measures and a steady exchange rate.

"There has been a slowdown in consumer demand, more so in the second half of 2019. We expect a gradual recovery over the next three to six months," said Mr Sameer Shah, head of finance at Godrej Consumer Products. A shift towards branded products was seen from the unorganised market by the companies, which in many commoditised segments account for more than half the overall consumption. According to the Nielsen report, nearly 5,500 manufacturers, or about 14 per cent of all consumer firms, exited in 2019, against 4,200 or 11 per cent of the overall universe a year ago.

"Following the implementation of GST (Goods and Services Tax), a lot of unorganised players have exited the market across different FMCG categories," said Mr B Sumant, ITC executive director of FMCG. "As a result, there has been a clear shift in consumption trend from unbranded
According to Marico, a consumer products firm in its quarterly update earlier this month, the consumption trends in December quarter contradicted the expectations of a revival in sentiment on the back of good monsoons and the announcement of various government measures. Unilever chief executive Mr Alan Jope said last month that it might take time to see the effects of these measures and its expected that company's Indian business could start to pick up the pace in the second half of 2020.

According to Crisil, the government's steps to restore the economy will have a knock-on effect on consumption. "Next fiscal, growth in rural FMCG revenue will recover to 11-12 per cent from lows of about 8-9 per cent in fiscal 2020, largely driven by better agriculture GDP growth. Besides, higher spending by the government on rural infrastructure could benefit rural incomes and thereby demand for FMCG products," said Mr Anuj Sethi, senior director, Crisil Ratings.

Japan's NTT to invest estimated US$ 1.5 billion in data centres in India

IBEF: January 23, 2020

Nippon Telegraph and Telephone, a Japanese tech major said that it plans to invest a significant part of its US$ 7 billion global commitment for data centres business in India over the next four years.

The company also feels that there will be margin compression issues for the data centres business in India as capacity supply goes up along with an increase in competition, NTT's country chief executive for global data centres and cloud infrastructure, Mr Sharad Sanghi said.

Many corporates including the Adani Group, Hiranandani and Reliance Industries, in last few months announced investments in data centres, because of the regulatory moves like data sovereignty which makes it compulsory for financial institutions to house their data locally.

"India is the fastest growing region for NTT and a substantial amount of the US$ 7 billion commitment will be invested here," Mr Sanghi said.

Mr Sanghi added that the overall investment is expected to be split equally between the four regions where the company operates in, with India receiving over Rs 11,000 crore (US$ 1.5 billion) amount.

He further said that the company, whose revenues have been increasing at 30 per cent every year, is aiming to increase its capacity to double in the next three years through the investments.

The company's overall capacity currently stands at 1.2 million sq ft spread across Mumbai, Noida, Chennai and Bengaluru, is expected to increase to 1.5 million sq ft, he said.

It is also planning to expand to newer locations as well and also adding to its land bank to house the facilities, he said. The demand is coming from global hyperscalers like cloud service providers, data localisation requirements, since a greater number of enterprises are moving to the cloud, Mr Sanghi said.

The Adanis have committed Rs 70,000 crore (US$ 10.02 billion) for data centres in Andhra Pradesh, Hiranandanis have committed Rs 14,000 crore (US$ 2 billion) whereas RIL has announced a partnership with Microsoft for the same.

Mr Sanghi said that the increase in investments in the business will change the characteristic of the market, which has so far been dictated by suppliers, from 2021 onward once the capacities come on board.

The revenue is expected to increase because of the market opportunity, while, increase in the supply can lead to a short-term blip in profitability by narrowing operating margins, he added, stressing that this will not last for long time.

NTT is confident of guarding its business and growing in the face of competition, he stated, adding data centres is its core business and clients, who sign long-term contracts, partner with companies which are not into different businesses like power and realty.

He added that there will be a consolidation in the industry due to the dynamics and it will be hard for the smaller entities to survive, making it clear that NTT does not intend to opt for mergers and acquisition as a strategy but may look for inorganic routes growth in the country.

He also made it clear that aggressive pricing may not work for companies, indicating towards two incidents of companies who tried getting business using this same strategy but ended up going bust.

Mr Sangi pitched for an improvement in power supply in Noida, Chennai and Bengaluru, saying two hours of power down time per week is a worry.

NTT also launched an integrated division to look over the global data centre opportunity.
**START UP SNIPPETS**

### Start up Funding

- **Zinier**
  Bengaluru and California-based enterprise tech startup focused on field operations — Zinier raised $90 Mn (INR 638 Cr) in Series C funding led by tech-focused investment fund ICONIQ Capital. The company will be utilising the funds to expand its platform globally, product enhancement and development, and partner with leading system integrators around the world. Zinier was founded by Andrew Wolf and Arka Dhar, along with Girish Mysore and Matthew Nolan in 2015. The company offers an AI-driven platform called ‘ISAC’ that helps businesses to tackle every aspect of field service operations across industries. Till date, the company has raised $120 Mn funding.

- **Epifi**
  Bengaluru-based neobank Epifi has raised $13.2 Mn in a seed funding round led by venture capital firms like Sequoia Capital, Ribbit Capital and Hillhouse Capital. Within eight months of its launch, Epifi is valued at $50 Mn. Founded in 2019 by former Google Pay executives Sujith Narayanan and Sumit Gwalani, Epifi is a digital banking solution that will be focusing on young millennial workers in India.

- **Ninjacart**
  Bengaluru-based online grocery delivery platform and agritech Ninjacart has raised $10 Mn (INR 71.83 Cr) in Series C funding round led by homegrown ecommerce giant Flipkart India and Singapore-based GEC3. The fund is said to be the first tranche of Flipkart’s commitment to invest in Ninjacart, along with the global retail chain giant Walmart which was announced earlier.

- **Pando**
  Bengaluru-based logistics and supply chain startup Pando has raised $9 Mn (INR 63.8 Cr) in funding led by Chiratae Ventures alongside existing investor Nexus Venture Partners. The round also witnessed participation from Siemens’ backed Next47, the venture capital firm’s first direct investment in India. The company would be utilising the funds to scale its business to other markets including Southeast Asia and Europe, invest in technology and talent and enhance its transaction capabilities by working closely with its vendor partners.

- **Purplle**
  Mumbai-based online cosmetics and beauty products retailer Purplle has raised $8 Mn in Series C funding round from Belgium-based investment firm Verlinvest. Founded by Manish Taneja and Rahul Dash in 2011, Purplle is an ecommerce platform that offers beauty products, appliances and cosmetics.

- **TechnifyBiz**
  New Delhi-based B2B food commodity startup TechnifyBiz has raised $2 Mn (INR 14.16 Cr) in seed funding from social impact venture capital firms Omnivore and the Insitor Impact Asia Fund. The round also witnessed the participation from cofounders of Razorpay Shashank Kumar and Harshil Mathur; existing investors like R Narayan (Power2SME), Rajnish Gupta (Aakash Namkeen) and Indigram Labs. The company will be utilising the funding to expand its client and customer base across Bihar, Karnataka, Maharashtra, Jammu and Orissa.

- **Bounce**
  Bounce, a Bengaluru-based start-up, raised an additional Rs 746.33 crore (US$ 105 million) in its Series-D funding round. According to the TechCrunch report, this funding was co-led by existing investors Eduardo Saverin from B Capital and Accel Partners India. The new amount raised places Bounce's valuation at just over US$ 500 million. In last June, the company's valuation was US$ 200 million after its Series-C funding round. The other investors were Sequoia Capital India, Maverik Ventures, Qualcomm Ventures, Chiratae Ventures, Falcon Edge and Omidyar Network which also participated in the funding round. As per the reports, after this latest round of funding, Mr Kabir Narang, General Partner and Co-head, Asia, at B Capital Group will be joining the board.

The bike-rental start-up, formerly known as Metro Bikes, let its customers rent a bike anywhere in the city at any point in time using its patented key-less technology. This system is based on GPS tracking. It let drivers to rent the bike anywhere in the city with no set pick up or drop point. Presently, Bounce offers its dockless bike rental service only in Bengaluru and Hyderabad.

As per the reports, Bounce clocks over 1.2 lakh rides each day. The start-up had deployed its own operations and team in each city as per the Bounce's initial concepts. However, the strategy was difficult in terms of scaling up within their current invest-
ment. Thus, company changed its strategy in recent quarters and has now tied up with hundreds of mom-and-pop stores in each city, who run their own operations providing docked scooters on rent, according to a TechCrunch report. The company plans to expand its operations to more cities in India with the new amount raised. The company also plans to invest in building sustainable solutions and will launch electric vehicles in future.

So far, Bounce had raised US$ 72 million in its Series-C round of funding including US$ 4.45 million from Flipkart co-founder Sachin Bansal’s BAC Acquisitions.

**SIDELINES**

A spectacular concert, SA-MAAGAM/Confluence, by Amjad Ali Khan and Singapore Chinese Orchestra conducted Tsung Yeh at Victoria Concert Hall with Emeritus Senior Minister Goh Chok Tong as GoH.

HCI Singapore honoured to bring together two great classical traditions for 1st time!

High Commissioner gave the keynote address at the well attended Singapore Global Convention of the Institute of Directors, India. He spoke on "Corporate Risk Resilience Strategies" in the context of geopolitical, economic, tech and environmental disruption.
Transforming India: All Sectors

ISRO Achieves Yet Another Milestone

ISRO's GSAT-30 & EUTELSAT KONNECT placed into orbit after a flight of 38 minutes 25 seconds. GSAT-30 will replace aging INSAT-4A to provide continuity to operational services. GSAT-30 will provide DTH services, connectivity to VSATs for ATM, teleport services, e-governance applications.

New Dawn of Peace & Prosperity in J&K

Government Launches Various Development Projects

1. Inaugurated first all women post office of Jammu and Kashmir
2. Launched voice plan for BSNL landline customers
3. Inaugurated indoor stadium in Srinagar
4. Launched startup incubation center developed by STPI

Towards Doubling Farmers’ Income

Multi-Faced Support to Farmers During FY 2019-20

PM Kisan Samman Nidhi launched 15.10.00 beneficiaries registered
PM Kisan Samman Nidhi launched 24.10.00 beneficiaries registered
PM Kisan Samman Nidhi launched 24.10.00 beneficiaries registered
Hike in MSP of crops for 2019-20 session 50%-85% for kharif crops, 20%-100% for rabi crops
421 new mandals approved for integration under farm NAM

Fast-Tracking Resolution Process with Insolvency and Bankruptcy Code

Securing Lives of Annadatas

PM Kisan extended to all eligible families irrespective of size of land holdings
8.46 Cr farmers have benefitted till now
4 instalments of Rs 2000 transferred totalling 23.85 Cr as on 22/12/2019
FORTHCOMING EVENTS >>>> INDIA

I. IoT India 2020 Expo

Date: 19-21 February, 2019

Venue: Pragati Maidan, New Delhi

Organizer:

Contact: http://www.iotindiaexpo.com/

Details: IoT India 2020 expo will explore the impact of the Internet of Things (IoT) on industries, such as manufacturing, transport, supply chain, insurance, logistics, government, energy and automotive. It will focus on the fast-growing IoT infrastructure in India. With a special focus on automation, M2M communication, analytics, new business models, this is the must-attend industrial event. The key benefits of joining the IoT India Expo 2020 are:

- Display Brand, Showcase / exhibit your latest products & solutions.
- Knowledge Platform
- Witness innovative solutions and services at display.
- Global Speakers
- Brainstorm and connect with International industry experts.
- Business Matchmaking, Meet potential new business partners
- Reach an extended network through social and digital channels.

II. INTERNATIONAL ENGINEERING SOURCING SHOW

Date: 4-6 March, 2020

Venue: Coimbatore, India

Organizer: Engineering Exports Promotion Council

Contact: https://www.iesshow.in/overseas-buyer/

Details: IESS is home to one of the biggest hosted buyer seller meets in India with over 700 focused B2B meetings held consistently over the last 8 editions. The event will have opportunities for global co-operation in buying from India, exploring Technology Transfer opportunities with Indian companies, Explore business alliances with Indian companies for joint ventures, Explore “Investment Opportunities” from India.

III. INTERNATIONAL GEM & JEWELLERY SHOW (IGJS)

Date: 1-3 April, 2020

Venue: Convention Centre (JECC), Jaipur, India

Organizer: Gem & Jewellery Exports Promotion Council


Details: This show is aimed at increasing India’s share in global export basket of Gem & Jewellery products including Diamonds, Coloured Gemstones, Gold/ Silver/ Platinum Jewellery etc. The show brings together all Indian gem and jewellery exporters on a single platform and IGJS ensures that all Indian gem and jewellery products get high visibility among worldwide international buyers.
### Notifications

#### Securities and Exchange Board of India

**Circular on Investments by AIFs incorporated in IFSC**


**Guidelines for Liquidity Enhancement Scheme (LES) in Commodity Derivatives Contracts**


#### Ministry of Corporate Affairs

**Companies Amendment Rules, 2018**


#### Reserve Bank of India

**Change in Bank Rate**


**Priority Sector Lending (PSL) – Classification of Exports under priority Sector**


**Expanding and Deepening of Digital Payments Ecosystem**


#### Department of Industrial Policy & Promotion

**Industrial Policy Statement 1991**


**Consolidated FDI Policy Circular of 2017**

India’s communication satellite GSAT-30 launched successfully

ISRO Press Release, 17 Jan. ’20

India’s latest communication satellite GSAT-30 was successfully launched from the Spaceport in French Guiana during the early hours today.

The launch vehicle Ariane 5 VA-251 lifted off from Kourou Launch Base, French Guiana at 2:35 am IST carrying India’s GSAT-30 and EUTELSAT KONNECT for Eutelsat, as scheduled.

After a flight lasting 38 minutes 25 seconds, GSAT-30 separated from the Ariane 5 upper stage in an elliptical Geosynchronous Transfer Orbit.

With a lift-off mass of 3357 kg, GSAT-30 will provide continuity to operational services on some of the in-orbit satellites. GSAT-30 derives its heritage from ISRO’s earlier INSAT/GSAT satellite series and will replace INSAT-4A in orbit.

“GSAT-30 has a unique configuration of providing flexible frequency segments and flexible coverage. The satellite will provide communication services to Indian mainland and islands through Ku-band and wide coverage covering Gulf countries, a large number of Asian countries and Australia through C-band” ISRO Chairman Dr K Sivan said.

FAQs on Foreign Investments In India

The fortnightly FAQs will broadly cover the following areas

I. Foreign Direct Investment
II. Foreign Technology Collaboration Agreement
III. Foreign Portfolio Investment
IV. Investment in Government Securities and Corporate debt
V. Foreign Venture Capital Investment
VI. Investment by QFIs

III. Foreign Portfolio Investment

Q: Who can invest in a convertible note and what are the instructions in this regard?

Answer: A person resident outside India (other than an individual who is a citizen of Pakistan or Bangladesh or an entity which is registered/ incorporated in Pakistan or Bangladesh), may purchase convertible notes issued by an Indian start-up company for an amount of twenty five lakh rupees or more in a single tranche. A start-up company engaged in a sector where foreign investment requires Government approval may issue convertible notes to a non-resident only with the approval of the Government. The amount of consideration should be received by inward remittance through banking channels or by debit to the NRE/ FCNR (B)/ Escrow account maintained by the person concerned.

Source: RBI

For Feedback & Comments, please contact:
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