



The Global Investors' Meet 2019, is the flagship business event of the Government of Himachal Pradesh, India. The event will showcase the policy and regulatory environment and investment opportunities across eight focus sectors in the region.



## India Canada Biz Digest

Delivering news impacting Indo-Canadian economic relations

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### India is the third largest startup ecosystem globally

India now hosts the third largest startup ecosystem in the world, stated Prime Minister Narendra Modi. Speaking at his keynote at the Future Investment Initiative (FII) in Riyadh, Saudi Arabia, he said "Today India has become world's third largest startup ecosystem. Even in tier-2 and 3 cities of India, startups have come up. Our startups have started investing at global scale. I invite global investors to benefit from our startup ecosystem." Among the multiple ventures undertaken by the Indian government at the juncture of technology and industries, PM Modi touched upon the road ahead for the Skill India initiative, stating that India plans to equip and train 400 million individuals with specialised skills, thereby promoting no dearth of skilled talents to attract more industries towards India. Also, investors' growing appetite for equity in India's startups shows that the local ecosystem is maturing.

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### India is home to a fast-growing ecosystem of blockchain developers and entrepreneurs

Blockchain investment company, AE Ventures, which provides initial funding, acceleration and advisory support to blockchain projects has expanded its global accelerator program to Bengaluru, India. The accelerator program is targeted at seed-stage startups utilizing blockchain. Nikola Stojanow, the CEO of AE Ventures said, "India is home to a fast-growing ecosystem of blockchain developers and entrepreneurs, and we're excited to support this network with our Global Starfleet Program. The Starfleet program gives entrepreneurs access to a global network of mentors, funding, and knowledge; something that is truly priceless to startup founders." According to the company, India is home to over 5 million working developers and over 300 blockchain startups are currently operational in the country.

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### FPIs invested a record 2 billion into Indian markets in September and October 2019

In September 2019, in the domestic capital markets, Foreign Portfolio Investors (FPI) invested a net USD 938.30 million and in October, Indian capital market observed a net flow of USD 543.71 million FPIs. This came after the steps which was taken by the Government of India to revive the domestic demand coupled with positive global cues. In October 2019 so far, depositories data showed that overseas investors pumped in a net amount of USD 539.36 million into equities and USD 547.70 million in debt segment. For the second consecutive month, FPIs have been net buyers. In September 2019, in domestic capital markets (both equity and debt) FPIs invested a net of USD 938.30 million. Though, going forward, FPI flows will be influenced by how the economy performs and the recovery period of corporate investments in the country.

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### Canada's CDPQ to pump in USD 270 million more in Piramal Enterprises in India

Caisse de depot et placement du Quebec (CDPQ), one of Canada's biggest public pension funds, will spend USD 250 million to increase its stake in Piramal Enterprises Ltd via a preferential allotment of compulsory convertible debentures (CCDs) and is likely to bring in another USD 19 million by participating in a proposed rights issue. The infusion will be a part of a larger fundraising worth USD 770 million that will include the rights issue. These funds will help the diversified firm to tap organic and inorganic opportunities arising out of market consolidation across the company's financial services, pharmaceuticals and information management businesses. CDPQ has a long-standing partnership with Piramal Enterprises and holds 3.68 per cent stake as of October 2019.

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## Amazon invests USD 630 million in its Indian subsidiaries

Global e-commerce giant Amazon Inc. has infused USD 630 million into its Indian subsidiaries, including Amazon Seller Services, Amazon Pay and Amazon Retail. The e-commerce giant has invested USD 478.8 million in Amazon Seller Services, its online marketplace arm, USD 126.7 million in its payments platform Amazon Pay (India), and USD 24.3 million in Amazon Retail India. The development comes after its market competitor Flipkart applied for government licences to set up a new local entity, Flipkart Farmermart, which will focus on food retailing in India. Flipkart is expected to pump in USD 281.6 million initially in the business, with further investments as it expands the supply chain, storage and logistics for the new business. Flipkart is looking to cash in on its parent, Walmart's expertise in food retailing, which accounts for a major chunk of the American firm's business.

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## India's Mahindra to acquire 100 per cent stake in Europe's Peugeot Motorcycles

To drive the future growth in European markets and to expand into new geographies including select Asian markets, Mahindra Two Wheelers Europe, the subsidiary of Mahindra and Mahindra, will acquire 100 per cent of ownership of Peugeot Motorcycles (PMTC). This plan is supported by a robust investment plan which includes the introduction of seven new products by 2021. The presence of brands in Europe will be fortified with France remaining a major market and PMTC's headquarters continuing to be based at Mandeure. The Peugeot brand will continue to be used in the future under the trade license agreement between PMTC and Peugeot. In addition, the Peugeot design teams will continue to assist in the design and development of PMTC products with the PMTC management and the Mahindra Group.

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## Apple now has a chip design team in Bengaluru, India

Like Google, Apple too will now have engineers in Bengaluru, India working on its chip design initiatives. This follows Apple's USD 1-billion acquisition of Intel's smartphone modem business in July 2019. According to sources, nearly 160 Intel engineers in Bengaluru are part of this business, and will move to Apple to join its global hardware engineering team. Internet firms like Google, Facebook and Amazon, as also Apple, Samsung, and Microsoft are all accelerating efforts to design chips for functions critical to them, not wanting to depend entirely on traditional semiconductor specialists like Intel, Qualcomm, AMD and Nvidia. In the past couple of years, Apple has also been manufacturing iPhones in India. It first started assembling the low-cost iPhone SE at its Taiwanese supplier Wistron's facility in Bengaluru. More recently, it started production of iPhone XR at the Foxconn facility in Chennai.

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## Microsoft set to invest USD 200 million in Ola, boost connected car tie-up in India

Indian ride-hailing company Ola is set to unveil a connected car project in partnership with Microsoft Corporation which will also invest around USD 200 million in Ola's parent, ANI Technologies Pvt. Ltd, according to reports. The project, which began in 2017, aims to connect cars with Internet of Things sensors, and the transmitted data is stored in the cloud. The car is thus tracked not only for its location through GPS, but also for the quality of its engine and for relaying information needed by vehicle insurers. As part of the partnership, Microsoft would become the default cloud service provider to Ola, wherein the cab-hailing platform would also use Microsoft Azure for Ola Play, the ride-hailing company's in-cab video streaming service.

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## Lenovo India sees 80 per cent jump in net profit in 2019

Lenovo India reported a near 80 per cent increase in net profit for fiscal 2018-19, according to financial data accessed by business intelligence platform Tofler. The personal computer major reported a net profit of USD 25.2 million from the India business, compared with USD 13.9 million a year earlier. Revenue rose 7 per cent to USD 1.01 billion in FY19. According to IDC's Asia/Pacific Quarterly Personal Computing Device Tracker, Lenovo led the India traditional PC market in the second quarter of this year with a market share of 46.2%. The company saw 283% growth in the commercial segment, mainly backed by supplies to Electronics Corporation of Tamil Nadu for the state government's free laptops scheme. It did well also in the education as well as bank and financial services segments. The company has now divided its business in three segments -- smarter devices, smart workplace and smarter businesses.

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## MG Motor partners with India's eChargeBays for setting up home charging infrastructure for EVs

MG Motor India has entered into partnership with eChargeBays, a Delhi-based start-up, for setting up charging infrastructure for the electric vehicles (EVs). This comes ahead of the launch of the company's electric SUV, MG ZS EV, which is scheduled to be launched in December 2019. Under the partnership, MG plans to identify a way in which the buyer of the electric SUV can install the EV charger at home. MG Motor India President and Managing Director Mr. Rajeev Chaba said, "Our latest association is aimed at supporting the government's EV vision by providing a viable residential EV charging infrastructure." MG and eChargeBays' partnership is the latest in series of alliances with EV charging players that is focused on developing the robust charging infrastructure in the country.

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### STATBOX

Indian food and retail market is projected to touch USD 829 billion by 2020

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