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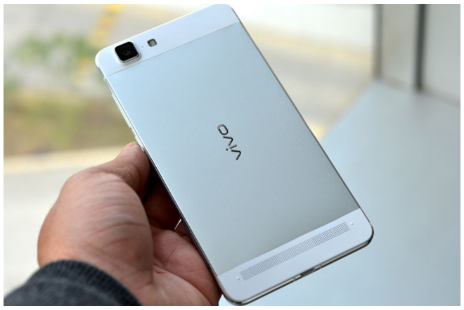
NEWSLETTER

Make in India gets a further boost: Vivo to invest Rs 500 crore over 3 years on manufacturing plant, Foxconn starts making in India



Chinese handset maker Vivo plans to invest Rs 500 crore in India over the next three years to set up a smartphone manufacturing unit and a R&D centre. Vivo, one among the top 5 smartphone players in China, is the latest in a slew of Asian smartphone makers, including HTC, Xiaomi, Phi-Comm, Gionee and Asus, that have queued up to align with the government's 'Make in India' plan. The government recently changed duty structures making domestic production cheaper than imports.

As stated by Alex Feng, CEO of Vivo Mobile India, the first tranche of Rs 125 crore will come when the company starts assembly of some of its models at a brownfield unit in Noida, Uttar Pradesh. Vivo had 9% market share in the country as of March end, as per IHS Technology. The assembly plant should begin production by October or November. Feng said India will be Vivo's second most strategically important production base after its home market in terms of investments, scale and importance, given the potential for growth in smartphone penetration in the country from about 30% now. According to Feng, the next step will be designing in India. "The duty structures make things go faster to set up the plants.

FOXCONN

Foxconn Technology Group has started making and shipping smartphones for China's Xiaomi and US phone brand InFocus at its new plant in Andhra Pradesh, making India its next manufacturing hub. Manufacturing has just started and is moving upwards. In the long run, the company intends to grow the facility further. The plant has been set up at an investment of Rs 77 crore. Foxconn, the maker of iPhones and iPads for Apple and Kindles for Amazon, plans to create at least a million jobs by setting up 10-12 manufacturing facilities in India by 2020.

Major Private Equity Deals on the rise across various sectors

Warburg Pincus to invest Rs 1,800 crore in Piramal Realty

New York-headquartered Warburg is investing Rs1,800 crore in a family real estate company owned by Ajay Piramal for a minority stake. It is India's biggest foreign direct investment in the real estate sector since 2008 and the second-biggest after Dubai-based realtor Emaar's investment in the nowdisintegrating JV with MGF.

Flipkart, Tiger Global team up to invest Rs 76 crore in online home rental startup Nestaway

Flipkart has teamed up with its largest investor Tiger Global to invest about Rs 76 crore ($12 million) in online home rentals startup Nestaway marking its third investment in new ventures this year.

Zo rooms raises close to $15 million from Tiger Global, Orios Venture Partners

Budget hotels marketplace Zo Rooms has raised an amount close to $15 million (about Rs 96 crore) in series A funding led by hedge fund Tiger Global with participation from Orios Venture Partners. Over past six months, Zo Rooms has expanded to 30 cities with more than 400 hotels. Zo rooms is planning to have 2,000 hotels in 60 cities by December 2015.

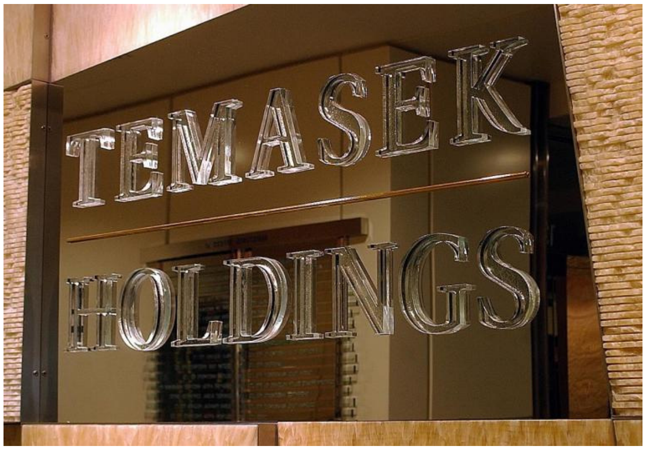
2015 likely to be big year for M&A deals in India, $19.2 billion worth of deals already made

First half of the year has witnessed a significant rise in merger and acquisition activity in India and the momentum is likely to continue as the year 2015 is likely to be a "big" year for deal making. Government's actions on key policy issues and reforms like the Companies Act, ITP for Tech startups, unblocking stalled projects, have to an extent improved the 'ease of doing business' and this may further accelerate the transaction activity in India.

There were M&A deals worth USD 19.2 billion in the first half of 2015 by way of 178 transaction, representing 11.4 per cent rise against 156 deals worth of USD 17.2 billion in the same period last year.

Foreign players attracted by the newly elected government's tax exemption, continued to increase their presence in India and inbound activity increased by 39.5 per cent to USD 9 billion from the prior half-year period. The presence of a pro business government, a strong domestic economy and falling energy costs are the main drivers for the increased optimism. The 'Make in India' programme, designed to boost India's manufacturing, will result in the sector seeing even more activity in the future. Both volume and value are on an uptrend and this is great news for India.

India most active area of our investment, says Singapore Government's investment arm Temasek



Temasek Holdings, the investment arm of the Singapore government, has said that with the focus on revival of investor-led growth in the country, India over the past year has been one of their "most active" areas of investment with potential for long-term returns.

Indian government is heavily focusing on reviving investor-led growth into the country. Temasek has been very active in India last year, and it was one of their most active areas of investment. They are seeing potential in investing in the country on a long-term perspective with India delivering returns over the long run. India currently accounts for about four per cent of the Singapore investor's portfolio.

Singapore has praised the investment policy of the Indian government and is optimistic that the new policies will be more investor friendly with more opportunity for international investors to come and join the growth process.

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