

Daily News Monitor: 1 July 2020

1. Microsoft to set up north India campus in Noida, to have capacity of 4,000

Source: Business Standard ([Link](#))

US-based technology major Microsoft will set up its maiden campus in Noida (UP). The campus will house 4,000 employees. The Noida centre will be the IT major's third campus after Hyderabad and Bengaluru facilities, which employ 5,000 and 2,000 professionals, respectively. During a virtual meeting with Uttar Pradesh's MSME & Export Promotion Minister Sidharth Nath Singh on 29 June, Microsoft India Managing Director and Corporate Vice-President Rajiv Kumar said that the company was planning to set up its North India technology hub in Noida. "This project will have a huge multiplier effect on other sectors as well, considering Microsoft is among the biggest global corporations," Singh told Business Standard on Tuesday, adding that Noida already had presence of top corporate entities such as TCS, Wipro etc.

2. Global PE firms eye India's auto components sector

Source: Live int ([Link](#))

Top private equity (PE) firms such as Temasek, Blackstone, Goldman Sachs, Samara Capital and Baring Private Equity Asia are actively exploring investment opportunities in India's auto parts manufacturing sector, three people aware of the developments said. The firms are confident about the long-term potential of India's auto parts industry to cater to the local markets and overseas. Hence, they want to capitalize on the low market valuations of most of these auto parts vendors due to covid-related uncertainties to buy minority or controlling stakes. The firms are scouting for makers of parts for internal combustion engine vehicles, and electric mobility. According to the first person mentioned above, the PE firms have approached some companies based in the automotive hubs of Chennai and Pune in the past few months.

3. Markets log best quarterly gain in 11 years due to surge in foreign flows

Source: Business Standard ([Link](#))

The benchmark Nifty ended the June quarter with gains of nearly 20 per cent — the best quarterly showing in 11 years — helped by a surge in foreign flows. Supportive action taken by global central banks boosted investors' appetite for risk even as coronavirus infections continued to climb at a steady pace. The mid- and small-cap indices logged their best quarterly gains in six years. The gains, however, come on the back of a 30 per cent plunge in

the preceding quarter, when the Covid-19 pandemic and the virtual lockdown in the economy triggered the worst-ever sell-off. Not just India but most global markets recorded strong gains during the June quarter.

4. Relief for pharma firms as govt starts clearing API imports from China

Source: Business Standard ([Link](#))

Easing restrictions on imports from China, the Customs department has decided to clear pharma raw material shipments from that country. Consignments of 11 top importers, including LG, Samsung, Toyota, Honda, and Siemens, will also be allowed entry, relieving them of the 100 per cent inspection rule. This comes after a week of economic disruption caused by introducing stringent scrutiny, resulting in shipments originating in China getting held up at Indian ports. After representations from industry bodies, the government on 30 June cleared imports of active pharma ingredients (APIs) from China. Besides, the top importers falling within the Tier 3 category of the Authorised Economic Operator (AEO) programme were given exemption from stringent scrutiny.

5. L&T builds key cryostat for world's largest nuclear fusion reactor in France for \$20 billion

Source: Financial Express ([Link](#))

Engineering and construction giant Larsen & Toubro on 30 June said it has achieved a major milestone under 'Make in India' initiative by building a cryostat for USD 20 billion global fusion project. The final assembly or top lid sectors of the cryostat, a key part of the world's largest nuclear fusion reactor being built in France, were dispatched on 30 June from the company's Hazira manufacturing complex in Surat district in Gujarat. Larsen & Toubro (L&T) in 2012 chosen by ITER-India to manufacture and install cryostat – a vacuum pressure vessel made of 3,850 tonnes of stainless steel. L&T Group Chairman AM Naik termed it a “moment of pride for India and Larsen & Toubro”.

6. Indian IT firms may set up new outposts in Canada, Mexico amid H-1B visa curbs

Source: Livemint ([Link](#))

Indian and U.S. technology companies are urging the Trump administration to reconsider an executive order freezing access to many work visas, warning the move would undermine a business model used to supply high-skill talent to clients from Wall Street to Silicon Valley. Donald Trump's order last week halts approvals of a range of visas through year-end, including those for intra-company transfers and study-abroad programs, and is aimed at giving Americans preference after record job losses from the coronavirus pandemic. Key for the tech industry are H-1B visas used by workers from India and other countries to fill key

roles. Visa processing is an elaborate, months-long affair so any disruption could hurt the ability of critical workers to travel to clients sites for an extended period. Already, the virus lockdowns have blocked consulate visits essential to the process and forced hundreds of thousands of workers into challenging work-from-home situations.

7. India reports first quarterly current account surplus in 13 years

Source: Business Today ([Link](#))

India's current account turned positive in the last quarter of the 2019/20 fiscal year as a result of a lower trade deficit and a sharp rise in net invisible receipts, the Reserve Bank of India said on 30 June, the first quarterly surplus in 13 years. The current account recorded a surplus of \$600 million or 0.1% of Indian gross domestic product in the three months to March 2020 compared to a deficit of 0.7% in the same period a year ago, RBI data showed. This represents the first time that India's quarterly current account, which measures the difference between the value of a country's imported and exported goods and services, has recorded a surplus since the January-March quarter of 2007. The RBI data also showed the current account deficit (CAD) for the October-December quarter of 2019/20 was revised to \$2.6 billion or 0.4% of GDP from \$1.4 billion earlier.

8. International flight services will resume in a phased manner during Unlock 2.0, says govt

Source: Livemint ([Link](#))

The international passenger flight services in the country will resume in a phased manner during 'Unlock 2.0', the ministry of home affairs said in a statement on 29 June. In the wake of coronavirus outbreak, India suspended all the domestic and international flight services in the last week of March. While the domestic flights have started operations in limited routes after a gap of two months, the international flight services will remain suspended till July 15. The Directorate General of Civil Aviation (DGCA) earlier mentioned "international scheduled flights may be allowed on selected routes on a case-to-case basis." The DGCA order had come after several countries such as the United Kingdom, France urged the Indian government for allowing Air India to carry outbound passengers from India on its flights meant to repatriate Indian citizens from those countries.

9. Bharti Airtel bags \$235 mn investment in arm from Carlyle group, sells 25% stake in data centre biz

Source: Financial Express ([Link](#))

Sunil Mittal-led Bharti Airtel on 1 July announced that US-based Carlyle Group will invest \$235 million in its data centre business Nextra Data Limited (Nextra) for a 25% stake. The

investment will be made by Comfort Investments II, an affiliated entity of CAP V Mauritius Limited, an investment fund managed and advised by affiliated entities of The Carlyle Group. In a joint statement, Bharti Airtel and The Carlyle Group said that the post-money enterprise valuation of Nxtra is approximately \$1.2 billion. Bharti Airtel is India's second-largest telecommunications network operator in terms of subscribers.

10. Wow! Indian Railways receives “overwhelming” response for Nagpur, Amritsar, Gwalior, Sabarmati station projects

Source: Financial Express ([Link](#))

Gwalior, Nagpur, Amritsar and Sabarmati to become world-class railway stations soon! The Indian Railway Stations Development Corporation Limited (IRSDC), a JV by the Rail Land Development Authority (RLDA) and the state-owned engineering company Ircon, invited Request for Qualifications (RFQs) for the redevelopment of Gwalior, Nagpur, Amritsar and Sabarmati railway stations in December last year and last week, they opened the RFQs, the IRSDC said in a press release. According to Indian Railways, “overwhelming response” has been received and 32 successful applications from developers and fund houses were received despite the COVID-19 scenario. Among the major companies which participated are GMR, JKB, Monte Carlo, ISQ Capital, FairFax/Anchorage, Kalpataru, Kalyan Toll, GR Infrastructure, and Cube Construction. The statement added that of the 32 applications, nine are meant for the Sabarmati railway station in Ahmedabad.