

These days when foreigners meet a new Indian acquaintance, one of the first questions they ask is, “who is likely to win the 2019 India election?” What may seem surprising or even fascinating to many, the outcome of more than a month of the electoral process and the will of more than a billion Indians of who they wish to see as their next prime minister will be declared within a few business hours of May 23. As months of India’s dusty political clouds clear off in the hot Indian weather, the outcome may not generate the same euphoric mood for many as it did in 2014. But for both Indian and foreign businesses, it will prepare them to implement new or restructure their old strategies to acclimatise in the new change.

If the current government comes back in power, it will build on to the reforms it has undertaken in the last five years. In addition to taking many reforms such as the GST and Bankruptcy and Insolvency Law, the government has revamped all relevant corporate laws/regulations such as Companies Act, Takeover Code, and Competition Law. Tax laws and Foreign Exchange Management Act (FEMA) regulations are evolving, impacting both inbound and outbound investments.

There has been a spate of high-profile transactions in India recently, whether inbound or outbound. Foreign investment of Indian companies grew 18 per cent to USD 2.69 billion in March compared to the year-ago period. In February 2019, the investment by Indian firms stood at USD 1.71 billion.

The new trend suggests that many Indian companies, comparatively early in their growth curve and even with lower valuations, have begun to venture overseas. They are growing confident about their business models and their ability to take on global rivals. Indian startups are being backed by investors who prefer to finance enterprises with diversified businesses internationally, rather than with those just catering to the domestic markets. In many cases, companies use India as a proving ground and then expand to foreign shores such as the US, the UK, Europe, Australia and China.

The growing dominance of social, mobile, analytics and cloud (SMAC) solutions has created opportunities for companies from India to expand abroad without raising staffing levels and controlling operating costs. Air travel costs have reduced as connectivity between countries has improved, enabling executives to travel more easily, build relationships and sign new deals. Oyo, Zomato, Ola and Practo are some of the few startups that have created a global brand from India and expanded into international markets in the last few years.

It is tempting to conclude that the Indian political circumstances will be different after this month. However, irrespective of who wins, India will remain too diverse and predictable for both Indian and global businesses. Meanwhile, Indian companies, both multinationals and startups, have made significant inroads globally and are expected to undergo further consolidation on an international scale in the near term.



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## R Systems acquires US-based digital services firm Innovizant



Listed software services firm R Systems International Ltd has acquired US-based digital services company Innovizant LLC for an undisclosed amount.

As per the R System's management, the acquisition has strengthened its digital practice with niche data

analytics competencies and its marquee customer base in the financial services industry.

The acquisition has been made via the Indian firm's US-based wholly-owned subsidiary R Systems Inc. R Systems said that Innovizant's facilities in Chicago will be used as a Center of Excellence, which will focus on developing new business models. The new models will use modern technologies such as Internet of Things (IoT), Artificial Intelligence (AI), data science, machine learning, and robotics.

Founded in 1993 by Satinder Singh Rekhi, R Systems provides software product engineering, digital and knowledge services and solutions across several verticals including banking and finance, telecom and digital media, retail and e-commerce, healthcare, manufacturing, and logistics.

## Dalmia OCL acquires GSB Group GmbH, its first overseas buy



Dalmia OCL, the refractories business of Dalmia Bharat Group, announced its first-ever overseas acquisition (of an undisclosed amount) of GSB Group GmbH – a German speciality refractory maker.

The acquisition also marked the company's expansion in Europe. The takeover will give Dalmia-OCL access to customers in the heart of steel and refractory making belt in Europe and state-of-the-art technology to produce cleaner steel, apart from strengthening its market share in India.

The German firm is a leader in lance production, essential producing clean steel of good quality. Dalmia-OCL is India's second-largest refractory company. It expects revenue of USD 115 million this year, 60 per cent of which is likely to be contributed by the steel segment.

Dalmia-OCL's end-to-end refractory portfolio and GSB's access to European steel customers will make them a strong competitor in Europe. The acquisition will also make the company one of the specialised manufacturers of refractories, for cleaner steel production.

## Aspire acquires UAE-based iApps, Oracle business unit of Valforma



Aspire Systems, a Chennai-based global technology services provider, has acquired UAE-based Oracle Fusion Cloud specialist iApps, as well as the Oracle business unit of Valforma, for an undisclosed amount to strengthen its cloud and digital services practice.

The acquisition of iApps and the business unit of Bengaluru-based Valforma Technology Services, a provider of SMAC (Social, Mobile, Analytics, and Cloud) solutions will help Aspire service mid-sized and large companies in their move to the Cloud from on-premise applications. These acquisitions will also help Aspire focus on a 'post-modern' ERP strategy that involves surrounding core ERP solutions with Cloud solutions to enable faster processing, better collaboration and deployment of easier-to-use analytics.

As per the company Chairman and CEO, the acquisitions are in line with the company's strategy to invest and deepen its capabilities in next-generation digital technologies that are beginning to scale across the enterprise landscape. The customers of Aspire Systems would now be able to leverage the Oracle Fusion Cloud expertise of iApps and Valforma combined with highly specialised Cloud and Digital Services capability.

Earlier in March 2018, the company acquired Poland-based software services firm Goyello to establish a near-shore presence in the Europe market.

## Lohia Group acquires Israeli defence components firm Light & Strong



Indian conglomerate Lohia Group has acquired Israel's Light & Strong Ltd, a maker of carbon fibre and glass fibre composite components for aerospace and defence sector. With this acquisition, the company has forayed

into the defence sector. Financial details were not disclosed. The acquisition will allow Lohia, which is headquartered in Kanpur, India, to combine its engineering experience with new technologies to deliver high-quality products to its customers. With the support of its operations in India, Lohia will seek to make Israel a key export hub to American and European markets.

The company plans to set up a facility to produce aerostructures for UAVs, fighter jets, commercial aircraft, and space missions. The company plans to set up the new composite unit at a 10-acre facility in the Uttar Pradesh Defence Corridor. It is likely to get multiplier benefits under the defence offset rules. Work on the new facility at Kanpur is expected to begin by the middle of 2019 with production to commence by early 2020. The facility will also target customers such as HAL, BDL, and ISRO that need composite parts for ongoing projects.

## WestBridge-backed Greenlam to acquire Swiss company



Decorative laminates maker Greenlam Industries Ltd will acquire Switzerland-based decorative surfaces trader Decolan SA for USD 994,000 in cash.

Greenlam said in a stock-exchange filing that the acquisition would help it serve the European market with faster deliveries and better distribution control and service. The company will make the acquisition through Singapore-based wholly-owned subsidiary Greenlam Asia Pacific Pte Ltd. The transaction is expected to be completed by 30 June.

Incorporated in 2012, Decolan is engaged in trading and distribution of decorative surfaces solutions and products such as high-pressure laminates, compact panels and related products. It has a warehouse in Italy. The company caters to several European markets including Switzerland, Italy, the Netherlands, Belgium, France, Sweden, Norway, Croatia, Serbia, Bulgaria, and Russia.

Greenlam's product portfolios include decorative laminates, compact panels, decorative veneers, engineered wooden flooring and engineered wooden door sets.

## Security and Intelligence Services acquired majority stake in New Zealand's Platform 4 Group



Security and Intelligence Services (India) Ltd has acquired a 51 per cent stake in New Zealand-based Platform 4 Group Ltd to expand its overseas business. The Indian company will pay USD 910,000 in cash for the 51 per cent stake in Platform 4 Group. The company has an option to buy the remaining 49 per cent stake in 2021. The Delhi-based company will pick up the stake through unit SIS Australia Group Pty Ltd. SIS said the acquisition would give an entry into the New Zealand market. It will enable expansion of its Australian business operations into New Zealand.

Delhi-based SIS had ventured into Australia in 2008 with the purchase of MSS Security from Chubb Security Australia Pty. Ltd. The company has made several acquisitions across its three verticals — security services, cash logistics and facility management.

Last month, SIS agreed to buy a 60 per cent stake each in Singapore-based Henderson Security Services Pte Ltd and Henderson Technologies Pte Ltd for about USD 31.8 million. In December last year, it agreed to buy a 51 per cent stake in Bengaluru-based Uniq Detective and Security Services for about USD 8 million. In October, SIS acquired an 80 per cent stake in Mumbai-based facility management services provider Rare Hospitality and Services Pvt Ltd for INR 7 million. It would acquire the remaining 20 per cent stake in 2020.

## Thomas Cook India Group announces acquisition of Digiphot Entertainment Imaging (DEI)



Thomas Cook India Group announced it has acquired a 51 per cent stake in Digiphot Entertainment Imaging (DEI) at an enterprise value of USD 40.6 million. The company said the acquisition is both PAT and free cash accretive from day one.

Established in 2004, DEI has offices in Singapore, Dubai, Mumbai, Orlando, Hong Kong and Kuala Lumpur. DEI focuses on imaging solutions for the attractions industry and has a network of over 120 partners. DEI is present at more than 250 venues spanning over 14 countries (Singapore, UAE, Hong Kong SAR, Macau SAR, China, USA, Malaysia, Thailand, Indonesia, Mauritius, Maldives, Egypt, India and Kuwait). The company completed 3.6 million transactions in 2018.

With the growing demand for experiential travel and social sharing, DEI's partnerships with iconic attractions, theme parks, water parks, and resorts will further enhance Thomas Cook's travel services portfolio in line with their philosophy of creating long term shareholder value.

## JBM acquires majority stake in Germany's Linde-Wiemann

Auto-component supplier JBM Group has acquired a majority stake in Germany's Linde-Wiemann GmbH KG to boost its engineering capability and expand its global footprint.

JBM joins a bunch of Indian auto-component makers in making overseas purchases to acquire technological know-how and diversify their business. Motherson Sumi Systems Ltd, Precision Camshafts Ltd, and Minda Industries are among the other auto-parts makers that have snapped up assets in Europe over the past year.



JBM said in a statement that its recent purchase is the biggest business transaction in its history but didn't disclose the deal value. It also didn't specify the exact size of the stake it acquired. ICICI Bank financed the entire transaction. JBM said it would get new products, global customers and German technologies through this purchase. Linde-Wiemann has 17 factories across eight countries, including Germany, the US, and China, with more than 2,300 employees. It counts global automakers such as BMW, Volkswagen, Audi and Ford among its clients.

## Motherson Sumi announced acquisition of Bombardier's UK rolling stock electrical component and systems business



**Motherson Sumi  
Systems Limited**

Motherson Rolling Stock Systems GB Limited ("MRSS"), a wholly owned subsidiary\* of Motherson Sumi Systems ("MSSL") through PKC Group Ltd, has signed a definitive agreement with Bombardier Transportation (Rolling Stock) UK Ltd ("Bombardier") to acquire Bombardier's assets in connection with the production and installation of electrical components and systems for applications in the rail industry. The assets will also comprise among others the manufacturing of wiring harnesses, panel and cabinet build, and electromechanical assemblies in Derby, UK.

MRSS will enter into a lease agreement for the part of Bombardier's Derby site and will continue to operate the business with its current employees. Through this transaction, MSSL will expand its supply of electricals and wiring systems to Bombardier Transportation to cover the UK rolling stock projects. The deal includes the transfer of assets, employee and inventories, on a debt-free and cash-free basis and is valued at approximately USD 14 million.

MSSL is one of the world's leading, specialised automotive and transportation component manufacturing companies for OEMs. MSSL is engaged with the manufacturing of wiring harnesses for rolling stock, mainly in Europe and North America.

## Larsen & Toubro Infotech completed acquisition of Germany's Nielsen+Partner



**L&T Infotech**

IT firm Larsen & Toubro Infotech has completed the acquisition of Germany's Nielsen+Partner (N+P) along with identified subsidiaries for EUR 28 million. The company has completed the acquisition of 100 per cent shareholding of N+P along with its designated subsidiaries, comprising Nielsen+Partner Switzerland, Singapore, Luxembourg, Thailand, Australia and Branch office in Belgium.

With this acquisition, N+P and its identified subsidiaries are now wholly-owned step-down subsidiaries of the company. The acquisition will strengthen the company's capabilities in the banking and financial services software segment.

This deal is the second acquisition by the information technology unit of engineering giant Larsen & Toubro Ltd in as many months and fourth since going public in 2016. Last month, it had agreed to acquire Ruletronics Systems for USD 7.48 million. Previously, L&T Infotech bought Luxembourg-based IT services firm Syncordis SA in 2017 and Pune-based data analytics start-up AugmentIQ Data Sciences Pvt Ltd in October 2016.

## FSS takes stake in Africa's Ecentric Payment Systems

Financial Software and Systems (FSS) has acquired a 46 per cent stake in South Africa-based Ecentric Payment Systems, a Standard Bank subsidiary, through a combination of primary and secondary investments. Financial details were not disclosed but Indian firm FSS says it has the potential to further its stakeholding.

The partnership will help FSS leverage mutual synergies to strengthen its presence in Africa's largest markets and drive increased growth for FSS payment acquiring and other solutions. As part of the agreement, Ecentric will deploy FSS PoSablility, a "POS driving" and in-store payment acceptance solution.

FSS has been around for three decades and offers issuance, omnichannel acquiring, digital banking, processing and switching, ATM managed services, ATM and POS monitoring, reconciliation and settlement, digital security, and payment analytics. Its customers include banks, financial institutions, processors, central regulators, and governments across North America, UK/Europe, Middle East, Africa and APAC.



## TCI Express Ltd to acquire 7.7% stake in Uketoru Co, Ltd, Japan

TCI Express Ltd has acquired a stake in Uketoru Co, Ltd, Japan (Investee Company). Uketoru is an Express B2C technology Company. The company will acquire 7.70 per cent of the total share capital of the investee company for an amount of 20 million Yen. The acquisition is a strategic investment for the business growth of the company.

Uketoru Company Limited is a Japan-based company engaged in the Express B2C technology business. TCI Express is an India-based company engaged in offering transport, storage, warehousing and support services for transportation. The company offers express distribution and single window door-to-door solution to customers.



## Sun Pharma hikes stake in Russia's PJSC Biosintez to 96.96%



Drug maker Sun Pharmaceutical Industries' wholly-owned subsidiary, Sun Pharma (Netherlands) BV, has increased its shareholding in PJSC Biosintez by way of purchase of 33,958 shares, equivalent to 11.86 per cent stake under the mandatory tender offer.

The cost of acquisition or the price at which the shares were acquired was USD 3.2 million. After the completion of this purchase, the total holding of wholly-owned subsidiary was increased from 85.10 per cent to 96.96 per cent in the Russian firm.

PJSC Biosintez is engaged in the manufacture and marketing of pharmaceutical products used in the hospital segment of the market. The company's products include pharmaceuticals for injections, blood substitutes, blood preservatives, ampoules, tablets, ointment, creams, gels, suppositories, and API.

## HCL Tech to acquire Strong-Bridge Envision for USD 45 mn

HCL Technologies has agreed to acquire US-based Strong-Bridge Envision (SBE) to enhance its digital transformation consulting capabilities. India's fourth-largest software services exporter will pay USD 45 million for the acquisition. Of the total, USD 42 million will be paid upfront while the remaining is linked to the achievement of certain targets.



Seattle-headquartered SBE is a digital consulting firm specialising in customer experience strategy, business transformation and change management and has offices in Seattle, Denver, Atlanta, and New York City. It will become part of HCL's global digital and analytics business HCL Mode 2 services. As per the management of HCL, SBE will enhance its digital consulting offerings with their strong capabilities in digital strategy development, agile program management, business transformation, and organisational change management.

The company made three other acquisitions last year. It agreed to acquire Germany's H&D International Group for around USD 35 million; life sciences and consumer services provider C3i Solutions from US drug maker Merck & Co for USD 60 million; and US-based Actian Corporation for USD 330 million.

## Tech Mahindra to acquire K-Vision for USD 1.5 million to expand 5G business



IT company Tech Mahindra will acquire Japan-based mobile network solution firm K-Vision for USD 1.5 million through its wholly owned subsidiary Mahindra Engineering Services (Europe) Limited in an all-cash deal to support 4G and 5G telecom network roll out in Japan. K-Vision provides network services for mobile communications to telecom operators in Japan.

Tech Mahindra plans to leverage the local presence and expertise of K-Vision to build its network services business in Japan. In future, Tech Mahindra will support 4G and 5G network build and roll-out in Japan for large telecom players.

## Kalpataru completes acquisition of 85% stake in Swedish firm



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**POWER TRANSMISSION LIMITED**

Engineering firm Kalpataru Power Transmission Ltd's (KPTL) arm Kalpataru Power Transmission Sweden AB has completed acquisition of 85 per cent stake in Linjemontage i Grastorp AB (LMG) and its two wholly-owned subsidiaries for USD 24 million. The acquisition is in line with KPTL's stated objective of growth and greater geographical presence in stable and growing markets with a focus on core power transmission segment.

The Linjemontage i Grastorp AB was founded in 1993. It specialises in power supply solutions and services for electricity networks up to voltage range of 400 kV. The company has a presence in Sweden and Norway with an order book of around USD 77 million as in March this year. KPTL is one of the largest and fastest growing specialised EPC companies in India engaged in various segments including power transmission and distribution, oil and gas pipeline and railways.

## Infosys to buy ABN AMRO's mortgage service unit

Infosys will buy controlling stake in Stater, the mortgage service unit of ABN AMRO Bank for EUR 127.5 million, the third such deal for the software exporter after Salil Parekh took charge as its CEO. These deals will expand Infosys' business in key growth regions of Japan and South East Asia as well as in the banking space in continental Europe and strengthen the company's approach to offer clients digital platforms and industry-focused solutions.



For Infosys, these partnerships with large global enterprises provide access to clients in key markets aimed at hastening growth in the business process management business where clients and deals lead to long-term relationships. The Bengaluru-headquartered company will retain the existing management at Stater and expects to close the transaction by June 2020. The Dutch bank will retain 25 per cent in Stater, which offers mortgage services to over 50 clients in Europe.

Last September, Infosys entered into a similar joint venture with Singapore's Temasek, buying a 60 per cent stake in its IT unit. That deal fetched Infosys a sizeable captive customer base besides portfolio clients in South East Asia. In December, it announced a JV with Hitachi and Panasonic in Japan, buying an 81 per cent stake in Hitachi's wholly-owned subsidiary to help build an indirect procurement system for the two hi-tech electronics producers.

## PayU acquires digital financial security firm Wibmo for USD 70 mn



Digital payments facilitator PayU announced it has acquired US-based financial technology firm Wibmo for USD 70 million, that will help the company scale-up its business. Under the agreement, PayU and Wibmo businesses will continue to run separately.

Wibmo, a digital payment security and mobile payment technologies firm, will continue to operate and serve all of its clients as a wholly-owned subsidiary of PayU.

The acquisition combines Naspers-owned PayU's strong merchant network and Wibmo's leadership in digital transaction security solutions to offer industry-leading payments solutions to merchants and financial institutions in India and other high growth markets. With this, PayU's fintech investment has crossed the USD 500 million mark, and the investment has helped it reach within the top five leading global fintech investors over the last two years.



## SOUTH CAROLINA INDIA OFFICE ATTENDS TEXTILES CONFERENCES : AMERICA FIRST & MAKE IN INDIA

South Carolina India office attended the Textiles Conference - America First & Make in India: Together Achieving USD 100 Billion Trade in Textiles, organised by the Indo-American Chamber of Commerce (IACC). The conference brought thought leaders, policymakers, textile stalwarts, and academicians to deliberate and create a road map to deepen trade and investments, which benefit AmericaFirst and hashtag MakeInIndia

This was a great and first-time opportunity to be part of this unique Conference and contribute valuable ideas to create bilateral partnerships and investments in textiles between the US & India. We welcome Indian companies looking forward to setting up green-field operations such as a warehouse facility/ production unit/ processing unit in the State of South Carolina



## T&A CONSULTING ORGANISES FIRST INDIA-BRAZIL FINTECH CONFERENCE

T&A Consulting, in partnership with the Embassy of Brazil, organised the 1<sup>st</sup> India Brazil Fintech Conference. The objective of the conference was to foster collaboration between Indian and Brazilian start-ups and multipliers. The event saw panel discussions on a wide variety of topics such as blockchain, cryptocurrency, microlending, artificial intelligence, and cybersecurity.

Several leaders from the Indian financial sector along with government officials and key officials of several multipliers attended the event. Partnerships which were forged in the event include:

- Darwin Startups X Dice Fintech Ace
- Early Salary X Salary Fits
- Government of Maharashtra X Association of Brazilian Fintech



## T&A CONSULTING PARTICIPATES IN WORLD TRAVEL MART - AFRICA EDITION

T&A Consulting participated in the World Travel Mart - Africa Edition, held at the Cape Town International Convention Center Conference Theatre during World Travel Market Africa, South Africa, on April 6-8.

The African Tourism Board Association and the African Tourism Board Marketing Association are joining under the brand African Tourism Board and are now seen as a new chapter on how Africa becomes one tourism destination.

T&A's representative spoke about how the outbound travel from India is increasing at 10-12% annually and how Indians are continually exploring new travel destinations. Africa, with its rich culture, magnificent wildlife and pristine beaches, could be a great holiday option for Indians.





**T&A Consulting** is a boutique advisory firm headquartered out of Gurgaon (India). We identify outward investment opportunities from India with focus on certain key sectors and also provide consulting & operational support to overseas companies aiming to enter the Indian market

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