

Over the past few years, India has witnessed significant capital market and regulatory reforms. The constant amendments to reforms such as Goods and Services Tax (GST), Real Estate Regulatory Authority (RERA), Insolvency and Bankruptcy Code (IBC); actions to liberalize the foreign direct investment (FDI) regime; and efforts to improve ease of doing business in the country are signs of increasing depth and maturity, making the Indian economy more robust. In recent years, India has undoubtedly emerged as one of the fastest growing economies in the world.

Calendar 2018 was a landmark year for Outbound deals from India, with Outbound M&A values amounting to USD 13bn, jumping six-fold as compared to 2017. This is the highest for India outbound M&A since 2010. Further, the outbound deals were in new technology-related data analytics/big data/AI and cloud technology space, which were minimal in 2017. Outbound transactions from India were spread over 25 geographies/countries, of which 39 transactions aggregating to USD 11bn were executed in the US. The US emerged as the most favored destination for outbound transactions both in value and volume terms.

The Indian Government has taken a careful and calibrated approach towards liberalising policies related to Outbound Foreign Direct Investment (OFDI), leveraging opportunities at the global markets without hampering domestic investments and growth. The Finance Minister's recent budget speech (2018-19) highlighted the need for a thorough review of existing guidelines and processes to evolve a coherent and integrated OFDI policy, considering an increased magnitude of OFDI, over the last few years. However, the situation is not entirely satisfactory as there are some grey areas. There is ambiguity on the tax front as tax laws at present do not specifically cater to outbound mergers and this acts as a deterrent for foreign investors. Additionally, access to finance which is competitively priced and available on attractive terms, is critical as Indian corporates expand overseas. However, the existing legal framework in India does not permit the direct listing of equity shares of companies incorporated in India on foreign stock exchanges.

Given these challenges and concerns around the upcoming national elections in India and global risk-off, outlook for 2019 may be tepid for the first two quarters. Global risks have come to the fore with apprehensions about impact of trade war, US recession in 2019, and policy U-turn by global central banks to trim interest rates following a decision by the Federal Reserve to ease monetary policy due to possible risks to US growth. These growing concerns could impact business and consumer confidence.

However, the Indian Government has taken necessary steps to make its presence felt in the global arena. As part of the ongoing evolution and internationalization of capital markets across the globe, the Securities Exchange Board of India (SEBI) expert committee recently released a report for Listing of Equity Shares of companies incorporated in India on Foreign Stock Exchanges. Switzerland - Swiss Stock Exchange is among the list of 10 Permissible Jurisdictions and Specified Stock Exchanges. Operational guidelines and formal notification towards acceptance of this report are still awaited.

Deal activity from India for 2019 should eventually pick up and bolster investor confidence, given the strong fundamentals and deal pipelines. However, a lot will depend on the continuing reforms, amendments in laws, and new policies post general elections. We hope to see some good work being done in the times to come!

On another note, we are pleased to inform our readers about the USA 2019 Investment Summit to be hosted in Washington D.C. by the U.S. Department of Commerce's International Trade Administration in June this year. To pre-register kindly visit www.selectusasummit.us.



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TAKE Solutions to acquire two US-based life sciences companies



TAKE Solutions Ltd, a business technology company focused on life sciences and supply chain management, has agreed to acquire two US-based companies operating in the life sciences space, namely KAI Research for USD 27mn and DataCeutics for USD 45mn.

KAI Research founded in 1986, is a full-service contract and health research company and is a wholly-owned subsidiary of health research and advisory services company Altarum. The acquisition of KAI will strengthen TAKE's therapeutic expertise in mental health, musculoskeletal diseases, neurology, infectious diseases, oncology, and medical devices.

DataCeutics, founded in 1993, offers clinical data management services to the pharmaceutical industry. The acquisition of DataCeutics will strengthen TAKE's data science capabilities, particularly in life sciences and will boost its presence in the US. The acquisitions of the two companies are intended to close by end of January and February respectively.

Blackstone-controlled Mphasis acquires US company Stelligent



Mphasis Ltd, an Indian information technology company that is majority-owned by private equity firm Blackstone, has acquired US-based Stelligent Systems LLC for USD 25mn.

Stelligent is a technology services company that specialises in software automation on Amazon Web Services (AWS), the cloud computing arm of e-commerce giant Amazon.com Inc. The deal will boost Mphasis' end-to-end capabilities in the public cloud domain especially within AWS services. The transaction will allow the IT company to offer customer-centric digital transformation at scale and will also help with hyper-personalised services for enterprise clients.

The acquisition will also help Mphasis' reach into programmes such as AWS Channel Reseller, AWS Government Partner Program, AWS Managed Service Program, AWS Marketplace Seller and AWS Solution Provider Program.

Aurobindo to acquire R&D assets from Advent Pharmaceuticals



Hyderabad-based drugmaker Aurobindo Pharma Ltd has agreed to acquire a product under development and related assets from Australia-based Advent Pharmaceuticals Pty. Ltd for USD 12.5mn. Advent Pharmaceuticals is a speciality research and development company, focused on generic inhaled products for global markets. The transaction will boost Aurobindo's research and development capabilities in complex speciality generics.



The development comes a little more than two months after Aurobindo, agreed to purchase Novartis AG unit Sandoz Inc.'s US dermatology and generic pills business for USD 1bn in the biggest overseas acquisition by an Indian drugmaker.

In a separate deal, Aurobindo acquired a portfolio of seven marketed oncology injectable products, intellectual property and commercial infrastructure from Nasdaq-listed Spectrum Pharmaceuticals based in the U.S. The acquisition is for an upfront purchase price of USD 160mn in cash and up to USD 140mn on achieving regulatory and sales-based milestones. As per Aurobindo Pharma, the said acquisition will provide new opportunities to grow the business by launching innovative branded products in oncology; readily available infrastructure; a launch platform for future products; and experienced workforce. Earlier in 2018, Aurobindo acquired Canadian pharma firm Apotex Inc's operations in five European countries. The transaction, valued at USD 84mn, was intended to further strengthen its presence in Europe.

Vedanta to invest USD 1.6 billion in South Africa



Vedanta Resources has committed to invest about USD 1.6bn more in South Africa in the next three years, to expand its mining and allied operations. Vedanta

is currently undertaking feasibility study to build a greenfield, state-of-the-art smelter and refinery in to produce minerals like zinc, gold, copper, bauxite, and other minerals. The company's cumulative investment in the African continent stands at nearly USD 4bn.

As per Anil Agarwal, Vedanta's Executive Chairman, South Africa has a huge mining culture and India has a technology culture, and marrying the two will lead to development of one the most digitally advanced mines in the world. He further stated that "India has a technology culture, which I want to inculcate in South Africa, where we are developing one the most digitally advanced mines in the world. Just as we are committed to being India's premier natural resources company, Vedanta is committed to South Africa in equal measure. Looking forward, we must accelerate South Africa as a mining investment destination,".

Blackstone-controlled Mphasis acquires US company Stelligent



Indian drugmaker Cipla Ltd has signed pacts to acquire Nasdaq-listed speciality pharmaceutical company namely Avenue Therapeutics Inc. for USD 215mn.

The acquisition will be carried out through Cipla's unit namely InvaGen Pharmaceuticals Inc. in two stages. In the first stage, InvaGen will acquire a 33.3% stake in Avenue. The first stage is likely to be completed by February 2019. In the second stage, InvaGen will acquire the remaining shares of Avenue and it is likely to be completed before April 2021. As per Cipla, the investment is intended to build a speciality pipeline in the US market. Avenue Therapeutics focuses on the development and commercialisation of intravenous Tramadol to manage post-operative pain. Cipla has a strong presence in respiratory, anti-retroviral, urology, cardiology and central nervous system segments.

Cipla, has been streamlining its operations globally, acquiring products and businesses in some regions while also shedding some units to sharpen focus on core areas. In October 2018, Cipla acquired South Africa's Mirren (Pty) Ltd for USD 33mn to strengthen its foothold in Africa.

Infosys to Open Technology and Innovation Hub in Texas and Hire 500 American Workers by 2020



Infosys, a global leader in consulting, technology and next-generation services, announced that it will open its next Technology and Innovation Hub in the State of Texas and hire 500 American workers in the state by 2020. The Hub will be located in Richardson, Texas and have a special focus on the telecommunications, retail and banking sectors.

The Texas Technology and Innovation Hub represents a key milestone in Infosys' digital transformation campaign for the Americas and builds upon its May 2017 announcement to hire 10,000 American workers by 2019. Infosys has hired over 6,200 American workers since May 2017. To date, Infosys has opened two Technology and Innovation Hubs, one in Indianapolis, Indiana and another in Raleigh, North Carolina. Infosys has also announced additional Technology and Innovation Hubs in Hartford, Connecticut and Phoenix, Arizona, as well as a unique Design and Innovation Hub in Providence, Rhode Island.

"We are excited to announce the expansion of our presence in Texas, which is another important step in our continued investment in driving digital transformation for American businesses," said Pravin Rao, COO, Infosys. "Digital is rapidly changing every industry, and our Hubs will allow us to co-locate, co-innovate and co-create alongside our clients."

Balkrishna Industries to build \$100 million Production Facility in US



Balkrishna Industries Limited (BKT), one of the leading Off-Highway tire manufacturers headquartered in India, has announced a construction project worth USD 100mn for a new production site to serve not only the US markets but the entire American region. The project completion is expected by March 31, 2021.

This new production site will be BKT's first manufacturing site outside India. Europe is presently BKT's largest sales market, accounting for more than half of the company's overall turnover. However, America is becoming an increasingly interesting and expanding market. This positive outlook led to the decision of establishing a new wholly-owned subsidiary company in the USA to set up a greenfield project for the construction

of a new tire manufacturing plant in the USA designed for a yearly production capacity of about 20,000 MT in the entire Off-Highway tire segment. Target markets are both the replacement market and OEMs in the USA. The remaining tire demand will still be catered for directly from India.

Essar's AGC Networks completes acquisition of US-based Black Box

Essar Group company AGC Networks Ltd has completed the acquisition of US-based technology services provider Black Box Corporation for USD 16.6mn. Incorporated in 1975, Pittsburgh-headquartered, Black Box is a multinational digital solutions provider that helps customers design, build, manage and secure their IT infrastructure.

As per AGC, the acquisition is part of its strategy to expand its geographical presence and business portfolio is part of its strategy to expand its geographical presence and business portfolio and Black Box will increase AGC's presence in North America. Besides, the acquisition will also help add USD 600mn to AGC's revenue, taking the company's combined revenue to over USD 750mn, and global headcount to more than 4,000 people serving clients worldwide. As a result of the earlier tender offer and the subsequent merger, Black Box will become a private company and a wholly-owned subsidiary of AGC.



Strides Pharma to sell Australia biz, buy US and Canadian firms



Strides Pharma Science Ltd (formerly known as Strides Shasun Ltd) has agreed to sell its Australian business and buy companies in the US and Canada as it reshuffles its overseas portfolio and cut debt. Strides Pharma announced that its stepdown subsidiary Strides Pharma Inc. has entered into an arrangement to acquire 100% stake in Vensun Pharmaceuticals Inc. (Vensun), a US-based Generics Company, for USD 18mn. The acquisition will bolster Strides' US marketed portfolio and give access to Vensun's drugs. These include the Competitive Generic Therapy-designated product with USD 400mn market opportunity. Strides had earlier entered into a partnership with Vensun for a range of "difficult to develop" products on a 50:50 profit share arrangement.

Additionally, Strides announced is the acquisition of a 80% stake in Canada based Pharmapar Inc., a specialised generics front-end company, to build its Canadian operations. Strides is acquiring the stake for about USD 3mn. Separately, Strides has agreed to buy pharmaceuticals company Vivimed Labs Ltd's 50% stake each in their two joint ventures. Strides had acquired a 50% stake in the two JVs-Vivimed Life Sciences Pvt. Ltd and Strides Vivimed Pte Ltd -- in 2017 for USD 750mn. The deals add to the string of mergers and acquisitions made by Strides in the past two years.

Endurance Technologies buys Italian company for \$9.3 mn



Auto components maker Endurance Technologies Ltd has acquired Italy-based aluminium die casting company Fonpresmetal Gap SpA for USD 9.3mn, through its subsidiary Endurance Overseas Srl., Italy. Endurance funded the acquisition through internal accruals and borrowings. The acquisition will augment the auto components maker's casting capacity, help in backward integration and also provide Endurance with future growth opportunities in the European market. With this acquisition, the Endurance Group now has nine manufacturing plants in Europe, with six in Italy and three in Germany.

Endurance makes aluminium castings, aluminium alloy wheels, suspension and transmission systems and braking systems, according to its website. Endurance Technologies Ltd made its stock market debut in October 2016.

Sonata Software acquired Australia's Scalable Data Systems

IT services firm Sonata Software Ltd has acquired Brisbane, Australia-based Scalable Data Systems Pty. Ltd for USD 4mn. Data Systems is a provider of business solutions and offers Microsoft Dynamics 365 F&O solutions for clients in Australia especially in the manufacturing and wholesale and distribution. As per the management of Sonata, Data Systems brings great value in terms of Microsoft Dynamics 365 capabilities and resources to the company. The acquisition will provide Sonata with additional IP, and geographical reach, along with a strong fillip to its strategy to be a global leader in the Microsoft Dynamics 365 partner ecosystem.



Bengaluru-based Sonata earns 40% of its revenues from export-focused IT services, which is growing at around 15% annually. The remaining business comes from reselling Microsoft products such as Office 365 and Dynamics in the Indian market. Sonata has in the past acquired IBIS, a US-headquartered Dynamics 365 partner, and has its IP, i.e. Brick and Click for retail and modern distribution, for distribution and manufacturing industries; and now with the Commodity IP from Scalable has extended supply chain capabilities focused on manufacturing and distribution industries.

Sun Pharma acquires Japan's Pola Pharma

Indian drugmaker Sun Pharmaceutical Industries Ltd (Sun Pharma) has completed the acquisition Japan's Pola Pharma Inc. for USD 1mn. The acquisition is in line with the company's strategy to strengthen its global dermatology business. Pola Pharma is engaged in research and development, manufacture, sale and distribution of branded, and generic products in Japan and its product portfolio mainly comprises dermatology products.

Sun Pharma had entered the Japanese prescription market in 2016 with the acquisition of 14 prescription brands from Swiss firm Novartis AG for USD 293 mn. The deal allowed Sun Pharma to establish a strong footprint in the world's second-largest pharmaceutical market.



KDDL acquired Swiss watch hands maker Estima



Chandigarh-based KDDL Ltd, a manufacturer of watch components, has agreed to acquire Switzerland-based watch hands maker Estima AG for USD 404,000. Founded in 1981, KDDL manufactures watch dials, hands and other components. The company is also present in the luxury watch retail business through its subsidiary Ethos, which runs 45 luxury watch stores across the country.

Established in 1924, Estima AG is a manufacturer of watch hands. Estima is a supplier to Swiss and other European watch brands in the mid-priced segment. KDDL, which counts SAIF Partners and Kitara Capital among its institutional investors, has acquiring Estima through its subsidiaries Pylania SA and Kamla International Holdings SA. The acquisition will help the company to capture additional share in the European market serviced by Estima. KDDL further added that Estima will be a good platform for the company to establish a foothold in Swiss watch component manufacturing.

Clinical research firm Lambda buys US-based Novum

Lambda Therapeutic Research Ltd, Ahmedabad-based Clinical research firm, announced the acquisition of US-based Novum Pharmaceutical Research Services for an undisclosed amount. Novum, which was founded in 1972, will continue to operate as a wholly-owned subsidiary of Lambda following the transaction. Lambda has operations in India, Canada, Poland, and the United Kingdom.

Bindi Chudgar, managing director of Lambda, said that the acquisition is a strategic fit for Lambda as it provides a natural platform for growth in the US. This is Lambda's second footprint in North America following its acquisition of the R&D facilities of Biovail CRO in Canada in 2010.



Motherson Sumi in merger talks with Germany's Leoni



Motherson Sumi, India's leading auto ancillary company, is in talks to acquire or merge with Germany based Leoni, the largest maker of special automotive cable globally. Motherson Sumi, a joint venture between India's Samvardhana Motherson Group and Japan's Sumitomo Wiring Systems, has been scouting for a sizeable acquisition target in Europe with the help of an investment bank. Leoni is listed on German exchange and has a market capitalisation of USD 1.16bn. An acquisition of Leoni would add to Motherson Sumi's 180 facilities across 37 countries, bolster overseas sales, and reach USD 18-billion annual targets by 2020. The car industry and its suppliers, facing a regulatory crackdown on diesel emissions and a slump in China, have issued a slew of

profit warnings in recent months and companies are shaking up their businesses to adapt. Motherson Sumi has snapped up some companies in recent years, adding to its range of automotive interior products including rearview mirrors, wiring harnesses and rubber and plastic components.

Motherson Sumi most recently acquired France based Reydel Automotive, which manufactures door panels and cockpit modules, for about USD 200mn to help meet its target of not having any component, customer or country contribute more than 15% to its business by 2020.

T&A CONSULTING ORGANISED AN INVESTMENT MISSION FOR THE STATE OF SOUTH CAROLINA

T&A consulting as the India representative of the South Carolina Department of Commerce, organised an India mission from 26th November to 7th December 2018. The roadshow was held across eight different cities including Delhi, Ahmedabad, Bangalore, Chennai, Hyderabad, Pune, Aurangabad, and Mumbai. During the road show, the delegation had one-on-one meetings with approx. 60 Indian companies, which are evaluating expansion plans into USA with interest in South Carolina. T&A also organised a series of networking events across cities in association with various organisations such as Indo American Chamber of Commerce (IACC), Chamber of Marathwada Industries and Agriculture (CMIA), and Association of Merchants and Manufacturers of Textile Stores and Machinery.



T&A CONSULTING PARTICIPATED AT THE ARAB HEALTH 2019

Indian medical device market, which ranks among the top 20 in the world continues to draw attention from global players including SME's and medium to large companies. Nearly 80% of the demand for medical devices is met through imports. With an aim to support foreign players entering the Indian market, T&A Consulting participated at Arab Health 2019. Arab Health provides an ideal platform in terms of logistics for overseas players to meet Indian buyers or distributors.

T&A Consulting was involved in a series of meetings at Arab Health with companies exploring entry into the Indian market.



T&A CONSULTING PARTICIPATED IN SATTE AND OTM 2019 ON BEHALF OF THE SINGAPORE TOURISM BOARD AND JAMBULUWUK HOTELS AND RESORTS

T&A Consulting on behalf of its clients namely Singapore Tourism Board and Jambuluwuk Hotels and Resorts, Indonesia participated in SATTE and OTM 2019. T&A's representatives had fruitful business discussions with over 700 travel agents, which helped to strengthen and build new relationships.

SATTE – South Asia Travel and Tourism Exchange is one of the largest Travel and Tourism Fair in India and took place in New Delhi from 16 to 18th January 2019. The fair witnessed participation from 70 countries and over 1200+ exhibitors across the globe.

OTM – Outbound Travel Mart is another major Travel and Tourism Fair in India and took place in Mumbai from 22nd to 25th January 2019. 1,000+ exhibitors from over 50 countries took centre stage as 800+ top buyers and 15,000+ trade visitors met and did business with them.



T&A CONSULTING REPRESENTED QUEEN'S UNIVERSITY IN BANGALDESH

T&A Consulting representing Queen's University Belfast (QUB), UK recently visited Bangladesh on a 4-day tour, as a part of its recruitment activity in South Asia.

Day-1 began with a trip to one of the leading schools of Bangladesh—International School Dhaka. Day-2 involved visits to several educational agents based out of Dhaka, where we discussed various ways and means to encourage Bangladeshi students to study at QUB. The last two days were spent meeting students at fairs organised by one of the leading overseas education consultant in Bangladesh namely IDP.

Founded in the year 1845, QUB is the 9th oldest University in the UK and currently among Top 1% universities in the world. It is also a member of the prestigious Russell Group Universities, UK and ranked 8th in the UK for research.





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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