

# INDIA OUTBOUND

T&A Consulting

Volume 5 Issue 4

19th May, 2016

Even as India remains a lone star in the BRIC constellation and managed to topple China as the top global receiver of FDI in 2015, Indian companies invested nearly USD 22.5 billion overseas last year. Going by first quarter's numbers (USD 6.36 billion) on the outbound side, it appears Indian corporates may hit similar numbers in 2016 as they did last year. Over the last two months Europe and the United States remained key geographies with regards investments from the private sector, while India's public sector companies in the natural resources space continued to deepen their engagement in acquiring Russian oil field assets. An interesting trend that has emerged with regards Indian pharma companies has been the acquisition of over the counter brands of global pharma majors in developed markets to expand in these markets and garner market share. In terms of sectors, companies in the information technology space remained most active overseas followed by those in the industrials and chemicals sectors respectively. Some of India's "outbound cowboys", however, have been grabbing headlines lately for less than satisfying reasons, though we are happy to

highlight successful investments by Indian corporates in some of our clients' home bases. In line with the emerging trend of manufacturing moving back to Southern United States (especially the South Eastern Region) primarily on account of lower energy costs, Mumbai-based specialty chemicals and agro-chemicals producer United Phosphorus Ltd committed a greenfield investment of USD 20 million in State of South Carolina April this year through its Pennsylvania-based subsidiary. The investment is expected to create 65 jobs in the South Eastern state, which also houses the second busiest port on the US East coast — Charleston. Finland appears to have caught the fancy of Indian corporate diversifying geographies based on location synergies, especially the Mahindra Group. With Mahindra Holidays having acquired Finland's Holiday Club Resorts Oy, last year, March this year, Mahindra & Mahindra acquired more than a third of Finnish farm equipment manufacturer Sampo Rosenlew for over USD 20 million. Last three years have seen a steady interest from Indian firms to invest in or acquire assets of our Nordic friends. Going forward, trends touched upon here with are expected to become more pronounced and deeper.

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## Mahindra to Buy 35% Stake in Finnish Harvester Maker

Mahindra & Mahindra Ltd will acquire a stake in Finland-based harvester maker Sampo Rosenlew Oy, as India based tractor maker looks to diversify its farm equipment business.

The Indian company will purchase up to 35 per cent of Sampo Rosenlew Oy for roughly USD 20.5 million in cash. The acquisition is expected to enable Mahindra to grow the global combine harvester business. According to M&M, Sampo Rosenlew plans to develop a new range of combine harvesters for developing markets and for specialty crops.

The Finnish firm set up in 1853, had standalone revenues of Euro 93 million in 2014-15 and is also active in the manufacturing of forestry machinery.

## OIL, BPCL, IOC Pick 30% Stake in Russian Taas-Yuriakh Oil Field

State-owned oil companies Oil India, Bharat Petroleum and Indian Oil Corp have entered into an agreement to acquire a 30 per cent stake from Russia's Rosneft in Taas-Yuriakh oil field in East Siberia for about USD 1.3 billion. The three companies will equally split the near 30 per cent stake in the oilfield, which currently produces 20,000 barrels per day (bpd) of crude oil and is expected to produce up to 100,000 bpd in the next



IOC, OIL and Bharat Petro Resources Ltd (BPRL), a unit of BPCL, will also pay USD 180 million as their share of future capex, after buying the stake in Taas-Yuriakh.



ऑयल इंडिया लिमिटेड  
**Oil India Limited**

At present, Rosneft owns 80 per cent stake while BP Plc (UK) holds 20 per cent in the oil field through subsidiaries. Meanwhile, they have also inked an agreement to buy 23.9 per cent stake in Vankor oil field in Siberia from CJSC Vankorneft, a subsidiary of Rosneft. Vankor is Russia's second-largest oil field by production and accounts for around 4 per cent of Russian production. It currently produces oil at a peak level of



## Sundaram Fasteners Forms UK Unit for Overseas M&As, Sells German Arm



**Sundaram Fasteners Limited**

Sundaram Fasteners Ltd announced the sale of its German subsidiary and simultaneously created a new unit in the United Kingdom as part of a restructuring of its international operations. The new company, Sundaram International Ltd, will be used to acquire technology companies abroad as and when the opportunity arises.

The company's Chinese arm Sundaram Fasteners (Zhejiang) Ltd and UK-based Cramlington Precision Forge Ltd have now become subsidiaries of Sundaram International.

The German unit, Peiner Umformtechnik used to make bolts, nuts and other fastening systems for steel and bridge construction and fasteners for wind turbines and components for auto makers. The sale of the German unit is expected to strengthen the balance sheet of Sundaram Fasteners' Indian parent.

## Minda Group Buys Lighting Business of Spain's Rinder Group



Auto components manufacturer Minda Industries has acquired Spain based Rinder

Group's global automotive lighting business for USD 22.7 million. The acquisition includes a 100 per cent equity holding in Rinder India, Spain-based Light Systems and Technical Center, along with 50 per cent stake in Rinder Riducu, Colombia. This acquisition is expected to augment R&D capabilities of the company in lighting solutions. The company's lighting business is expected to now have a turnover in excess of USD 105 million from the current 45 million. The acquisition also comes as part of the Group's strategy to achieve 25 per cent of group turnover from its international business.

The deal will be financed through a mix of internal accruals and debt. As part of the deal, Minda has also acquired Rinder's brand name and intellectual property rights. Minda Group manufactures lighting products at its plants at Manesar, Pune and North of Delhi. While Rinder India's manufacturing facilities are located at Chakan, Pimpri in Maharashtra and Bahadurgarh in Haryana.

## United Phosphorus Establishes Operations in South Carolina, United States



Mumbai-based specialty chemicals, agro-chemicals and chemicals blending major, United Phosphorus, plans to establish an industrial

operation in South Carolina — a state along the South Eastern Coast of the United States — through its Pennsylvania subsidiary United Phosphorus Inc. As part of this greenfield project, United Phosphorus plans to invest more than USD 20 million in the operation and create roughly 65 new jobs over the next few years.

This investment will involve renovation of an existing facility located on 60 acres in Kingstree, Williamsburg County. The project will include a new State-of-the-art formulation facility that will manufacture UPI's new Interline and Lifeline herbicides as well as other herbicides currently pending EPA registration. Another priority is the modernization of the facility's existing shipping space to meet customers' expectations on the delivery of bulk herbicides.

## SeQuent Scientific to Buy 70% Stake in Interchange Brazil

Pharmaceutical company SeQuent Scientific Ltd.'s animal health unit Alivira Animal Health Ltd will acquire a 70 per cent stake in veterinary products maker Interchange Brazil for USD 3.6 million in cash. The acquisition is part of Alivira's, attempt to expand in the Latin American market. Of the total amount, USD 2.2 million will be a fresh infusion in Interchange to accelerate growth.



Mumbai-based SeQuent Scientific has seven manufacturing facilities in India and Turkey. The company makes bulk drugs and formulations in the animal health segment and offers niche human health and analytical services. SeQuent operates its animal health business through Alivira, which has close to 200 dosage forms. One of the major reason's for the Brazilian acquisition is the country's veterinary market which was estimated to be USD 1.2 billion in 2015 and growing at 10.5 per cent — twice the global growth. Interchange Brazil, operates under the trade name Evance, focuses on poultry and swine segments. The company has a portfolio of about 25 registered products consisting of antimicrobials, parasiticides, sanitizers and products for therapeutic support.

## TTK Prestige to Acquire UK Kitchenware Firm Horwood

TTK Prestige, the flagship company of Southern India-based TTK Group, which operates nearly 500 Prestige Smart Kitchen stores in India is to acquire UK-based cookware firm Horwood Homewares Ltd for an undisclosed amount to expand its global operations. The Bangalore-based company will make the acquisition through its UK unit TTK British Holdings Ltd. Horwood will provide a footing for expansion of TTK's business in the European markets as it is one of the largest table and cookware suppliers in the UK.



With revenues of USD 26 million, it supplies about 2,000 table and cookware products across key European markets under brands such as Horwood, Judge, Stellar and Kaffmann. TTK Prestige has 10 factories, 23 warehouses and a presence at about 50,000 retail outlets across India and exports to the US, Europe, Southeast Asia, the Middle East, Africa and Australia. The company is backed by public markets-focused private equity firm Nalanda Capital, which first invested in it in 2014 and now holds a near 3.5 per cent stake in the firm.

## Godrej Consumer Acquires US Haircare Firm Strength of Nature; Increases Stake in Kenyan Cosmetics Firm

Godrej Consumer Products Ltd (GCPL) has entered into an agreement to acquire Strength of Nature LLC (SON), a US-based hair-care products company for women of African descent. The acquisition is aimed at scaling up its presence in the African market, where it has been building domain presence in



hair-care products for users with African descent. SON has a significant presence in Africa and the Caribbean, and has a large portfolio of products in wet hair care across relaxers and shampoos including brands such as African Pride, TCB, Just for Me, Motions and Profectiv Mega Growth. SON supplies its products to nearly 50 countries, particularly in the African continent and clocked revenues of USD 95 million in the Financial Year 2014-15. In another development, GCPL has increased its stake in DGH Phase Two Mauritius, which owns Kenya's Style Industries Ltd to 90 per cent from 51 per cent for an undisclosed amount in cash. Nairobi-based Style Industries sells hair accessories and cosmetics under the brand Darling. The development comes a month after Godrej acquired a 75 per cent stake in Kenyan home- and personal-care products maker Canon Chemicals Ltd for an undisclosed amount.

## Times Internet Acquires US-Based Cricket Broadcaster Willow TV

Bennett, Coleman and Company Ltd's (BCCL) digital arm Times Internet Ltd acquired US- based  cricket broadcaster, Willow TV International Inc before the start of the International Cricket Council (ICC) T20 World Cup, for which Willow TV is the official broadcaster in the US. The USD 100 million payout includes the cost of acquiring the sport content rights, promoting Willow TV as well as cricket in the US and the amount paid to the founder of Willow TV. In addition to cashing in on Willow's popularity as a cricket broadcaster in the US, TIL will be using its digital platform Cricbuzz to further provide scores and other details such as highlights of the matches. Willow is the first international acquisition by Times Internet, and the second overseas acquisition for media company BCCL. In 2008, BCCL had bought UK-based radio services firm Absolute Radio (erstwhile Virgin Radio) for around USD 100 million at the time. However, the Indian media company was not able to monetise it properly and five years later sold it to Bauer Media UK, a division of the Bauer Media Group.

## Hero Cycles Buys 60% Stake in Sri Lanka's BSH Ventures

Hero Cycles has announced picking up a 60 per cent stake in Sri Lankan bicycle manufacturer BSH Ventures, its third major acquisition within six months, for an undisclosed sum. The acquisition is in line with the company's intent to strengthen its global presence and spruce up manufacturing output. Hero Cycles is expected to further invest into ramping up plant capacity in Sri Lanka to half a million units per year. BSH Ventures is an export-oriented bicycle manufacturer located in the Biyagama Export Zone in Sri Lanka.



Earlier, Hero Cycles had acquired UK-based Avocet Sports. Avocet Sports was Hero Cycles' first overseas acquisition and marked its entry into mass segment of European bicycle market. The company said the acquisition of BSH Ventures has enabled Hero Cycles to actively build the Sri Lankan facility as a key hub for manufacturing its premium bicycles to meet global demand and double up exports to Avocet. At present, Hero Cycles has a manufacturing capacity of 7.5 million bicycles per year, with its units in Ludhiana (Punjab), Bihta (Bihar) and Ghaziabad (Uttar Pradesh).

## Indegene Acquires Skura's Life Sciences Business

Indegene Lifesystems Pvt Ltd,



a  
Bangalore  
-based  
healthcare

solutions provider, has acquired the life sciences business of Canada's Skura Corporation for an undisclosed amount. This acquisition comes five months after it bought a US-based health analytics platform.

The acquisition is expected to help Indegene expand its software suite for life sciences, product development capabilities in North America and global life science customer base. Customer using Indegene's software products are spread across 50 countries.

In December 2015, it acquired SmartCare, a health analytics platform, from Connecticut-based Vantage Point, Inc for USD 6 to USD 8 million. Indegene's revenues are in the USD 100 million range and aims to register revenues worth USD 250 million in next five years. The company has around 1,400 employees and offices in Montreal, Los Angeles, Atlanta, Shanghai, and Zurich.

## Tide Water to Buy UK Lubricant Firm Price Thomas



**TIDEWATER**

Lubricant maker Tide Water Oil Co. (India) Ltd has agreed to acquire UK-based Price Thomas Holdings Ltd for USD 13.7 million in cash to expand its international operations. The acquisition is expected to help Tide Water price its products competitively in Europe. Founded in 1992, Tide Water makes automotive and industrial lubricants and markets under the Veedol brand. The Indian company also has a tie-up with Japan's JX Nippon to make and sell lubricants under the Eneos brand.

Price Thomas makes lubricants and car care products in the UK, and also exports to Ireland, Sweden and Bulgaria. The company posted revenues of nearly USD 16 million for 2014.

In October 2011, Tide Water had acquired UK-based Veedol International Ltd for an undisclosed amount from BP Plc. Tide Water is part of the Andrew Yule group, which also has engineering, electrical, tea cultivation and power generation businesses. Mumbai-based lubricant maker Standard Greases now owns about 27.7 per cent of Tide Water while the Andrew Yule group owns a tad above 26 per cent.

## Dorf Ketal Buys US-based Flow-Chem



Mumbai-based specialty chemicals maker Dorf Ketal Chemicals India Pvt Ltd has completed the acquisition of US-based specialty oilfield chemical provider Flow-Chem Technologies LLC. Flow-Chem operates across Gulf of Mexico and the US onshore market with blending facilities located at Rayne, Louisiana and Pleasanton, Texas.

The acquisition provides Dorf Ketal the opportunity to introduce technologies to accelerate entry into the US upstream market. Flow-Chem's portfolio of oil field production and drilling products will now be combined with Dorf Ketal's products currently servicing offshore fields in Brazil to improve capabilities of both entities.

Dorf Ketal is a producer of organometallic titanates, a chemical used in deep sea drilling to extract crude oil. The company offers process additives to the downstream hydrocarbon industry. In 2010, Dorf Ketal had acquired the specialty catalysts business of DuPont Chemicals and Fluoro products through a new LLC company in the USA. The company had also acquired Intec Polymers in 2009. Earlier this year, Dorf Ketal agreed to acquire Filtra Catalysts to bolster its presence in both the upstream and downstream hydrocarbon market.

Dorf Ketal has manufacturing facilities in Taloja (near Mumbai), Mundra (in Gujarat) and Dadra (Union Territory of Dadra & Nagar Haveli) in India along with a manufacturing facility at Nova Santa Rita City on the outskirts of Porto Alegre in Brazil.

## Persistent Systems to Buy Australian Cloud Solutions Firm

Indian software firm Persistent Systems Ltd has agreed to acquire



Australia's PRM Cloud Solutions Pty Ltd for an undisclosed amount. PRM is a cloud application development firm and a partner of US-based salesforce.com, a cloud computing firm that sells customer relationship management software.

The Australian firm focuses on healthcare, construction and property management sectors and has clients such as auto maker Honda and mining group Rio Tinto.

The acquisition comes two months after Persistent signed an agreement in January to acquire Citrix Systems' CloudPlatform and CloudPortal Business Manager product lines for an undisclosed amount through its US subsidiary. Last year Persistent had acquired Ireland-based technology firm Aepona Holdings and US-based Akumina Inc's content management services business.

## Piramal's US Arm Acquires US-Based Adaptive Software

Piramal Enterprises Ltd's US-based database and consulting services subsidiary Decision Resources Group (DRG) has acquired Adaptive Software LLC and its unit AdaptiveRx for roughly USD 24.5 million.



The acquisition of Adaptive Software, a software solutions provider for health plans and PBMs (Pharmacy Benefit Managers), offers Decision Resources Group an entry into the healthcare payer market. Piramal Enterprises has already paid USD 7.4 million for the purchase and will pay USD 11.1 million more when Adaptive meets certain post-closing requirements. Adaptive Software, which was founded in 2010, had revenues of USD 3.2 million in 2015.

Piramal Enterprises had acquired DRG for Rs 3,400 crore (\$635 million) in an all-cash deal in 2012. DRG offers data, analytics and services to the life sciences, payer and financial services industries across North America, Europe and Asia. In December 2012, DRG had acquired UK's integrated market access service provider Abacus International for an undisclosed amount.

## Sun Pharma to Acquire 14 Novartis Brands in Japan; Strides Shasun Acquires 3 Brands of Moberg Pharma



Sun Pharmaceutical Industries Ltd will acquire 14 prescription brands from Swiss firm Novartis AG in Japan for USD 293 million in a deal that allows India's biggest drug maker to establish a strong footprint in the world's second-largest pharmaceutical market - the Japanese prescription market.

These brands have combined annualised revenue of about USD 160 million and address medical conditions across several therapeutic areas. The all-cash deal will help Sun Pharma diversify its sources of revenue as the company currently gets nearly half of its USD 4.5 billion in annual sales from the US.



Strides Shasun Ltd has agreed to acquire three brands from Sweden based Moberg Pharma for USD 10 million plus inventory value as the Indian drug maker seeks to build its portfolio of over the counter (OTC) products. The three brands – JointFlex, Fergon and Vanquish – are marketed in the US, Australia and the Middle East. JointFlex and Vanquish are pain relieving cream and tablets, respectively, while Fergon is a miron supplement. The acquisition is being done through

Strides Shasun's wholly owned 'subsidiary Strides Pharma Inc unit. The deal is expected to add USD 6.1 million to the Indian company's revenues, which came in at USD 131 million in the quarter ended December 31, 2015.

## T&A AT SWISS AMBASSADOR'S AWARDS 2016



T&A collaborates with Swiss Business Hub India for various investment promotion activities. As part of this initiative, T&A participated in the 2016 Swiss Ambassador Awards held on 17th March 2016 at the Embassy of Switzerland in New Delhi.

This year's award moved away from the historical theme of business personalities to innovative businesses, much in line with the Swiss embassy's "Year of Swiss Innovation in India". The awards were shared by Flisom AG for innovative technology developed by an Indian and a Swiss company; Rieter India; and by Jivana Vitality for a water based research and development project between India and Switzerland.

*From Right to Left: Tarun Gupta (CEO, T&A Consulting), Wolfgang Schanzenbach (Regional Director, Asia Pacific Swiss Global Enterprise), Saurabh Khanna (Senior Engagement Manager, T&A Consulting); Deepti Sharma (Senior Trade Advisor, Swiss Business Hub India), Richa Bhandari (Senior Engagement Manager, T&A Consulting). Michael Enderle (Head, Swiss Business Hub India) and Aditya Wali (Senior Consultant, T&A Consulting)*

## T&A CONSULTING AT GULF FOOD 2016, DUBAI



T&A Consulting was invited by Scottish Development International to Gulf Food 2016, Dubai to deliver a presentation on "Doing Business in India" with a special focus on opportunities for imported foods in India. During the event, Mr Saurabh Khanna, Senior Engagement Manager from T&A Consulting met over 10 Scottish companies mainly from confectionery, meat, poultry, and food and beverages sector.

*Scottish Development International's Pavilion at Gulf Food 2016*





**T&A Consulting** is a boutique advisory firm headquartered out of New Delhi (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

## Contact Us

Give us a call for more information about our services

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