

INDIA OUTBOUND



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COMPANY OVERVIEW

T&A Consulting is headquartered in India, one of the most complex markets in the world, for international businesses and Economic Development Organizations (EDOs). Having been at the core of trade and investment initiatives for the last 15 years, we have supported numerous EDOs from Europe, Asia, and North America to develop prospects and project pipelines that have ultimately led to new investments and jobs growth in their respective markets.

We have been successfully delivering a range of programs on behalf of Economic Development Organizations, where India is a key target market. Whether it's international investment attraction, quasi representation to various government bodies, or generating investment prospects, we have helped our clients achieve measured success in new markets.

Valued for our professionalism, perseverance, and adaptability, T&A is a growing international practice and is expanding its global footprint, including a subsidiary in Canada and a partner network in Europe.

We are T&A, We go beyond!

EXECUTIVE SUMMARY

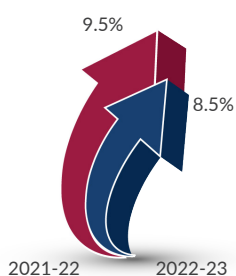
If 2020 was the year of collapse and 2021 of recovery, 2022 is likely to be the year when the Indian and global economies return to the pre-pandemic growth trajectories. Almost two years after covid-19 was declared a pandemic by World Health Organization (WHO), a global healthcare and economic threats are in remission.

This is primarily because of the improved performance of the economy, especially in the agriculture, mining, and manufacturing sectors. Based on these projections, India is well placed to be amongst the fastest-growing economies globally. During the budget session 2022, the finance minister highlighted that complimenting the macroeconomic growth led by sectors mentioned above, the focus of this year's budget is to promote technology-based development, especially that of the fintech sector.

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The government has also announced multiple reforms and bold initiatives to bring the Indian economy back on track. Some key interventions which stand out include Ease of Doing Business reforms, withdrawal of retrospective taxes, and the privatization of Air India. With these initiatives underway, there is growth of positive sentiment among the leadership of top Indian companies as they resume plans to increase capacity (both domestic and overseas) and step-up hiring.

Despite the uncertainties regarding the future course of the pandemic, the International Monetary Fund (IMF) sees favourable growth prospects for India. In its World Economic Outlook report, published in October 2021, the IMF projected that India's GDP would grow at 9.5% and 8.5% during 2021-22 and 2022-23, respectively.



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Besides established Indian companies, start-ups across India continue their growth momentum. While most of them focus on the large domestic consumer base present in the country, tech start-ups build products for the global consumer base and are increasingly making successful inroads in international markets. The ecosystem continues to be supported by the high availability of risk and growth capital. A testament to this support is the total investment of USD 8.9 billion invested in India by private equity and venture capital firms in December 2021 and January 2022. Out of the total investments in January, more than 68% went to start-ups. A key driver of this risk capital has been the buoyant public markets in India, providing exit opportunities to early investors. For instance, in 2021, approximately USD 15 billion was raised through initial public offerings (IPOs) in India.



Driven by the positive sentiment, outbound investments from India (equity + debt + guarantees) reached USD 3.6 billion in Dec 2021 – Jan 2022, implying an increase of 39.1% over the same period in the previous year. The manufacturing sector accounted for approx. 37% of these outflows, followed closely by the services sector (financial, insurance, and business) at 33%. Within manufacturing, automotive, pharmaceuticals, and energy-focused accounted for large outflows during the two months. During the period, ANI Technologies (Ola Cabs) was the biggest overseas investor from India, with USD 675 million invested in its Singapore subsidiary. The funds are expected to be used for its electric vehicles business, aggressively expanding in markets such as Europe.

While more than 80 global jurisdictions have received these outflows, the top five destinations combined accounted for ~75% of the total value. These include Singapore (29%), the USA (21%), the UK (9%), the Netherlands (10%), and Norway (6%).



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A key factor recently affecting India and other countries' OFDI has been supply chain bottlenecks that have still not been relieved due to slower factory production in Asia and inflated shipping costs. These bottlenecks, which were expected to be temporary, are now looking to disrupt the global markets well into the second half of 2022. In addition, international shipping rates have already gone up and are expected to stay between 3-10 times the pre-pandemic levels. As a result, countries continue to push for more localized production.

Considering the current investment scenario, RBI is batting for easier overseas investments norms for Indian tech entrepreneurs and angel investors from the outbound investment perspective. As per the current rules, if any Indian resident buys shares in an unlisted company abroad, the foreign company cannot create more step-down subsidiaries. This has proved to be a hindrance for Indian entrepreneurs looking to invest in foreign start-ups since it restricts the scalability of such companies. The RBI has recommended that if such step-down subsidiaries are being opened as part of a company's actual and bonafide expansion plan, the restriction should not be applied. Indian tech-entrepreneurs are constantly looking at acquisition opportunities in developing countries. However, current rules make it difficult to make such investments. RBI has also recommended that any investments into unlisted foreign companies be considered a portfolio of investment so long as the Indian partner owns less than 10% equity in the company.

Also, India's multiple free trade agreements (FTAs) are currently under negotiation to boost Indian investments in the respective regions. For instance, India and UK are set to finalize an interim deal by March 2022. Due to fast-track negotiations, an FTA with the UAE was signed in February 2022. Similar FTAs with Australia and Canada are also expected to be put on the fast track, further incentivizing investments in these markets.

Considering the overall initiative taken by the government, we remain bullish on investment flows to and from India in the near term, riding on the recovery wave in domestic and global markets.

LATEST NEWS & UPDATES

TVS MOTOR ACQUIRES 75% STAKE IN E-BIKE MAKER SWISS E-MOBILITY

28 January 2022

TVS Motor acquired a 75% stake in the e-bike maker Swiss E-Mobility Group (SEMG) at a valuation of \$100 million. SEMG is a market-leading provider of e-mobility solutions within the DACH region, operating the largest e-bike retail chain M-way in Switzerland with close to USD 100 million in revenue. The acquisition will further boost TVS' expansion in Europe through a portfolio of brands, including Norton Motorcycles and EGO Movement, which were recently acquired. The investment has been made in an all-cash deal through TVS Motor's Singapore subsidiary, TVS Motor (Singapore) Pte Ltd.

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ESSAR SETS UP NEW JOINT VENTURE COMPANY VERTEX HYDROGEN IN THE UK

26 January 2022

Essar Group has set up Vertex Hydrogen Limited, a new joint venture company with Progressive Energy in the UK, to build a hydrogen hub at the Stanlow Manufacturing Complex. The company has committed a total investment of approximately £1 billion to deliver the hydrogen production hub. This initiative is a core part of a broader strategy by Essar globally to focus on investing in energy transition through the transformation of existing portfolio companies and investments in new ventures.

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OLA TO INVEST OVER \$100 MN FOR BUILDING GLOBAL AUTOMOTIVE DESIGN AND R&D CENTER IN THE UK

28 January 2022

In Coventry, the UK, Ola Electric announced that it would set up Ola Futurefoundry, a global center for advanced engineering and vehicle design. The company will invest over \$100 million in the next five years in the state-of-the-art center and staff it with over 200 designers and automotive engineers. The center will also partner with world-class educational and research institutions in the UK to collaborate on technology research and development. The acquisition will help Ola Electric tap into the automotive design & engineering talent in the UK to create the next generation of EVs.

[Read more](#)

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TECH MAHINDRA ACQUIRES CTC FOR €310 MILLION

17 January 2022

Tech Mahindra acquired a 100 percent stake in Com Tec Co. IT Ltd. (CTC), an IT solutions and service provider with development centers in Latvia and Belarus, for €310 million. The acquisition will strengthen its digital engineering and insurance technology businesses. It is also investing another 20 million euros in acquiring 25 percent ownership in the SWFT and Surance platform, which are two InsurTech ventures funded by CTC. The acquisition will help scale its European presence, with over 700 IT professionals in contemporary technologies and processes.

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HCL TECHNOLOGIES ACQUISITION IN EUROPE

14 January 2022

HCL Technologies Ltd. has announced its plans to acquire Budapest-based Starschema for \$42.5 million. The strategic acquisition will bolster HCL Technologies' capability in digital engineering driven by data engineering and increase its presence in Central and Eastern Europe.

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Besides Starschema, HCL Technologies also completed the acquisition of a 51 per cent stake in German IT consulting company Gesellschaft für Bankssysteme GmbH (GBS). This collaboration aligns with HCL Technologies' investments in a local delivery model supported by a highly-skilled German workforce.

[Read more](#)

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WIPRO TO ACQUIRE CYBERSECURITY PROVIDER EDGILE FOR \$230 MILLION

20 December 2021

Wipro Ltd, a leading global information technology, consulting, and business process services company, announced that it had signed an agreement to acquire Texas-headquartered Edgile, a transformational cybersecurity consulting provider that focuses on risk and compliance, information and cloud security, and digital identity for \$230 million. The acquisition will strengthen the IT major's play in the cybersecurity services space.

Earlier this year, Wipro strengthened its cybersecurity business by acquiring Ampion, a leading provider of cybersecurity services in Australia, and the cybersecurity practice of Capco, a leading consultancy in the BFSI sector in Europe and the US, demonstrating the firm's strong commitment to providing industry-leading cybersecurity solutions across industries and regions.

[Read more](#)

The company also signed an agreement to acquire US-based LeanSwift Solutions, a system integrator of Infor products, for \$21 million. The acquisition is in line with Wipro's strategy to invest and expand its cloud transformation business through Wipro FullStride Cloud Services.

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INFOSYS SUBSIDIARY TO ACQUIRE SINGTEL'S MALAYSIA DELIVERY CENTER

15 December 2021

Infosys Consulting, a wholly-owned subsidiary of India's second-largest IT services firm Infosys, has acquired Singaporean telecom major Singtel's delivery center in Malaysia to broaden its communications, media, and technology (CMT) vertical in South East Asia. The transaction cost is up to 6 million Singapore dollars, including the value of net assets. This acquisition is expected to bolster Infosys' presence in Malaysia, a strategic delivery and sales hub in Southeast Asia for global clients.

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BYJU'S BUYS AUSTRIAN FIRM GEOGEBRA IN 10TH ACQUISITION IN 2021

08 December 2021

Byju's acquired Austria-headquartered math learning platform GeoGebra, making it the Indian edtech giant's tenth acquisition in 2021. The acquisition complements Byju's overall product strategy and furthers its aim to make subjects like mathematics more engaging. Byju's, which became a unicorn in 2018, has been ramping up its acquisition strategy in a bid to enter newer edtech categories of upskilling, test prep, and higher learning while fortifying its presence across key international geographies, including the US.

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DELHIVERY ACQUIRES TRANSITION ROBOTICS INC

08 December 2021

Logistics startup Delhivery has acquired California-based Transition Robotics Inc, which develops Unmanned Aerial System (UAS) platforms. With this transaction, all IP registered in the US is assigned to Delhivery, strengthening its capabilities in various applications, including aerial photography, remote sensing, inspection, and surveys.

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TECH MAHINDRA ACQUIRES 100% STAKE IN ACTIVUS CONNECT

03 December 2021



IT company Tech Mahindra acquired a 100% stake in Activus Connect, which offers outsourced customer experience (CX) solutions technology to support and elevate chats, email, phone, text, video, and social experience for \$62 million. The acquisition will bolster Tech Mahindra's capabilities in emerging workplace solutions and strengthen the end-to-end customer experience (CX) portfolio. It will also augment Tech Mahindra's as a leading digital transformation enabler in the work-at-home customer experience management domain.

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EVENTS AND ENGAGEMENTS

Virtual launch of ABLE launchpad in New Jersey

T&A Consulting, the official representatives of the State of New Jersey's India Centre (NJIC), hosted a virtual launch of the ABLE Launchpad in New Jersey on 30th November 2021 in collaboration with choose New Jersey, Inc.

In order to strengthen New Jersey's strong ties with India's cutting-edge biotechnology companies, ABLE- Association of Biotechnology Led Enterprises has signed separate memoranda of understandings with the Institute for Life Science Entrepreneurship (ILSE) and Bio NJ.

The ABLE Launchpad provides Indian companies with the opportunity to increase collaboration and expand their presence in the United States, allowing them to expand their business in New Jersey. This virtual event also highlighted New Jersey's assets and facilities the ABLE member companies could benefit from if they decide to join the program.

The panellists discussed investment opportunities provided by New Jersey to Indian investors in the field of biotechnology and life sciences. New Jersey has a reputation for fostering life sciences innovation through research, talent, funding, available space, and university partnerships.

The session witnessed overwhelming participation from the Life sciences companies in India.



VIRTUAL LAUNCH OF ABLE LAUNCHPAD IN NEW JERSEY, USA

Tuesday, November 30, 2021
8:00 AM EST | 18:30 IST

Choose New Jersey, Association of Biotechnology Led Enterprises (ABLE), BioNJ, and the Institute for Life Science Entrepreneurship (ILSE) invite you to attend the virtual launch of the ABLE Launchpad in New Jersey.

ABLE has signed two separate memoranda of understanding (MOUs) with BioNJ and ILSE to increase collaboration and expand ABLE member companies' presence in the U.S., encouraging more Indian companies to do business in New Jersey.

This event is a unique opportunity to learn more about New Jersey's assets and facilities the ABLE member companies can benefit from.

[REGISTER](#)





Sustainable Packaging- India Opportunity for Finnish Companies

T&A Consulting and Business Finland prepared a market research report to support Finnish companies in exploring and entering the Indian market, the findings of which were presented in a webinar on 31st January 2022. It focused on the identification of the strengths of the Finnish innovation value chain and mapping these strengths vis-a-vis the gaps in the Indian context.

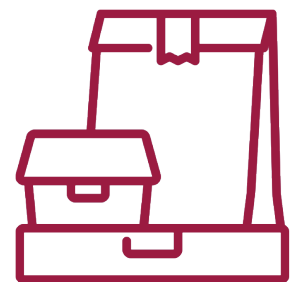


SUSTAINABLE PACKAGING - INDIA OPPORTUNITY FOR FINNISH COMPANIES

**BY: T&A BUSINESS
CONSULTING FINLAND**

The report further delved into the segmental opportunity potential in sustainable packaging in India. This included identifying the demand outlook, market competition, challenges, risks, and growth drivers.

The presentation was followed by an interactive Q&A session with the participants. The one-on-one meetings, thereon, with interested Finnish companies, enabled more personalized and focussed discussions on possible opportunities in India.



UPCOMING EVENTS



Vitalfoods Insights Virtual Expo Asia
21st-24th March 2022

[*Read more*](#)

Wind Europe
5th-7th April 2022

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Aerospace and Defense Supplier Summit,
Seattle, Washington
11th-13th April 2022

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Plastec West, CA
12th-14th April 2022

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CPhI Japan
20th-22th April 2022

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Innovation Summit, Dublin
26th-28th April 2022

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