

INDIA OUTBOUND

India's manufacturing outbound foreign direct investments have evolved over time and diversified from traditional investors such as fertilizer/pesticide manufacturers to complex, and technologically advanced industries engaged in the manufacture of automobiles, automotive components, pharmaceuticals, chemicals, fabricated metal products, and petroleum products.

This evolution of India's outbound investor profiles has also been accompanied by an equally interesting growth in the risk appetite and investment confidence of Indian firms, as Indian investors increasingly look to gain majority stakes in their foreign investments.

This trend has been particularly observed in the automobile sector in recent years, with Indian OEMs and auto-component manufacturers acquiring businesses in Europe and US, with a view to strengthening the R&D and production capabilities, and also accessing new markets.

In example, Mahindra Two Wheelers Europe, a subsidiary of Mahindra & Mahindra, in October, announced its plans acquire 100% of Peugeot Motorcycles to develop its presence in the European market and use Europe as a launchpad to enter other Asian markets.

On the domestic front, there have been some positive developments with strong potential to reinvigorate the India economy, with the Indian government announcing a historic round of corporate tax reforms in September.

The headline corporate tax rate has been reduced from 30% to 22% for existing companies, and to 15% for new manufacturing companies that are to be established between October 1, 2019, and March 31, 2023.

The new concessional tax rates are expected to stimulate renewed growth in the Indian economy, by increasing the profitability of Indian companies across industries. With the new headline corporate income tax rate at 22%, the shareholders of Indian companies can now receive almost up to 60% of the companies' profits, after the deduction of the Dividend Distribution Tax and other statutory taxes.

Services, consumer goods, capital goods and steel are some of the industries that stands to benefit significantly from the new tax reforms as the effective tax rate is around 30% in these sectors.



FEB 26-28.2020

9TH SC AUTOMOTIVE SUMMIT

Hyatt Regency, Greenville, SC

Hosted in Greenville, the event will draw C-level executives and key decision makers of OEMs, tier one, two and three suppliers, leading research institutions and other corporations directly linked to the automotive industry. The event includes a matchmaker segment for providing suppliers already present in SC an opportunity to meet with desired OEMs and tier one companies.

Keynote Speakers

A full roster of community leaders and industry experts including SC Secretary of Commerce Bobby Hitt and top execs from KPMG, Magna International, Silicon Valley Mobility, SC Technology and Aviation Center and SC Ports Authority.

Event Overview

The event aims at facilitating the state's network of automotive companies in collaboration with the SCAC to promote the continued growth and strengthening of the automotive industry by partnering with state and local organizations in workforce and economic development efforts.

Presented By



Automotive related companies and suppliers

State's manufacturing employed by the sector

Total Economic impact by Automotive cluster

Automotive jobs from 2011-2018

FOR MORE INFORMATION

Contact the undersigned

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www.myscma.com/2020summit/



On another note, we are pleased to inform our readers about the SelectUSA 2020 Investment Summit to be hosted in Washington D.C. by the U.S. Department of Commerce's International Trade Administration in June next year. Registration for the Summit is now LIVE and even more exciting is the SUPER EARLY DISCOUNT offer. You are invited to register by applying on the link : [Click Here](#) or kindly visit www.selectusasummit.us before December 31st, 2019.



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InfoBeans Technologies acquires Philosophie Group in the US

Indore based InfoBeans Technologies has acquired New York-based Philosophie Group in an all cash deal. Philosophie Group is a niche design and UX consulting firm that has worked with companies like Google, Amazon, American Express and UCLA.

Details of the deal were not disclosed, but the company said that Philosophie is expected to clock USD 10 million in annual revenue this year. Following the integration, InfoBeans will become a USD 28-30 million company. This deal will give InfoBeans greater access to the US market and to these brands, it said in a press release.



InfoBeans is a global software services company with 850 employees across the US, Germany, UAE and India. Philosophie has a diverse team of designers, engineers, and product strategists. As per Avinash Sethi, Co-founder, InfoBeans Technologies the Philosophie's design and prototyping abilities complements enterprise application development capabilities of InfoBeans. This union will enable the combined entity to provide a much wider spectrum of services to our clients.

Strides Pharma picks up majority stake in Swiss drugmaker Fairmed



Strides Pharma Science Ltd has acquired a majority stake in Switzerland-based generic products and over-the-counter drug supplier Fairmed Healthcare AG. As part of the agreement, Strides has picked 70% stake in Fairmed for \$2.2 million.

The acquisition, which will help in expanding Strides' presence in Germany, Austria and Switzerland, was made through its step-down subsidiary Strides Pharma Global Pte Ltd (SPG).

Founded in 2012, Fairmed's portfolio of over 30 products include prescription and OTC drugs, as well as dermo-cosmetics and dietary supplements. The company clocked net sales of \$6.5 million last year. The company has been active in making acquisition in the past months. In August 2019, Strides acquired a manufacturing unit in Florida from Micelle BioPharma Inc to expand its presence in the US. In July 2019, Strides entered China by forming a joint venture with Sun Moral International Ltd, a wholly-owned unit of Chinese firm Sihuan Pharmaceutical Holdings Group Ltd.

Mahindra to acquire 100% stake in Peugeot Motorcycles to explore new markets

Mahindra Two Wheelers Europe, a subsidiary of Mahindra & Mahindra, will acquire 100 per cent ownership of Peugeot Motorcycles (PMTC) to drive future growth in core European markets and expand into new geographies, including select Asian markets. This growth plan is backed by a robust investment plan which includes introduction of seven new products between 2019 and 2021.



The brand's presence in Europe will be fortified, with France remaining a major market and PMTC's headquarters continuing to be based at Mandeure. Mahindra Two Wheelers had acquired a 51% equity stake in PMTC from Groupe PSA in 2015. It had infused \$17 million into Peugeot to finance projects implemented through the partnership. The Peugeot brand will continue to be used in the future under the trade license agreement between PMTC and Peugeot. In addition, the Peugeot design teams will continue to assist in the design and development of PMTC products in close cooperation with the PMTC management and the Mahindra Group.

Sterlite Technologies to acquire European data centre design company IDS



Sterlite Technologies Ltd (STL) has agreed to acquire the UK-based Impact Data Solutions Group for an enterprise value of around \$14.85 million. Pune-based Sterlite Technologies

said in a stock-exchange filing it has acquired 80% of IDS Group in the first stage and will buy the balance acquired over the next few years on an earn-out model.

IDS is a data centre design company. It provides network infrastructure services to data centres and co-location providers. IDS caters to communication services providers, enterprises and co-location providers.

The acquisition will solidify Sterlite's position in the cloud and data centre market, and help it in its mission of expanding its addressable market to \$75 billion by 2023.

STL, which has over 3,300 employees, provides system-based solutions including connectivity, network services and software to customers. The group also owns 273 patents, and has a presence in India, China, the US, Europe and West Asia.

Minda Industries acquired German engineering firm Delvis



Auto parts maker Minda Industries Ltd has signed a definitive agreement to fully acquire Germany-based automotive lamps engineering, design and testing

company, Delvis GmbH for an enterprise value of approximately \$23.06 million.

The acquisition is in line with Minda Industries' strategy of acquiring technological capabilities in existing product lines. It will also help deliver considerable synergies for the growth of its India lamp business and enhance its product offerings to original equipment manufacturers (OEMs).

Delvis was founded in 2002 and led by Mario Wanninger and Matthias Ablen. Delvis serves OEMs and European suppliers in the pre- and development stages for products.

Minda Industries, the flagship company of auto components maker UNO MINDA Group, supplies proprietary automotive solutions to OEMs. The group has manufacturing facilities in several countries, including Indonesia, Vietnam, Spain, Morocco, Mexico and Colombia. It also has design offices in Taiwan, Japan and Spain.

Infosys acquires contact centre company Eishtec in Ireland



Indian software services company Infosys has acquired a 1,400-employee contact centre company in Ireland for an undisclosed amount. Eishtec's employees would be transferred to the Bengaluru-based IT services firm. The merger would provide an opportunity for growth, with Eishtec and Infosys BPM already sharing some key clients.

Analysts say that the acquisition would be part of Infosys's strategy to expand its BPO services in the Irish market. The transfer of the Eishtec employees will enable Infosys

to better serve its clients from the UK and Ireland, further leveraging its deep expertise in technology, analytics, and digital. As per Mrinal Rai, Principal Analyst at technology researcher, ISG Infosys has strong capabilities in back-end business process services, while contact centre services are more of a front office operations; hence, there is a pressure to bring back-office and integrate with front-office and providers are strengthening their capabilities across sectors.

Eishtec was established in 2011 and specialises in providing services to the telecom, social media, healthcare, edtech and fintech sectors. It has offices in Waterford, Wexford, Clonmel and Craigavon in Northern Ireland. After the acquisition, the current management team at Eishtec will remain in place.

OYO and SoftBank acquire 80% stake in Japan's rental apartment operator MDI

OYO Hotels and Homes jointly with SoftBank have acquired 80% stake in the Japanese rental operator MDI for \$100 Million investment. According to the report of Nikkei Asian review the investment will help OYO to leverage MDI's strong network and business development capabilities in Japan's real estate market. OYO eyes to leverage 2020 Olympic Games opportunity and growing tourism popularity in the country. The recent acquisition jointly with SoftBank, has led to the increase of Ritesh Agarwal– CEO at OYO, stake in OYO from the current 9% to over 30%.



OYO Homes & Hotels, is an Indian hotel chain. It is the world's third-largest and fastest-growing hospitality chain of leased and franchised hotels, homes and living spaces. Founded in 2013 by Ritesh Agarwal, OYO initially consisted mainly of budget hotels.

PI Industries to acquire Asia biz of Italian agrochemical firm Isagro



Drug Agro-sciences firm PI Industries Ltd has signed an agreement with Italian company Isagro SpA to acquire its wholly owned Asian subsidiary. The Indian company will acquire Isagro Asia for \$49 million at current exchange rate.

The acquisition will help PI Industries meet growing demands from international customers by getting access to additional manufacturing capacities of Isagro Asia. PI Industries said it sees growth opportunities across its businesses and is looking to strengthen its position in the Indian market. The acquisition is likely to be completed by the end of December, subject to closing formalities and regulatory approvals. This is the first major acquisition by PI Industries since it sold PI Polymer, its engineering plastics business, to France's Rhodia SA in December 2010 for \$15.47 million then.

Founded in 1947, PI Industries makes complex chemistry solutions in agri-sciences. It owns and operates three formulation facilities and nine multi-product plants located across three manufacturing locations. The company has been previously backed by Standard Chartered Private Equity, Sequoia Capital and Cartica Capital.

Warburg Pincus-backed Laurus Labs buys South African firm

Indian pharmaceuticals company Laurus Labs Ltd it has acquired a wholly owned unit of South Africa-based Aspen Pharmacare. The acquisition of Phekolong Pharmaceuticals Pty Ltd will help the Indian company gain access to South Africa's antiretroviral sector that caters to people suffering from HIV infection.

The company makes generic bulk drugs for therapeutic areas of antiretroviral and Hepatitis C. It also makes active pharmaceutical ingredient (API) in oncology and other therapeutic areas. Laurus Labs, founded by Satyanarayana Chava, set up its first R&D centre in Hyderabad in 2006.



The drug maker was listed on the stock exchange in December 2016. The initial public offering enabled private equity firm Warburg Pincus and venture capital investor Eight Roads Ventures (formerly Fidelity Growth Partners) to make a partial exit while Welsh Carson Anderson & Stowe sold its entire stake in the share sale.

T&A CONSULTING APPOINTED AS THE KNOWLEDGE PARTNER FOR THE EMBASSY OF INDIA, BERNE FOR THE “MOMENTUM IN INDIA: SWISS SME’S PROGRAM” (MISSP) 2019 – 20



The Embassy of India, Berne, launched the “Momentum in India: Swiss SME’s Program (MISSP) to promote Indo-Swiss business relations by facilitating efficient build-up of intelligent business models capable of utilizing the inherent advantages of Indian economic structure. The program is being implemented with the support of the Central and State Government and key industry partners who shall facilitate Swiss SME’s.

As the Knowledge Partners for the program, T&A Consulting will be the lead partner responsible for the day-to-day management of MISSP for the Embassy of India, Berne and thereby provide effective outreach and implementation of the program.

T&A CONSULTING JOINS INDIAN AMBASSADOR ON PROJECT SITE OF INDIAN GREENFIELD FDI INVESTMENT INTO THE US

Mr Tarun Gupta, CEO at T&A Consulting, along with His Excellency Harsh Vardhan Shringla, Indian Ambassador to the United States and Dr. Swati Kulkarni, Consul General, visited Sundaram Clayton's manufacturing facility on 9-10th October 2019.

The visit included a factory tour of the newly expanded facility. In 2017, SCL part of the USD 8.5 billion TVS Group announced plans for setting up its first overseas facility in the USA. The company recently inaugurated its manufacturing facility in Dorchester County in South Carolina, with a project investment of USD 90 million.

Subsequently, Mr. Tarun Gupta participated as a speaker at the panel discussion organized by South Carolina Economic Developers Association (SCEDA) on the "Anatomy of an Indian FDI Project"



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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