



# INDIA OUTBOUND

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# COMPANY OVERVIEW

T&A Consulting is a global advisory firm with proven track record of working with overseas enterprises towards achieving successful and accelerated market entry. T&A is currently working with over 15 countries/Economic Development and Trade Promotion Organizations as their evaluated Partners. We have extensive experience of working with various Inward Investment Attraction agencies and have been delivering a range of programmes to identify outward investment opportunities from India, Europe, North America, with focus on certain key sectors.

Headquartered in Gurgaon, and with pan-India offices in Mumbai, Bengaluru and Chennai, T&A also has a global footprint with a representative office in Zürich, Switzerland, and a subsidiary in Toronto, Canada.



## OBJECTIVE

### DOCUMENT HIGHLIGHTS

#### CHANGING BUSINESS ENVIRONMENT

Virtual business environment as new normal leading to new methods of conducting business i.e. Virtual - B2B meetings, Investor roadshows, Trade missions, Investment seminars and networking events.

#### RECENT TRENDS IN OUTWARD FDI

Business environment in India vis-à-vis potential for investments overseas and how the pandemic has created niche outward FDI opportunities.

# THE CEO'S MESSAGE

BY TARUN GUPTA

As the pandemic continues its spread across geographies including India, outbound FDI deal flow is more measured, and investments await further loosening of international travel restrictions.

The technology sector in India has once again proven itself to be a torchbearer and has adapted admirably and nimbly to the new workflow. Access to equity capital from private investors for companies with proven use cases and now looking at geographical expansion remains on the table. Indian tech companies, especially start-ups with series A funding in the bag are aggressively seeking new markets to help client segments upscale their digital readiness.



**VIRTUAL INVESTORS ROADSHOW HAVE GAINED INCREASING ACCEPTABILITY AS WE CONTINUE TO SEE ENGAGEMENTS WITH EDOS AND HIGH LEVEL OF ACTIVITY PLANNED FOR Q4 2020**

In the life sciences spaces, Indian companies in niche segments, i.e. Bioinformatics, Intelligent (or Artificial Intelligence) Powered Drug Discovery, Integrated Drug Discovery, Nanomedicine and Personalized Medicine are potential prospects for outbound FDI. The Biotechnology Industry Research Assistance Council (BIRAC) and a supporting network for fifty bio-incubators in India, under the Bio-NEST program, have played an essential role in developing a cluster of companies in these segments.

Virtual investors' roadshows have gained increasing acceptability as engagements with EDOs as also a high level of activity planned for Q4-2020 continue to be seen. A significant outbound investment conversion is expected in Q1-2021 as Economic Development Organizations look to build a strong pipeline of prospects from India.

# OUTBOUND INVESTMENT

As the Covid-19 pandemic continues to impede global economic activity, investors push to ration funds and prioritize investments, squeezing the availability of capital. While a number of financial markets, globally, have seen their worst quarters in decades, in India, the financial markets have shown generally great resilience, and fared reasonably well, under the circumstances.

According to the International Monetary Fund (IMF) forecasts the world's largest economies - the US, the EU, Japan, and Canada, will each witness GDP **contractions between 5.2 and 9.1% in 2020**. It is also predicted that the advanced economies across the globe are likely to witness a 6.1% contraction—slightly more than twice the 3% contraction for the global economy.

According to Dheeraj G Hinduja, Chairman, Ashok Leyland Limited, it is an opportune time for Indian original equipment manufacturers (OEMs) to seek global position by showcasing manufacturing prowess and demonstrating the products of international standards of quality and reliability

However, the pandemic has also brought innovation and technological adaptation to the forefront of all global pandemic management and recovery discourses, across industries. If there is one positive thing emerging from the pandemic, it is that organizations have had to strengthen their innovation game and reinvent themselves within and without their existing business models, and a lot of struggling businesses have managed to unlock new business models and efficiencies in the last few months.

Despite the nationwide halt and COVID-19 blues, India now stands at 48th position, jumping four places on the Global Innovation Index 2020 and is among the 50 most innovative countries. A significant shift in focus towards more flexible, mobile, and cloud-enabled models is a crucial contributor in this steep jump.

Although the world waits for 2020 to get over

with bated breath, the progressive opening of the world economy combined by optimism over the COVID-19 vaccine has resulted in a positive business outlook for India Inc.'s global activities. New research released by Globalization Partners and CFO Research indicates that most businesses are undeterred by the impact of COVID-19 and are still moving forward with plans for new or expanded international operations. While the Outward foreign direct investment (OFDI) comprising equity, loan and guarantees issued by Indian companies, muted in the first three months (April: USD 1.0 billion; May: USD 1.3 billion; and June: USD 893.2 million), has witnessed a substantial improvement with a jump to **USD 2.5 billion in July 2020**, also higher than last year's period at USD 1.8 billion. Outward FDI was mainly in the form of equity and loans to subsidiaries, primarily in the US, the UK, Singapore, Mauritius, Switzerland, and the Netherlands. These countries accounted for 75% of all investments.

An interesting insight from outbound investments over last few months is the diversity of sectors where Indian companies have been active. In the Information Technology sector not surprisingly investments have been made to strengthen offerings in Saas, Mobility, cloud infrastructure and solutions to help niche client segments like medical devices and mining, on digital readiness. Investments have also been witnessed in fintech, digital media, publishing and food processing, with innovative financing structures such as use of SPAC (Special Purpose Acquisition Vehicle).

Traditionally active outbound investment segments such as Automotive with its focus on capability enhancement in advanced materials and electrical vehicles as well as Life Sciences with focus on providing market access and product portfolio expansion are expected to maintain their growth trajectory.

Outward foreign direct investment has witnessed a substantial improvement with a jump to USD 2.5 billion in July 2020, also higher than last year's period at USD 1.8 billion. OFDI was primarily directed in the US, the UK, Singapore, Mauritius, Switzerland, and the Netherlands

In terms of geography OECD countries continue to be attractive locations for Indian investments and other countries such as Brazil offer attractiveness of large home market.

India widely referred to as an outsourcing destination primarily for US and European companies is now set to become the next Silicon Valley of Asia – with local tech startups have raised USD 14.5 Bn from over 800 investors in 2019. Many of these startups (especially those within B2B) have the US and Europe as their core business markets.

According to detailed data from India's Ministry of Commerce, Indian companies have exported billions of dollars' worth of merchandise in industries as diverse as furniture, electrical machinery, shipping, vehicles, boilers, parts made of plastic,

medical and surgical instruments, steel and aluminium, organic and inorganic chemicals and more. India is also a significant producer of antimicrobials in the pharmaceutical industry global supply chain.

To put things into perspective, India is amongst key the frontrunners to be an alternative option for the worldwide supply chain. And contributed by the steps taken by the government, the 'future-ready' industrial policies which incorporate measures to embed the use of smart technologies for advanced manufacturing, the dawn of Indian diaspora into key global sectors is not far away.

# LATEST NEWS AND UPDATES



Accel-backed app testing platform BrowserStack snaps up US firm Percy

BrowserStack Inc., which operates as a web and mobile application testing platform, has acquired the United States-based visual testing and review platform Percy. As a part of the deal, the acquisition would help it add both manual and automated visual tests on its stack.

Based in San Francisco, Percy helps clients' product teams ship their applications faster by testing visual and user interface changes against an underlying code. BrowserStack's acquisition of Percy marks the latest M&A move by a firm operating on the software-as-a-service model. The deal was executed to expand the company's technological capabilities and giving them the chance to build out entire ecosystems.



Affle said the investment was strategic for the company owing to Indus OS operating the Indus App Bazaar, which is India's largest independent app store. Indus App Bazaar has over 400,000 apps in English and 12 other languages, and it also partners with original equipment manufacturers.



Affle picks up 8% stake in India-focussed Indus OS

Affle (India) Ltd, a mobile commerce and marketing solutions provider, has picked up an 8% stake in OSLabs Pte Ltd, which operates the India-focused indigenous app store and operating system Indus OS. In a filing with stock exchanges, Affle said it bought the stake in the Singapore-based Indus OS for **USD 2.7 million**.

Set up in 2015, Indus OS utilizes an artificial intelligence-driven app recommendation engine to deliver higher user engagement. Its platform brings together India-centric developers, smartphone brands and end users.

Anuj Khanna Sohum, Chairman of Affle explained that over the years, the company has derived significant synergies with the Indus OS App Bazaar, which through its multilingual capabilities, deeply enhances their vernacular scale and the verticalization strategy.

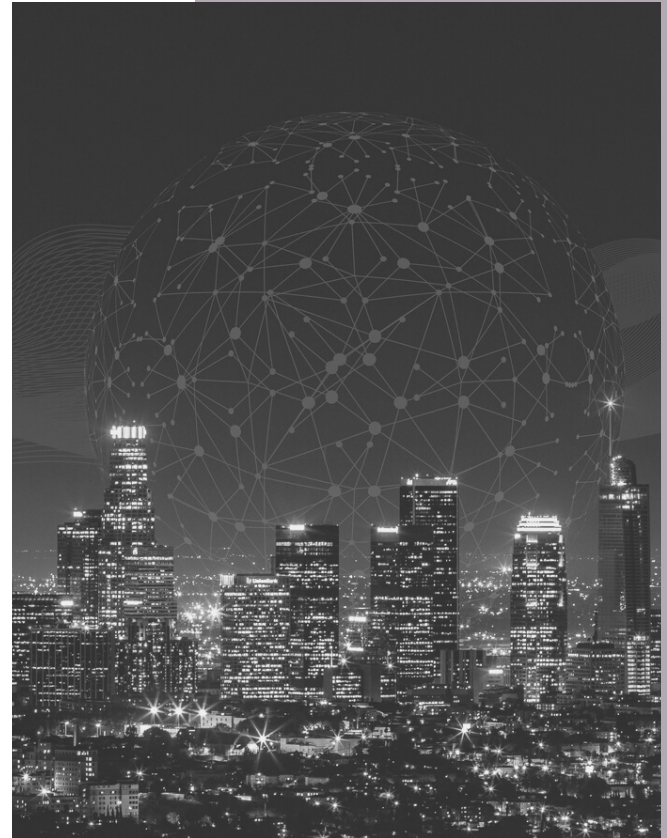


AGC Networks buys Australia, New Zealand communications technology firm Pyrios

Essar group company AGC Networks Ltd has acquired Pyrios, an Australia- and New Zealand-based communications technology firm that provides customer engagement and workplace collaboration solutions.

Mumbai-based AGC said that the deal will strengthen the company's presence and offerings in Australia and New Zealand. The acquisition will also enhance its portfolio of solutions in the unified communications and contact centre spaces.

AGC Networks Executive Director and CEO Sanjeev Verma said that their aim is to remain the customer's trusted partner in providing technology solutions and services to strengthen their relationship and with their combined customers in the region.



3F Fuji Foods deals in bakery ingredients such as non-dairy whipped cream and bakery compounds. The company has two manufacturing facilities near Hyderabad.



Allana unit to acquire 3F Fuji Foods Pvt. Ltd which is the Japanese firm's India bakery

Allana Group, one of India's largest exporters of branded processed food and farm commodities, will buy the local bakery joint venture of a Japanese company 3F Fuji Foods. Allana will buy the JV for **USD 7-10 million**.

Allana, via UAE-based unit IFFCO, will fully acquire 3F Fuji Foods Pvt. Ltd, 3F Fuji Foods is a joint venture of Japanese food ingredients major Fuji Oil Company Ltd and India's 3F Industries Ltd.

3F Industries (formerly Foods Fats & Fertilizers Ltd) was launched in 1960 in Andhra Pradesh. Besides bakery, the company has presence in categories including specialty fats, oil and fats, oleochemicals, animal feeds and skincare.



Auto parts maker Precision Camshafts buys rest of Dutch, German units

Solapur-based automotive components maker Precision Camshafts Ltd has taken full stake of its Dutch and German units, with the initial acquisition of both having taken place in 2018.

Precision Camshafts has acquired the balance **49% and 24% stakes** in EMOSS Mobile Systems BV and MFT Motoren und Fahrzeugtechnik GmbH, respectively. This deal now makes both units wholly-owned step-down subsidiaries of Precision Camshafts.

Precision Camshafts said that the deal would help the Indian firm make an entry into the electric vehicles and equipment businesses, as well as expand its reach in markets such as Europe, North America, and Australasia.



## CYIENT

CYIENT plans acquisition of Australian Tech Consulting firm

Hyderabad-based technology services exporter Cyient has announced its plan to acquire Australian technology consulting firm Integrated Global (IG) Partners for **USD 8.4 million** for a 100% equity stake.

According to Cyient, the acquisition is strategic as it will help them gain access to decision-makers with global mining majors and accelerate its mining strategy to position itself as a market leader in digital transformation.

With this deal, the powerful synergy of Cyient's digital execution capabilities and IGP's advisory expertise creates a unique value proposition for the industry. This acquisition also adds to their footprint in the Australian market.

It is aiming to gain access to decision-makers with some of the global mining majors, accelerate its mining strategy and position itself as a digital transformation leader in the mining industry. Cyient's purchase of IG Partners is the 10th such in nearly eight years.





FDC Limited to acquire stake in the South Africa based pharmaceutical company

FDC Limited is a fully integrated research-oriented pharmaceutical company engaged in the manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs).

The company has entered into definitive agreements for the acquisition of additional stake in Fair Deal Corporation pharmaceutical SA (PTY) Ltd., South Africa The Company would be holding **93%** of the equity share capital of FOCSA, whereby FOC SA would become a subsidiary of the Company.

FDC markets more than 300 products in India and exports many of these to over 50 countries.



The company says its product and services suite span the entire breadth of the publishing cycle for audiences including societies, academics, associations and publishers. It reported consolidated revenue of USD 19.0 million for the 2019 calendar year.

**MPS**

GIC-backed MPS acquires publishing platform HighWire

MPS Ltd, which creates content and offers technology services to academic and educational publishers, has acquired independent scholarly publishing platform HighWire for **USD 7.1 million**. The deal includes the purchase of Northern Ireland-based HighWire Press Ltd and its UK-based unit Semantico Ltd for USD 1 million. It also includes the takeover of the company's US units HighWire Press Holdings Inc., HighWire Press Inc. and HighWire UK Holdings LLC for USD 6.1 million.

The acquisition will help the company scale its platform solutions business and strengthen its market position in the academic publishing community. MPS and HighWire will also leverage each other's networks to expand to newer regions and industry verticals.



## India film producers, acquisition company veteran launch blank-cheque firm in US

Two producers of local films and a veteran of Special Purpose Acquisition Companies (SPACs) have come together to form a blank cheque firm, for purchase of assets in the media and entertainment space.

The **USD 100 million** SPAC called Vistas Media aims to invest in North America, Europe and Asia. The company will look to acquire assets in the areas of content, film, post-production and/or visual effects facilities, animation, streaming, augmented and virtual reality, music, digital media, gaming and e-sports.



This acquisition strengthens our digital offerings at the intersection of new software technologies and medical devices—a sector that is expected to witness significant investments and consumerization in the post-COVID era – Ravi Kumar, president at Infosys.



## Infosys to buy US firm Kaleidoscope in second acquisition of 2020

Infosys to acquire product design and development firm, Kaleidoscope Innovation for **USD 42 million**.

With this acquisition, the company aims to expand its digital offerings, engineering services portfolio and strengthen presence in medical devices, consumer and industrial markets across the US.

Kaleidoscope, an Ohio-based company designs and develops medical devices as well as consumer and industrial products. The company brings to Infosys a diverse talent pool with extensive knowledge of design and engineering.

The acquisition is expected to close during the second quarter of fiscal 2021.



L&T Technology Services to acquire US based Orchestra

L&T Technology Services Ltd, the engineering services division of conglomerate Larsen & Toubro Ltd, has signed an agreement to acquire United States-based Orchestra Technology, Inc. for **USD 25 million**.

The deal will help L&T to strengthen its presence in the telecom original equipment manufacturer (OEM), integration chip design space and service provider space.

Based in Dallas, Orchestra specializes in wireless and mobile ecosystems. The company provides high-value engineering services and solutions for the telecom industry in areas such as network engineering and operations, and enterprise mobility.



SaaS unicorn Freshworks acquires cloud management platform Flint



Software-as-a-services company Freshworks Inc. has acquired cloud management platform Flint, a Singapore- and India-based firm that helps its clients to integrate different cloud services and accelerate their digital transformation.

The SaaS company said in a statement the acquisition will help it provide greater visibility for information technology teams seeking to manage hybrid cloud infrastructures.

This is Freshworks' third acquisition in the last year. In May last year, it acquired US-based customer management platform Natero Inc. to add to relevant data and analytics capabilities for its suite. Following that, it acquired US-based AnswerIQ Inc in February this year.

The acquisition would also help the company in IT automation, which is necessary for accelerating companies' transition to remote workforces. - Mr. Prakash Ramamurthy, Chief Product Officer, Freshworks

- /Promotion
- /Research
- /Business
- /Development
- /Engineering
- /Manufacturing



Taro Pharmaceutical will acquire Canada's Aquinox Pharmaceutical

The American arm of Sun Pharma, Taro Pharmaceutical Industries which is a research based pharmaceutical manufacturer will acquire Canada's Aquinox Pharmaceutical for **USD 8.2 million**.

Aquinox Pharmaceuticals is a corporation organised and existing under the laws of the Province of British Columbia that carries on the business of research and development of pharmaceutical products for purposes of their commercialization, it added.

The subsidiary of Taro Pharmaceutical will acquire 100 per cent stake in the company.



Fave's expertise in operating merchant loyalty programmes and the QR space and our own expertise in providing payments, loyalty and gift solutions will help merchants in the region navigate expansion in the post Covid-19 world - Amrish Rau, CEO of Pine Labs



Temasek-backed Pine Labs invests in Malaysian fintech firm Fave

Pine Labs Pvt. Ltd, a Noida-based payments solutions provider, has invested in Malaysian financial technology company Fave Asia Technologies Sdn.

The two companies will work together to expand cashless payment solutions for small and medium-sized offline enterprises. Merchants working with Pine Labs in Southeast Asia will also have access to Fave's loyalty solutions and cashback programmes.

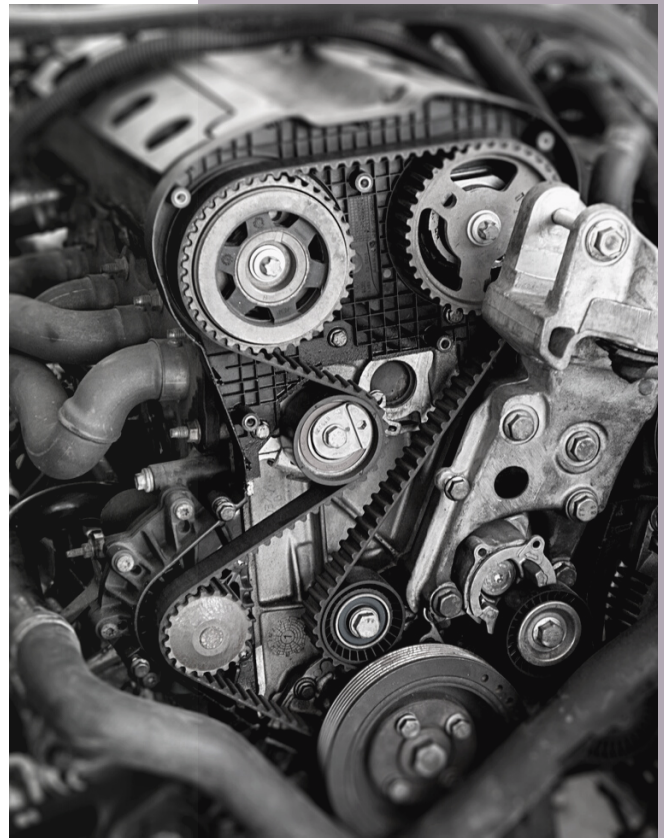
The company, which is the largest point-of-sale terminal provider in India, had closed its latest investment round, in January, which saw Mastercard pump money into the homegrown fintech venture, as part of an estimated USD 300 million funding round, and which valued it at about USD 1.5 billion.



## TVS Group enters composite space with minority stake in Italian firm

Chennai, Sundaram Finance Holdings Ltd (SFHL), part of the USD 7 billion TVS Group, will acquire a minority stake in Italian company MIND S.r.l, an automotive component maker in composite materials. This strategic investment in MIND would enable the company to facilitate the sharing of manufacturing excellence, systems and automation, together with MIND's composite manufacturing expertise, and support its expansion in the rapidly growing composite materials space.

"The partnership with MIND is the first step for our group to enter the composite domain where weight reduction is becoming more and more important in the whole automotive and industrial domains," Director Srivats Ram said.



**Information**

**Data**

**Strategy**

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In Brazil, Wipro has a vision to grow the operations by bringing the best of its global experience to the local market and becoming a partner of choice as an end-to-end IT services provider. This acquisition is another significant step towards Wipro's commitment to this region



## Wipro to acquire Brazilian IT services provider

IT major Wipro has signed an agreement to acquire Brazil-based IVIA Servios de Informtica Ltda for about **USD 22.4 million** and the transaction is expected to be completed during the quarter ending September 30, 2020. IVIA's local talent and long-standing relationships, combined with Wipro's global expertise, will help expand the information technology firm's geographical footprint in Brazil.

Founded in 1996, IVIA specializes in IT solutions to improve and expand the business of its customers.

Wipro has a significant presence in Latin America with offices across five countries in the region - Brazil, Mexico, Chile, Colombia and Costa Rica.



## Wipro completes acquisition of Belgian firm 4C

Wipro completed the acquisition of the Belgium firm 4C for **USD 80 million**. Wipro has a well-established Salesforce business in the Americas, Japan and Australia which was reinforced with the Appirio acquisition in 2016 and this acquisition would significantly strengthen its position as a leading provider of Salesforce solutions in various markets.

4C will be consolidated as part of Wipro's Salesforce practice, which provides solutions globally around multiple Salesforce clouds and its ecosystem of products.

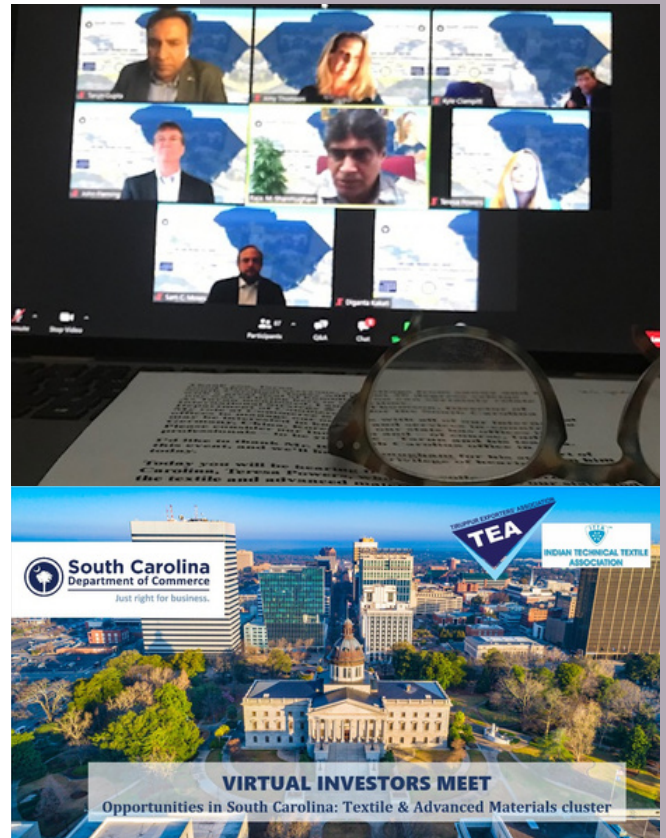


# EVENTS & ENGAGEMENTS

SCDOC conducts its first ever virtual investors meet for south asian textile business

T&A Consulting, the official India representative of South Carolina Department of Commerce (SCDOC) has partnered with Tiruppur Exporters Association, one of India's leading export associations and the Palmetto Partners to organize the first ever virtual investors meet for south asian textile business. The event witnessed close to 100 participants from one of South Asia's most important export-driven sector.

SCDOC is available to help grow new and existing businesses. Furthermore, SCDOC also promotes economic opportunity for individuals and businesses through initiatives like workforce training.



## INDIAN HEALTHCARE AND PHARMA

A Perspective on Regulatory Standards and Opportunities

Webinar on Indian Healthcare and Pharmaceutical market by German Trade and Investment (GTAI)

As a part of T&A Consulting's engagement with Germany Trade & Invest, Tarun Gupta - Managing Partner T&A Consulting, presented as a key-note speaker in a two series webinar on Indian Healthcare and Pharmaceutical market, on the opportunities and business models in India as well as the Indian regulatory framework from the perspective of German manufacturers and exporters.

For the German Healthcare Industry's export initiative - Health Made in Germany, T&A Consulting has been supporting GTAI with monthly regulatory newsletters for Pharmaceutical and Medical Devices industry.

## Queen's University Belfast: Pre-Departure Orientation- September 2020

T&A organized a two hour long Virtual Pre-departure briefing in collaboration with Queen's University Belfast, which helps the student to prepare for their move to Belfast as well, provided them with the information about student visa application, accommodation, Pick-up service and Health and safety precaution taken by the University.

The Pre-Departure Orientation Handbook is also been shared to the student which consists of collection of resources to help students prepare to travel abroad and the precautions required to be taken.



**MICE POST COVID @ MBS**

Marina Bay Sands, T&A Consulting & NIMA presents exclusive live session on **MICE Post Covid @ Marina Bay Sands** at 12.00 Noon on 13th August, 2020

Lucky Participants to Win Stay Vouchers from MBS

## MICE Post COVID AT MARINA BAY SANDS

T&A Consulting in partnership with Marina Bay Sands, NIMA (Network of Indian MICE Agents) and Singapore tourism board conducted a webinar in August 2020.

The aim was to streamline the partners on the safety measures and reopening of the hotel industry in Singapore.

Sands Expo is going to be the first carbon neutral MICE property in Singapore, introducing an initiative to receive Renewable Energy Certificates and roll out measures that will fully offset all carbon emissions created by the property.



## Collision from Home, 2020

Collision is one the fastest growing tech conference of North America. Due to the pandemic, the event was moved to virtual platform and rebranded as Collision from Home, 2020. The aim of the virtual conference was to focus on short talks - 5 - 20 minutes - that explore topics around tech and its issues.

As part of the FDI lead generation activity, T&A Consulting as the India and Europe representative of Choose New Jersey participated at the virtual conference. Using the event's virtual B2B platform, T&A participated in 30 qualified investor meetings, which has assisted in building a pipeline of FDI prospects for 2021. As a next step, T&A is pursuing discussions with companies who are at different stages of setting up their office in North America.



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The banner features a blue and white color scheme. At the top, there is a small image of a person's hands holding a tablet. To the right of this image is a logo for "MITTELSTAND GLOBAL HEALTH AND LIFE SCIENCES" with a circular emblem. The main text is centered and uses a bold, sans-serif font.

## Global Cluster Partnering- Healthcare 2020 (GCP)

GCP healthcare concluded in August 2020, with 41 participants from 33 countries attending the virtual event. Associations, networks, and clusters from 17 countries supported GCP-Healthcare.

T&A Consulting, as Choose New Jersey's Europe representative i.e. New Jersey Europe Centre, participated in the event, with over 23 qualified virtual investor meetings. New Jersey with a strong cluster of pharmaceutical and medical devices companies offers a compelling proposition for European healthcare and Life Sciences companies. Prospective investors are evaluating multiple FDI options including R&D centre, production facilities as well as sales and distribution office.

# UPCOMING EVENTS

## Automotive Industry 4.0 Summit

24 September 2020

## Reimagining Startup Ecosystems: A Fireside Chat with 500 Startups and EDOs

29 September 2020

## PharmaLytica - Virtual Expo Connect

30 September 2020 - 2 October 2020

## Global Artificial Intelligence Summit

05 - 06 October 2020

## CPHI Festival of Pharma

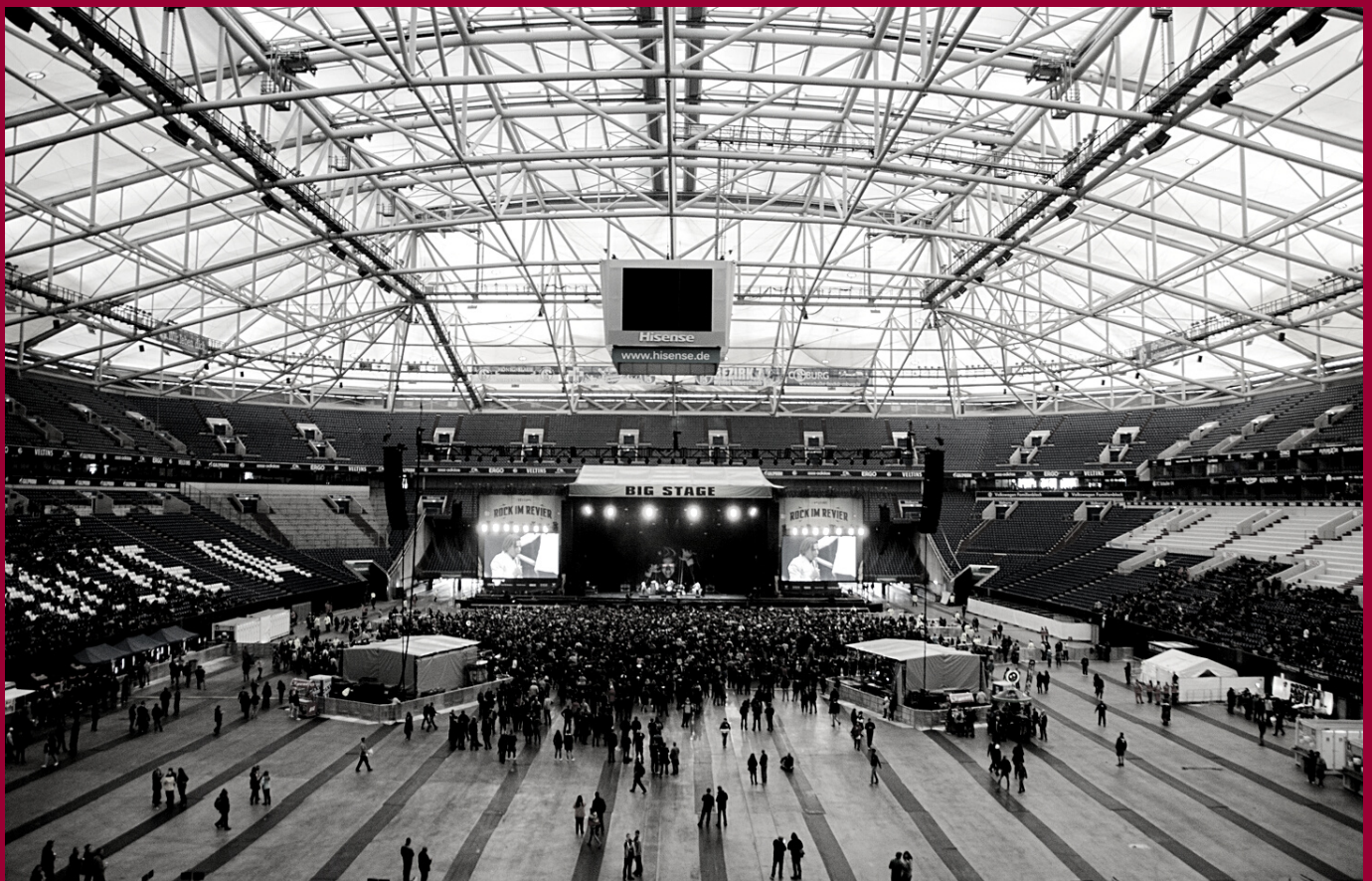
05 - 16 October 2020

## DISCOVER GLOBAL MARKETS

07 - 09 October 2020

## Bio Europe Digital

26 - 29 October 2020





# LOOKING FOR OVERSEAS INVESTMENT?

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