Direct investments in the US by Indian enterprises

Setting the new agenda

October 2012 - December 2014



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EY foreword



Rajiv Memani
Chairman - India Region, EY

Prime Minister Mr. Narendra Modi's recent visit to the US in September 2014 added new dimensions to the dialogue between our two nations, and instilled renewed confidence in business leaders. The Fifth US-India Strategic Dialogue and the visit of the US dignitaries to India were amongst the other recent events that reinforced bilateral ties between the two countries. At the same time, the US President Barack Obama's visit to India is expected to provide an additional push to Indo-US relations.

From a business standpoint, the U.S has always held out significant appeal to businesses seeking to make a global impact. It is ranked as one of the world's topmost investment destinations. *Direct investments in the US by Indian enterprises*, is a series launched by EY and FICCI in 2006 to unravel the lesser known story of Indian FDI into the US. Today, hundreds of Indian companies are operating in the US. They have invested millions of dollars, generated and supported thousands of jobs, and made a deep impact through their philanthropic initiatives and community engagements. These companies have shown the courage to successfully compete with their global peers on their home turf. This report is the fifth in a series, initiated in 2006, which has become a "ready reckoner" for anyone seeking to do business with and in the US.

Indian investments in the US have remained strong during October 2012 to December 2014, despite global and domestic economic turbulence. This period witnessed 71 M&As with a cumulative disclosed value of US$2.9 billion. The actual investment in the US would be even greater as the transaction value is available for only 22 transactions out of total 71 deals.

Based on this study, we find that the high rate of innovation, abundance of natural resources, presence of a large consumer market in the US, as well as the strong US-India relationship, makes the US a highly attractive destination for Indian businesses. The report also provides insights on the contributions made by specific industries and opportunities for partnership. A detailed snapshot of four high-growth sectors — technology, natural resources, pharmaceuticals and health care, and defense and security – based on recent trends in greenfield investments and M&As, also forms part of this study.

M&A activity and greenfield investments by Indian entrepreneurs in the US are set to soar, with the US economy moving ahead at a strong pace and India Inc. looking to step up its growth in the US. In a sense, there could not have been a better time to present a report on India–US business partnership. I would like to thank FICCI for giving us this opportunity.

As always, we welcome your thoughts on the report.

FICCI foreword



Dr Jyotsna Suri
President, Federation of Indian Chambers of Commerce and Industry (FICCI)

This FICCI–EY report, which is fifth in a series, highlights the recent trends in investments and M&A by Indian companies in the United States. It narrates the ineffable story of hundreds of Indian companies that have invested billions of dollars in US, generated and supported thousands of jobs, and created deep impact via various philanthropic initiatives and community engagements. Since its first edition in 2006, this report has become a sought after tool to provide a comprehensive overview of Indian investments in the United States. It comes at an important time, when both the countries are making a final push to achieve strategic and economic gains by redefining their partnership. At the same time FICCI is working with the industry and Government to facilitate a robust business relationship between the two countries.

This report highlights efforts of Indian corporates in not only their corporate globalization, but also their strategic quest to uncover new markets and connect to the global supply chains. A sizable number of Indian investments are in the manufacturing sector, including machinery and transport equipment, automotive and pharmaceuticals. Indian firms are showing an appetite for increased share of intermediate and high-value manufacturing exports, and making acquisitions to tap into the vertical trading chain.

This present report gives an overview of a total of 268 outbound acquisitions made by Indian Companies between October 2012 and December 2014, of which 71 were made in the US. It is a matter of great pride that Indian companies are able to contribute to the US economy's export and tax revenues, social security contributions, capital growth and productivity. Time is opportune for US companies to scale up their engagement with Indian businesses both at home as well as through partnerships in India, leveraging economic multipliers that exist on both sides. To foster a positive investment environment further, a Bilateral Investment Treaty (BIT) can provide confidence and protection to investors from any discriminatory measures.

India and the United States are natural partners. Going forward, we envision the Indo-US partnership moving in spirit toward a truly strategic relationship creating well-balanced gains for both nations. With a steady commitment to Indo-US relationship, FICCI invites American organizations and businesses to take a re-look at India and work together to realize the true potential of Indo-US synergy.





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Section 1

Outlook

Over the last few years, due to global and domestic economic woes, Indian outward FDI has been erratic. However, FDI flows to the US have been relatively consistent. The US economy is speeding ahead at a solid pace, with consistent improvement being seen in manufacturing activity, domestic consumption and the housing market. Moreover, strong job gains in recent months have pulled down the unemployment rate to 5.8% compared with 7% in 2013. The US growth is set to strengthen further through 2015, as resilient payrolls, solid consumer spending, supportive monetary policy, improved manufacturing and business confidence, and reduced fiscal tightening will continue fueling economic activity. Furthermore, capital markets continue to rally in the US, despite the Federal Reserve winding up it quantitative easing program, as investor confidence remains high.

The future prospects of the Indian economy are also looking promising, with the new leadership showing its commitment to put the economy back on a high-growth path. India's Prime Minister Narendra Modi has promised to attract more private investment, accelerate gross domestic product (GDP) growth rate, create more jobs, reduce fiscal deficit and fasten the pace of the country's defense modernization. In this direction, the Government of India (GoI) has laid out a detailed road map, focused on easing infrastructure bottlenecks, pursuing business-friendly policies, boosting foreign investment, promoting manufacturing activity and simplifying tax laws.[1] Consequently, investor sentiment has seen a substantial uptick during last few months, triggering a sharp rally in stock markets.

After the recent visit of US Secretary of State John Kerry to India, both the countries released a joint statement on the Fifth India-U.S. Strategic Dialogue.[2] Leaders of both the nations agreed to intensify efforts to combat terrorism,



1 "New government reveals plan for jobs, low inflation," *Deccan Chronicle*, 10 June 2014, via Factiva, © 2014 Deccan Chronicle Holdings Ltd.

2 "Joint Statement on the Fifth India-U.S. Strategic Dialogue," Ministry of External Affairs website, http://www.mea.gov.in/bilateral-documents.htm?dtl/23799, accessed 12 January 2015.



have greater cooperation in cyber security and reducing cybercrime, and work jointly in energy space. The two sides reaffirmed their commitment to the full implementation of the India-US civil nuclear agreement, and identified education and skill development as important areas of future cooperation. Policymakers also agreed to hold the next Ministerial Homeland Security Dialogue. At the same time, India's Prime Minister Narendra Modi's recent US visit is regarded as a historical event as it has generated new dynamism in the relationship of both the countries.

Beside which, negotiations on the BIT between India and the US are on.[3] The treaty, aimed at fostering investment opportunities, is expected to improve transparency and predictability for investors, and support economic growth and job creation in both countries.

The coal, steel and oil and gas sectors are likely to drive deal values in the near future, since Indian players are looking for reliable supply and quality raw material. The deal pipeline already seems to be very prominent, given that India's major state-run and private players are either holding talks or have readied huge corpuses to acquire assets in the US.

On the other hand, pharmaceuticals and health care are likely to drive deal volumes, riding on the upcoming generic opportunities and the size of the US market. Beside which, the technology sector is expected to maintain the current momentum and contribute heavily to deal volumes. Traditional segments such as business process outsourcing (BPO) and upcoming segments such as data analytics and cloud computing are likely to be under focus.

3 "India, US need to push bilateral investment treaty: Powell," *Press Trust of India*, 25 April 2014, via Factiva, © 2014 The Press Trust of India Limited.

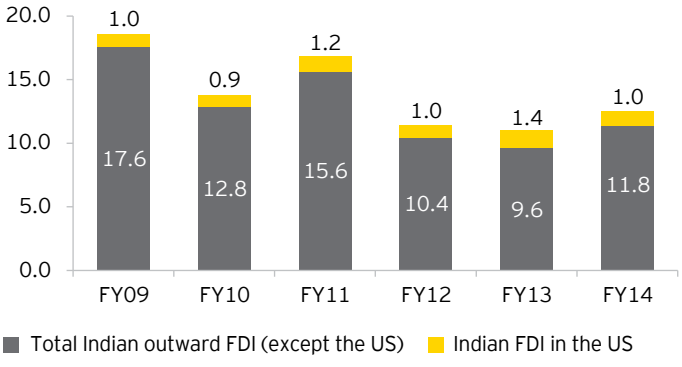
Section 2

Overview

2.1 FDI and trade

Until the end of the 20th century, Indian FDI primarily witnessed one-way traffic, with investments flowing in from abroad. However, post-2000, as the Indian economy evolved and regulations continued to be liberalized, it gave rise to several "Indian multinationals". With the newly found financial muscle and regulatory flexibility, Indian companies moved from mere export of goods and services to acquisition and integration of overseas businesses and assets. Other factors such as easy availability of finance, quest for latest technology and a highly competitive environment at home also induced Indian companies to explore overseas markets. Over the past few years, India's actual FDI outflows have been growing at a tremendous pace, mainly due to progressive liberalization in India's overseas investment policy during these years.

India's outward FDI (US$b) – FY09-14



Source: RBI Monthly Bulletin





India is a net exporter to the US

Though the US continues to be the largest recipient of FDI in the world, it has started attracting FDI from emerging economies such as India at an increased pace. In fact, the US' share in India's total outward FDI has increased to 7.8% in FY14 from 5.5% in FY09.[4]

The India's outward FDI chart shows that it has remained consistent over the years. However, the actual investments by Indian companies in the US would be higher, as the figures do not include investments through other countries. Also, value is generally not disclosed for a large chunk of M&A deals. From October 2012 to December 2014, 49 out of a total of 71 transactions did not have disclosed value. Despite the vague FDI and value based M&A data, there are many evidences highlighting strong traction for India's investments in the US. For example, Reliance Industries' investments in its shale gas JVs saw a whopping increase of approximately US$900 million from January 2014 to December 2014. The Essar Group is also constructing a US$1.6 billion iron ore-pelletizing greenfield project in northeast Minnesota.

The US share in India's total outward FDI has increased to 7.8% in FY14 from 5.5% in FY09.

On the trade front as well, the relationship is getting stronger, with bilateral trade between India and the US amounting to approximately US$61.6 billion in FY14. India is a net exporter to the US with exports amounting to approximately US$39.1 billion compared with an import of approximately US$22.5 billion. Exports to the US form 12.5% of India's total exports while imports from US form 5.0% of India's total imports.[5]

4 A lot of Indian companies invest in the US via other countries, such as the Netherlands, Luxembourg, Switzerland and the UK. Hence, the Indian investment in the US may be greater. Also, the outward FDI figures include equity FDI through SIA or FIPB and RBI routes only.

5 "Export Import Data Bank," Department of Commerce website, http://commerce.nic.in/eidb/default.asp, accessed 12 January 2015.

2.2 M&A

India Inc.'s outbound M&A drive started off in 2006 due to corporate India's ever-growing desire to reach global heights, a trend that continued through 2007. The year 2007 went on to become a record year in the country's M&A history. However, India's dream M&A run took a beating as the collapse of Lehman Brothers in 2008 marked the beginning of the global financial crisis, and the aftermath was visible throughout 2009, when outbound deal value and volume plunged further.

India's strong fundamentals helped re-instill confidence in companies and, in 2010, M&A deal value reached an all-time high, thanks to big ticket M&A deals such as Cairn India's stake purchase by Vedanta Resources, Piramal Healthcare's health care solution business acquisition by Abbott Laboratories and Aircel Ltd's mobile tower sale among others. However, this euphoria was short lived when global factors (uncertainties over the Eurozone and slow growth in the US), coupled with domestic factors (slowdown in reforms, high interest rates, weak currency and moderate GDP growth) negatively affected the Indian outbound M&A activity since 2011. However, even during this erratic M&A activity over the past few years, several Indian companies made acquisitions in the US across various sectors. From October 2012–December 2014, Indian companies made 268 outbound acquisitions, out of which 71 have been in the US.

Year	Number of disclosed deals in the US	Value of deals (US$ million)
2012 (October - December)	13	1,705.0
2013	20	166.5
2014	38	1,118.5
Total	71	2,890.0

The following table gives a list of the five largest outbound deals to the US from October 2012–December 2014, undertaken by Indian companies, either directly or through their overseas subsidiaries.

Acquirer	Target	Sector	Date	Deal value (US$ million)
Gulf Oil Corp Ltd	Houghton International Inc	Chemicals	November 2012	1,045.0
Mallika Srinivasan	AGCO Corp	Diversified industrial products	April 2014	427.0
Tech Mahindra Ltd	Lightbridge Communications Corp	Telecommunications	November 2014	240.0
Jindal Poly Films Ltd	ExxonMobil Chemical Co-Global BOPP Films Business	Diversified industrial products	October 2012	235.0
Sun Pharmaceutical Industries Ltd	DUSA Pharmaceuticals Inc	Pharmaceuticals	November 2012	212.5



2.3 Research methodology

For the purpose of this study, the term "outbound investments" includes publicly disclosed acquisitions made by Indian enterprises in joint ventures and wholly owned subsidiaries, and does not encompass reinvested earnings and funds lent, including debt securities and trade credits. In addition, for the purpose of summarizing deal volumes and values, institutional investments and greenfield projects have not been included.

This report has been compiled on the basis of secondary data sources —Thomson One and Factiva. Data on Indian outbound investments to the US has been collated on the basis of internet research and validated from reports in the press, which have been relied upon in good faith. We have focused our analysis mainly on volume basis as in the case of 49 deals, deal particulars have not been publicly disclosed. Hence, a value-based analysis would not have provided the accurate picture. Furthermore, the cross-border and investment flow data may actually vary as a lot of companies route their investments through intermediate special-purpose vehicles set up in another jurisdiction.

Out of the 268 outbound acquisitions made by domestic companies, 71 took place in the US from October 2012 to December 2014.

Section 3

Drivers of, and challenges facing, Indian outbound investments in the US

3.1 Drivers of outbound investment

Some key drivers of Indian outbound investments are elaborated on below.

Advanced technologies: the US has been driving innovation in software and IT services. Furthermore, it was estimated that the US accounted for around 31.4% of total global R&D in 2013.[6] Access to advanced techniques and technical innovation has been a strategic consideration for Indian companies seeking to strengthen their competitiveness and move up the value chain. Piramal Healthcare's (now known as Piramal Enterprises Ltd.) buyout of Decision Resources Group (in May 2012) for US$635 million is a good example of this. Decision Resources Group offers web-enabled research, predictive analytics via proprietary databases and consulting services to the global health care industry. Tata Technologies, a unit of Tata Motors Ltd., also acquired Cambric Corporation, a US-based engineering service company, for a consideration of US$32.5 million. The acquisition will provide Tata Technologies access to high-end systems engineering, engine design and powertrain engineering capabilities.[7]

Natural resources: there has been a surge in the demand for natural resources in India to support the country's ambitious infrastructure development plans. The US' vast natural resources make it an attractive destination for India. Several Indian companies have bought or are looking to purchase shale gas assets in the US. Indian enterprises also wish to learn the technique of extracting gas from shale formations and transfer to similar formations in India. Indian oil major Reliance Industries'



6 "2014 Global R&D Funding Forecast," R&D Magazine report, http://www.battelle.org/docs/tpp/2014_global_rd_funding_forecast.pdf?sfvrsn=, 4 December 2013.

7 "Tata Technology press release," Tata Technology website, http://www.tatatechnologies.com/global/news_view.aspx?newsID=206&MenuCode=232, accessed 12 January 2015.



shale gas business in the US comprises of three joint ventures with Chevron, Pioneer Natural Resources and Carrizo Oil & Gas. Aggregate investments since inception of these joint ventures stood at around US$7.7 billion at the end of December 2014.[8]

Expanding existing markets: growing competition has also led Indian companies to look at new markets, and one of the most convenient options that has emerged is through strategic partnerships and alliances with overseas companies. With the US being one of the world's largest consumer markets, companies are increasingly looking at expanding their operations in the country, either on their own or through alliances. Furthermore, this provides them access to distribution networks to market their products and gain access to emerging technologies. For example, Jindal Poly acquired the global biaxially-oriented polypropylene (BOPP) business of ExxonMobil Chemical for US$235 million.[9] The acquisition made Jindal Poly Films one of the leading global manufacturers of flexible packaging films, with a combined BOPP film capacity of about 445,000 tons per annum. Indian auto ancillary company, Motherson Sumi Systems Ltd, has also acquired wiring harness business of Stoneridge Inc for US$65 million to complement its product portfolio and strengthen its position in North America.

Regulatory impetus: India's overseas investment policies have been progressively liberalized and simplified to meet the changing needs of its growing economy. In 2011, the GoI approved a policy under which it raised the limit for investment without its approval for "Navratna" companies from INR10 billion (US$161 million) to INR30 billion (US$483 million). This limit has been set at INR50 billion (US$805 million) for "Maharatna" companies.[10] Furthermore, in April 2013, the RBI eased overseas investment rules for oil sector Navratna public sector units (PSUs), allowing them to make unlimited investments, duly approved by GoI, in incorporated JVs and wholly owned subsidiaries engaged in the exploration and drilling of oil and natural gas.[11]

The US' vast natural resources make it an attractive destination for India.

US as a hub to expand business in Americas: a solid economic recovery, attractive demographic profile and favorable government policies also make the US an attractive destination to expand business in the Americas region. Moreover, the North American Free Trade Agreement (NAFTA) provides US-based companies open access to North American markets, i.e., Canada and Mexico. Hence, it makes sense to set up a base in the US to cater to the North American markets.

8 Reliance Industries Limited Q3FY15 quarterly report.

9 "Jindal Poly press release," Jindal Poly website, http://jindalpoly.com/financial/Final%20press%20release.pdf, accessed 12 January 2015.

10 "Cabinet approves policy to help PSUs buy assets oversees," *The Times of India*, 14 October 2011, via Factiva © 2011 The Times of India Group.

Maharatna and Navratna status is granted to select public sector companies on the basis of their financial performance and balance sheet strength. These companies in turn get greater autonomy and privileges to expand business. Currently, there are 7 Mahartna companies and 17 Navratna companies.

11 "RBI eases norms for PSU investment in oil sector overseas," *Metis Energy Insider*, 24 April 2013, via Factiva © 2013 Metis Business Solutions Pvt. Ltd.

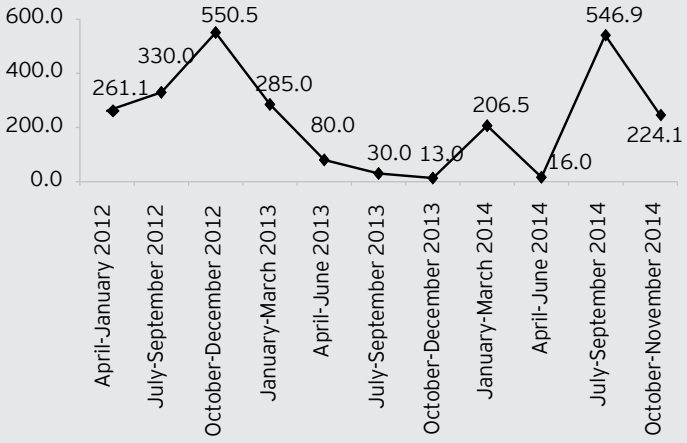
3.2 Key challenges in the current scenario

Financing outbound M&A has been a key challenge for Indian corporate entities. The outbound deals of Indian companies in the US are predominantly debt financed, with cash being a popular mode of payment. This trend is probably an extension of India Inc.'s traditional preference for cash transactions in the domestic M&A space. Another reason for conducting cash deals could be that a large number of Indian companies making acquisitions in the US find it difficult to get sellers who are willing to accept stocks, especially in view of the volatile nature of Indian stock markets. At the same time, a weak currency, high interest rates and unfavorable foreign debt funding situations also remain key obstacles in Indian entrepreneurs' funding needs.

The depreciation of the Indian rupee against the US dollar has proved to be a significant headwind. Acquiring companies in the US has become more expensive than ever before for Indian companies.

Foreign currency convertible bonds (FCCBs) out of favor: FCCBs, once a popular mode for financing outbound deals, have gone out of favor for Indian entrepreneurs. FCCBs used to be an attractive funding option to companies, since most FCCBs were structured as a five-year paper with a low coupon. However, the volatility witnessed in the Indian stock market over the last three years is a matter of concern for companies that have issued FCCBs in the past. While the investor sentiment has improved after the formation of a new Government in April and equity markets are witnessing upward momentum, the share prices of a number of companies that had raised capital through FCCBs are trading at a discount compared with their predetermined conversion price. This is likely to induce holders of FCCBs to redeem bonds when these mature, rather than use their option to convert them to underlying equity shares. A weak rupee has brought further bad news for these companies, since they will have to repay the bonds, but there will be an added cost because of the weak rupee. Over the last three years, a number of companies have already defaulted on their FCCB redemptions, and small and mid-size companies have been hit the hardest. From January 2013–November 2014, Indian companies issued FCCBs amounting to a total value of around US$1.4 billion,[12] while the year FY13 alone witnessed the FCCB issue worth US$1.4 billion, marking a sharp decline in FCCB activity in consequent months.

FCCB issues: April 2012 to November 2014 (US$ million)



Source: RBI

12 Not all of this may be utilized for outbound investments.

Volatile stock markets: during last three years, several companies filed for raising funds through the primary market, only to withdraw their filings later due to low valuations, volatile equity markets and subdued investor confidence. However, with the equity rally witnessed in recent months and the positive economic environment, Indian companies will likely return to primary markets for their funding needs. At the same time, the new Government's ambitious divestment plans for FY15 will also provide a boost to public issues. The GoI has set a target to raise approximately INR800 billion (US$13 billion) through divestment of assets in FY15.

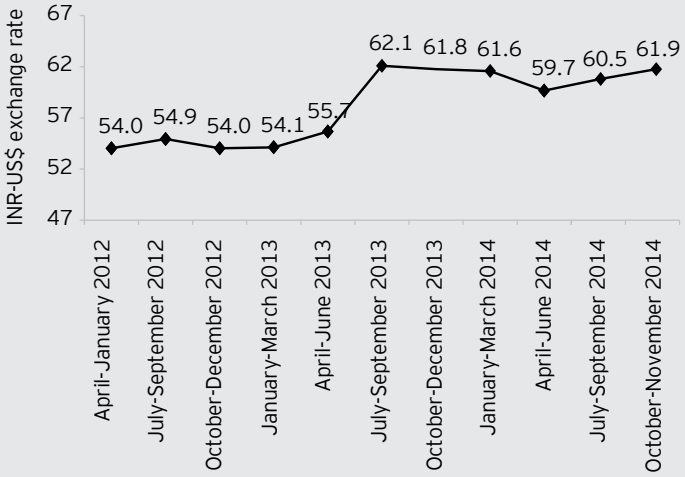
Public issues: April 2012 to November 2014 (US$ million)



Source: *SEBI Monthly Bulletin*[13]
*The amount was in INR. It was converted to US$ at an average exchange rate of US$1=INR58.08 for the period April 2012 to November 2014.

Significant depreciation of the rupee: the depreciation of the Indian rupee against the US dollar has proved to be a significant headwind. Acquiring companies in the US has become more expensive than ever before for Indian companies. Furthermore, raising debt from abroad for M&As at low interest rates has been negated by the weakening of the rupee and, at home, the domestic debt market has showed minimal signs of easing.

INR depreciation against US$ during April 2012 to December 2014



Source: Oanda.com

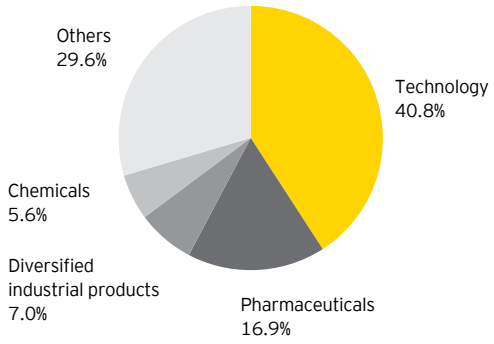
13 Public issues include IPOs, FPOs and right issues.

Section 4

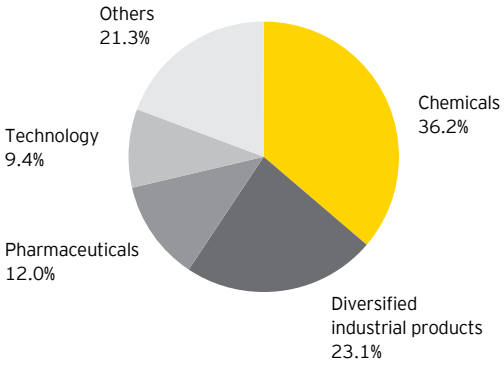
Sectoral analysis

Our study indicates that technology, pharmaceuticals and health care, and diversified industrial products are the key sectors in which companies are active in US outbound acquisitions.[14] In most of the deals, the acquiring company and the target company are from the same sector. However, in a few cases where the acquiring company has diversified operations, we have considered the target company's sector for the purpose of our classification.

Percentage share in deal volumes – October 2012 to December 2014



Percentage share in deal values – October 2012 to December 2014



14 "Advanced M&A search," Thomson ONE database, accessed 1 January 2015.





These pie charts compare deal volumes and deal values across sectors from October 2012 to December 2014. The high deal value in the chemicals, diversified industrial products and pharmaceuticals industries is attributed to four significant deals. The chemicals sector witnessed Gulf Oil Corp Ltd's buyout of metal-working fluid-maker Houghton International Inc for US$1 billion. The diversified industrial products sector saw India's tractor queen Mallika Srinivasan's US$427 million investment in AGCO Corp and acquisition of ExxonMobil Chemical Co's global BOPP films business by Jindal Poly Films Ltd. The pharmaceuticals sector saw Sun Pharmaceutical Industries Limited's purchase of DUSA Pharmaceuticals Inc. for US$212.5 million.

Technology, pharmaceuticals and health care, and diversified industrial products are the key sectors in which companies are active in US outbound acquisitions.

4.1 Technology

Win-win for both: the US has been the focal point of inventions and innovations in information and communication technologies, including the internet, mobile phones and, most recently, social networking and cloud computing. The country has leveraged India's sizeable English-speaking population to achieve cost benefits and has been the growth engine of the latter's current offshoring capabilities. Furthermore, several companies (based in various geographies) have followed the lead of US companies to outsource their IT and other back-office operations to India. This has led to burgeoning IT-BPO businesses in India and given Bengaluru (which is the hub of such businesses) the nickname "Silicon Valley of India." By outsourcing their work to India, US companies have reaped substantial benefits such as access to extensive intellectual capital and the ability to concentrate more on higher-end value-adding work. This has enabled them to focus on their core competencies.

The Indian IT-BPO sector supported 280,000 jobs in the US.

Evolving relationship: over the years, the relationship between US companies and Indian IT organizations has evolved from the latter providing low-level technical support and fixing software bugs to optimizing the financial transactions of banks, streamlining parts management in engineering companies and developing advanced technologies in the US. Indian IT companies have moved up the value chain significantly, helping to establish India as a next big innovation center. While many Indian IT companies are significantly contributing toward the software development today, the captive units set up by global corporate giants in India are handling complex R&D projects. A good example of this is Manhattan Associates, a US-based supply chain management software company, which started its R&D center in India in 2002 with five peopl and now has 1,100 people in its Bengaluru center. Another supply chain management software company, Sears Holdings, also has its center in Pune with more than 1,000 employees.[15] The key driver of this achievement has been India's substantial skill base, which is bolstered by the large number of engineers the country produces every year. The US companies realized this quickly, and many of them have set up operations in India on a large scale. Their interests span end-to-end solutions to customers from hardware to software, services and consulting.

Expansion: of late, Indian IT-BPO players have also been expanding their presence in the US by setting up onshore businesses. Several pull factors, including regulatory factors, clients' demands for an onshore presence, the fundamental nature of certain verticals and push factors, including the need to access domestic markets, are driving this expansion. Most of the leading Indian IT companies have set up their sales and marketing offices in various US cities, and many of them have also established their delivery operations, which act as onshore centers for servicing US clients in the country.

Significant job creation: according to a NASSCOM report, till FY11, the Indian IT-BPO sector supported 280,000 jobs in the US, including 107,000 direct ones and more than 175,000 ancillary ones.[16] Furthermore, several Indian IT-BPO players plan to recruit employees in the US. For example, Infosys Technologies hired 2,000 people for its new delivery center in Milwaukee, Wisconsin, in 2012 and plans to hire 300 sales professionals in the US and Europe in FY15;[17] TCS hired 1,600 people in FY14 and has plans to take on another 2,000 people in FY15. Furthermore, in early 2012, HCL Technologies made an

15 "India-based captives move up the value-chain," *Business Standard*, 7 May 2014, via Factiva © 2014 Business Standard Ltd.

16 "India's Tech Industry in the US," NASSCOM report, http://www.nasscom.org/india%E2%80%99s-tech-industry-us, March 2012.

17 "Infosys to strengthen sales teams in US, Europe," *Business Standard*, 22 July 2014, via Factiva © 2014 Business Standard Ltd.

announcement at the World Economic Forum that it will create 10,000 jobs in the US and Europe over the next five years.[18]

M&A trends: from October 2012 to December 2014, the Indian IT sector led the pack with 29 out of 71 total outbound acquisitions in the US. However, the value stands at just US$270.9 million, as the transaction value is not disclosed for ~76% of the technology sector deals. Three clear trends emerged in this M&A activity – (1) buyouts by mid-size and small-size Indian players, (2) a focus on the IT consulting and services sub-segment and (3) IT-BPO players scouting for targets with specialization in a specific vertical or capability (such as cloud computing, analytics, etc).

Typically, small and mid-size Indian companies are niche players, and it is easier for them to add specialized capabilities inorganically. For example, MphasiS Ltd acquired Digital Risk LLC, provider of highly specialized risk, compliance and transaction management solutions for the mortgage industry, for US$175 million to strengthen its specialized service offerings in the financial services industry.

It is expected that Indian IT-BPO providers will look to drive their synergies and innovation by expanding their global presence while strengthening their onshore to service their clients better. The fact that leading Indian IT-BPO companies have access to large cash reserves helps their case for M&As further. The US is likely to continue to be the favorite destination for Indian IT-BPO players, especially for those in the health care segment. The large scale reforms in the health care segment being undertaken by the US Government have thrown up huge opportunity for the Indian IT-BPO industry.

At the same time, the big data and automation wave is also luring the technology companies. Many Indian IT-BPO companies are looking for potential candidates that operate in advance technology areas such as mobile, analytics, social and cloud computing. Bartronics India Ltd. and Persistent Systems Ltd. have made acquisitions in the cloud computing space. Furthermore, Wipro is also scouting for targets in health care vertical and advance technology space.

The table below details the top five deals in the technology sector in terms of deal value undertaken by Indian companies either directly or through their overseas subsidiaries.

Acquirer	Target	Date	Deal value (US$ million)
MphasiS Ltd	Digital Risk LLC	December 2012	175.0
Rolta India Ltd	AT Solutions Group LLC	November 2012	32.0
Wipro Ltd.	Opera Solutions LLC	May 2013	30.0
OnMobile Global Ltd	LiveWire Mobile Inc	June 2013	17.8
Prime Focus Ltd	DAX LLC	March 2014	9.1

18 Shilpa Phadnis, "Indian IT companies step up hiring in US," *The Times of India*, 28 July 2012, via Factiva © 2012 The Times of India Group.



4.2 Natural resources

Shale gas fever: the recent "shale gas fever" in the US has drawn headlines globally. Shale gas is an unconventional source of energy found in non-porous rocks and is touted as the "next game changer" in the energy space. Shale gas now accounts for approximately 40% of US gas production, and its contribution in total US gas production is expected to reach 53% by 2040, with more than 100% increase in output expected between 2012 and 2040. As a result, the US gas market has had a staggering shift in outlook from being a net gas importer to a net gas exporter.

Focus on energy security: Indian companies, prompted by concerns over India's energy security, sensed the need to capitalize on the ongoing shale gas boom in the US. Since then, shale gas has been the focal point of Indian investments in the US in the oil and gas sector. Indian companies are looking to import liquified natural gas (LNG) from the US east coast to Indian shores. This is a significant development since, in the future, shipments from the US could become more viable than gas flowing through the Trans-Afghanistan-Pakistan-India pipeline from Turkmenistan.

India's stagnating oil and gas production levels, coupled with ever-increasing demand (primarily for gas), led the Indian oil and gas companies to pursue acquisitions in the US. Furthermore, Indian companies expect to learn the technique of extracting gas from shale formations and apply these techniques to similar formations in India. Though estimates vary, India does hold a significant chunk of shale gas reserves, which are recoverable. The GoI approved its draft shale gas policy in September 2013, which allows only national oil companies to explore shale oil and gas. However, the GoI may open the sector to private as well as foreign players in due course. This would provide a strong platform for significant partnerships to be forged between Indian and the US' oil and gas players.

Big-ticket investments brewing: in March 2011, India's largest explorer ONGC signed an initial pact with ConocoPhillips to develop shale gas resources in India, North America and other global locations, as well as deep-water reserves off the country's eastern coast. However, the company has not been able to close the deals so far in the US because of its investments in countries on which the US has imposed economic sanctions, such as Iran.[19]

Reliance Industries Limited (RIL), India's largest private sector company, has been on a shale gas acquisition spree in the US over the last few years, investing more than US$7.5 billion in the country till December 2014, including M&As. The company plans to invest another US$2 billion in Marcellus region in the eastern part of the US, where the company already has shale gas operations under the agreements with Chevron and Carrizo Oil and Gas Inc. RIL is also looking at acquiring coal mines in the US.[20] Driven by the low-priced shale gas, another Indian major, Aditya Birla Nuvo, is planning to build or acquire a chemical or fertilizer plant in the US at an investment of US$1 billion.[21]

GAIL (India) Limited, India's leading state-owned midstream player, has entered into several agreements with US LNG players to secure gas supplies. In December 2011, it signed an agreement deal with Sabine Pass Liquefaction LLC, a unit of US-based Cheniere Energy Partners LP, to buy 3.5 million tons of LNG per year (estimated

19 "ONGC Videsh in talks to buy shale gas assets in US, Canada," *The Economic Times*, 29 August 2012, via Factiva, © 2012 The Times of India Group.

20 Anupama Airy, "With a warchest of Rs. 85,000 cr, Ambani eyes coal mines in US," *Hindustan Times*, 11 September 2013, via Factiva, © 2013 HT Media Ltd.

21 Dev Chatterjee & Sharleen D'souza, "Birla plans to invest $1 bn in US chemical plant," *Business Standard*, 12 August 2013, via Factiva, © 2013 Business Standard Ltd.



to be cumulatively worth around US$20 billion) for 20 years. In September 2011, GAIL (India) acquired a 20% stake in Houston-based Carrizo Oil & Gas Inc.'s Eagle Shale Ford acreage. The deal entailed GAIL making an upfront cash payment of US$63.7 million to Carrizo, with the overall investment valued at around US$300 million for the next five years.[22] In February 2013, GAIL and EDF Trading, the trading division of French energy firm EDF, signed an MoU on their joint acquisition of upstream oil and gas assets in North America, and trading and optimization of natural gas and LNG in the US.[23] More recently, in April 2013, the company reached an agreement with Dominion Energy to use the latter's 2.3 million tons per annum upcoming liquefaction capacity located at Maryland.[24] Furthermore, GAIL is looking to secure an additional gas supply by closing more similar deals with suppliers based in the US, as it expects the new Government to announce radical reforms in power and fertilizer sectors, thereby boosting fuel demand and helping GAIL to build new pipelines.[25]

Low on mining, high on metals: on the mining front, though the US holds the largest estimated recoverable reserves of coal in the world, Indian companies have not made any significant buys in this area. However, India does import a significant amount of coal from the US, since the latter is the fourth-largest exporter of coal to India. The pipeline in the mining arena looks very prominent. Tata Power aims to acquire coal mines and sign long-term coal-import deals in the US, Colombia and Africa.[26] Other players such as International Coal Ventures Ltd., a consortium of Indian state-run companies, and JSW Steel are also seeking to acquire coal mines in the US.[27,28]

In the metals arena too, several Indian corporate entities have made significant investments in the US. The Essar Group is constructing a US$1.6 billion iron ore-pelletizing project in northeast Minnesota, which will be one of the largest greenfield projects ever set up by an Indian company in the US. The 7mtpa plant is expected to get commissioned by Q2 2015, and will achieve full production capacity by Q1 2016. Indian steel major Tata Steel already has operations across the US.

22 "GAIL buys stake in US firm Carrizo's shale gas assets," *Mint*, 30 September 2011, via Factiva, © 2011 HT Media Limited.

23 "GAIL, EDF Trading to buy, develop US gas, oil assets," *Business Line (The Hindu)*, 8 February 2013, via Factiva, © 2013 The Hindu Business Line.

24 "GAIL inks deal with US firm for LNG liquefaction terminal," *Business Line (The Hindu)*, 2 April 2013, via Factiva, © 2013 The Hindu Business Line.

25 "India's GAIL plans more LNG deals with U.S.," *Reuters News*, 26 May 2014, via Factiva, © 2014 Reuters Limited.

26 "Tata Power looks abroad as domestic outlook dims," *Metis Energy Insider*, 20 June 2013, via Factiva, © 2013 Metis Business Solutions Pvt. Ltd.

27 "International Coal Ventures zeroes in on coking assets for acquisition," *Business Standard*, 9 June 2013, via Factiva, © 2013 Business Standard Ltd.

28 "JSW Steel eyeing coal mines in Africa, US and Canada," *Metis Energy Insider*, 23 May 2013, via Factiva, © 2013 Metis Business Solutions Pvt. Ltd.

Indian pharma majors are making multimillion dollar investments in the US and providing employment to a large number of people at their offices and manufacturing facilities in the country.

4.3 Pharmaceuticals and health care

Huge market, strong potential: the US is the largest pharmaceutical market globally, with a market size of US$347 billion.[29] It is also the largest market for generics. Indian companies account for a significant chunk of the US pharmaceutical market. The growth prospects for the generics business are very strong in the near future, with approximately US$40 billion lined-up patent expiries from 2014 to 2016 and Washington's reforms to reduce health care spending and cover a significant portion of population under public health care. The US generics market is expected to grow at a CAGR of 5% from 2013 to 2018, a significantly higher rate than the 0.9% forecasted for branded drugs. Indian generic drug makers are likely to capitalize on this unique opportunity.

Expansion and job creation: Indian companies have scaled up their operations in the US market very aggressively in the last few years in terms of the number of manufacturing plants they operate and the products in their portfolios. India has the largest number of US Food and Drug Administration (USFDA) approved plants outside the US, and Indian players are also the largest suppliers of low-priced and quality generic drugs to the country. According to the Generic Pharmaceutical Association's report, *Generic Drug Savings in the US: 2013,* the US health care system saved US$217 billion in 2012 and more than US$1.2 trillion from 2003 to 2012 by using generic prescription drugs.[30]

Furthermore, Indian pharma majors are making multimillion dollar investments in the US and providing employment to a large number of people at their offices and manufacturing facilities in the country. Piramal Healthcare (now known as Piramal Enterprises Ltd.) already has 1,000 employees working in the US and plans to acquire companies in various sectors, including in the bio-pharmaceuticals segment.[31] At the same time, Sun Pharma has also stated that US remains its focus area for future investments.

Opportunities on the horizon: although strong competition is expected to cause significant price erosion in the generics segment, the size of the market is expected to still provide an opportunity for growth to most players. Nevertheless, Indian companies are hedging their position by including over-the-counter (OTC) and FMCG products in their portfolios. Biosimilars is expected to be another big business opportunity for Indian pharma companies. In July 2014, Strides Arcolabs invested an undisclosed amount in Oncobiologics Inc, a US-based biosimilar and novel biologic drug research company.[32]

Apart from generics, India also dominates in the contract research and manufacturing services (CRAMS) segment, after establishing itself as a hub for CRAMS with its substantial cost advantage, high-quality manufacturing capabilities and scientific talent availability. US pharma majors are increasingly outsourcing their operations to India to capitalize on these advantages. The large-scale patent expiries, coupled with increasing cost control and demand pressures from the US Government, are expected to put significant pressure on US pharma majors' sales and operating profitability. Hence, they will likely have to resort to outsourcing non-core activities such as manufacturing of intermediates and active pharmaceutical ingredients (APIs) to low-cost bases such as India, to stem profitability erosion. This will also enable them to concentrate on core activities such as new drug development. Consequently, the Indian CRAMS segment is likely to remain strong.

M&A trends: the period October 2012 to December 2014 witnessed transactions beyond the conventional generic space and acquisitions were made to complement acquirers' earlier portfolios. The largest outbound deal in the sector was the acquisition of US-based DUSA Pharmaceuticals Inc. by Sun

29 "United States Pharmaceuticals and Healthcare Report – Q3 2014," Business Monitor International, April 2014.

30 "Generic drug savings in the U.S.," Generic Pharmaceutical Association report, http://www.gphaonline.org/media/cms/2013_Savings_Study_12.19.2013_FINAL.pdf, accessed 12 January 2015.

31 "Piramal plans to spend $1 bn for US buyouts," *Financial Express*, 30 March 2012, via Factiva, © 2012 Indian Express Online Media Pvt. Ltd.

32 "Strides invests in US-based biosimilar company," *The Economic Times*, 17 July 2014, via Factiva, © 2014 The Times of India Group.



Pharmaceutical Industries Limited for nearly US$213 million. Sun Pharma has entered the lucrative dermatological treatment devices segment with this acquisition. DUSA has technical capabilities in photodynamic skin treatments, with a US FDA-approved manufacturing facility. Sun Pharma has also acquired the generic business of URL Pharma Inc.

As a target location, the US has traditionally lagged behind Europe in pharmaceutical outbound acquisitions made by Indian players. However, the situation is expected to change with upcoming generic opportunities and unconventional segments such as OTC in the US.

The table below details some of the key deals in the pharmaceuticals and health care sector undertaken by Indian companies either directly or through their overseas subsidiaries.

Acquirer	Target	Date	Deal value (US$ million)
Sun Pharmaceutical Industries Ltd.	DUSA Pharmaceuticals Inc	November 2012	212.5
Aurobindo Pharma Ltd	Natrol Inc	June 2014	132.5
Cipla Ltd.	Chase Pharmaceuticals Corp Inc	May 2014	1.5
Sun Pharmaceutical Industries Ltd	Pharmalucence Inc	July 2014	-
GVK Group Ltd	Aragen Bioscience Inc	January 2014	-

The US and India have signed defense contracts worth US$13 billion over the last few years.

4.4 Defense and security

Strengthening ties: the US-India defense relationship has made remarkable progress over the last decade and, today it is a key component of the overall bilateral partnership. The relationship has been driven by India's focus on modernizing its armed forces, building its indigenous manufacturing capabilities and a strategic shift in its policy of relying solely on Russia for sourcing its defense equipment and platforms. The bilateral ties have been given a great push since the signing of the New Framework for Defense Cooperation in 2005. The US and India have signed defense contracts worth US$13 billion over the last few years, and both the countries now hold high-level defense dialogue on several facets of defense ties.

As the South Asian region evolves strategically, India and the US have various common interests, including a stable Afghanistan, maritime security, fighting terrorism and religious extremism, and preventing proliferation of weapons of mass destruction and related technologies, data and material. India is currently implementing massive plans to modernize its armed forces.

Massive planned outlay: over the next decade, India is likely to spend as much as US$100 billion to procure defense equipment, and has already established itself as the largest global arms importer from 2007 to 2011, accounting for 10% of total global arms imports.[33] The new Indian Government has shown its commitment to the defense sector by easing FDI rules and raising budgetary allocation by a whopping 12.5%. For FY15, India has allocated US$38 billion for defense spending under its defense budget. The US, faced with significant defense budget cuts at home, is keen on tapping this huge opportunity.

Listed below are some of the key arms deals signed between India and the US from January 2012 to December 2014.

Type of equipment	Quantity	Weapon category	Year of order	Value of deal
F414	99	Turbofan	2012	US$800–US$900 million deal (including 81 produced in India); for Tejas combat aircraft produced in India; selected but contract not yet signed
F-125	270	Turbofan	2013	-
C-130J-30 Hercules	6	Transport aircraft	2013	Probably US$1.1 b deal (30% offsets, including production in India of components for all future C-130J); for special forces; delivery by 2016
CH-47F Chinook	15	Helicopter	2013	US$1 billion deal (part of US$2.4 billion deal); selected but contract not yet signed
AH-64D Apache	22	Combat helicopter	2013	US$1.2–US$1.4 billion deal (part of US$2.4 b deal); AH-64E version; selected but contract not yet signed

Source: Stockholm International Peace Research Institute, SIPRI Arms Transfer Database, http://www.sipri.org/databases/armstransfers.
Note: The table above only includes major conventional hardware and does not include smaller sales such as of equipment for special forces.

33 S. Amer Latif and Nicholas Lombardo, "US-India Defense Trade - Opportunities for deepening the partnership," A report of the CSIS Wadhwani Chair in US-India Policy Studies, June 2012.



Way forward: the India-US defense relationship is only going to get stronger in the coming days with more defense equipment deals, military exercises and high-level dialogues and cooperation. The 2013 Defense Authorization Act, signed into law in January 2013 by President Obama, contains a provision "to examine the feasibility of engaging in co-production and co-development defense projects with India" and "to consider potential areas of cooperation." "Potential areas of cooperation" include the possibility of co-producing a training aircraft and co-developing counter-IED technology or individual soldier capabilities.[34]

More recently, US Defense Secretary Chuck Hagel clearly demonstrated Washington's willingness to strengthen defense ties with New Delhi during his visit to India. Chuck Hagel and Arun Jaitley, India's Defense Minister, agreed to boost defense cooperation and announced to take necessary steps to extend new Framework for Defense Cooperation, which is about to expire in 2015.[35]

34 "National Defense Authorization Act for Fiscal Year 2013," US Government Printing Office website, http://www.gpo.gov/fdsys/pkg/BILLS-112hr4310enr/pdf/BILLS-112hr4310enr.pdf, accessed 12 January 2015.

35 "India US agree to boost defence cooperation," Middle East North Africa Financial Network (MENAFN), 9 August 2014, via Factiva, ©2014 Middle East North Africa Financial Network Inc.

Section 5

Special focus

5.1 Giving back to the community

Apart from their multimillion dollar investments and significant contribution to creation of jobs in the US, Indian companies are also taking giant strides in the area of community engagement in the country. In addition, they are utilizing their resources on several causes by way of monetary contributions, volunteering and various other initiatives.

In 2007, the North America businesses of the Tata Group partnered with First Book, a US-based, nonprofit organization, which provides books to children from low-income families in the country. Tata companies in North America have, to date, with the help of First Book, donated more than 150,000 books (valued at more than US$1.2 million) to children across the US. Moreover, Tata group companies in North America have partnered with the Foundation for Appalachian Ohio (FAO) by committing a three-year grant worth US$75,000 to create educational opportunities for children in the Appalachian counties of Ohio. In 2010, Tata Group donated US$50 million to Harvard Business School to build a new academic and residential building. The construction of this building is expected to support 200 jobs. In FY12, Tata Consultancy Services made contributions worth US$1.5 million to the local community through donations. Furthermore, the company has collaborated with various Universities in the US to run its philanthropic activities.[36]



36 "Commitment," TATA group North America website, http://www.northamerica.tata.com/Section/Landing/Commitment, accessed 12 January 2015.



Every year, Mahindra USA partners with the National FFA Organization in the US to sponsor four young women engaged in agriculture in their pursuit of college degrees. In 2012, the company also pledged to donate a portion of its revenue to Operation Finally Home, a nonprofit body that provides custom-made, mortgage-free homes to wounded and disabled war veterans and war widows in the US.[37]

IT major Wipro recruited Iraq war veterans to increase their employability in the software industry.[38] In 2012, the company partnered with the University of Massachusetts, Boston, to jointly launch a 12-month fellowship program in the US to train 120 school teachers over three years.[39]

The Infosys USA Foundation trains and mentors the students of underserved communities of New York and Citizen Schools of New Jersey. The foundation, in partnership with the New York Academy of Sciences, provides courses focused on science, technology, engineering and math (STEM). It serves more than 2,100 school children and has provided US$380,000 in cumulative grants.[40]

Essar Steel Minnesota employees regularly contribute to the local United Way, Food Shelf, hospitals, elementary schools, colleges and technical universities and chambers of commerce.[41]

37 "Women in Ag Scholarships," Mahindra USA website, http://mahindrausa.com/Community/women_in_ag, accessed 12 January 2015.

38 "Wipro recruits Iraq vets to fight protectionism," *Financial Express*, 1 November 2011, via Factiva, © 2011 Indian Express Online Media Pvt. Ltd.

39 "Wipro Partners with UMass Boston to Launch Fellowship Program on Science Education for US School Teachers," Wipro press release, http://www.wipro.com/newsroom/press-releases.aspx, 29 August 2012.

40 "Infosys USA Foundation supports NYC Science Education Initiative," Infosys website, accessed 12 January 2015.

41 "Corporate social responsibility," Essar Steel Minnesota website, http://www.essarresources.com/aboutus/csr.html#.UH08Wa7wrWo, accessed 12 January 2015.

5.2 Immigrant entrepreneurs and students

According to the American Community Survey 2012 (one-year estimates) of the US Census Bureau, the American Indian[42] population in the country stood at 2.6 million. They are the third-largest Asian American ethnic group in the US, after Chinese Americans and Filipino Americans. They also are the most educated and have the highest income compared with all other ethnic groups. More than 70% of the Indian Americans has a bachelor's degree or higher — almost 2.5 times the national average.

Business units set up by Indian Americans continue to be a critical component of the US economy. According to the Survey of Business Owners by the US Census Bureau, there were 308,491 businesses owned by Indian Americans in 2007, which employed 844,177 workers and had revenues of US$151.8 billion (the Census Bureau conducts the survey every five years, and the results of the 2012 survey are not available yet).

According to a study by the Kauffman Foundation[43] based on a sample survey of the engineering and technology companies founded in the US between 2006 and 2012, 24.3% of these companies had an immigrant founder. Of these immigrant-founded companies, about 33.2% had Indian founders. This is an increase of around seven percentage points from the findings of a similar study that examined immigrant-founded companies between 1995 and 2005. Indians have founded more such companies than immigrants born in the next top seven countries combined.

The US remains the most popular destination for Indian students and is still perceived to provide the most prestigious and valuable credentials among all foreign education destinations. The 2014 Open Doors Report on International Educational Exchange says that the number of international students at colleges and universities in the US increased by 8.1% to a record high of 819,644 in the 2013–14 academic year.[44] In this academic year, 102,673 Indian students were studying in the US. India ranks second among places of origin for students coming to the US, accounting for around 12% of the foreign student population in the US. India had been the leading place of origin for international students in the US from academic year 2001–02 to 2008–09, until China took the top spot in 2009–10. Furthermore, the year 2013–14 saw a whopping 37% year-on-year (yoy) increase in Indian students' visas to the US.[45] Also, there was 70% yoy increase in the number of students taking Graduate Record Examinations (GRE) entrance test in 2013–14.

According to the US Department of Commerce, international students contribute more than US$24.7 billion to the US economy.[46] Higher education is among the US' top service sector exports, as international students provide revenue to the US economy and individual host states for living expenses, including room and board, books and supplies, transportation, health insurance, support for accompanying family members and other miscellaneous items.

42 "American Fact Finder," United State Census Bureau website, http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_12_1YR_B02003&prodType=table, accessed 12 January 2015.

43 Vivek Wadhwa, AnnaLee Saxenian and F. Daniel Siciliano, "America's New Immigrant Entrepreneurs: Then and Now," Kauffman Foundation report, http://www.kauffman.org//uploadedFiles/Then_and_now_americas_new_immigrant_entrepreneurs.pdf, October 2012.

44 "Open Doors 2014: International Students in the United States and Study Abroad by American Students are at All-Time High," 2014 Open Doors Report on International Educational Exchange press release, http://www.iie.org/en/Who-We-Are/News-and-Events/Press-Center/Press-Releases/2014/2014-11-17-Open-Doors-Data, 17 November 2014.

45 "Rise in number of Indian students going to US," *The Hindu*, 18 June 2014, via Factiva, © 2014 Kasturi & Sons Ltd.

46 "Open Doors Data," Institute of International Education website, http://www.iie.org/Research-and-Publications/Open-Doors/Data/Economic-Impact-of-International-Students, accessed 12 January 2015.



The findings of a study, America's New Immigrant Entrepreneurs, in 2012 revealed that people of Indian origin dominate the US-based tech start-ups founded by immigrants. Indian-born entrepreneurs represented 33% of such companies.[47] Many Indian tech start-ups such as SupportBee, Reduce Data and Instamojo have gone global. A significant number of workforce in the tech companies such as Google, Microsoft, etc. are of Indian origin, and people of Indian origin are holding prominent positions in these companies. For example, Sundar Pichai is leading Google's Android, Chrome and Google app divisions, Amit Singhal is heading Google's core ranking team and Krishna Bharat is leading Google's news product team. Furthermore, people of Indian origin are leading many global companies today. According to a study by Egon Zehnder, a global executive search firm, in 2011, S&P 500 companies had more Indian CEOs than of any other nationality except American. Some of the leaders who are leading global US companies include Shantanu Narayen (CEO, Adobe Systems Inc), Ajit Jain (President, Berkshire Hathaway Reinsurance), Indra Nooyi (Chairperson and Chief Executive Officer, PepsiCo), Ajaypal Singh Banga (President and CEO, MasterCard) and Satya Nadella (CEO, Microsoft).[48]

Business units set up by Indian Americans continue to be a critical component of the US economy.

47 "Indian-born dominate U.S. tech start-ups founded by immigrants: study," *Reuters News*, 3 October 2012, via Factiva, © 2012 Reuters Limited.

48 "Meet the global CEOs of Indian origin," *Business Standard*, 1 February 2014, via Factiva © 2014 Business Standard Ltd.

Section 6

Appendix

Details of Indian acquisitions in the US from October 2012 to December 2015

S. no.	Acquirer	Target	Sector	Deal value (US$m)	Announcement date
1	Gulf Oil Corp Ltd	Houghton International Inc	Chemicals	1,045.0	7 November 2012
2	Mallika Srinivasan	AGCO Corp	Diversified industrial products	427.0	2 April 2014
3	Tech Mahindra Ltd	Lightbridge Communications Corp	Telecommunications	240.0	20 November 2014
4	Jindal Poly Films Ltd	ExxonMobil Chemical Co-Global BOPP Films Business	Diversified industrial products	235.0	26 October 2012
5	Sun Pharmaceutical Industries Ltd	DUSA Pharmaceuticals Inc	Pharmaceuticals	212.5	8 November 2012
6	MphasiS Ltd	Digital Risk LLC	Technology	175.0	2 December 2012
7	Aurobindo Pharma USA Inc	Natrol Inc	Pharmaceuticals	132.5	11 June 2014
8	Jindal Tubular USA LLC	PSL-North America LLC	Metals and mining	104.0	20 August 2014
9	Wipro Ltd	Opus Capital Markets Consultants LLC	Capital markets	75.0	2 December 2013
10	Motherson Sumi Systems Ltd	Stoneridge Inc-Wiring Harness Business	Automotives	71.4	26 May 2014
11	Homeland Uranium Inc	Pinon Ridge Mining LLC	Metals and mining	33.0	20 November 2014
12	Tata Technologies Ltd	Cambric Corp	Engineering services	32.5	26 April 2013
13	Rolta International Inc	AT Solutions Group LLC	Technology	32.0	6 November 2012
14	Wipro Ltd	Opera Solutions LLC	Technology	30.0	7 May 2013
15	OnMobile Global Ltd	LiveWire Mobile Inc	Technology	17.8	4 June 2013
16	Prime Focus Technologies Ltd	DAX LLC	Technology	9.1	10 March 2014
17	LGB USA Inc	GFM Corp	Diversified industrial products	5.5	19 November 2012
18	Wipro Ltd	Axeda Corp	Technology	5.0	3 June 2013

S. no.	Acquirer	Target	Sector	Deal value (US$m)	Announcement date
19	Bihca Precision,Gieterij Nunspeet,NDI,Achiles Ijmuiden, Thibo Dra,1 Oth	NitroHeat LLC	Chemicals	2.4	10 October 2013
20	Prism Informatics Ltd	Idhasoft Ltd	Technology	2.0	24 April 2013
21	MPS Ltd	Element LLC	Media and entertainment	1.8	11 May 2013
22	Cipla Ltd	Chase Pharmaceuticals Corp Inc	Pharmaceuticals	1.5	12 May 2014
23	Majesco Software Inc	Cover-All Technologies Inc	Technology	NA	15 December 2014
24	Majesco Software Inc	Agile Technologies LLC	Technology	NA	12 December 2014
25	GVK Biosciences Pvt Ltd	Vanta Bioscience LC	Pharmaceuticals	NA	6 November 2014
26	Kellton Tech Solutions Ltd	Vivos Professional Services LLC	Professional services	NA	22 October 2014
27	L&T Technology Services Ltd	Dell Product & Process Innovation Services	Engineering services	NA	8 October 2014
28	Nihilent Technologies Pvt Ltd	GNet Group Inc	Technology	NA	8 October 2014
29	MPS North America LLC	Electronic Publishing Services Inc	Media and entertainment	NA	2 October 2014
30	Wingify	Concept Feedback LLC	Technology	NA	23 September 2014
31	Zoomin Online (India) Pvt Ltd	Photojojo	Retail and consumer products	NA	27 August 2014
32	Sonata Software North America Inc	Rezopia Inc	Technology	NA	22 August 2014
33	Zensar Technologies Ltd	Professional Access Inc	Technology	NA	14 August 2014
34	Ozonetel Systems Pvt Ltd	YantraSoft Inc-Speech Recognition Vertical Division	Technology	NA	12 August 2014
35	Sun Pharmaceutical Industries Ltd	Pharmalucence Inc	Pharmaceuticals	NA	16 July 2014

S. no.	Acquirer	Target	Sector	Deal value (US$m)	Announcement date
36	Strides Arcolab Ltd	Oncobiologics Inc	Pharmaceuticals	NA	16 July 2014
37	Elgi Rubber Co Ltd	Western States Manufacturing	Paper and forest products	NA	23 June 2014
38	KPIT Technologies Ltd	Integrated Industrial Information Inc	Technology	NA	12 June 2014
39	Svads Holdings SA	SCOLR Pharma Inc-Nuprin Brand	Pharmaceuticals	NA	5 May 2014
40	eVantage Solutions Inc	eVantage Technologies Inc	Technology	NA	21 April 2014
41	Suzlon Energy Ltd	Edison Mission Energy Co - Big Sky Wind Park, Illinois	Cleantech/ Renewable	NA	2 April 2014
42	Infotech Enterprises America Inc	Softential Inc	Technology	NA	7 March 2014
43	SPP Pumps LP	SyncroFlo Inc	Diversified industrial products	NA	5 March 2014
44	ESI International	IPS Learning LLC	Education	NA	12 February 2014
45	Artek Surfin Chemicals Ltd	Galata Chemicals LLC	Chemicals	NA	10 February 2014
46	Persistent Systems Ltd	Cloudsquads Inc	Technology	NA	5 February 2014
47	GVK Biosciences Pvt Ltd	Aragen Bioscience Inc	Pharmaceuticals	NA	29 January 2014
48	Shasun Pharmaceuticals Ltd	Shasun NBI LLC	Pharmaceuticals	NA	25 January 2014
49	Tri-K Industries Inc	Surfactants International LLC	Chemicals	NA	16 January 2014
50	Birlasoft Ltd	EnablePath LLC	Technology	NA	13 January 2014
51	Decision Resources Group	Relay Technology Management Inc	Technology	NA	7 January 2014
52	Indegene Healthcare	Total Therapeutic Management Inc	Pharmaceuticals	NA	2 January 2014
53	Bharat Enterprises	Gifts of Arkansas	Retail and consumer products	NA	23 December 2013

S. no.	Acquirer	Target	Sector	Deal value (US$m)	Announcement date
54	Kellton Tech Solutions Ltd	Supremesoft Corp	Technology	NA	21 October 2013
55	Ecuhold NV	Econocaribe Consolidators Inc	Logistics	NA	27 September 2013
56	Kemwell Biopharma Pvt Ltd	Cirrus Pharmaceuticals Inc	Pharmaceuticals	NA	26 July 2013
57	QuantM Net Technologies Ltd	TEQBAY	Technology	NA	25 June 2013
58	Cigniti Technologies Ltd	Gallop Solutions Inc	Technology	NA	29 May 2013
59	Pramati Technologies Pvt Ltd	WaveMaker Software Inc-Certain Assets	Technology	NA	2 May 2013
60	ABI Showatech India Ltd	Ross Casting & Innovation LLC	Automotives	NA	22 April 2013
61	Vector E-commerce Pvt Ltd	Fitiquette	Retail and consumer products	NA	5 April 2013
62	AGC Networks Ltd	Transcend United Technologies Inc-Technology Integration Business	Technology	NA	15 March 2013
63	Aditya Birla Nuvo Ltd	Undisclosed Fertiliser Plant	Agricultural inputs	NA	6 March 2013
64	TVS Logistics Investment USA	Wainwright Industries Inc	Automotives	NA	30 January 2013
65	Persistent Systems Ltd	NovaQuest LLC	Technology	NA	31 December 2012
66	Saksoft Inc	Electronic Data Professionals	Technology	NA	31 December 2012
67	Caraco Pharmaceutical Laboratories Ltd	URL Pharma Inc	Pharmaceuticals	NA	17 December 2012
68	Bartronics Asia Pte Ltd	Systems America Inc	Technology	NA	11 December 2012
69	Elgi Equipments Ltd	Patton's Inc	Diversified industrial products	NA	29 November 2012
70	Reliance Globalcom Ltd	CIENA Corp-Optical Network Gear Assets	Telecommunications	NA	23 October 2012
71	Persistent Systems Ltd	Doyenz Inc-rCloud Business	Technology	NA	12 October 2012

Source: "Advanced M&A search," Thomson ONE database, accessed 1 January 2015.

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