



Indian Investments in North America

For many Indian companies, international expansion constitutes an integral part of their overall growth strategy today. Through green-field ventures, collaborative partnerships, investments and most significantly, through mergers and acquisitions, Indian companies have experienced robust growth, which forms the bedrock of furthering business ties, fueling economic development and improving the quality of lives globally.

According to PwC, India is expected to produce the most new multinational companies, overtaking China as the emerging world's largest source of new multinationals. (It may however be noted that India does not figure in the top 20 economies with FDI outflows at this moment).

- M&A activity in India more than doubled year-on-year to reach US\$ 61.26 billion in 2016-17.
- 75% of the Indian companies have more than one location in the North America. New Jersey, California, New York (USA) and Ontario (Canada) have larger concentration of Indian companies.
- Indian companies are becoming important global players in a number of industries, foremost in software & IT and services sectors. The fastest growing sectors for Indian FDI are currently business services, financial services, metals, automotive, and healthcare.
- Mumbai is the leading hub for internationally expanding Indian companies, followed by Bangalore and Delhi.
- There are at least 28 Indian controlled companies in Ontario employ more than 4000 people.

IT and IT-enabled services (IT-es)

- Most of top IT companies in India are already present in North America.
- The mode of internationalization is basically through joint-venture, acquisition or wholly owned subsidiary (as delivery centre). Indian IT companies have engaged in more than 60 M&A transactions in NA since 2005.

Observation

- o Facing new corporate demands and political pressure from new administration Indian IT companies have recently announced their re-investment plans (15000+jobs) in the United States.



- o There is a competition among various jurisdictions in NA for re-investment projects of Indian IT companies in NA

Action Items:

- o TIO to prepare list of medium size IT companies & companies already have operation in US but not in Canada.
- o To send follow-up emails to all top IT companies which have re-investment plans in US.

Indian Information Technology companies in Ontario	
Tech Mahindra	Tech Mahindra, part of the USD 16.5 billion Mahindra Group, has 2 offices in Ontario. Imp Projects: 1. Intelligent Electric Vehicle Charging Systems (IEVCS), 2. Smart Grid Research and Innovation Centre (RIC) on the University of Waterloo Campus in Ontario
Tata Consultancy Services (TCS)	Located in downtown Toronto at 400 University Avenue, the office facility encompasses three floors and 50,000 square feet, providing a new hub for technical innovation, partner collaboration and industry leading client service. TCS has been certified as Top Employer in Canada by 'Top Employers Institute'
Infosys Technologies	Located in Toronto
Wipro	Wipro's Canadian headquarter is located at Mississauga, Ontario
Cognizant	Located in Toronto
HCL Technologies	Located in Toronto
Polaris	2 offices in Ontario (Toronto & Mississauga)
Hexaware Technologies	Located in Mississauga, Ontario
L&T Infotech	Located in Mississauga, Ontario

Life sciences, pharmaceuticals and health care:

- In the last decade Indian pharmaceutical firms have emerged as most aggressive overseas investors of all Indian industries.
- The mode of internationalization is basically through joint-venture, mergers & acquisition.



- Modus-operandi is generally through various phases namely Phase I – registration and compliance, and Phase II – if market is potentially compatible then will proceed further with distribution centre, mergers or acquisition.

Observation

- o Indian firms are leveraging their existing capabilities in process R&D by entering generic markets in advanced countries.
- o Research-based Indian pharmaceutical and biopharmaceutical companies have huge potential to conduct their R&D in Ontario.

Action Items:

- o TIO to prepare list of research focused pharma companies and other companies already have operation in US but not in Canada.
- o To send follow-up emails to all top Pharma companies which may have plan to further expansion.

Indian Pharmaceuticals companies in Ontario	
Sun Pharma/Ranbaxy Laboratories Limited	R&D Centre in Brampton, Ontario (more than 140 employees). Ranked as one of the Top 10 generic pharmaceutical companies serving the Canadian healthcare system.
Piramal Pharma Solutions	GMP manufacturing for complex pharmaceutical NCEs - located in Aurora, 50 kms north of Toronto.
Lupin Pharma	Established in Toronto in 2014 (distribution centres)
Torrent	Torrent has a Brazilian subsidiary, employing 300 Brazilian professionals.
Aurobindo Pharma	Present in Woodbridge, ON (sales & marketing office)
Zydus Cadila	Acquired Brazilian company Nikkho, which has a turnover of over USD 60 million.
Emcure Pharmaceuticals	In 2015 Marcan, Ottawa based pharma company, was acquired by Emcure Pharmaceuticals.
Dr. Reddy's Labs	Office is in Toronto

Automobile/Auto-components Manufacturers:

- The emergence of a significant number of automotive component companies' investment in North America in last 3-4 years is a remarkable development.
- Modus-operandi is generally through various phases such as:
Phase I – Introduction to market through distribution chain (exports); and
Phase II – If market is potentially compatible then will proceed further with joint-venture or wholly owned subsidiary (green fields).

**Observation:**

- o More than 10 Indian auto components have set up shop in North America (especially Mexico) in last 2-3 years.
- o Research focused Auto/auto components companies in India have huge possibilities in Ontario.

Action Items:

- o TIO to prepare list of research focused auto companies and other companies already have operation in US & Mexico but not in Canada.
- o To send follow-up emails to all top auto companies who may have plan to further expansion.

Indian Auto component companies in Ontario	
Hi tech Gears	Hi-Tech Gears acquired Teutech Industries, a component manufacturer based in Guelph, Ontario in US\$58 million.

Financial Services:

- There are more than 304 overseas offices of Indian banks.
- The mode of internationalization is basically through branches (183), wholly owned subsidiary (26) joint-ventures (7) and representative offices (56).

Observation

- o Indian banks require Reserve Bank of India's approval to set up its overseas branch.
- o It is understood that there are few Indian banks considering expanding their North American presence. Needs to be explored further.

Action Items:

- o TIO to prepare list Indian banks interested to open an overseas branch in North America.

Indian Banks in Ontario	
SBI Ltd.	Was established in 1982 as a wholly owned subsidiary. 4 branches across Ontario.
ICICI Bank	ICICI Bank Canada's corporate office is located in Toronto, Ontario. 6 branches across Ontario.

Mining:



- India is not self-sufficient in many mineral and metal resources and also the largest consumer for fertilizers, gold etc.
- India is net importer of most of minerals and metals. Main focus for overseas investment of Indian companies is on iron ore, coal (thermal and metallurgical) and limestone required for the steel and power sectors.

Observation

- o There are opportunities for Indian companies to invest in gold mines in Ontario.

Action Items:

- o TIO to engage with top 10 gold importers/companies in India.

Indian Minerals & Metals companies in Ontario	
Essar Group	In April 2007, Algoma Steel was purchased by India's Essar Group for US\$ 1.63 billion
Aditya Birla Group	Novelis, Aditya Birla group company is located in Kingston, Ontario.