

Going global

For the first time, outbound investments from India will surpass inbound investments. India Inc is making bold acquisitions.

Ryan Rodrigues reports

On his recent visit to India, Prince Andrew, who is Duke of York and 4th in line to the British throne, made stops through the busy bustling cities of Delhi, Mumbai and Bangalore. As UK's Special Representative for International Trade and Investment, the Duke was in India on business. Serious business.

"India recently displaced Japan as the second-largest investor in the UK," he says. "The number of Indian businesses investing in the UK has increased from 19 four years ago, to over 100 today." There was gladness on his face, and with good reason. Take just the number of Indian companies trading on the London Stock Exchange, which has in less than five years risen to over 50. The Prince now plans to initiate a mechanism that will



DINDIA PHOTO AGENCY GRAPHIC: RAJAN SONAWANE

boost a "special trade relationship" between the two countries.

"You can sense the times changing," says Hugh Sanderman, head of business development at the London Stock Exchange in India. Only a few months ago had L.N. Mittal's Mittal Steel made a bid for its nearest rival Arcelor. Arcelor had then termed the move hostile, and recommended its shareholders not to tender their shares into the proposed offer, if and when submitted. In a corporate battle that hit headlines world over, Arcelor eventually merged with Mittal Steel.

"But now look at the Tata Steel-Corus deal," adds Sanderman. "There's no noise. It's smoothly sailing through." Tata Steel in October made official its plans to acquire Corus, its Anglo-Dutch rival. Far from opposition, there have been handshakes and welcome signs. Back at the newly-formed Arcelor-Mittal, the mood is similar. After much deliberation, Mittal recently took over as chief executive officer.

This is a sign of things to come, says Dhanraj Bhagat, practice director (corporate advisory services) at Grant Thornton. "It shows that people are getting more comfortable with Indian managerial talent." The Indian story is just beginning. At \$8.1 billion, the Tata-Corus deal is the largest ever for India Inc.

There are many more signs. Take a *Financial Times* analysis for instance, which last month found that outbound investments from India have started to rival inbound investments. At \$7.2 billion this was up from \$4.5 billion a year earlier. A UK-based research firm Dealogic counted 112 outbound acquisitions from India in the first six months. Grant Thornton counts 230 deals that took place till October 2006, up from 60 in 2004.

If the Tata acquisition goes through, it will easily make the total outbound investments for the year to exceed inbound foreign direct investment. The message has rarely been

clearer. India Inc has arrived on the global stage.

This is a reversal since the 1990s, when Indian industry feared liberalisation would bring in multinationals with whose financial muscle it would be difficult to compete with. Reserves had then sunk to less than a billion dollars, creating a financial crisis that forced India to open its economy to foreigners.

Foreign exchange reserves are today racing toward the \$200-billion mark. After decades of being stifled by strict foreign exchange controls, the government has liberalised capital flows and corporate India has gone on a shopping spree - snapping up companies everywhere. "Now, almost every Indian company has a global plan," adds Bhagat. M&A deals in India have risen to nearly three a week.

However, this recent spurt is not the start of an increase in deal sizes. The Tatas had earlier made an acquisition of the US-based Energy Brands for \$677 million, and wind energy major Suzlon acquired Hansen Transmissions for \$570 million. Oil company ONGC Videsh acquired a 15 per cent stake in a Brazil oilfield for \$1.4 billion. Ballarpur Industries bought the Malaysian Sabah Forest Industries for \$261 million. Pharma company Dr Reddy's acquired Germany's

Betapharm for \$572 million. Ranbaxy Laboratories bought over Romania's Terapia for \$324 million.

For Wockhardt, acquisitions mean spreading its footprint and tapping into new markets. In October Wockhardt announced the acquisition of Ireland's Pinewood Laboratories for \$150 million. "This acquisition gives us a larger footprint in Europe spread over the UK, Ireland and Germany," says chairman Habil Khorakiwala. "European business will now exceed \$200 million, accounting for almost half of Wockhardt's total sales."

The reasons to go global vary. For some it is access to newer markets, new products, and technologies. For others it is boosting up the distribution network, or raw material sourcing opportunities. "It could be simply to have a global scale of operations to service a growing customer base, which is spread across the world, and in some cases to make aggressive brand buys, where Indian companies feel comfortable about leveraging for their own brand building," says Sanjeev Krishnan, executive director at Pricewaterhouse Coopers (PwC). That, with easy availability of finance and private equity funding - including leveraged buy-outs of businesses other companies consider "non-core" - has paved the way forward.

There is good reason to believe that this trend can sustain in the times to come. Indian companies are competing globally and they would not be able to do so unless they have a global footprint.

In the Asia-Pacific region, in the first half of 2006, a PwC report points at the Indian market, which is the third most active in the Asia-Pacific region. This was attributed to India's entry into newer markets, establishment of leadership positions by existing players, extension of domain knowledge by acquisition of know-how and focus on infrastructure.

The size of the Tata-

Spreading out Outbound deals during September and October 2006

Investor	Investee	Acquisition price (\$ mn)
Videocon Industries	Daewoo Electronics, Korea	695.65
ONGC Videsh	Omimex de Columbia, Columbia	425
Indian Hotels	Ritz-Carlton hotel, US	170
Wockhardt	Pinewood Laboratories, Ireland	150
Mahindra & Mahindra	Jeco Holding A.G., Germany	120.45
SKumar's	American Pacific, US	90
Aditya Birla Group	Hubei Jing Wei, China	67
3i Infotech	Rhyme Systems, UK	51.99
Wipro Infrastructure Engineering	Hydrauto Group, Sweden	31
Wipro Infotech	3D Networks, Singapore	23
Strides Acrolab	Drug Houses of Australia	12.5
GTL Limited	Genesis Consultancy, UK	9
Moser Baer	SolFocus, US and Solaria, US	7, N.A.
Bilcare	DHP, UK	5
Praj Industries	C.J. Schneider Engineering, US	4.89
Dr Reddy's	Litaphar, Spain	4.45
Punjab Lloyd	Sembawang Engineers & Constructors, Singapore	3.04
Tetley Group	Joekels Tea Packers, South Africa	N.A.
Hinduja TMT	Affina, US	N.A.

Source: Dealtracker

The Top Ten Overseas acquisitions

Investor	Investee	Price (\$)
Tata Steel	Corus, UK	8.04 bn
Videocon Industries	Daewoo Electronics, Korea	695 mn
Tata Tea	Energy Brands Inc, US	677 mn
Suzlon Energy	Hansen Transmissions, Belgium	570 mn
Tata Steel	NatSteel, Singapore	486 mn
Tata Tea	Tetley, UK	407 mn
Tata Steel	Millennium Steel, Thailand	404 mn
Ranbaxy	Terapia, Romania	324 mn
VSNL	Teleglobe, Canada	239 mn
Tata Coffee	Eight O'Clock Coffee, US	220 mn

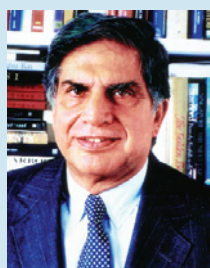
Source: Economic Times

Corus deal, of course, statistically raises the size of the average Indian outbound investments. This will further be aided by the \$700-million Videocon-Daewoo Electronics deal, which will help Videocon gain a stronghold in regions like the US, Korea, Japan and other European mar-

kets. But at more than \$8 billion, Tata-Corus is the largest Indian M&A deal ever.

This is a turning point. It indicates that Indians are taking over more Indian companies abroad than MNCs (multinational companies) are taking over companies in India. The new found zest in Indian companies is being recognised in foreign boardrooms. Competitors see a formidable force in these merged entities.

The Indian partner adds a hunger for growth not seen for many years in US and European companies that have become complacent in mature markets. The lean and mean Indian machine is making inroads into various sectors, and not just the traditional IT. Expect this trend to stick around for some time. ■



“The takeover of Corus is a defining moment,” says Ratan Tata

Tata-Corus has been hogging the headlines. But, without much media fanfare, the Tatas have

been steadily building up their presence abroad.

Take Tata Steel itself. The company acquired Singapore's NatSteel in early 2005. This gave it access to markets in China, Thailand, Vietnam, the Philippines, Australia and Malaysia. Shortly after that, it snapped up Millennium Steel, the largest steel company in Thailand. Tata Steel has also acquired a 5 per cent interest in the Carborough Downs Coal Project in Queensland, Australia.

The globalisation has a greenfield component too. Tata Steel has signed a memorandum of understanding with the Persian Gulf Special Economic Zone to set up a 3 million tonne, gas-based steel plant at Bandar Abbas. In Richards Bay (South Africa), the company is working on a 135,000 tonnes per annum ferrochrome plant. And the Tatas are negotiating with the government of

Bangladesh for a steel plant in the western part of the country.

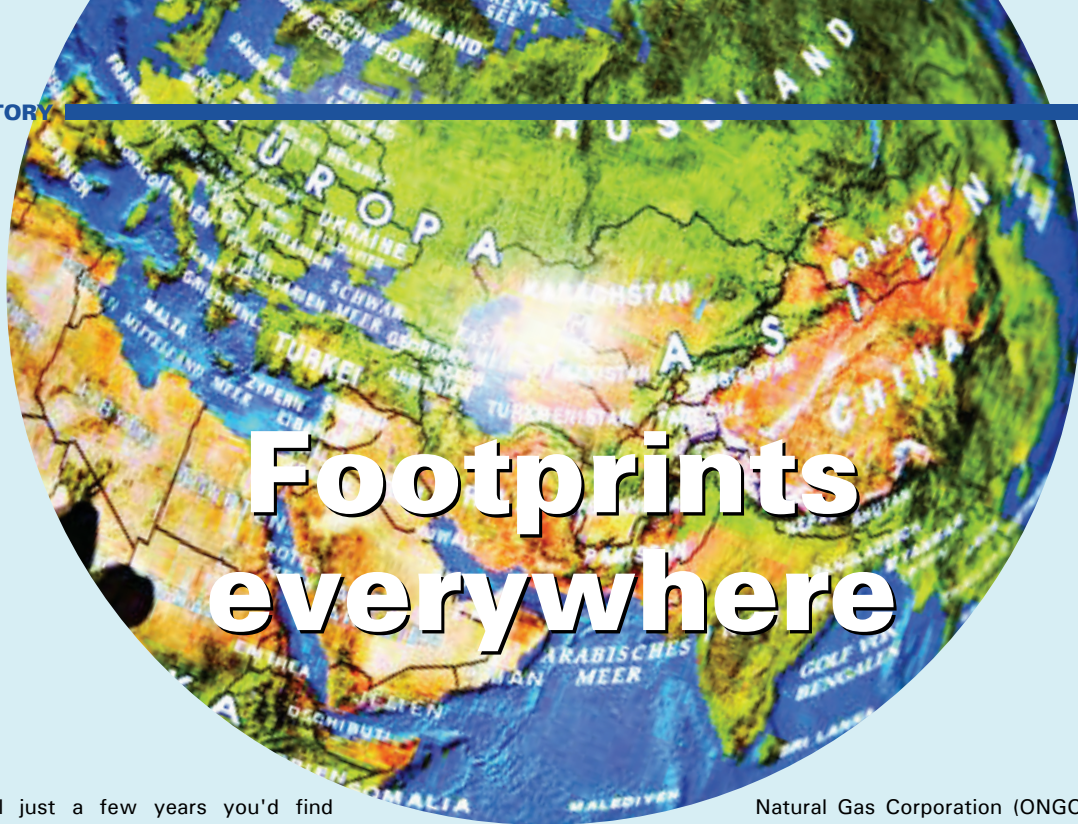
Other group companies are not far behind. Tata Tea was actually the first off the block when it took over Tetley (which was twice its size) in 2000. At the time, it was the biggest Indian corporate acquisition.

In June this year, Tata Coffee, a subsidiary of Tata Tea, signed an agreement to acquire Eight O' Clock Coffee for \$220 million. In August, Tata Sons and Tata Tea announced a plan to invest \$677 million for a 30 per cent stake in Energy Brands, a maker of vitamin water. In October, Tata Tea took a 33 per cent stake in South African tea company Joekels Tea Packers.

Among other targets are Boston's Ritz Carlton Hotel for \$170 million. Last year, the Tata Group had snapped up a management contract for the Pierre Hotel in New York. At the time of writing, in November 2006, the group had just acquired Japanese auto giant Nissan's truck manufacturing plant in South Africa. By the time you read this, there could well be more additions to the list.

INDIA'S
No.1
COMMODITY
EXCHANGE

MCX
Trade with Trust
INDIA'S No.1 COMMODITY EXCHANGE



Footprints everywhere

Until just a few years you'd find Indian families in the most remote places; the ubiquitous Malayalee vendor of idlis and dosas is proverbial. Now, increasingly, you'll find Indian companies cooking up their own designs there too.

After years of contemplation, Bajaj Auto made a move earlier this year to invest \$50 million in a plant in Indonesia, which it will set up with a joint venture partner. "It's the third-largest motorcycle market," says executive director Sanjiv Bajaj.

There are many who prefer the joint venture route. At the offices of IT education provider Aptech, for instance, pinpointing the next big market to penetrate has never been a daunting task. "Our business model has evolved in India which is a developing country," says Pramod Khera, CEO and managing director of the company. "So it was natural for us to target developing countries. In IT education the situation in these countries is similar to what was in India a few years ago."

But, as the economy picks up and confidence levels rise, the urge to merge and acquire is fast gaining pace. When Ranbaxy acquired Terapia in Romania for \$324 million, it had much bigger plans in place.

Today Indian acquisitions in developed countries no longer raise eyebrows. Many companies have entered markets like Europe, the US, and Germany. But an Indian company prepared to risk it out in the open — in developing countries around the globe — turns heads.

There are, of course, country-specific risks. "But some Indian companies are in a position to fund overseas acquisitions. There is also an increase in risk appetite," says Timmy Khandari, executive director, consultancy firm PricewaterhouseCoopers. Raising money — through debt and equity options, through FCCBs (Foreign Currency Convertible Bonds and GDRs (Global Depository Receipts), has never been easier. The strongest contenders for globalisation are Indian auto component companies, those in the pharmaceuticals field, IT, light engineering and entertainment.

Some are moving due to strategic reasons. ONGC Videsh Ltd (OVL), despite stiff competition, is making acquisitions to secure India's energy needs. The wholly-owned subsidiary of the Oil &

Natural Gas Corporation (ONGC) was set up in 1996 to manage the petroleum major's international exploration and prospecting business. In that sense, OVL is mandated to operate exclusively in foreign markets, and has spread its footprint wide.

Today, the company has overseas assets in Iran, Russia, Iraq, Libya, Myanmar, Sudan, Syria, Vietnam, Cuba, Qatar, and Egypt. Two of these stand. The \$1.7-billion investment in the Sakhalin oil fields of Russia, the largest of its kind by an Indian company, and the securing of a 25 per cent stake in the renowned GNOP fields of Sudan via a one-time investment of \$690 million are the chart toppers.

United Phosphorus Ltd (UPL), India's largest producer of crop protection products and fourth amongst the world's generic agrochemical companies, has successfully built a network across the globe through acquisitions, strategic alliances and subsidiaries. In the past year alone, it has managed five acquisitions — a distribution company in the US (Ag Value), Cequisa in Spain, a crop protection brand from Bayer CorpScience A.G., Advanta/Pacific Seeds (worldwide), and Reposo S.A. in Argentina. Explains executive director Jai Shroff: "As a first step, we set up a marketing network in countries with the potential for our products. Once a particular country offers more promise, we set up or acquire a manufacturing facility."

The company is building formulation facilities in Vietnam and South Korea, which will serve as the formulation hubs for the region. UPL says it prefers developing markets, which offer higher growth potential vis-à-vis mature, western markets where growth is flat. "Developing markets are far more competitive and challenging, but that is where our focus is," asserts Shroff.

And finally there's IT, where Wipro Technologies, out on an acquisition spree — it completed its fifth (in Finland) this year — has been most active. But increasingly the trend is shifting to mid-size Indian companies. "It's not just the big boys," says Dhanraj Bhagat, practice director at consultancy firm Grant Thornton. "Today even Indian companies with turnovers of \$100-200 million are looking at going global."

The big boys make the noise, the small collectively make up the India story. ■

Touchdowns aplenty

Albania: Dr Reddy's
Andean and Caribbean Islands: TCS
Argentina: Glenmark, TCS, United Phosphorous
Austria: Wipro
Belarus: Dr Reddy's
Belgium: All Cargo Global, Crompton Greaves, Dr Reddy's, Suzlon
Bolivia: Jindal Steel and Power
Brazil: Bajaj Auto, Bajaj Hindustan, Cadila, Dr Reddy's, Elgi, Glenmark, Orchid, Ranbaxy, TCS, Thermax, Torrent, Unichem, Wockhardt
Cuba: ONGC Videsh
Denmark: Infosys
Egypt: Ranbaxy, A. Birla group, ONGC Videsh
Finland: Infosys, TCS, Wipro
France: KPIT Cummins, Ranbaxy, TCS, Shasun Chemicals, Videocon, Wipro
Ghana: Dr Reddy's, Wockhardt
Greece: Havell India, Jain Irrigation
Hungary: Satyam, TCS
Indonesia: Satyam, Bajaj Auto
Iran: Bajaj Auto, ONGC Videsh, Tata Steel
Iraq: ONGC Videsh
Ireland: HCL, Ranbaxy, Wockhardt
Italy: Infosys, Videocon, Wipro
Ivory Coast: ONGC Videsh, Ranbaxy
Kazakhstan: Wockhardt, Dr Reddy's
Kenya: Dr Reddy's, HPCL
Libya: ONGC Videsh
Lithuania: Ranbaxy
Mexico: TCS, Videocon
Morocco: Tata Chemicals, A. Birla group
Netherlands: Dr Reddy's, Infosys, Rolta, TCS, United Phosphorous
Norway: Infosys
Philippines: A. Birla Group
Poland: Ranbaxy, Strides Acrolab, Videocon
Portugal: TCS, Ranbaxy
Romania: Dr Reddy's, GHCL, M&M
Russia: ICICI Bank, ONGC Videsh, Tata Motors, Tata Tea, Wockhardt
Spain: Ranbaxy, Satyam, Tata Motors
Sudan: ONGC Videsh
Sweden: Bharat Forge, Evalueserve, Geodesic Info Systems, HCL, Igate, Infosys, L&T, Patni, Satyam, TCS, Wipro
Syria: ONGC Videsh
Tanzania: Dr Reddy's, Wockhardt
Thailand: A. Birla group, BILT, Foursoft, L&T, Ranbaxy, Tata Motors, Wipro
Trinidad and Tobago: Berger Paints, Essar Steel
Turkey: Global Steel Holdings
Uganda: Dr Reddy's
Uruguay: TCS
Ukraine: Dr Reddy's, Tata Motors, Tata Steel, Wockhardt
Vietnam: ONGC Videsh, Ranbaxy, Wockhardt



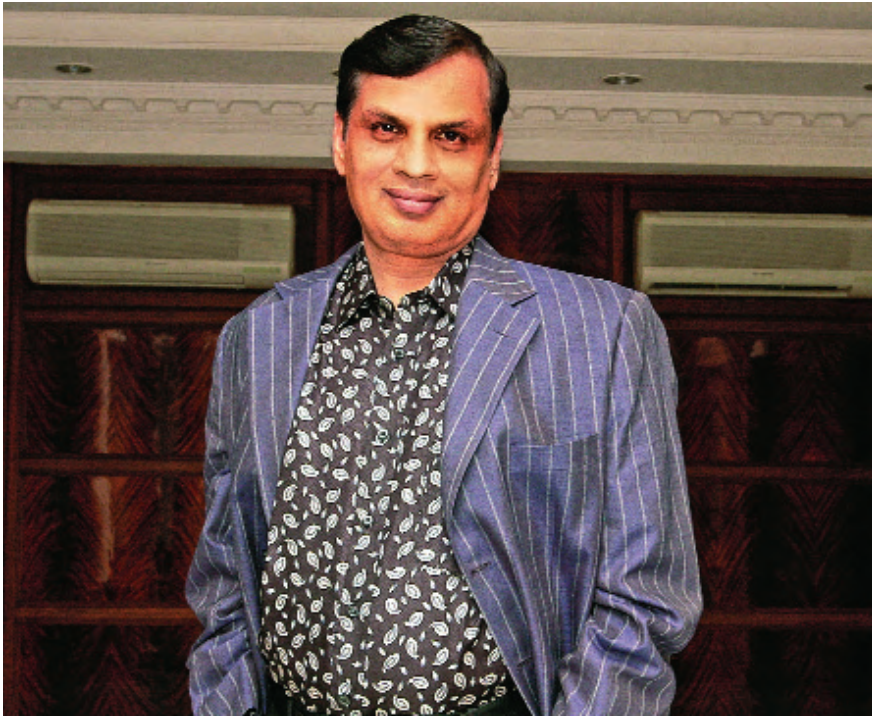
A line up of Bajaj Three Wheelers in Peru

No.2
IN SILVER
FUTURES AND
No.3
IN GOLD
FUTURES TRADING,
GLOBALLY

MCX
Trade with Trust
INDIA'S No.1 COMMODITY EXCHANGE

Source: *Business India*, *India Now* research. * Does not include countries like the US and the UK where the number of Indian companies is high

Doctors to the world



STRESS RELIEF: Videocon's chairman and managing director, Venugopal Dhoot

They are known in the profession as corporate doctors; these are the men and women who are brought into sick companies to nurse them back to health. There is even a whole discipline styled turnaround management.

Venugopal Dhoot, chairman and managing director of consumer durables and electronics major, the Videocon Group, doesn't seem the sort of person who would be comfortable in such a role. But, over the past couple of years, he has indeed been grabbing up stressed assets all over the world. A couple of years ago, he picked up a unit in Italy from Thomson of France. Later, the French company sold its colour picture tubes facilities all over the world — including China and Poland — to Videocon for around \$300 million.

Now Videocon is eyeing the ailing electronics business of the Daewoo Group of South Korea. It has already put in a bid of \$730 million (\$30 million more than the next bidder). Thus, unless something very unexpected happens, the units should fall into its lap.

According to media reports, the Dhoots are now looking at the Seoul-based LG Philips. Owner Royal Philips Electronics NV has already indicated that the South Korean company will be put on the block as it is not part of its core competency. Media reports also say that the group may target Pioneer of Japan. And there have been rumours for nearly six months now that Polaroid is also on the shopping list.

The one thing common to all these companies and divisions of larger entities is that they are not exactly in the pink of health. Some of them are sick and, in the opinion of experts in the countries they are based in, beyond redemption.

The problem lies in technology. While the West is moving away from cathode ray tubes and colour picture tubes to flat TVs and plasma displays, the Videocon acquisitions make exactly the same outdated wares. "The MNCs are so happy to get rid of these units that they are actually investing back in Videocon," says a corporate watcher. "There is thus very lit-

tle actual cash outflow from Videocon."

So how does it make sense for Videocon? Venugopal Dhoot's reasoning is simple: there is much life left yet in these technologies. This is true in the West also. But in developing countries, there is huge demand. Image quality and other frills are all very fine. But, in India say, people will think 10 times before buying a plasma TV when there is a low-tech version available at one-tenth the price. Over the years, Dhoot hopes to migrate these units to more advanced technology. The company is investing in R&D to make the transition process smoother.

It is, of course, easier to take over sick units in other countries. There is none of the resistance - and media drama - that comes when a healthy national icon is targeted. (Every company becomes a national icon when a foreign predator approaches.) In the wake of the reunion of West and East Germany, some Indian industrialists had taken over units in the latter. However, this was in the first flush of liberalisation in India, and these efforts were crippled because of money and regulatory problems. Today, it's much easier.

Besides, Indian industrialists have a lot of experience in this arena. The Board for Industrial & Financial Reconstruction (BIFR) has been around since 1987. Its mandate is to identify and rescue sick units. A favoured prescription is to try and locate a white knight which will take it over.

Even outside the ambit of the BIFR, mergers are quite common. The Steel Authority of India has taken over the ailing Indian Iron and Steel Co. When banks face a crisis, whatever the reason, the Reserve Bank of India has always mandated a merger with a stronger bank.

"Business magazines have even carried Cover Stories on Corporate Doctors and Turnaround Artistes," says the corporate watcher quoted earlier. "You won't believe the number of such experts there are."

Indians have gathered much experience in healing their charges in their home country. Now they are ready to provide their services to the world. ■

THE OTHER SIDE



Mergers are made in Heaven. The divorces happen down on earth or, if you prefer it, in Hell. It is unfortunately true that most

mergers do not work. Indian companies have not had much experience in this arena. That's because takeovers of healthy companies have not been part of India's corporate ethos.

When the London-based Swraj Paul tried to target DCM and Escorts in the eighties, he ended up the loser. Not only were his bids thwarted, the money he had invested in picking up the shares of these companies was blocked for years. Of course, people like R.P. Goenka, the late Manu Chhabria and liquor and foods baron, the late Vittal Mallya, had some measure of success. But they were really taking over companies from the managing agency system era. (These were companies run by Indian agents for their UK owners.) That's a different story. The Goenkas and Mallyas had the money and they waited for the fruits - unwanted by their distant British owners - to fall into their laps. The combative Chhabria was different, but that too is another story.

The main reason why mergers fail is because there is a clash of cultures. Consider one example. Hindustan Lever took over an Indian personal products company. The fatted-and-feted executives of the latter — an ailing company, mind you — flew to New Delhi executive class for a meeting with the Lever brass. The Lever chairman, meanwhile, was travelling economy class on the same flight. The culture at Lever at that time was that everybody flew economy. According to *McKinsey Quarterly*, most people fail to look for problem areas. "A company risks overestimating synergies if it neglects to use the available benchmarks as a sanity check," says

McKinsey. Adds a management consultant: "You look at the topline and see how it combines to catapult you several steps up the ladder. You don't really look at the bottomline, because that impact is far more difficult to evaluate." A study by consultancy KPMG says half the mergers destroy shareholder value. A further third don't make a difference. So it is only a small fraction of the mergers that pay dividends. "Mergers are, like second marriages, a triumph of hope over experience," says *The Economist*.

The biggest reason why mergers go wrong is on the HR front. A study by HR consulting services firm Tower Perrin says that "The companies may go in and do due diligence, look at all the financial matters, but it is really the cultural and people issues that can mean the demise of a successful merger." Adds an article in *Knowledge@Wharton*: "Merging corporate cultures is a process that doesn't happen overnight. It requires a tremendous amount of initiative from the firm's leadership to make it happen."

What is the Indian scenario? According to a paper by P.L. Beena, Centre for Development Studies, Trivandrum, most mergers in India in the post-reform period have been "between firms belonging to the same business group with a view to increase their controlling blocs in order to guard against a takeover." Cultural issues should thus not arise to that large an extent in such companies. Are Indian companies prepared for the possible cultural problems as they step into a takeover-filled tomorrow? Some, like the Tatas, say that they don't destabilise the existing management in the companies they take over abroad.

Others say that the Indian style of management is itself more accommodative. "When you have to deal with so many languages and cultures as in India, you automatically learn the process of give and take," says a management consultant. And some go by the book. "The key to dealing with cross-cultural issues is good communication," notes Videocon CEO Venugopal Dhoot. So far, he has managed to walk the talk.

**AVERAGE
DAILY TRADING
TURNOVER
US\$ 2
BILLION**



MCX
Trade with Trust

INDIA'S No. 1 COMMODITY EXCHANGE

The non-resting Indian

Unlike the Tata-Corus deal, which was all very amicable, London-based steel tycoon L.N. Mittal had a tempestuous time when he bid for Arcelor. The Luxembourg-registered Arcelor was the world No 2 in steel while Mittal Steel was No 1. Together Arcelor Mittal is the numeno uno by far, with 330,000 employees in more than 60 countries.

Post merger, Ronald Junck had been appointed CEO. In a more recent development, Mittal has taken over as CEO in addition to his being president of the board of directors. According to Junck, who will remain a member of the group management board: "I believe this clarification of the leadership arrangements of Arcelor Mittal is in the best interests of all parties."

Mittal's attempted takeover of the company had been accompanied by much acrimony. Union Commerce and Industries Minister Kamal Nath had to take up the cudgels for him in various fora. Some of the charges made against Mittal had racist overtones; how could an Indian aspire to be the steel king of the world.

It was diplomatic to have someone oversee the short-term merger process. Now that the work of integration has to begin, it is necessary that the real man in charge - L.N. Mittal - don the mantle officially.

In the short term again, results of the combine have been excellent. Arcelor Mittal chief financial officer Aditya Mittal, who is also L.N. Mittal's son, says that a strong rise in steel prices has helped to bring in much better numbers in the third quarter of 2006.

"The overarching priority for Arcelor Mittal is to successfully integrate the two companies and deliver the merger synergies and benefits," says L.N. Mittal. "The past three months have served to increase our confidence in the strategic rationale of combining the two companies. I remain very excited about our future prospects."

Mittal may have made the headlines. And it is true that in size and scale there are no other Indians to match him. But there are several non-resident Indians (NRIs) building their own empires quietly through takeovers and mergers. The Anil Agarwal-led Vedanta Resources is also becoming a sort of metals



IN THE HOT SEAT: Arcelor Mittal chief executive officer, L.N. Mittal

major, but in areas outside steel. Agarwal has copper, zinc, alumina and aluminium under his belt, both abroad and in India. The Indian interests include Hindustan Zinc and Bharat Aluminium, both acquired under the government's disinvestment programme, and the assets of his original flagship Sterlite. Abroad Vedanta has two copper mines in Australia and copper assets in Zambia including the Konkola Copper Mines. The icing on the cake is the Ararat Gold Recovery Company in Armenia. This, however, has yet to prove itself.

Even more famous, perhaps, is Purnendu Chatterjee, the man who salvaged Haldia Petrochemicals from an early grave. Chatterjee worked for 10 years in McKinsey & Co where he was a top-flight M&A consultant. His most ambitious bid to date was for the \$5.7 billion Basell, a polyolefins and plastics major. This was the biggest outbound Indian takeover bid at that time; Haldia Petrochemicals was billed as part of the consortium of bidders. That didn't pan out. But Purnendu has his antenna alert for other opportunities.

In the US, particularly in the Internet and dotcom space, there were several

Indians - Exodus Communications founder K.B. Chandrasekhar, for instance — who carved out quite an empire for themselves. But, when the bubble burst, none of them really came out smelling of roses. Many are still around waiting to strike it big next time.

Then there are the people who most observers don't really associate with NRI status. Pramod Mittal, brother of L.N. Mittal, has interests in Libya, Bosnia, the Philippines, Nigeria, Turkey and Bulgaria. Subhash Chandra of Zee Telefilms fame has engineered a series of global takeover in the packaging arena through Essel Propack. After gobbling up Propack AG of Switzerland in 2001, Essel has emerged as the largest manufacturer of laminated packaging material in the world.

The definition of an NRI depends on the number of days in a year he or she spends abroad. (An NRI is treated as a resident under the income-tax act if he spends 182 days or more in India.) Many like Chandra could be NRIs one year and full-fledged citizens the next.

But that is as it should be. The Global Indian is above geographical boundaries. 🌍