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COUNTRY DOSSIER

United Kingdom

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Country Dossier - UK

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Latest figures from the UK's Department for Business and Trade reveal that India retained its position as the UK's second-largest source of investment projects in the last financial year, with 118 new projects creating 8,384 new jobs across the UK. UK has invested USD 34 billion in India in FDI.

The two countries are trying to find a middle ground to conclude a bilateral investment treaty and a free trade agreement. New Delhi is also considering a concessional tariff of 30% on 2,500 electric vehicles imported annually from the UK priced above USD 80,000. India levies taxes between 70% and 100% on cars imported as entirely built units, depending on their value. The bilateral investment treaty (BIT) has been seen as one of the sticky points in the ongoing FTA negotiations between the two sides.

Sectoral Synergies

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Funds/ Investments

- British International Investment (BII), the UK government's development finance institution, plans to invest more than USD 250 million in India in the current year (2024). Overall, the BII is also looking to invest about USD 1 billion in Indian climate-related projects by 2026. The DFI is evaluating businesses in bio-fuels, circular economy, etc, as part of the agreed 2030 roadmap between the two countries. Its current portfolio in India is about USD 2.2 billion, with investments in over 290 businesses. Last year, BII invested up to USD 250 million in automaker Mahindra and Mahindra Ltd's new electric vehicle unit.

- BII, which also makes venture capital and private equity-style investments across debt, equity, and funds, aims to up its game coming in at an early stage through primarily direct and co-investments.

Insurance

- Niva Bupa Health Insurance, formerly known as Max Bupa Health Insurance, is gearing up for an initial public offering (IPO) of Rs 30 billion, as per banking sources. The company, a joint venture between UK-based Bupa and the domestic private equity firm True North, has engaged investment bankers, such as Kotak Mahindra Capital, ICICI Securities, and Morgan Stanley, to manage the impending public issue.

Defence

- India and the UK agreed to enhance their defence-industrial collaboration in electric propulsion for warships and fighter jet engines while reaffirming their expanding strategic convergence in the crucial Indo-Pacific region.
- The UK has extended an offer of advanced core technologies to India, facilitating the creation of an indigenous, ITAR-free jet engine owned, manufactured, and exported by India. Establishing the Electric Propulsion Capability Partnership aims to forge a robust collaboration between the respective navies to develop Electric Propulsion capability in India.
- Further commitments under the UK India 2030 Roadmap include partnership initiatives for India's indigenous combat air programs, namely LCA Mk-II and AMCA. Rolls Royce has solidified its presence in India through a partnership with Hindustan Aeronautics Limited (HAL) for packaging, installation, marketing, and service support of Rolls-Royce MT30 marine engines.
- Thales UK and Bharat Dynamics Limited (BDL) have entered into an agreement to produce the next generation of VSHORAD missiles in India, supplying both the UK and Indian Armies with a 'Made in India' Laser Beam Riding MANPAD System. MBDA UK has also established a live build capability for the Advanced Short Range Air-to-Air Missile (ASRAAM) in partnership with BDL.

Trilegal's historical experience with UK companies

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- **Trilegal advised AB Mauri India Limited, a group company and Associated British Foods Plc subsidiary,** on acquiring land from the Uttar Pradesh State Industrial Development Authority and developing a greenfield yeast manufacturing plant in Uttar Pradesh.

- **Trilegal advised British International Investment plc** on its follow-on investment in the Series E2 round of Smartpaddle Technology Private Limited (Bizongo)—deal Value USD 43 million.

- **Trilegal advised WPP Plc** on sale of 60 per cent stake in its global data analytics arm, Kantar to US private equity group Bain Capital for around $4bn including debt.

- **Trilegal advised Rolls Royce** on review of their employment contract, employee policies and employment handbook. Also, advisory on various compliance related issues.

- **Trilegal advised Smiths Detection UK PLC** on investment in the detection equipment supply and services business in India with a minority stake held by an Indian partner.

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