

# Country Dossier

Spain

2025





## Country Dossier – Spain

Spain is the 16th largest investor in India with a cumulative FDI stock of USD 4.28 billion (April 2000-December 2024). There are more than 280 Spanish companies in India, mainly in the sectors of metallurgical industries, renewable energy, automotive, ceramics, and infrastructure (highways, transmission lines, tunnels, and metro stations). Maharashtra, Tamil Nadu, Gujarat, Andhra Pradesh, and Karnataka are the major destinations for Spanish investments in India.

Similarly Indian investments in Spain is around USD 900 million. There are about 94 Indian companies in Spain mainly in software & IT services, pharmaceuticals, chemicals and logistics. India is among the top 20 investors in Spain globally and among the top 5 from Asia.

During President Pedro Sánchez's visit to India in 2024, both leaders welcomed the establishment of a 'Fast Track Mechanism' to facilitate mutual investments in India and Spain.

# Overview (1/2)

- In a recent visit to India, Spanish President Sanchez and Indian Prime Minister Modi jointly inaugurated the Final Assembly Line Plant of C-295 aircraft co-produced by Airbus Spain and Tata Advanced Systems Ltd. at Vadodara. This plant will roll out the first 'Made in India' C295 aircraft in 2026, out of a total of 40 aircrafts to be manufactured in India. Airbus Spain is also delivering 16 aircrafts in 'fly-away' condition to India, out of which have already been delivered to the Indian Air Force.
- Recognizing the expertise of Spanish companies in areas such as energy, including renewables, nuclear, and smart grids, food processing, healthcare and health services, automotive and transport infrastructure, including trains, roads, ports, and transport network management, the two leaders welcomed further collaboration in these areas. President Sanchez welcomed the positive contributions being made by Indian companies to the Spanish economy in fields such as information technology, pharmaceuticals, and automobile and auto components. Both leaders welcomed the establishment of a 'Fast Track Mechanism' to facilitate mutual investments in India and Spain.
- Close to 300 Spanish companies are active across key economic hubs in India, primarily concentrated in metropolitan areas such as Delhi, Mumbai-Pune, Bangalore, and Chennai. Spain's commercial and corporate presence spans multiple sectors, with significant involvement in infrastructure, construction, industrial engineering, advanced machinery, renewable energy, environmental sustainability, electronic and communication technologies (EICT), and the automotive industry, including automotive components. This highlights Spain's contribution to growing India's value chain and fostering the country's competitive and sustainable economic growth.
- Innovation and technology collaboration between the two countries is also robust. The Global Innovation & Technology Alliance (GITA) and the Spanish Centre for Development of Industrial Technology (CDTI) have established the India-Spain Program of Cooperation on Industrial Research and Development, which provides financial support for joint R&D projects between Indian and Spanish industries and academic institutions.

# Overview (2/2)

India and Spain have established 26 bilateral agreements, covering a wide range of sectors, from trade and cultural cooperation to civil aviation and defense. Key agreements include:

- Agreement on Trade and Economic Cooperation (1972)
- Civil Aviation Agreement (1986)
- Double Taxation Avoidance Agreement (1993)
- Bilateral Investment Protection and Promotion Agreement (1997)
- Extradition Treaty (2002)
- Mutual Legal Assistance Treaty on Criminal Matters (2006)
- Memorandum of Understanding on Agriculture and Allied Fields (2009)
- MoU on Defense Cooperation (2012)
- Protocol for amending the Convention and Protocol between India and Spain for the avoidance of double taxation and the prevention of fiscal evasion concerning taxes on income and on capital, originally signed in February 1993 in New Delhi (2012)

# Overview (3/3)

India-Spain DTAA - The India-Spain Double Tax Avoidance Agreement (DTAA) covers capital and income taxes in both countries to prevent double taxation and tax evasion. In Spain, it applies to individual income tax, corporate tax, and capital tax, while in India, it covers income tax, surtax, and wealth tax. The DTAA also extends to future comparable taxes, ensuring flexibility.

Key tax provisions include:

- Tax rates: Dividends are taxed at 15 percent, interest at 15 percent, and royalties or technical service fees at 10 percent.
- Capital gains: Gains from movable property, such as stocks, are typically taxed in the seller's home country, eliminating double taxation.
- Employment income: Employees working in one state for less than 183 days are taxed only in their home state. For longer stays, the DTAA allows for tax offsetting to prevent double taxation, encouraging cross-border employment and economic cooperation.

# Sectoral Synergies



## *Renewable Energy*

Both India and Spain are committed to achieving ambitious renewable energy targets. With Spain's advanced technologies collaboration to increase India's renewable energy capacity, and joint ventures in this sector have the potential to drive sustainability efforts forward. Together the two countries can collaborate on energy storage solutions, smart grids and green hydrogen to make a big impact on the global economy.

- Madrid-based Zelestra aims to establish 10 GW of renewable energy capacity in India by 2030, doubling its initial target of 5 GW by 2026, according to CEO Leo Moreno. The company plans to invest approximately USD 5 billion in renewable energy projects by the end of the decade.
- Spain's Acciona Energia reached a three-year deal with India's Waaree Energies to supply an additional 1.5 gigawatts (GW) of solar PV modules for projects in the U.S. Waaree will provide its N-type TOPCON modules for projects being developed by Acciona in the U.S. from 2024 to 2026. Spain is keen to expand its presence in renewables, especially offshore wind and solar energy.



## *Defence and Security Cooperation*

Over the past few decades, India and Spain have been strengthening their defence ties. In 2020 the two nations signed an agreement, to collaborate on the construction of new-generation ships for the Indian Navy. This partnership marked a milestone in India-Spain defence cooperation, showcasing Spain's capabilities in shipbuilding and India's aspirations to modernise its navy.

In a major step forward for India's defence and aviation sectors, Prime Minister Narendra Modi and Spanish Prime Minister Pedro Sanchez inaugurated the Final Assembly Line (FAL) for the C295 aircraft in October 2024, marking a shining example for India's "Make in India" initiative.

# Sectoral Synergies



## *Defence and Security Cooperation*

- Auto components major Bharat Forge Limited said its wholly owned subsidiary, Kalyani Strategic Systems Limited (KSSL), has entered into a joint venture agreement with Spain-based Duma Engineering Group S.L. (DUMA) to establish a new defence-focused joint venture company in Spain.
- Indra Group and the Indian technology company AXISCADES have signed an agreement to collaborate on the production of solutions for the aerospace and defense markets.
- Under a USD 2.6 billion contract, the first of the 56 Airbus/EADS CASA C-295 medium, a tactical transport aircraft, were inducted into the Indian Air Force recently. Designed and initially manufactured by the Spanish aerospace company CASA, the project was part of the modernisation plan of the Airforce's transport fleet. Overall, the European plane maker will deliver 16 aircraft in flyaway condition. At the same time, the rest will be assembled in India at a Tata facility in Gujarat's Vadodara by 2025-26 and the remaining 39 by August 2031.
- Spain's state-owned defence giant Navantia plans to bid for an Indian Navy contract to build four amphibious transport vessels, adding to its other bid to develop six submarines. The company will bid for four landing platform dock (LPD) amphibious vessels along with Larsen and Toubro to strengthen its presence in the Indian defence market. Navantia will also seek Indian partners to build wind turbine and renewable energy projects in foreign markets.

# Sectoral Synergies



## Infrastructure and Mobility

Spain is globally recognised for its expertise in infrastructure, particularly in high-speed rail, metro systems, and highways. This provides immense opportunities for cooperation for a rapidly urbanizing India. Recently, an MoU was signed between India and Spain for cooperation in planning, design, development, commissioning, and operation of infrastructure, stations, railways facilities and equipment of long-distance passenger, and freight networks as well as urban, and regional railway systems

- Jupiter Wagons Ltd (JWL) which is a Kolkata-based mobility solutions provider is planning to enter into the manufacturing of metro coaches and similar urban rapid mass transit systems and high-speed trains as well. JWL, therefore, has entered into a partnership with Spanish firm CAF and is planning to set up a manufacturing facility at IRB Infrastructure Trust.
- IRB Infrastructure Developers Limited announces the acquisition of 24% stake in IRB Infrastructure Trust by Cintra, a subsidiary of Ferrovial, from GIC Affiliate.
- Spain's Acciona Energia reached a three-year deal with India's Waaree Energies to supply an additional 1.5 gigawatts (GW) of solar PV modules for projects in the U.S. Waaree will provide its N-type TOPCON modules for projects being developed by Acciona in the U.S. from 2024 to 2026. Spain is keen to expand its presence in renewables, especially offshore wind and solar energy.



## Auto Components

Spanish bearings maker Fersa Group has entered India through a majority stake purchase in the Mumbai-based Delux Bearings, a manufacturer of bearings and electromechanical components for all machinery and light and heavy commercial vehicles. The Spanish group, headquartered in Zaragoza, specialises in smart mobility solutions and powertrain components for the automotive, wind energy, and industrial sectors. The latest inorganic acquisition is its third over the past seven years to strengthen its global strategy and consolidate its growth. It acquired an Austrian company NKE, in 2016, and PFI, an American company, in February 2022.

# Sectoral Synergies



## *Manufacturing*

- PREMO, a leading Spanish company specializing in the development and manufacture of electronic components, and Delta Manufacturing Ltd, a prominent Indian manufacturer of soft ferrite cores, are pleased to announce a strategic joint venture aimed at enhancing the production and innovation of soft ferrite components for the domestic and global electronics industry.
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## *Fashion/Retail*

- Trent trims stakes in Zara, Massimo Dutti JVs with Inditex, focusing on expanding Zudio and Westside. Chairman Noel Tata highlights consumer demand for accessibility and aspirational value. Trent now operates over 1,000 stores, eyes tenfold growth with rising revenue momentum.
- Spanish multinational retail clothing chain Tempe Grupo Inditex (Zara) is expanding its manufacturing operations to Bengal in partnership with private entities.

# Sectoral Synergies



## Pharma

- The ALPLA Group with its division ALPLApharma and the Spanish packaging company Inden Pharma are strengthening their footprint in the pharmaceutical market by establishing a joint venture. ALPLApharma is bringing production sites in Greece and Poland into the cooperation, complemented by Inden Pharma's two facilities in Spain and an additional one the two companies are jointly building in Germany. The companies are planning a combined annual production of around 800 million pharmaceutical packaging products in 2023 and a three-fold increase in the next five years.
- Agrochemical firm Dhanuka Agritech is exploring options to set up a joint venture with Spain-based Kimitec to develop and commercialize biological products meant to improve crop health. Gurugram-based Dhanuka Agritech has signed a 'Letter of Intent' with Kimitec to "explore various business opportunities, including setting up a joint venture in India for the development and commercialization of biological products using natural molecules and derived from natural sources."
- Insud Pharma, a leading Spanish multinational pharmaceutical company, inaugurated its state-of-the-art Oligonucleotides Centre at its campus in Chemo India Formulation Private Limited, a wholly-owned subsidiary of Insud Pharma. This is the first-of-its-kind research and production center in India, focused on Oligonucleotides research and commercial production. It also ranks among the top 5 globally, alongside brand companies, with a focus on the US, EU, and numerous global markets. This facility has been inspected and approved by the US FDA, Spanish Health Agency, Drug Control General of India, and various international customers.



## Others

- Spain-based Edibon has signed a memorandum of understanding (MoU) with the Tamil Nadu government to invest INR 540 crore in the state. In a recent visit, Chief Minister MK Stalin inked an agreement with Edibon during his visit to Spain. Edibon is engaged in the area of design, manufacturing and commercialisation of technical teaching equipment.

# Key Representative Experience

## SPAIN

### Isolux Corsan S.A.

- Investments in SPVs formed with their consortium partner, Soma Enterprises Ltd., for the concessions granted to them for the development of the various highways on a PPP basis.
- IP rights dispute with Symantec Corp.
- Raising a non-recourse loan for its proposed acquisition of 26% equity in a project company (Chhattisgarh Surguja Power) for a 4000 MW ultra-mega power project in Chhattisgarh.
- Waiver of the claims regarding liquidated damages under the Concession Agreement would affect Isolux's other rights and remedies.

### Abengoa Solar S.A.

- JV with an Indian company for developing and acquiring solar power projects in India. The advice involved transactional documentation, negotiations with the joint venture partner and general corporate advice regarding investments in India.
- Tender documents for participating in the bidding process to be conducted in accordance with the Guidelines for Selection of New Grid Connected Solar Power Projects issued under the Jawaharlal Nehru National Solar Mission.

## SPAIN

### Inabensa, Spain

- Issues related to the bid and the agreements. Advising on the bids invited by Power Grid for the Western Region Strengthening System (WRSS) Projects "B" and "C".

### Grupo Guascor, Spain

- Investments in its subsidiary in India and on general power sector issues.

### Caixa D' Estalvis I Pension De Barcelona (La Caixa)

- Civil and criminal proceedings.

### Aldesa Construcciones

- Bid process, its joint venture agreement and other arrangements with Tata Projects Limited (TPL) for implementing the project, and various other Indian law and tax issues in relation to structuring Aldesa's participation in the project.

### T-Solar

- Investment in Astonfield's solar power project in Rajasthan.
- Investment in Astonfield's SPV to partially finance the costs of an 11.5 MW solar project in Gujarat.



# Key Representative Experience

## SPAIN

### SEMI

- Award of the contract by the Rail Vikas Nigam Limited for the doubling (with railway electrification) of the Vijayawada–Bhinavaram– Nidadavole section and Guntur–Tenali section of the South-Central Railway.

### Duro Felguera

- Contractual arrangements with Gangavaram Port Limited. various exchange control issues including the permissions and approvals required and procedure involved for creating security by way of pledge of shares of an Indian company in favour of an overseas lender and issue of a guarantee by an Indian company for a loan granted in favour of its overseas parent and reviewing and amending the overseas facility agreement and RBI application and preparing the onshore security documentation.

### Teyma España

- Employer's obligations, hiring blue- and white-collar workmen in India.

## SPAIN

### Fotowatio Renewable Ventures

- Tender documents for participating in the bidding process to be conducted in accordance with the guidelines for selection of New Grid Connected Solar Power Projects Batch II issued under the Jawaharlal Nehru National Solar Mission.

### Magnum Capital Industrial Partners

- Arbitration arising from its investment in India.





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