



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

Diversify your Business to India: Opportunities & Channels of Entry

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About the Speaker



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- ❑ Rohit Kapur is the Managing Director for DSA India, based in New Delhi office. He is a Chartered Accountant and has over 30 years of experience in managing engineering MNCs.
- ❑ He carries with him a strong experience of building, managing and advising start ups in India and scripting their success stories. He has diverse and rich experience ranging from restructuring and turning around multinational companies to align them with changing and evolving economic and market conditions to establishing greenfield start-ups.
- ❑ He is well versed with the Indian tax and regulatory framework and has assisted several companies with their inbound and outbound investment / business plans across diverse sectors. Prior to joining DSA, Rohit was a Managing Director of a Multinational Conglomerate in engineering goods.

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India: An Overview



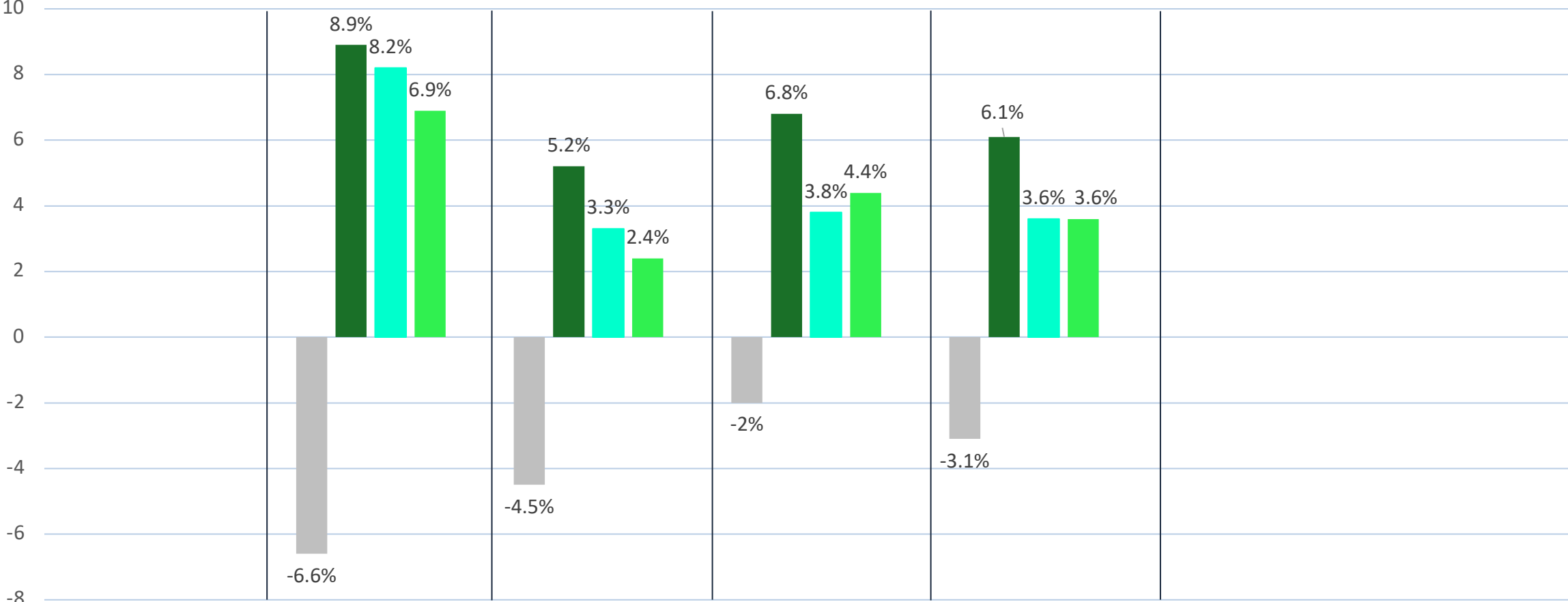
Advantage India



- ✓ **Federal Democratic Republic** with 28 States and 8 Union Territories.
- ✓ **Secular country** with 79.8 % Hindus, 14.23% Muslims, 2.3% Christians and smaller percentages of Sikhs, Buddhists, Jains, Parsis, Jews.
- ✓ World's **largest democracy** with 1.42 billion people.
- ✓ Young country with a **median age of 28.4 years**
- ✓ **Cost Competitive labor** force of nearly 437 million workers.
- ✓ **Stable political environment** with a broad consensus on the direction of the Economy.
- ✓ Proactive measures to **reduce bureaucratic hurdles and red tapism and improve Ease of Doing Business.**
- ✓ Land of **abundant natural resources.**
- ✓ **Investor friendly policies** and incentive-based schemes to attract FDI.

Economic Outlook

GDP GROWTH RATES



Source: IMF

■ 2020 ■ 2021 ■ 2022 ■ 2023

Economic Outlook

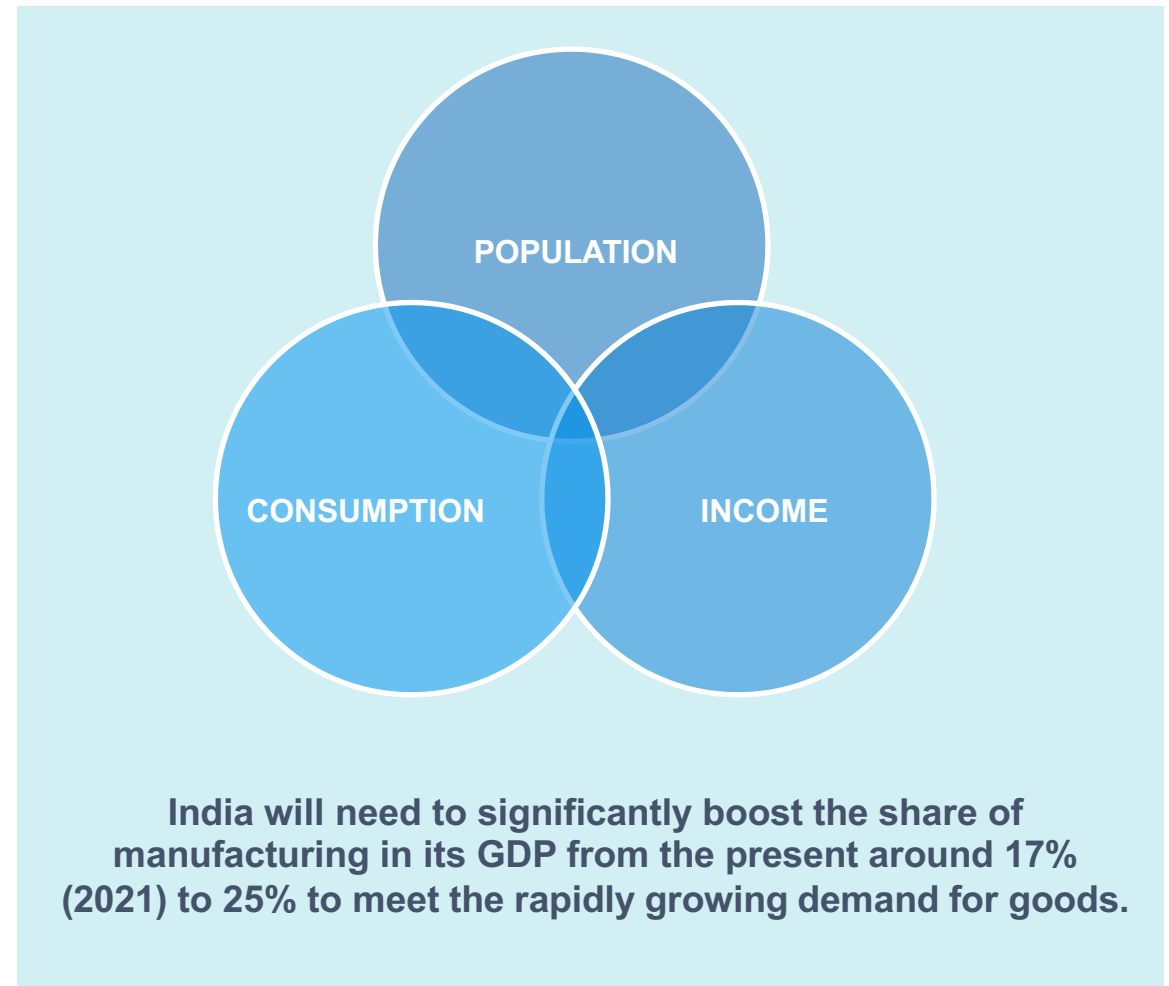
All indicators point to growth of the Economy:

- **Goods and Services Tax (GST) collection crossed the INR 1.4 Trillion (US\$ 18 billion) mark for the 6th month in a row in August 2022**, indicating a robust economic recovery.
- **The Purchase Managers Index (PMI) stood at 56.4 in August 2022**, signaling expansion in the Manufacturing Sector, supported by a revival of demand for consumer goods.
- **India's exports** of Goods and Services during April to August 2022 **stood at USD 311.82 Billion** clocking an increase of 19.72% over the similar period in the previous year. During this period **Imports** stood at **USD 390.91 Billion**, clocking an increase of 43.78% over the similar period in the previous year. Whilst the trade deficit is at USD 79.10 Billion. These indicators signal ramping up of economic activity.
- **FMCG companies are expanding their production capacities** beyond pre-COVID levels. The industry is expected to grow at a CAGR of 14.9% to reach **US\$ 220 billion by 2025**, from US\$ 110 billion in 2020.
- **Automobile sales grew by 27%** and crossed the mark of selling 3 million-units in 2021. Sale of about **3.6-3.7 million units**, is anticipated for the year 2022, **17-20% higher** compared with last year's sales.
- As of July 2022, India stood as the **third-largest producer and second-largest consumer of electricity in the world**, with an installed power capacity of **384.11 Gigawatt (GW)**.

Market Potential in India

“Bird of Gold”- McKinsey Report 2007

- India’s Earning, Purchasing and Consuming Middle class is expected to be **583 million by 2025-2026**.
- The NCAER carried out an independent study in 2012 which reported that India’s middle-class population would be **547 million by 2025-2026**.
- Over the next two decades, Indian Income will almost triple – Per Capita Annual Disposable Income will grow from INR 113,744/- (**US\$ 1,750**) in 2005 to INR 318,896/- (**US\$ 4,908**) by 2025.
- India is expected to become World’s **Fifth Largest Consumer Market by 2025**. Consumption will be INR 70 Trillion (**US\$ 107,800 Million**) by 2025.



Economic Outlook

India is a US\$ 3.5 Trillion Economy

5th largest economy in the world, 3rd largest in terms of Purchasing Power Parity, just after USA and China

IMF forecasts the GDP growth to be 8.2% for the year 2022-23

HealthCare, Agri- food, IT, Fintech, and E-Commerce have grown sharply even during the pandemic and this trend is expected to continue.

India expects to grow on the backbone of rapidly increasing demand for consumer goods from the expanding Earning, Purchasing and Consuming middle class.

Growth in power consumption, rail freight, e-way bills, digital transactions, and robust GST collections are all indicators of a V shaped recovery of the Economy

Doing Business with Indians



Doing Business with Indians

A “Typical Indian”

- Lives in a **joint family**. Cares for her elders and nurtures her children, till they are old enough to care for her
- God fearing yet not overtly religious. **Tolerant & Secular**, accepting of others’ beliefs.
- Aspires to at least be a **Graduate** and get a **white collared job**, preferably with the Government.
- Blend of the **Traditional and the Modern**. Open to external influences yet retaining the traditional values and culture.
- Generally **helpful and hospitable**.
- Believes in **fate**.

Doing Business with Indians

- Does not openly express disagreements. Will say “will get back to you on this” or “lets explore other possibilities”, etc., **rather than an outright “No”**.
- **Negotiations** can be arduous, long winded and multi-tiered. You have to be **prepared to invest a lot of time** and patience in the process.
- Will be **formal till a certain level of comfort** is reached after a few meetings. Even then, doesn't like getting on to first names. Especially, the bureaucrats.
- Tends to **ask questions which may not be directly related** to the subject of the meeting. It's a way to better understand you and the purpose of the meeting in the overall context. May seem intrusive to westerners
- **Relationships and feelings play a larger role** in decisions in India. Tend to take larger risks with people who they feel they can trust.
- Bureaucratic processes and procedures have been significantly reduced due to the **rapid digitization of most approval processes**, which are now online. However, it is important to get the documentation right for a swift approval.
- With digitisation, **Corruption has progressively reduced** and can be resisted if things are done correctly the first time.

Doing Business with Indians

- Know that **patience is the key which unlocks all doors** and understand that being pushy could lead to reversals and hostility.
- Indians have a long history of trade and business. They understand the nuances of international business.
- **Do proper homework** and take a long-term view of the market. Don't pack bags and run at the first sign of trouble.
- India has a **vast pool of competent managerial and technical manpower**. Use them to run the business locally.
- Set up good and **practical work processes** and monitoring systems which are not intrusive, yet effective in ensuring budgets, policies and values of the mother company are being followed diligently.
- Generally, Indians are **ethical** in their business practices.

India's FDI Policy



FDI Policy of India

Investment climate in India has improved considerably since the opening up of the economy in 1991.

Automatic Route	Prohibited Sectors	Approval Route
<ul style="list-style-type: none">• FDI is allowed under the automatic route without prior approval of the Government or the Reserve Bank of India (RBI) in most activities/sectors• FDI, up to 100%, is permitted in most sectors in India under the 'automatic route'. In few sectors, under the automatic route, foreign investment cannot exceed the specified limits	<ul style="list-style-type: none">• Foreign investment is prohibited in specified activities / sectors<ul style="list-style-type: none">➤ Lottery, Gambling➤ Manufacturing of cigarettes➤ Atomic energy➤ Railway (except Mass Rapid Transit System, MRTS)➤ Construction of farmhouses➤ Chit funds	<ul style="list-style-type: none">• Under the Government Route, prior to investment, approval from the Government of India is required.• Proposals for foreign investment under Government route, are considered by respective Administrative Ministry/ Department

With the abolition of Foreign Investment Promotion Board (FIPB), approval for foreign investment under the extant FDI Policy and FEMA Regulations, if required, has been entrusted to the concerned Administrative Ministries/Departments.

Permitted Investment Percentage

Automatic Route			
Non-banking finance companies	100%	Medical Devices	100%
Broadcasting carriage services	100%	Railway infrastructure	100%
Airports	100%	Credit information companies	100%
Auto components	100%	Petroleum & Natural Gas (Exploration activities...)	100%
Automobiles	100%	Telecom Services	100%
Maintenance and repair organizations: flying training and technical training institutes	100%	Petroleum refining by PSU	Up to 49% - Automatic
Construction development	100%	Infrastructure company in the securities market	Up to 49% - Automatic
Industrial parks	100%	Insurance	Up to 100% - Automatic
Trading: wholesale and ecommerce	100%	Pension Sector	Up to 49% - Automatic
Single brand retail trading	100%	Power Exchanges	Up to 49% - Automatic
Agriculture & Animal Husbandry	100%	Defence	100% Overall/ Automatic up to 74%
Pharmaceuticals	100% in greenfield projects and up to 74% in existing businesses	Banking: Private sector	74% Overall/ Automatic up to 49%
		Private Security Agencies	74% Overall/ Automatic up to 49%

Permitted Investment Percentage

Government Route	
Multi brand retail	51%
Mining and mineral separation of titanium bearing minerals and ores	100%
Defence	Above 74% & Up to 100%
Publication of facsimile edition of foreign newspaper	100%
Print media: publishing of newspaper and periodicals dealing with news and current affairs	26%
Print media: publishing of Indian editions of foreign magazines dealing with news and current affairs	26%
Satellites: Establishment and operations	100%
Banking: Private sector	Above 49% & Up to 74%
Banking: Public sector	20%
Private Security Agencies	Above 49% & Up to 74%

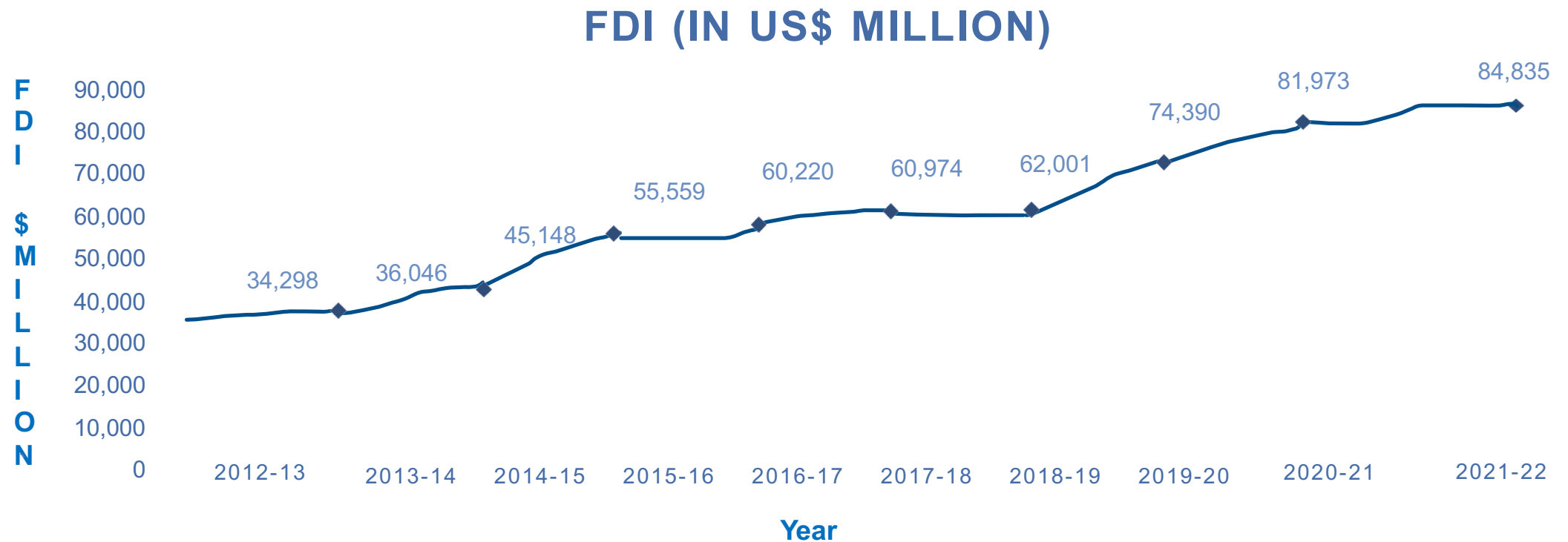
Source: dipp.nic.in and pib.nic.in

Recent changes in FDI Policy

- India's latest **consolidated foreign direct investment (FDI) policy** is in effect from October 15, 2020
- An entity of a country, which **shares a land border with India** or where the beneficial owner of an investment into India is situated in or is a citizen of any such country – can invest only under the **Government approval route**.
- India recently passed The Insurance (Amendment) Act of 2021, which increases the foreign direct investment (FDI) cap in the **insurance sector** from 49 percent to 74 percent.
- The FDI cap in the **telecom sector** (under the automatic route) has also been increased from 49 percent to 100 percent, to accompany other major structural and process reforms for the telecom sector, which are primarily aimed at increasing liquidity and reducing the regulatory burden of the telecom sector.
- In the recent past, the Government has brought FDI policy reforms in a number of sectors viz. Defence, Construction Development, Pension, Other Financial Services, Asset reconstruction Companies, Broadcasting, Civil Aviation, Pharmaceuticals, Trading etc.
- Despite the ongoing pandemic and global developments, India received the highest annual FDI inflows of **US\$ 84,835 million** in FY 21-22 overtaking last year's FDI inflow of US\$ 81,973 million by US\$ 2.87 billion.
- India is **expected to attract foreign direct investments (FDI) of US\$ 120-160 billion per year by 2025** according to industry reports. India remains an attractive market for international investors both in terms of short-term and long-term prospects.

Foreign Direct Investment in India

FDI Investment in India on the Rise!



Foreign Direct Investment in India

Top 5 investing countries in India in FY 2021-22

S.No	Countries	Percentage share
1	Singapore	27.01%
2	USA	17.94%
3	Mauritius	15.98%
4	Netherlands	7.86%
5	Switzerland	7.31%

Top 5 sectors attracting investments in FY 2021-22

S.No	Sectors	Percentage share
1	Computer Software & Hardware	24.6%
2	Services	12.13%
3	Automobile	11.89%
4	Trading	7.72%
5	Construction	5.52%

Top 5 States attracting the largest FDI in 2021-22

S.No	States	Percentage share
1	Karnataka	37.55%
2	Maharashtra	26.26%
3	Delhi	13.93%
4	Tamil Nadu	5.10%
5	Gujarat	4.76%

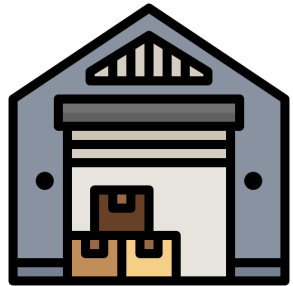
Channels of Trade



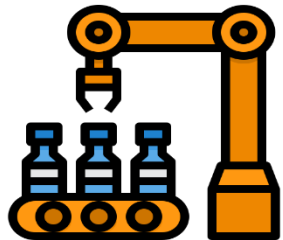
Channels of Doing Business in India



1. Exporting to India



2. Exporting to India and Re-exporting from India through FTWZs



3. Manufacturing in India

Exporting to India



Exporting to India

- **Companies can export goods directly to customers and Indian distributors/ agents to access the local market and offer after sales services.**
- However, there are also **certain risks** which are associated while working with distributors –
 - loss of control on how products are marketed and priced locally. Distributors tend to withhold market information to ensure that supplier remains dependent on the distributor for market access
 - long credit cycles and risk of payment default,
 - Working with exclusive distributors carries the risk of creating a **Permanent Establishment (PE)** as per tax laws in India.
- Therefore, **once you are certain that India is the right country for selling your products, it is advisable to establish your own trading entity in India. This will bring better control over the Distributor network and keep you updated on market trends and developments.** With digitization and automation, setting up of an entity has become simple and doesn't take long (4 to 6 weeks) if all the documentation is in order.
- You can choose the most appropriate entity type depending upon your business plans in India. You can choose between a Liaison Office, Branch Office, Limited Liability Partnership or a Private Limited Company (WOS). DSA can assist you in making the right choice.
- Under India's **Foreign Trade Policy (FTP)** customs duty exemptions and drawbacks are allowed under certain circumstances. DSA can assist you in determining your eligibility under these schemes.

The “HOW” of Exporting to India



Exporting to India – Where to Start?

1. Documentation required for exporting

The documents required depend on the products you export to India. Apart from the documents for the transportation of goods, insurance and payment mechanism you may also need documents such as:

- Know Your Customer (KYC)
- Directorate General of Foreign Trade (DGFT) declaration
- Purchase order/Letter of Credit
- Bill of Lading / Airway bill
- Bill of Entry
- Commercial Invoice and packing list
- Technical write up for specific goods, if any

2. Import license requirements

- Most goods can be shipped to India without an import license
- However, for a small category of goods, requirement of an import license may be stipulated, depending upon the prevailing IMPEX Policy

Exporting to India – Where to Start?

3. Standards and regulations

- Some Imported products, like IT and Electronic products need to meet Indian quality standards and are required to be certified by the Bureau of Indian Standards (BIS) to be eligible for import into India.
- An NOC must be obtained from the Food Safety and Standards Authority of India (FSSAI) for the import of food items into India.
- Drugs and Cosmetics would require to be registered and approved under the Drugs & Cosmetics Act, 1940.

4. Labelling requirements

- Product labels can be in English or Hindi. All imported goods, as well as transport documents, must mandatorily show standard metric units of measurement and weight.
- A Free Trade Warehousing Zone (FTWZ) can be used for packaging and labeling in India (*Details in subsequent slides*).

5. Duty

- Central Board of Excise and Customs (CBEC) provides information on Indian customs tariffs (*Details in subsequent slides*).

Special Valuation Branch (SVBs)

The Special Valuation Branch ("SVB") is a unit of the Indian custom authorities that investigates valuation of goods imported from related parties.

Duty on Imports

Factors that go into calculating customs duty include:

- **Basic Customs Duty (BCD)** levied either as
 - (i) a specific rate based on the unit of the item (weight, number, etc.), or more commonly,
 - (ii) ad-valorem, based on the assessable value of the item.

In some cases, a combination of the two is used

- **Peak customs duty** is the highest general rate applicable to majority of imports. At present, the peak customs duty in India is around 10%. Implication is that the highest basic duty imposed on largest number of imported goods is 10%.
- **Social Welfare Surcharge** levied at 10% of the value of goods.
- **Goods and Services Tax (GST):** Integrated Goods and Services Tax (IGST) is levied in the state where the imported goods are consumed, and imported services are received.

IGST is a value added tax and can be set-off at each stage till it is sold to the ultimate consumer.

- **Anti-dumping Duty:** Imposed if the good being imported is below fair market price.
- **Safeguard Duty:** Levied if the government feels that a sudden increase in imports can potentially damage the domestic industry.
- **Customs Handling Fee:** Levied at the rate of 1%.
- **Compensation cess:** Levied on certain notified goods considered to be 'sin' or 'luxury' goods. For example, SUV vehicles (more than 4 metres) are charged 50 per cent GST, of which the GST tax rate is 28 per cent and the compensation cess is 22 per cent. Compensation cess is applicable in addition to regular GST.

Duty on Imports - Calculation of Import duty (An illustration)

S.No	Items and Description	Value	Import
A	Cost, Insurance, Freight (CIF) at Indian Port	99	99
B	Assessment value @1% of CIF as landing charges	1	1
C	Basic Customs Duty (BCD) @ X% of Assessment value	$100 * X\%$	$100 * 10\% = 10$
D	Social welfare Surcharge (SWS) @10% of (C)	$(100 * X\%) * 10\%$	$10 * 10\% = 1$
E	Integrated Goods & Services Tax (IGST) = $(A+B+C+D) * \text{IGST value}$. India has 5 slab rates – 0%, 5%, 12%, 18%, 28%	$(A+B+C+D) * \text{IGST Value}$	$111 * 18\% = 19.98$
F	Compensation cess	$(A+B+C+D+E) * \text{Compensation cess value}$	None
G	Total value including Customs Duty	$(A+B+C+D+E+F)$	130.98
H	IGST Set-off		19.98
I	Total Landed Value after IGST Setoff	G-H	111

Import duty for all products can be viewed here <https://www.cbic.gov.in/htdocs-cbec/customs/cst2021-020221/cst-idx>

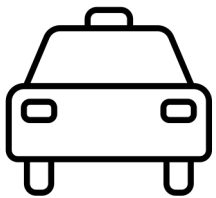
Re-Export from India



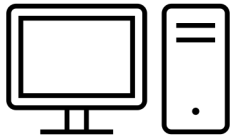
Exporting to India – Free Trade Warehousing Zone (FTWZ)

How Foreign investors can take advantage of FTWZ

- **Duty free import** of all goods (except prohibited items, arms and ammunitions, hazardous wastes and SCOMET items) for warehousing.
- Units in **FTWZ can hold goods** on account of exporters and dispatch as per the owner's instructions.
- Goods **can be sold in the Domestic Tariff Area (DTA) on payment of custom** duties as applicable on the date of such sale.
- Can re-export these goods without paying duty.
- Can do packing, repacking, assembly of CKD and SKD goods (at a much lower cost than at home country).
- **Examples:**



1. An automobile manufacturer can hold components **duty-free** in the FTWZ and clear them as per requirement, and quickly, on duty-paid basis to the Indian market. Extra or faulty parts can be **re-exported without loss**.



2. FTWZ can be **used to assemble** Televisions, mobile phones, etc., by sourcing different parts duty-free from different countries, and then the assembled products can be re-exported to other countries without payment of any duties.

Exporting to India – Free Trade Warehousing Zone (FTWZ)

- **Activities permitted in FTWZ:**

- Warehousing of goods on behalf of foreign or domestic clients
- Trading with or without labelling
- Packing and repacking
- Re-sale, re-invoice, or re-export of goods
- Assembly of complete and semi-knockdown goods
- Kitting and various value optimization services on the goods

- **Key conditions:**

- The maximum period that goods shall be permitted to be warehoused within the FTWZ will be **two years**, after which they shall necessarily have to be re-exported or sold in the DTA.
- On expiry of the two-year period, **customs duties as applicable would automatically become due** unless the goods are re-exported within such **grace period**, not exceeding three months, as may be permitted.
- Units in FTWZs shall be net foreign exchange earners.

S.No.	NAME OF THE DEVELOPER
1.	OnnSynex Ventures Pvt. Ltd.
2.	AMRL SEZ and AMRL FTWZ, Nanguneri, Tirunelveli, Tamil Nadu
3.	Arshiya International Ltd., India's first fully functional and operational FTWZ, Navi Mumbai
4.	Chennai Free Trade and Warehousing Zone (J Matadee FTZ), Chennai, Tamil Nadu
5.	Inspira Pharma and Renewable Energy Park, Aurangabad, Maharashtra, India
6.	Sricity Multi product SEZ
7.	Kandla Free Trade Warehousing Pvt. Ltd. (KANDLA FTWZ)
8.	Balaji Infra Projects Limited (BIPL)
9.	FAB City SPV, India
10.	LMJ Warehousing, Gujarat
11.	Jafza Chennai Business parks, Gujarat
12.	Shipco Infrastructure, Karnataka
13.	Chiplun Infrastructure Private Limited
14.	DLF Universal

List of FTWZs in India

Manufacturing in India



Advantages of Manufacturing in India

- **Lower Corporate Income tax rate** of 15% for new manufacturing companies, if set up before 31st March 2023.
- India has the **world's largest youth population** in the world, **cost competitive labor force** of nearly 437 million workers, and is **third-largest group of scientists and technicians** in the world.
- The **new labor codes will foster a more conducive management – worker relationship**, leading to an easier and friendlier business regime in India.
- In case of local production, a foreign company is able to:
 - a) **Inspire confidence** in customers through its physical presence in India
 - b) Use **India as a springboard** to export to other countries specially towards the Far-East
 - c) Take advantage of central and **state incentives for lowering the overall cost** of the product
 - d) Have **eyes on the ground** to manage and oversee the entire business effectively
- Import of raw materials, parts and components (at lowest customs duties) or CKD (Completely Knocked Down) (at slightly higher customs duties) in India to assemble or manufacture the complete product. Thus, reducing **customs duty and becoming price competitive**.

**Incentive Schemes: PLI
(Production Linked Incentive)
Scheme, EMC 2.0, SPECS**



Government Initiatives

Production Linked Incentive scheme (PLI)

Objectives

- To help manufacturing companies become an integral part of global supply chains, possess core competence and cutting-edge technology
- To bring scale and size in key sectors and to provide employment
- To boost domestic manufacturing and attract large investments in the electronics value chain

Target Segments

- 13 sectors (*covered in next slide*)

Incentives

- Financial incentive of 4% to 6% on incremental sales of goods manufactured in India (over the base year 2019-20)
- INR 197,000 crore (US \$ 26.98 billion) for 13 sectors in next 5 years

Tenure

- 4-6 Years subsequent to the base year

Government Initiatives

13 sectors covered under PLI scheme



Textiles
CAGR: 3.7% (2018-28)



Medical Devices
CAGR: 14.8% (2021-22)



Automobile & Auto Components
CAGR: 5% (2020-26)



Mobile Manufacturing & Specified Electronic Components
Smartphone market CAGR: 14.56% (2018-2023)
Mobile components CAGR: 19.2% (2019-2024)



Advance Chemistry Cell battery
Battery Market CAGR: 15% (2016-2026)



Electronic/Technology Products
CAGR: 30% (2020-25)



Pharmaceutical Drugs
Pharma market CAGR: 8-11% (2020-2023)



Telecom/Networking Products
Networking market CAGR: 5.2% (2019-2024)



Drug Intermediaries and Active Pharmaceutical Ingredients
CAGR : 6.1% (2018-26)



Food Products
CAGR: 10.35% (2021-25)



Solar PV
Solar market CAGR: 40% (2020-25)



White Goods: ACs/LED
CAGR: 11% (2019-25)



Steel Products
CAGR: 6.99% (2016-2020)

Government Incentives

1. Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECs)

- Aims to strengthen the manufacturing ecosystem for electronic components and semiconductors.
- Its target segments are Electronic Components, Semiconductors, Specialized Sub-Assemblies and Capital Goods for these items.

2. Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)

- Aims to strengthen the infrastructure base for the electronics industry and deepen the electronics value chain in India.
- Its target segments - Electronic Components, Semiconductors, Specialized Sub-Assemblies and Capital Goods for these items.

An Indian conglomerate Vedanta is investing USD 19.25 Billion in a joint venture with Foxconn, Taiwan for the manufacture of Semi conductors in the state of Gujarat in India

This will give an impetus to the plan of a USD 1 Trillion Digital National Economy

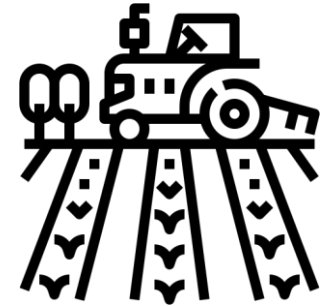
Investment Opportunities



Investment Opportunities

- Indian food and grocery market is the **world's sixth largest**.
- **Largest producer of spices, pulses, milk, tea, cashew and jute**, and the **second-largest producers of fruits and vegetables**
- **2nd largest arable land in the world** with a land area of **159.7 million hectares**
- The food processing industry is India's **fifth largest manufacturing sector** by capacity. However, the **demand for agricultural inputs and allied services like warehousing and cold storages** is also increasing at a fast pace.

AGRI-FOOD



E-COMMERCE

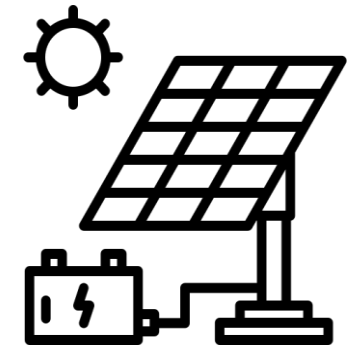


- **Fastest growing** e-commerce market in the world.
- Owing to the increasing internet user base and favorable market conditions, India has a lot of potential in the e-commerce industry. Unprecedented rise of **ePharmacies**, continuing **online grocery shopping**, and biggest ever **festive sales** resulted in further growth of this industry in 2021.
- India's e-commerce market size was approximately **US\$50 billion** in 2018 and is projected to reach **US\$200 billion by 2027**.
- The India's **online shopper base** to be the **2nd largest** globally by 2030, with nearly 500-600 million shoppers.

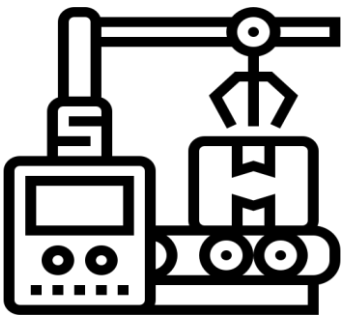
Investment Opportunities

- **5th largest installed capacity of renewable energy** in the world.
- During the past seven years, over **US \$ 70 billion investment** has been made in renewable energy in India.
- India has set an ambitious target of having **175 gigawatts (GW) of renewable energy by 2022**, and further aims to achieve **450 GW renewable energy installed capacity by 2030**.
- This represents opportunities for foreign companies engaged in renewable area to take advantage of India's ambitious targets by way of supplying components, parts, and even setting up in India to take advantage of India's PLI scheme in the solar segment.

RENEWABLE ENERGY



INFORMATION TECHNOLOGY



- India is emerging as the hub for “**Digital Skills**”.
- **IT industry in India** is the **largest employer** within the **private sector** and has **largest market share** in **global services sourcing industry**.
- **Third largest tech start-up hub** of the world, and **number one sourcing destination** for **IT-BPM globally**.
- Favorable **FDI policy**, **Technological improvements**, and growing **engineering resources** present huge opportunities for foreign companies.

Investment Opportunities for Foreign Businesses

- India is amongst the **fastest growing Fintech markets** in the world owing to the growing middle-class, increasing internet and smartphone penetration, and financial incentives.
- **3rd largest FinTech ecosystem** globally, Indian FinTech industry valued at **\$ 50-60 billion in FY21** and is estimated to be at **\$ 150 billion by 2025**.
- India has the **highest FinTech adoption rate globally of 87%** which is significantly higher than the global **average rate of 64%**.
- The Fintech sector has **1,860 startups**. As of December 2021, India had over **17 Fintech companies**, which have gained '**Unicorn Status**' with a valuation of over **\$1 billion**.

FINTECH



HEALTHCARE

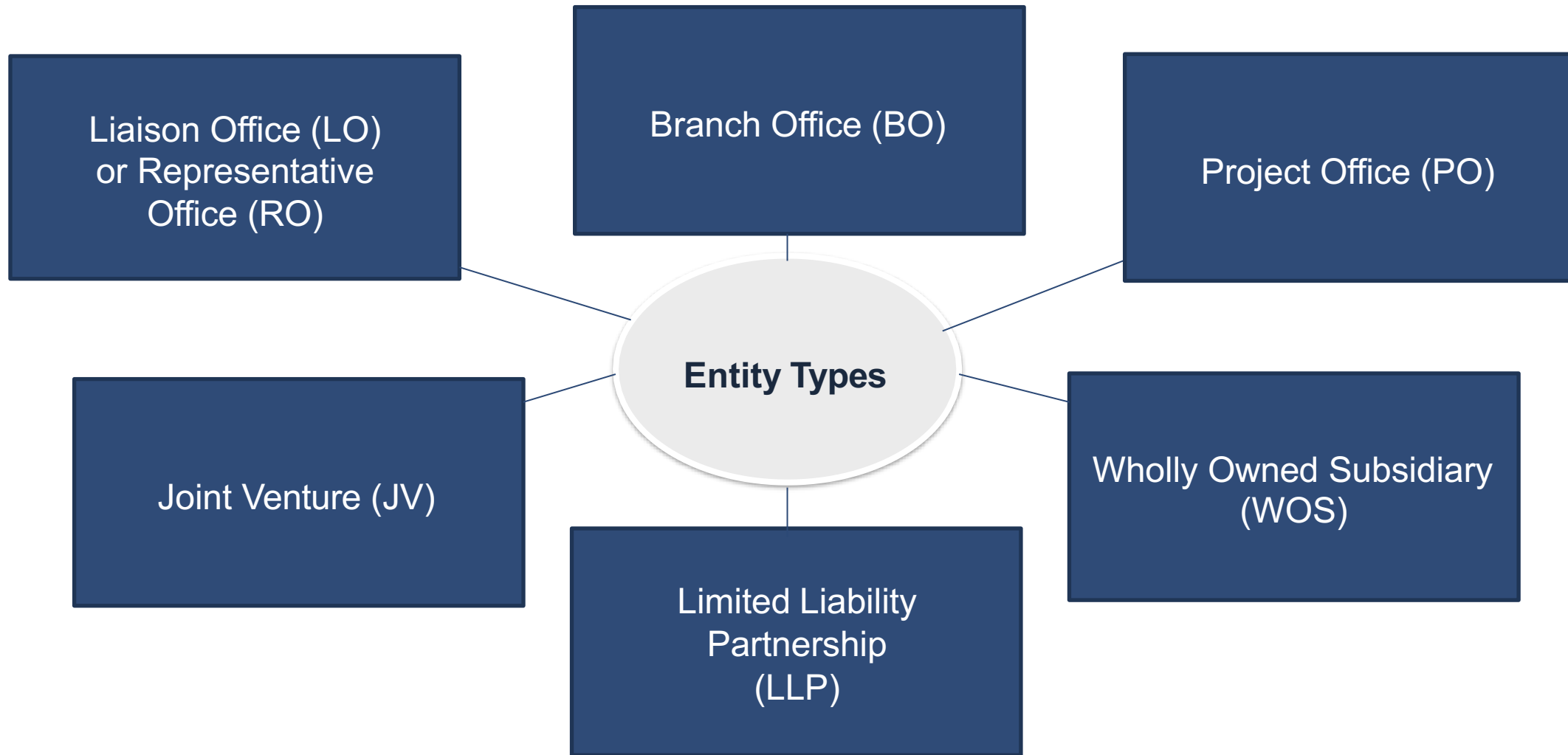


- One of India's **largest sectors** both in terms of **revenue** and **employment**.
- **India's pharmaceutical industry** is valued at **US\$41 billion** and expected to reach **US\$65 billion by 2024** and **US\$120 billion by 2030**.
- Strong network of 3,000 drug companies and about 10,500 manufacturing units.
- **Largest pharmaceutical manufacturing industry by volume**, the Indian pharmaceutical industry is expected to reach \$65 billion by 2024.
- **Rising population, growing incidence of lifestyle diseases** and **rising demand for affordable healthcare delivery systems** due to the **increasing healthcare costs** pose increasing opportunities for foreign companies to invest in this sector.

Market Entry Routes



Market entry in India



Thank You!



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Numbers that matter

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Dezan Shira's year of **establishment**.

300+

Our team of legal, tax, accounting and audit **professionals**.

2,000+

Multinational clients that have already chosen us.

80+

Countries served by our professional services.

28

Our **offices** in China, India, Vietnam, Singapore, liaison offices in Italy, the United States and Germany, and alliance offices in Indonesia, Malaysia, the Philippines, and Thailand.

Services in India

Suite of Services

1. Business Intelligence Services
2. Study of the business model to assess the most appropriate entity structure for establishing a presence in India.
3. Assistance in setting up the legal entity
4. Employee Recruitment & Onboarding Services
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6. Registration and administration under the applicable Goods and Services Tax laws in India
7. The following retainer services:
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 - b) Payroll Management
 - c) Book Keeping & Accounting
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9. Company Secretarial Services
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