



## MSI India Region

*Deepak Bhatt*

*Rishab Lodha*

*Lodha & Bhatt, Bangalore*

LODHA & BHATT

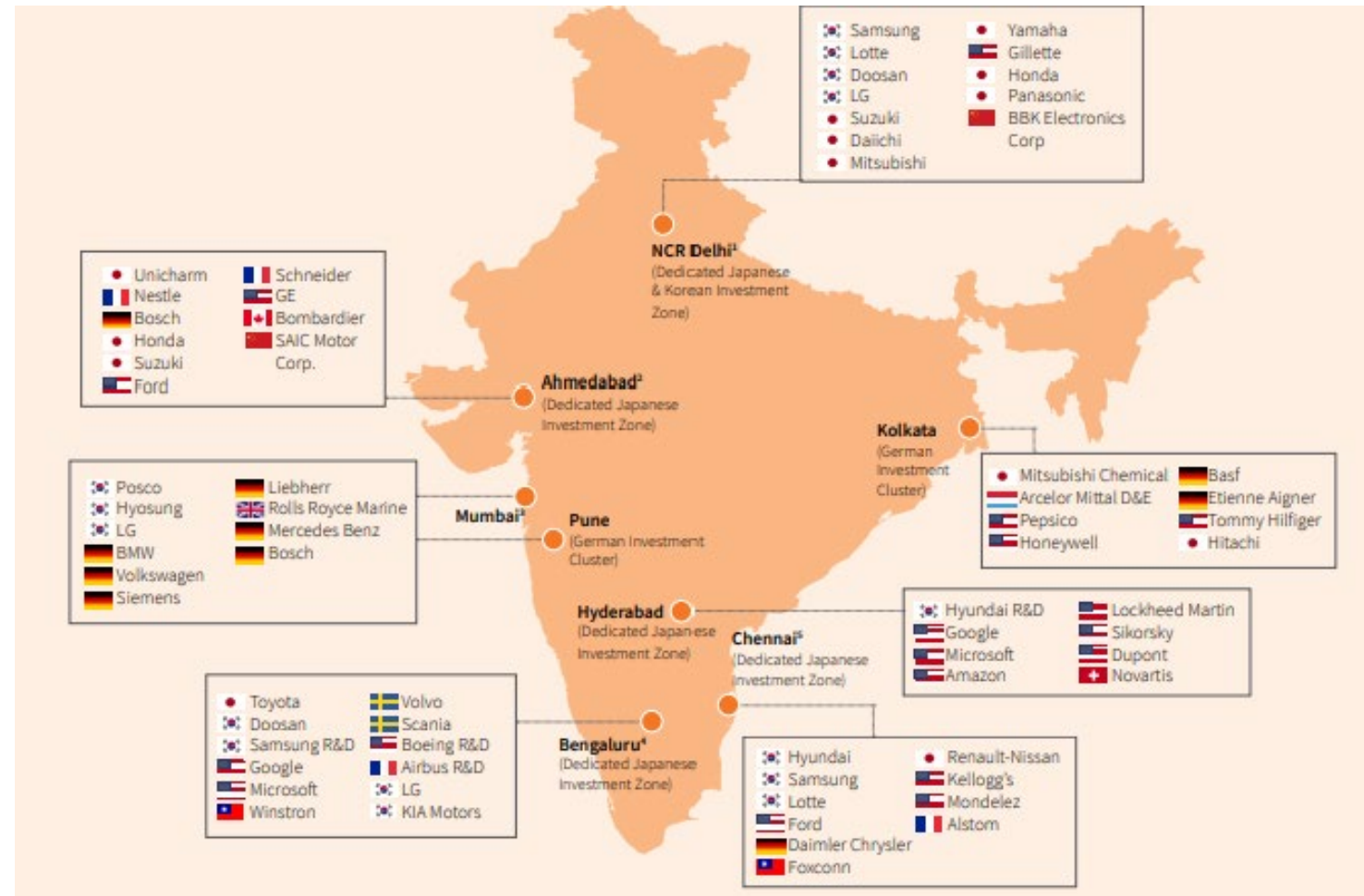
· CHARTERED ACCOUNTANTS ·

*Independent legal & accounting firms*



# India : The international opportunity

*Strong base of multi national businesses across the Indian states*



# Multi sector opportunities

**Automobile** – 40% share in global R&D, 37mn employment generated.

**Aviation** – India to become third largest aviation market by 2024.

**Fintech** – Highest FinTech adoption rate at 87%.

**Biotechnology** – 3<sup>rd</sup> largest biotech destination in the Asia Pacific Region.

**IT & BPM** – Largest market share in global services sourcing.

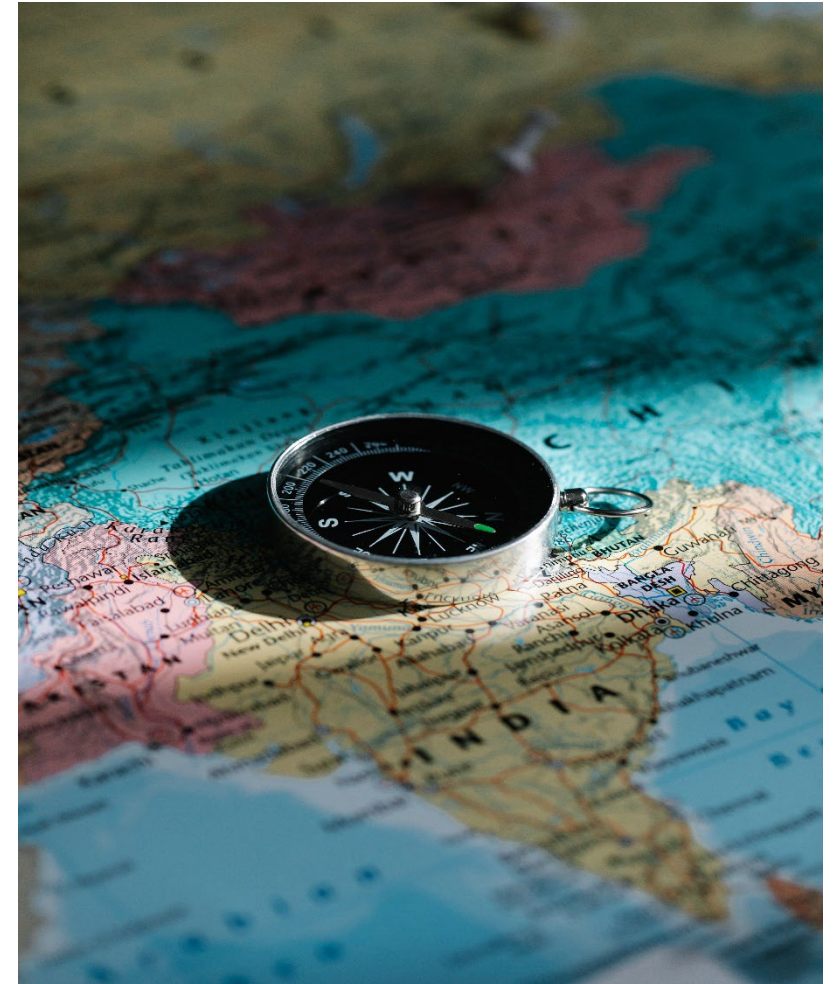
**Pharmaceuticals** – Ranks 3<sup>rd</sup> worldwide for production by Volume.

**Railways** – Worlds largest rail network in terms of passenger traffic.

**Retail & E-commerce** – Retail market project to reach 2 trillion by 2032

**Telecom** – Worlds 2<sup>nd</sup> largest mobile market.

**Healthcare, Ports and Shipping, Renewable Energy, Roads and Highways, Tourism etc.**



# Why India?

## One of the fastest growing economies in the world

India sustained its position as one of the fastest growing large economies in the world. Expecting to break into the world's largest 3 economies in this decade.

## Robust investment performance.

PE investments are touching record highs year on year.

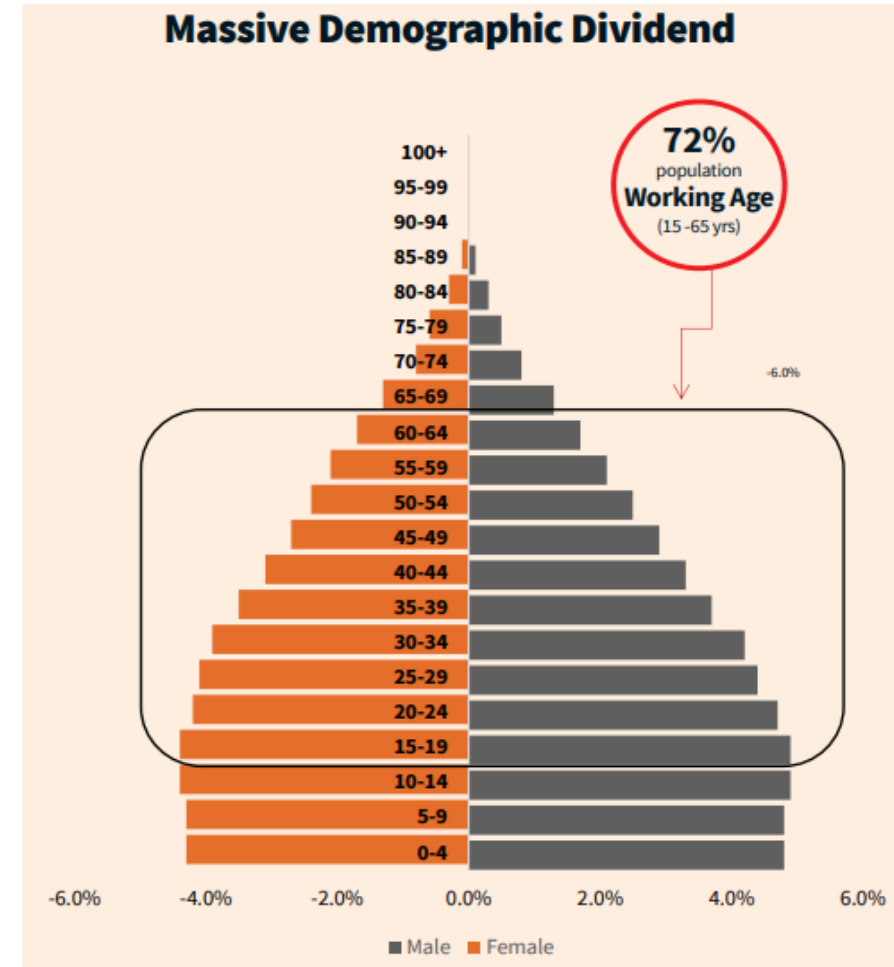
Young and growing workforce anticipated to expand to 1/5<sup>th</sup> of the global workforce in the next 10 years.

With a median age of 29 in 2020, India entered the 37-year period of Demographic Dividend in 2018.

## Large Consumption Base.

World's 6<sup>th</sup> largest consumer market, 31% urban population.

Expected to be the 3<sup>rd</sup> largest consumer market by 2030.



# Why India?

*Logistical and maritime advance strategically located at the centre of Aviation Maritime Trade Routes.*

*Growing Digital Penetration.*

*Over 600 million Internet users. Close to 50x increase in data consumption in the past 5 years.*

*Number of Unicorns could increase to 95-105 by 2025.*

*Readying for Industry 4.0 powered by new age technologies such as IOT, AI, Robotics etc.*

*3<sup>rd</sup> Largest Tech Startup Hub.*

*Hosts to over 40% of Global Inhouse Centres.*

*7<sup>th</sup> Largest Patent filing office in the world.*



# Policy intervention

## Policy intervention.

Competitive Corporation tax rate.

One country one tax through GST.

## Sustainability

Pledged to Paris agreement climate change.

33-35% reduction in emissions intensity from 2005 – 2030.

Special impetus on renewable energy.

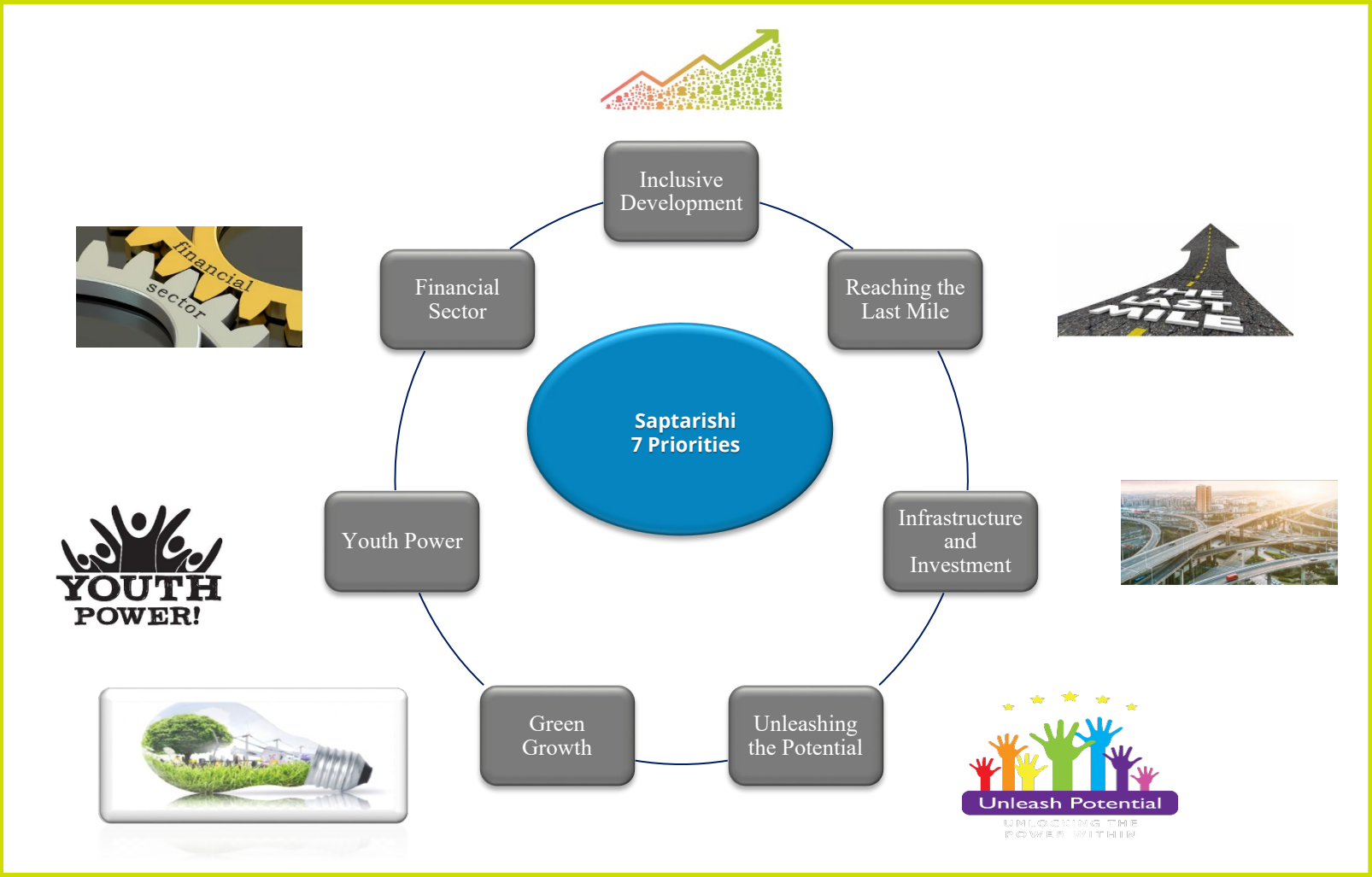
Shifting from conventional technology in auto sector to

Electronic Vehicles.

**Dividend Distribution Tax abolished in 2020.**

Parameter	Malaysia	India	Thailand	Indonesia	Vietnam	India's Rank in MITI-V
Corporate Tax for New Manufacturing Industries	24%	17.16%	20%	25%	20%	1
Ease of Protecting Minority Investors, Index	81.7	80	75	63.3	55	2
Budget Transparency, Open Budget Data Score	50	80.8	57.7	53.8	65.4	1
Ease of Getting Credit Index	75	80	70	70	75	1
Companies Embracing Disruptive Ideas*	69.9	59.5	50	55.1	44.7	2

# Union Budget 2023 – 7 Pillars



# Bengaluru – India’s Silicon Valley



Bengaluru is a leader in India’s technology sector, both in terms of investments and exports. Many new business opportunities in Bengaluru are emerging in auto, electronics, food processing, heavy machinery and textiles industries.

Largest **software** exporter in India.

Largest producer of **aerospace and defence** equipment in India.

Largest producer of **coffee** in India.

## STATE SNAPSHOT



GSDP Growth  
**10.1%**



No. of Factories in State  
**13,518; 7<sup>th</sup> Rank**



Logistic Performance  
Index: **3<sup>rd</sup> Rank**



**3<sup>rd</sup> Rank; INR 742 Bn**  
IEMs Implemented



HDI Rank  
**7<sup>th</sup> Rank**

Note: Excludes Union Territories



State’s contribution to India’s  
Exports: **4<sup>th</sup> Rank, 12.7%**

### Karnataka contributes:



**65% of Aerospace-**  
**related exports** from India



**20% of national garment**  
**production**



**3,500+ IT/ITES**  
companies



**1/3rd of biotech**  
exports from India



# Bengaluru – India’s Silicon Valley

Over the last few decades, the city has marched ahead by leaps and bounds to emerge as a leader in a plethora of sectors, backed by a robust IT, R&D and startup ecosystem, its **highly skilled workforce and amiable weather** are two standout features.

**Headquarters to some of the largest Public Sector Undertakings of India**  
Hindustan Aeronautics Limited (HAL), National Aerospace Laboratories (NAL), Indian Space Research Organisation (ISRO), Bharat Earth Movers Limited (BEML) among others

**Pioneer State in policy for niche segments**

- Startup Policy**
- AVGC Policy and Digital Media City**
- Electric Vehicle and Energy Storage Policy**
- Dedicated Aerospace Policy**

## WHY BENGALURU

**Bengaluru contributes**

- 70%** of India's **chip designers** work in Bengaluru
- 60%** of India's **machine tools production** in terms of value
- 30%** of all **IT start-ups** in India
- Startup capital of India: 3<sup>rd</sup>** highest number of startups in the world & among the top 15 startup ecosystems in the world
- Established vendor ecosystem: 2,000+** SMEs focused on component manufacturing, tooling and testing equipment and assembling
- Home to **535** of **IoT startups** out of **~970** in India
- Largest number of R&D centers in India:** home to **400+** MNCs with global R&D centers
- 4<sup>th</sup>** largest **technological hub** in the world & largest in Asia

- *Business setup*
- *Compliance*
- ***Accounts Outsourcing***
- ***Audit Outsourcing***
- *Advisory – Tax, Corporate Law, Foreign exchange Laws etc.*

## Indian Region Members



Country	Location	Firm name	Category
Bangladesh	Dhaka	Zoha Zaman Kabir Rashid & Co	Accounting
India	Mumbai	Chokshi Group	Accounting
India	Chennai	DVS Advisors LLP	Accounting
India	New Delhi	Enablizer Backoffice Technologies Pvt Ltd	Accounting
India	Bangalore	Lodha & Bhatt	Accounting
India	Ahmedabad	Paperchase Business Services Pvt Ltd	Accounting
India	Ahmedabad	SGDG & Associates LLP	Accounting
India	Hyderabad	Suryachandra & Associates	Accounting
India	Bangalore	Mani Chengappa & Mathur	Legal
India	Mumbai	Mansukhlal Hiralal & Company	Legal
India	New Delhi	RNC Legal	Legal
India	New Delhi	Laskshmikumaran & Sridharan	Legal
Nepal	Kathmandhu	LSP Associates	Accounting
Pakistan	Lahore	Aamir Salman Rizwa	Accounting
Sri Lanka	Colombo	John Wilson Partners	Legal