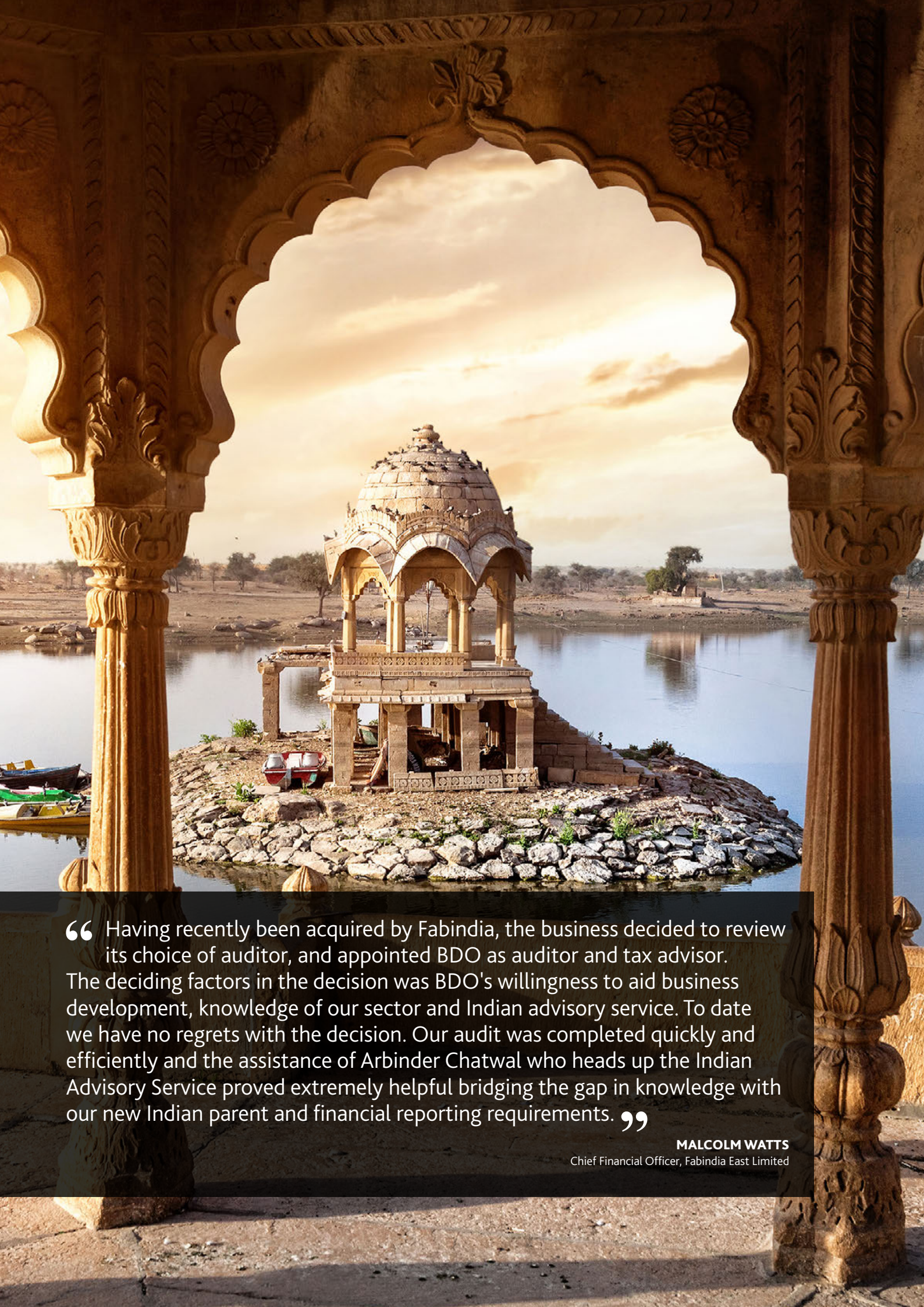


EXPERIENCES
SERVICES
BUSINESS
OPPORTUNITIES
NETWORK
ADVISORY
FOCUS
INDIA
MARKET STRATEGY
MUMBAI
DELHI
CULTURAL AWARENESS
INDIA
FLEXIBLE
APPROACH
TAX
GLOBAL
NETWORK
ADVISORY
KNOWLEDGE
EXPERTISE
APPROACH
WORKING
RELATIONSHIP
SERVICES
TRANSACTIONS
PARTNER
DRIVEN
INDIA ENTRY
ASSURANCE
SETTING UP IN INDIA
EXCEPTIONAL
CLIENT SERVICE



“ Having recently been acquired by Fabindia, the business decided to review its choice of auditor, and appointed BDO as auditor and tax advisor. The deciding factors in the decision was BDO's willingness to aid business development, knowledge of our sector and Indian advisory service. To date we have no regrets with the decision. Our audit was completed quickly and efficiently and the assistance of Arbinder Chatwal who heads up the Indian Advisory Service proved extremely helpful bridging the gap in knowledge with our new Indian parent and financial reporting requirements. ”

MALCOLM WATTS

Chief Financial Officer, Fabindia East Limited

WHY INDIA?

As many UK companies identify international expansion as one of their strategic priorities, they are looking to emerging markets for achieving this growth.

India is undoubtedly one of the most favourable destinations for ambitious businesses looking at fast growth.

According to BDO's last Global Ambitions report, a quarter of UK CFOs are planning to increase their existing investment into India, and one in ten is planning to enter the Indian market for the first time. In order to help businesses respond to the challenge, four years ago BDO established its India Advisory Services team made up of advisers entrenched in Indian business culture but rooted in the UK.

BDO's India Advisory Services team facilitates inbound and outbound business opportunities between the UK and Indian markets. The team comprises individuals with a professional interest and deep cultural awareness of India. We have substantial commercial knowledge and expertise in establishing, structuring and operating a business in India. Our understanding of local business nuances and ground knowledge of the rules, regulations, market realities, political, cultural and the many economic factors help you overcome local challenges.



Want to hear some useful tips about entering the Indian market? Click on the video above.

THE OPPORTUNITIES

India represents a market with unparalleled potential – a growth trend which is largely fuelled by rapidly increasing domestic demand, coupled with a demographic trend which ensures that trajectory will continue into the foreseeable future. To respond to the increasing demand, India needs goods and services across a whole range of sectors and the fact that almost half of India's 1.2+ billion people are under the age of 24 ensures that this demand will surge over the next five to ten years. Now is the time to be looking at growing your business in India.

India enters 2018 with a host of reasons for doing business there – investor-friendly policies, high domestic consumption, digitisation as a driver of growth, campaigns like Make in India, Digital India giving a boost to the manufacturing, technology, communications and infrastructure sectors – emergence of smart cities, economic stability with fiscal consolidation, transparent governance and a steadily growing GDP of more than 7.5% p.a.

Although India is complex, it is possible to enter the market and grow a business without the need for massive up-front investment. The key is to get it right from the start – do the relevant research, understand business and cultural nuances, structure your business appropriately and choose the right partners with in-market understanding and global expertise as well as reach for a truly seamless journey.

INDIA
CONTRIBUTES
AN AVERAGE
7% TO WORLD
GDP
IN TERMS OF PURCHASING
POWER PARITY

ONE OF THE
FASTEST
GROWING
ECONOMIES
OF THE WORLD
CURRENTLY
GROWING AT **7.5%**

CURRENTLY THE
6th LARGEST
ECONOMY
PEGGED TO BE **THIRD**
LARGEST ECONOMY
BY **2030**

BIGGEST
OUTSOURCING
DESTINATION
2016

CREDENTIALS

FROM UK TO INDIA

UK AUTOMOTIVE MANUFACTURER

£500m turnover

Advised on Indian market entry strategy. Reviewed entry vehicle options and successfully set up wholly owned subsidiary. Assisted with site selection and reviewed for special economic zones.

SPORTS EQUIPMENT MANUFACTURER

£5m turnover

Premium sports manufacturer with an existing facility in India. Performed a mystery shop on their distributor in India.

GLOBAL ACOUSTICS SOLUTION PROVIDER

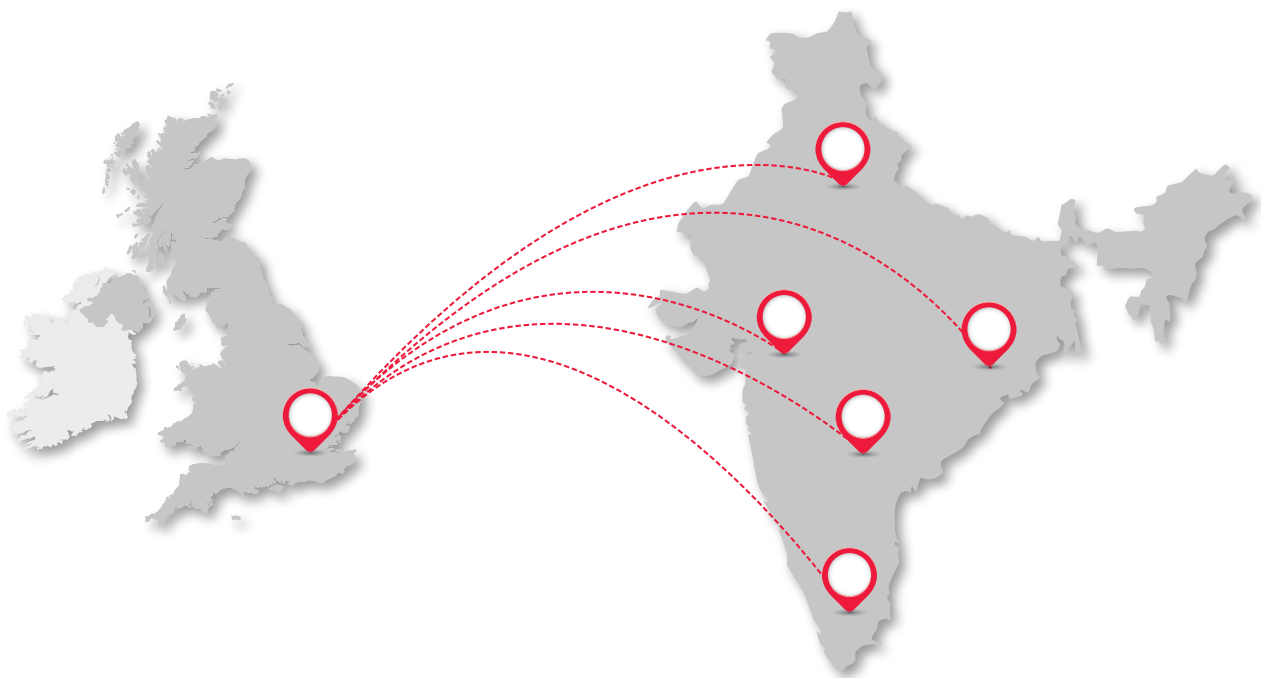
£250m turnover

Supported UK management negotiate contract with the Indian governmental organisation. Identified proactive taxation and regulator solutions incorporated in contracts and saved UK management £25m in tax services.

UK PHARMACEUTICAL DISTRIBUTOR

£30m turnover

Advised on the entity for entry into India and successfully set up an Indian liaison office obtaining Reserve Bank of India approval.



RAILWAY SUPPLY CHAIN MANUFACTURER

£5m turnover

Supported UK venture capital-backed manufacturer with its Indian market entry strategy. Performed Due Diligence on potential Indian joint venture partners. Supported drafting and reviewing of joint venture agreement.

INDIAN GOVERNMENT LENDING INSTITUTION

£1.5bn assets

Comprehensive reviews of governance, risk management and internal audit activities.

MANUFACTURER OF NONWOVENS FOR INDUSTRIAL & TECHNICAL APPLICATIONS

Advice on setting up Indian operations from the perspective of incentives and subsidies available from various state governments.



Watch a member of our Corporate Finance team, talk about some cross-border transactions in the video above.

CREDENTIALS

FROM INDIA TO UK

POWER PRODUCER

BDO acted as reporting accountant on the AIM IPO of this 25MW wind farm in Gadag, Karnataka. The company raised £9.75m as part of the transaction.

SUSTAINABLE ENERGY COMPANY

BDO acted as reporting accountant to this seed to oil biofuels business, which raised £16m on admission to trading on AIM.

INVESTMENT COMPANY

BDO acted as reporting accountant on the AIM IPO £75m fund to invest in Indian real estate.

ACQUISITION SEARCH

BDO's Advisory team were engaged to identify UK acquisitions for an undisclosed Indian manufacturing business.



UK SUBSIDIARY OF LARGE INDIAN BANK

BDO engaged to provide assurance on the systems and controls in respect of liquidity management, following issues identified by the PRA in carrying out their Supervisory Liquidity Reporting Process (SLRP).

FMCG COMPANY

£2.12m turnover

Pre-acquisition diligence of a soap and detergent manufacturing unit.

MULTINATIONAL DIRECTORIES AND INTERNET SERVICES COMPANY

£1.6m turnover

Valuation of Indian operations for restructuring in UK.



Listen to one of our Tax Partner's view on factors to consider in cross-border transactions.

EXPANSION INTO INDIA

KEY CONSIDERATIONS



TAX

TAX EFFICIENT FUNDING	SUPPLY CHAIN	TAX COMPLIANCES
TRANSFER PRICING	EXPATRIATE TAX PLANNING	EXTRACTION POLICY

SELLING INTO INDIA

- Withholding tax analysis / tax analysis on selling into India
- Manage permanent establishment risk, tax residence and control led foreign companies risks.

SETTING UP IN INDIA

- Structure for expansion: branch v subsidiary v liaison office
- Entry strategy – use of International Holdco
- Tax residence and controlled foreign companies risks
- Tax efficient financing: thin cap
- Manage Supply chain: Transfer Pricing and Customs Duty
- Extraction policy – dividends, management expenses etc.
- IP Ownership – Royalty Streams
- Impact of Indirect Transfers
- Expat tax planning
- Compliance
- Employment taxes policy and compliance review
- Share incentives: tax and withholding implications.

MANAGE COMPLIANCES

- Local registrations and compliances
- India service tax/VAT considerations
- Key tax deadlines.

ADVISORY SERVICES

CORPORATE FINANCE	FORENSICS	BUSINESS OUTSOURCING
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CORPORATE FINANCE

- Partner search – Investment opportunities
- Due diligence
- Valuation verification
- Cash flow modelling and working capital forecasting
- Funding for start-up phase.

FORENSIC

- Bribery Act compliances and training
- Valuation requirements at point of infusion of capital.

BUSINESS OUTSOURCING

- BDO International network
- Manage local accounts preparation and payroll
- Manage local tax compliances.

ASSURANCE/ REGULATORY

CAPITAL STRUCTURE PLANNING	FINANCING	COMPLIANCES
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- Align to 1 April year-end requirements
- Mandatory internal audit requirements
- Audit thresholds
- Branch v subsidiary v liaison office
- Indian GAAP v IFRS v FRS 102
- Advisory on capital structure of company
- FEMA and FDI compliances
- Exchange Control and RBI compliances
- Minimum Share capital requirements
- Minimum level of directors – need for Indian company
- Tax audit.

OTHER CONSIDERATIONS

MARKET ENTRY STRATEGY	LEGAL	OTHER
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MARKET ENTRY STRATEGY

- Distributor searches
- Venture validation
- HR advisory
- Recruitment
- Serviced offices
- PR and Marketing
- Launch pad offering.

LEGAL

- Contract review
- Share Purchase Agreement (SPA)
- Share Holder Agreement (SHA)
- Joint venture agreements
- Intellectual property protection.

OTHER

- Cultural awareness
- Choice of location
- Language skills.

ABOUT BDO

The BDO network of global member firms is the fifth largest accounting network in the world, employing 74,000 people in 162 countries, working with ambitious private and publicly owned businesses on a range of accounting, audit, taxation and other advisory services.

BDO UK

17 LOCATIONS **350 PARTNERS**
4,600 STAFF

97% OF OUR CLIENTS
WOULD RECOMMEND US¹

2017/2018 RESULTS:
REVENUES² **£464m**
UP **8.5%** TO

MERGED FIRM REVENUES **£600m** estimated

1. Client Listening Programme (December 2018 BDO LLP)
2. Gross Revenues for BDO LLP

BDO INTERNATIONAL

US\$9 billion
2017/2018 REVENUE

A YEAR ON YEAR INCREASE OF **8.3%**

162 Countries **1,600 Offices**
80,000 Staff

BDO INDIA

BDO India offers strategic, operational, accounting and tax and regulatory advice and assistance for both domestic and international organisations across a range of industries.

The tax team is one of the best in India and have been consistently rated as one of the leading tax firms in India by 'International Tax Review – the Comprehensive Guide to the World's Leading Tax Firms' for the years 2012 – 2018. The firm has also been rated as one of the leading Transfer Pricing firms in India by the World Transfer Pricing 2014-2018 – the Comprehensive Guide to the World's Leading Transfer Pricing Firms.

OUR RATINGS

International Tax Reviews



10 KEY CITIES **100 Partners**
2000 Staff

DELIVERING **EXCEPTIONAL**
CLIENT SERVICE

ASSURANCE | TAX | ADVISORY |
BUSINESS SERVICES | OUTSOURCING

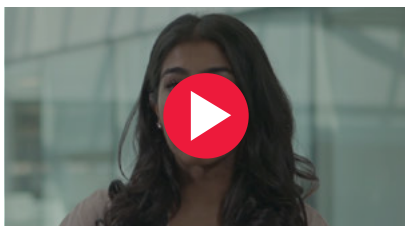


Hear directly from one of our BDO India Tax Partner's about our cross-border relation.

BDO India helps improve the performance and effectiveness of businesses by examining everything from core management and business processes to future directions and opportunities for growth by:

1. Tailoring our advisory, planning and compliance services to your needs
2. Sharing information, experiences and knowledge about the regulatory, economic and business environment
3. Adopting a flexible approach to working alongside clients, in getting business operations up and running in the dynamic and challenging environments in which the organisations operate
4. Serving ongoing clients' business requirements in India and at international locations through our global teams working together seamlessly.

BDO in the UK and India work in conjunction through the India Advisory Services team to highlight opportunities to companies seeking to do business in India as much as helping existing clients navigate challenges which may arise during their growth phase. We endeavour to provide a reliable and comprehensive ecosystem by offering practical, on-the-ground support in the country, combining local technical expertise with proactive advice, to deliver low-risk and cost-effective solutions to enable organisations achieve their full potential in India.



Explore our different communication outlets and hear about our bi-monthly newsletter above.

WHY BDO?

What sets us apart from others is the way we support our clients. It is the dedication and commitment to them that helps us deliver a distinctively different value proposition. The trust and belief of our clients is built on our commitment to them: what matters to them, matters to us.

OUR SERVICES

From the core audit and tax services, to a wide range of advisory practices including management consulting, corporate finance and market entry advisory, we offer the breadth of services you would expect from one of the world's largest accountancy networks.

ACCOUNTING ADVISORY

ASSURANCE

BUSINESS ADVISORY SERVICES

BUSINESS RESTRUCTURING SERVICES

BUSINESS SERVICES & OUTSOURCING

CORPORATE FINANCE

DUE DILIGENCE

INDIRECT TAX

LEARNING SOLUTIONS

TAX & REGULATORY SERVICES

TECHNOLOGY SERVICES

VALUATIONS



Listen to some helpful tips about entering the Indian market and vice versa.

OUR SECTOR STRENGTHS

Our sector strengths mean our advice is always tailored to you and your specific business needs.

We blend sector knowledge and experience with practical advice aimed at making a real difference to business performance.

This approach ensures our clients benefit from the specialist expertise and diverse skills of people that know their business, market and industry.



BDO UK'S INDIA ADVISORY SERVICES TEAM

THE DIFFERENTIATOR

The [India Advisory Services team](#) is a unified network of people with experience in serving UK businesses looking to grow within the Indian market and Indian businesses looking to invest in the UK and Europe. It brings together dedicated cross-service-line and sector experts who focus on ensuring that your business receives seamless services customised to your immediate, short and long term business needs across borders.



ARBINDER CHATWAL
HEAD INDIA ADVISORY SERVICES

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e: arbinder.chatwal@bdo.co.uk

Arbinder heads up the India Advisory Services Group for BDO LLP. He specialises in advising companies on all aspects of doing business in India and has helped in designing their India entry and growth strategy. His cultural awareness and knowledge of the regulatory and accounting regimes has been beneficial in advising multinationals on cross-border transactions with India.


He works closely with leading trade and investment organisations, contributing to strengthening bilateral business exchange between India and the UK.

His extensive experience of working across a range of sectors helps companies identify their key business drivers for operating in the Indian market. He has been leading focused trade missions for exploring opportunities and mutually viable partnerships through a wide network of relationships in India.

He is a regular presenter and speaker at international conferences and workshops on the opportunities and challenges in setting up an enterprise and developing business in key markets like India.

He has been successfully leading the London Mayor's International Business Programme to India since 2014 working closely with the Greater London Authority (GLA), London & Partners and The Department for International Trade. Arbinder attended the prestigious S.P. Jain Institute of Management and Research in Mumbai obtaining a diploma in marketing and strategy in 2013.





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