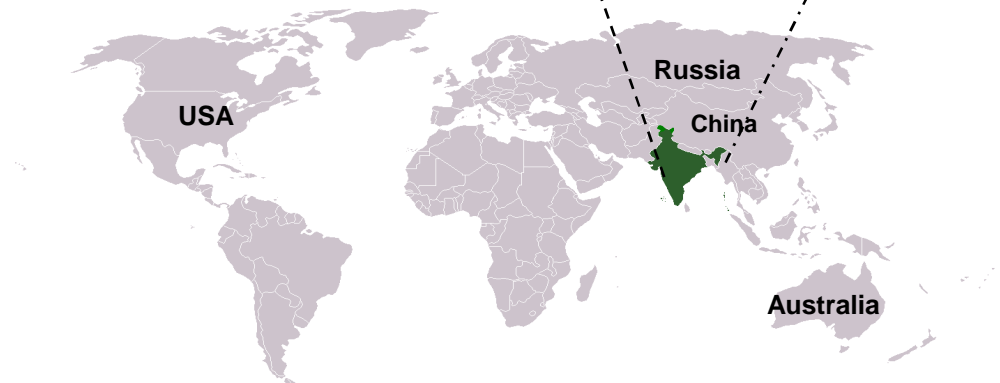
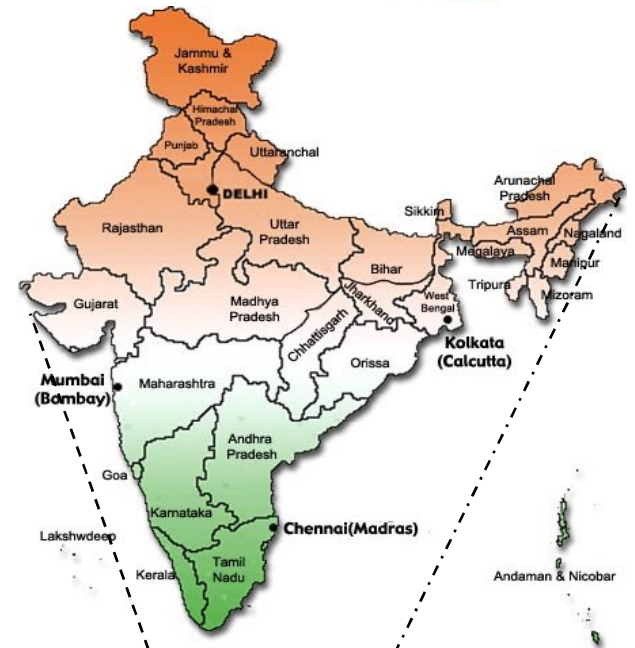




Doing Business With India



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Target Audience



SMEs, Start-ups and
Individuals
Who want to

Expand their business into India
Start a new business in India
Profit from opportunities in India



Should I do it?



- India and its People
- Why Invest in India
- Identifying Opportunities
- Success Factors
- Resources

India at a Glance



Land Area	3.2 Million Sq. Km (< 1/3 that of US)
Population	1.2 Billion (>3 that of US)
Languages	Hindi, English and 14 other official
Currency	Indian Rupee (45 Rupee = 1 US \$)
Measure	Metric System
Time	5.5 Hr Ahead of GMT

India At a Glance - 2



Capital
Financial Center
Software/Outsourcing Center
GDP & Growth
Export to US
Import from US

New Delhi

Mumbai

Bangalore

1.3 Trillion, 9% in 2011

\$30 B in 2010 up 40% from 2009

\$19 B in 2010 up 17% from 2009

India At a Glance - 3



Demographics

52% Less than 25 yrs of Age

Middle Class

300 Million and Rising

Diversity

Culture, Religion, Wealth, Education

Stock Market

Bombay Stock Exchange
3000 in 2003, 18000 now

Media

150 Million households have TVs
1 Channel in 2000, 500 channels now

Mobile Phones

791 Million Subscribers
10 million new per month

Business Climate



- Reputation as Back office of the world
 - Low cost of operation, talent pool, “can do” attitude
- Getting Better
 - Time to start a business reduced 71 days to 25 days
 - Corporate income tax reduced from 37 to 33 %
 - Reforms, investor protection
 - Indian banks are in good health
 - Consumer spending growth is strong
 - Communications: phones, internet, cable
- Environmental degradation
- Inadequate Infrastructure and workforce

Your Best On-line Resource

<http://www.doingbusiness.org/>

Business Culture



- Polite, Difficult to say NO
- Hierarchy: Pecking order matters
- Business Hours, Holidays
- Business and Social Protocols
- Copyrights/IP protection: ownership is ELASTIC

Cultural Norms



- Time is ELASTIC
- Plans and schedules are ELASTIC
- Creaky wheels of bureaucracy: Central, State and Local Level
- Language Nuances.....
 - “doubts means clarification”
 - Homely means “family oriented”
 - “Leave it to me” means will get to it after payment

Why Invest in India



- Economy is Strong and Growing at 8-9 %
- India is Open for Business
- Huge Market: Billion Plus people with high demand, low supply, rising purchasing power, high aspirations
- No Language Barrier: English at the management and technical levels.
- Low labor costs.
- Govt. incentives for investing in India

Why Invest in India - Incentives



- Companies in the Special Economic Zones (SEZ) are eligible for exemption from tax for the first 5 years and a 50% exemption from the tax for the next five years.
- Entrepreneurs who supply infrastructure resources in the SEZ are eligible for a 10 year exemption from tax.
- Export Oriented Undertakings (EOU) located in FTZ, Software Technology Parks, STP, or in Hardware Technology Parks if the total production is intended for export are entitled to an exemption from taxes for 10 years as well as to an exemption from import taxes.
- Companies carrying scientific research and other activities specified by law are also eligible for 5-10 years tax holiday of 30%-100%.



Some India Opportunities For Small Businesses and Entrepreneurs

- Food & Beverage:
 - Energy drinks, food processing and packaging, water and air purification
- Household Products: Home décor products, kitchenware, bed and bath, disinfectants etc.
- Healthcare:
 - Medical devices/equipments, scanning and testing labs, etc.
 - Development of disease specific herbal products following FDA guidelines
 - Hospitals, Medical diagnostics, drug development and testing
- Education: degree colleges (medical/nursing), vocational institutes
 - Programs to train teachers, automotive mechanics, medical technicians, etc.
 - Courses in upcoming fields of genetics, nanotechnologies, etc.
 - Degree colleges (medical/nursing), vocational institutes
- Infrastructure
 - Waste management, solar and wind technologies, temperature controlled warehouses, air and noise pollution control
 - Towing trucks, automated parking lots

Identifying an Opportunity: Education Sector



- **Huge Demand/Supply mismatch in education, skills**
 - Demography: 200 million entering working age in 10 years
 - 500 Universities and 25,000 colleges exist but twice as many are needed for the rising number of students
 - Private Sector is becoming more and more important: Regulatory Boosts for overseas companies/universities
- **Opportunity**
 - Increase Capacity and Quality of Education
 - Create content, design new courses in current and upcoming fields
 - Open Vocational Schools, Training centers, employment centers
- **Challenges**
 - Securing accreditation
 - Setting up legally acceptable operating structure
- **Use Franchising as a business model**
 - Scalability
 - Rapid expansion
 - Reduced Risk

More Examples

With next steps



- You have a product or service that you want to sell in India. For example face cream, hand sanitizer, education service, consulting service, automated parking lot technology, etc.
 - Do your research, Make a business case, Find a Distributor, Become a Franchisor etc
- You want to buy cost effective products from India to sell in US. For example handicrafts, handlooms, rugs, jewelry, herbal medicines, etc.
 - Do your research, Find a Supplier or a Sourcing Agent
- You want to save on your costs in US by using India's workforce in India. For example software development, research, legal and financial opinions, etc.
 - Hire an outsourcing consultant, find and select an outsourcing company
- You want to start a project in India like setting up a manufacturing plant, power plant, develop a product for Indian or US market, etc.
 - Contact US dept of commerce, Find a partner company in India.....

Success Factors



- Clear Strategy
- Time and Patience
- Right Expectations
- A Reliable Local Partner
- “Indianizing” your product/service

When Dealing with an Indian Partner



- Check for
 - Reliability: Testimonials with Client verification
 - Ethical Practices
 - Commitment to work/doing business
 - Cooperation with partner
 - Fair and responsiveness to employees
- Show that you have multiple options open
- You are in the game for long time
- Willingness to come to India
- Build relationship

Pay special attention to



- Scams, crime and corruption (82nd in Corruption Index)
- IP infringement
- Resolution of disputes, court settlements

Summary



- Identify and select an opportunity of your interest and create your idea
- Do networking at India oriented events
- Visit India, preferably with a delegation
- Validate the idea and qualify the opportunity
- Use Government resources (US and India)
- Thoroughly prepare
- Establish strong Partnerships with partners and service providers: Trust but verify
- Be Vigilant, Track Progress and Make Money



I do want to Invest Now what



- **Entry Strategy**
 - What business?: consumers, channels, competition
 - Which location?: Tier 1 2 3 Cities, SEZ
 - What business structure?: wholly owned subsidiary, JV, liaison/branch/project office
 - Compliance, Approvals, Taxation
 - Business Case
- **Exit Strategy**

What about Execution



- Setting up the Company
- Legal Matters, Registration and Approvals
- Setting up Office
- Finding Partners, Suppliers and Staff
- Finding Service Providers
- Networking, Marketing
- Sales and Support

Resources - 1



Your best resource for India Entry

<http://business.gov.in>

- How to start, operate and grow a business
- Legal and Regulatory Framework
- Investment Opportunities and Incentives
- Special Opportunities for Overseas Indians

Resources – 2

“Doing Business India Report”



World Bank

<http://www.doingbusiness.org>

“India could top the list of business destinations among BRIC nations, if best practices and regulations followed by some cities are implemented by others.....”

The study ranked 17 Indian cities on 7 indicators of doing business including starting a business, dealing with construction permits, registering property, paying taxes, trading across borders, enforcing contracts and closing a business.

“It takes on average 961 days to enforce a contract,” the bank said, adding the process of closing a business could on average take 7.9 years and would cost 8.6 percent of the estate value.

Resources – 3

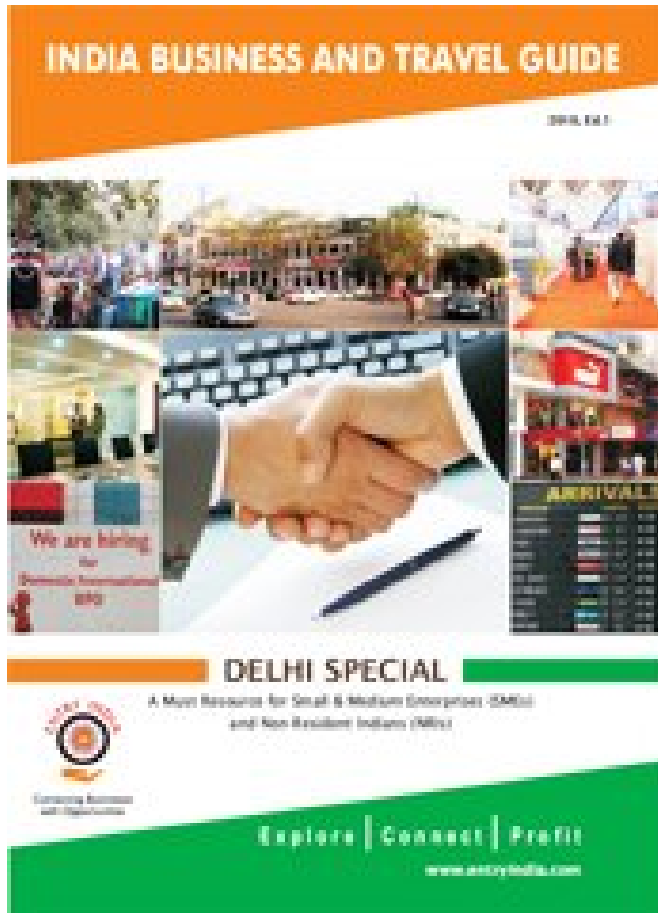


US Department Of Commerce Golden Key Service

<http://www.buyusa.gov/india>

- Appointments with pre-screened partners
- Profile on each Indian company/partner
- Post meeting de-briefing
- Available in New Delhi, Mumbai, Chennai, Calcutta, Bangalore, Ahmedabad, and Hyderabad.
- Payment SME: \$700; Large: \$2,300

Resources - 4



India Business And Travel Guide by Entry India



Thank You

