



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

Doing Business in India 2025: Strategic Insights for Investors

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DEZAN SHIRA & ASSOCIATES

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About Dezan Shira & Associates

Your Trusted Partner For Growth in Asia for Over 30 Years



1992

Dezan Shira founded 33 years ago, in Shenzhen and Hong Kong SAR



600+

Professionals in legal, tax, accounting, audit, human resources, and technology



40+

Offices: China, Dubai UAE, Hong Kong SAR, India, Indonesia, Singapore & Vietnam

Alliance: Bangladesh, Japan, Malaysia, Nepal, Philippines, Sri Lanka, S. Korea & Thailand

Liaison: Australia, Italy, Germany, United Kingdom, United States



80+

Clients from countries served by our international business advisory & professional services in Asia



5000+

Multinational clients that have already chosen us

Our Services

We provide a comprehensive range of services which we deliver as a flexible mix of stand-alone or blended services, covering business intelligence, audit, accounting, human resources, legal, payroll, tax and technology services.

Our blended services approach provides high knowledge and services value to small, medium and large sized organizations, operating in a number of sectors.



Business Advisory



Company Setup and Corporate Governance



Tax Services



Business Intelligence



Due Diligence



Audit and Financial Risk



Information Technology



Outbound Direct Investment



Accounting



Intellectual Property



Mergers & Acquisitions



HR, Payroll and Global Mobility

“Doing Business in India 2025” Guide



As India’s economic prowess captures global attention and the country is poised to become the world’s third largest economy by 2030, this guide will assist businesses seeking to navigate this vibrant market.

Our latest edition covers the following topics:

- India’s investment climate and manufacturing insights
- Corporate establishment
- Tax, transfer pricing, audit, and accounting
- Human resources and payroll
- Trade policy
- Data protection measures



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India's Investment Landscape

Overview of India's demographics

Federal Democratic Republic with 28 States and 8 Union Territories.

World's **largest democracy** with **1.43 billion people**.

India' Growing Middle Class: By 2030, the Indian middle class is expected to have the second-largest share in global consumption at 17%.

Young country with a **median age of 28.4 years**.

Cost Competitive labor force of nearly 596 million workers.

Stable political environment with a broad consensus on the direction of the Economy.

Proactive measures to **improve Ease of Doing Business**.

Investor friendly policies and incentive-based schemes to attract FDI.



India's Economic Outlook

India's Growth Trajectory in FY 2025

• India maintained strong economic momentum despite global challenges, with an estimated 6.4% real GDP growth in FY25.

This impressive growth is driven by

- resilient domestic demand – especially rural demand despite a slow down in the urban demand and investment.
- strong export performance
- A thriving agriculture and services sector.

• Manufacturing sector faced headwinds due to subdued global and domestic demand, yet private consumption remained stable, reflecting strong domestic fundamentals.

Other Macroeconomic Indicators



Forex Reserves

Reached **US\$640.3** billion, covering 10.9 months of imports providing a strong cushion against global financial shocks



Banking Stability

Gross NPAs declined to a **12-year low of 2.6%**, reflecting improved asset quality.



Foreign Investment

Gross FDI inflows **rose 17.9% YoY**, totaling US\$55.6 billion in the first 8 months of FY25.

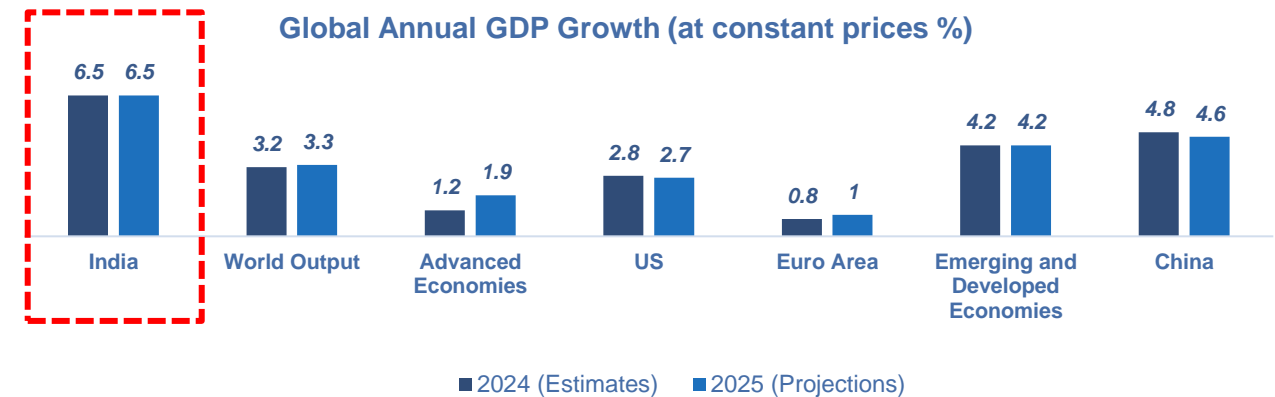


Global Trade Leadership

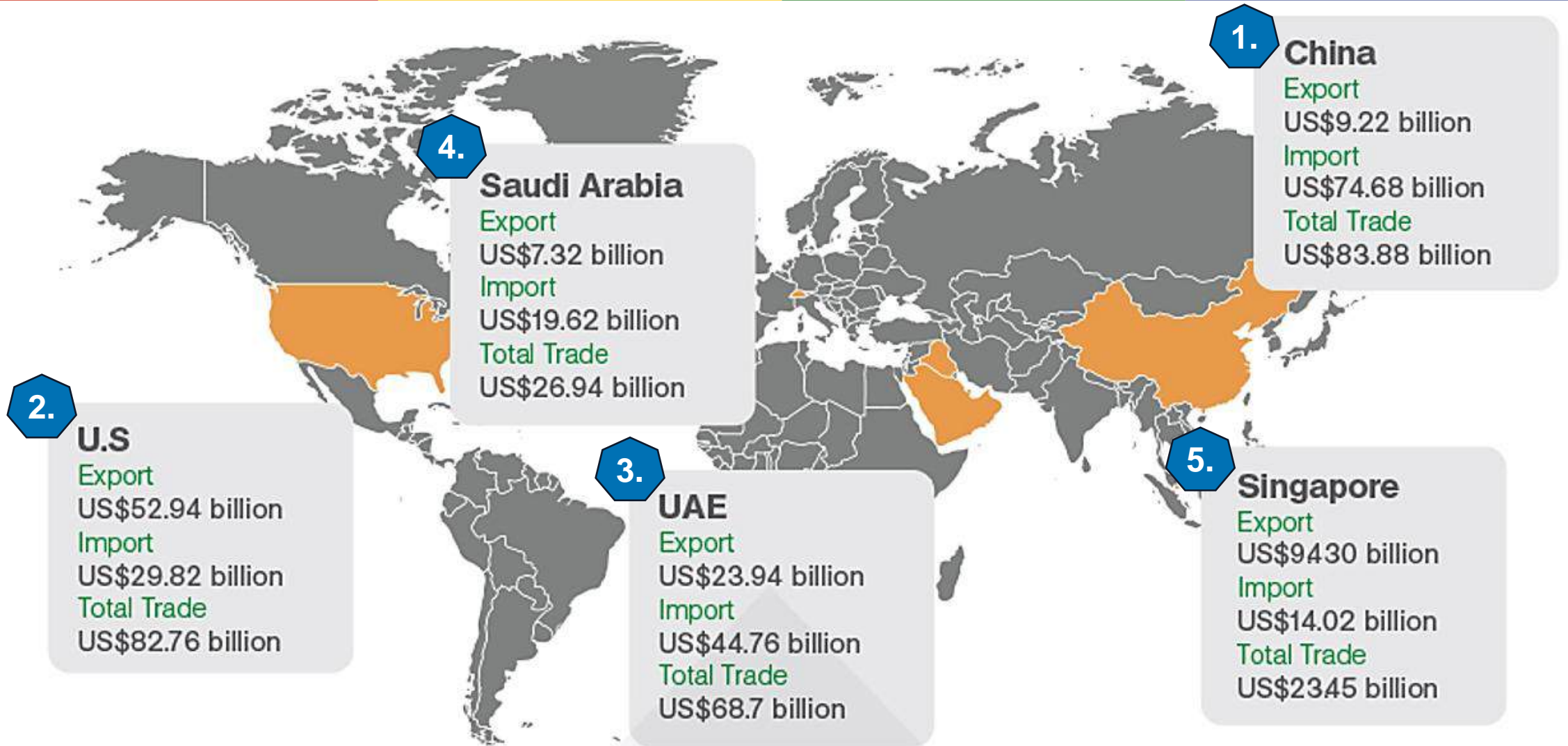
Services exports grew 12.8% YoY
India became the 2nd largest global exporter in telecom & IT services.

How has India performed vis-à-vis the world ?

- **Global Growth Outlook:** IMF projects 3.2% growth in 2024 and 3.3% in 2025 for the global economy while India is at 6.5% which is double the world's growth.
- **India's Strong Performance:** Fiscal prudence by the government, trade surplus from services, and remittance inflows contributed to macroeconomic stability, reinforcing India's position as the world's fastest-growing major economy.
- **Geopolitical & Trade Risks:**
 - Ongoing conflicts between countries.
 - Over 24,000 new trade and investment restrictions since 2020 have slowed global trade.
 - 2024 was election year for both India and US, which also added to the uncertainties.
- **Sectoral Trends:**
 - Manufacturing slowdown in Europe and Asia due to supply chain disruptions and weak demand.
 - Services sector remains a key global growth driver despite inflationary pressures.



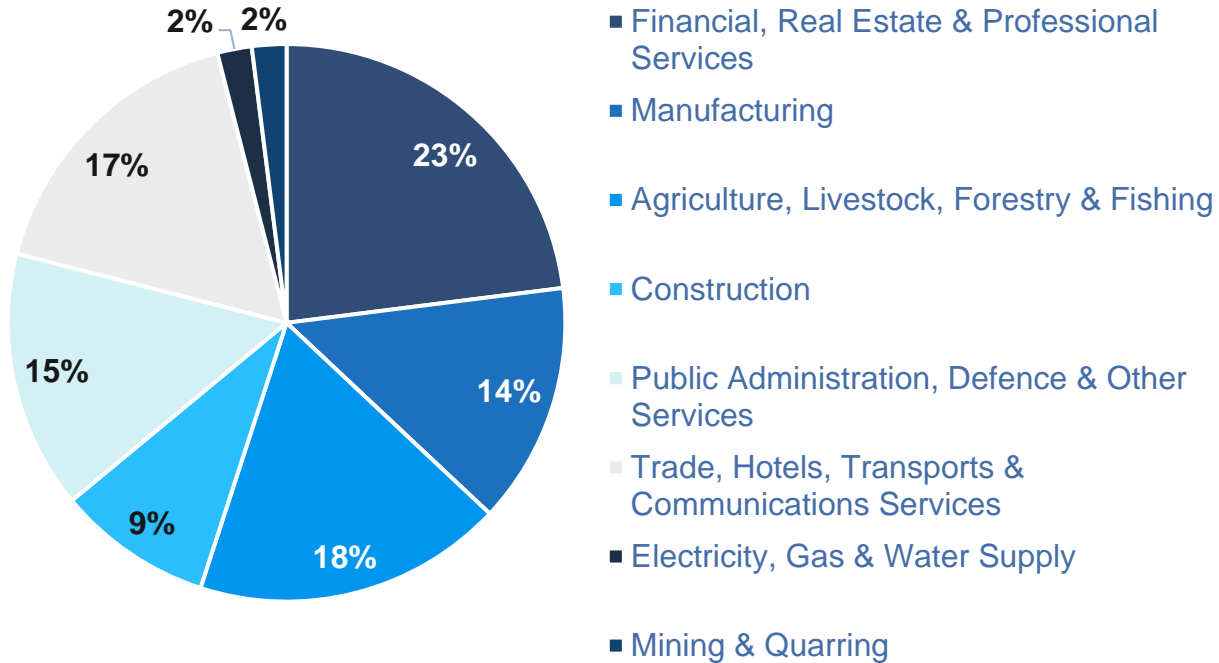
India's Top 5 Partners: Bilateral Trade in FY 2024-25 (April to November 24)



Key Sectors attracting investments

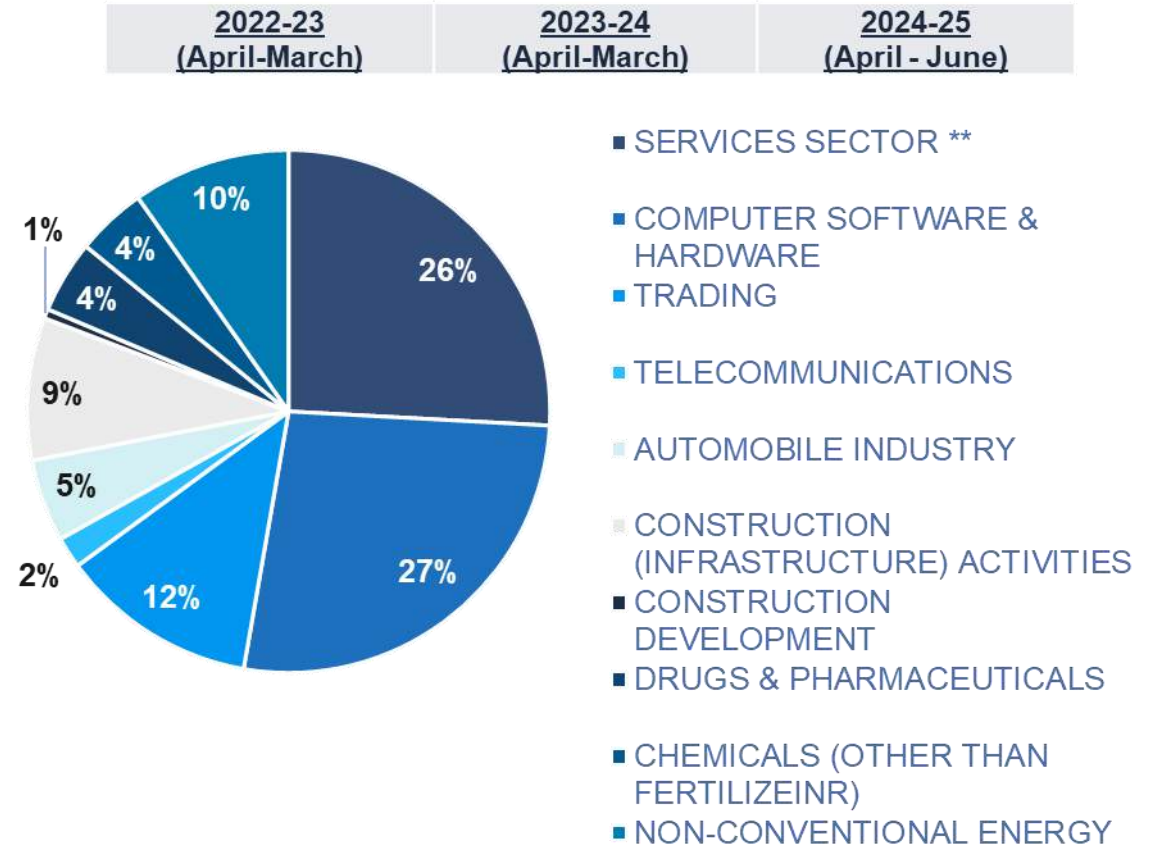
Top Sectors contributing to India's Economic Growth

Sectoral Contribution to GDP in 2023-24



Top Manufacturing Sectors contributing to India's Economic Growth are Automotive, Engineering, Chemicals, Pharmaceuticals, Consumer Durables and Electronics

Top Sectors receiving Cumulative FDI Interest over the last 3 years



** Services sector includes Financial, Banking, Insurance, Non-Financial / Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other

India's supportive foreign trade policies attracting investments



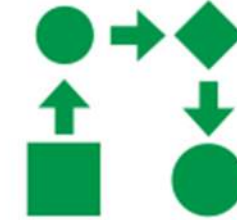
Shift from **incentives regime to remission**



Trade facilitation through **technology automation and continuous process re-engineering**



Export promotion through collaboration: **exporters, states districts**



Focus on emerging areas; **E-commerce exports, developing districts as export hubs**

Facilitation for e-commerce exports

Export promotion initiatives and incentives

Districts as export hubs initiatives

India's Latest Foreign Trade Policy

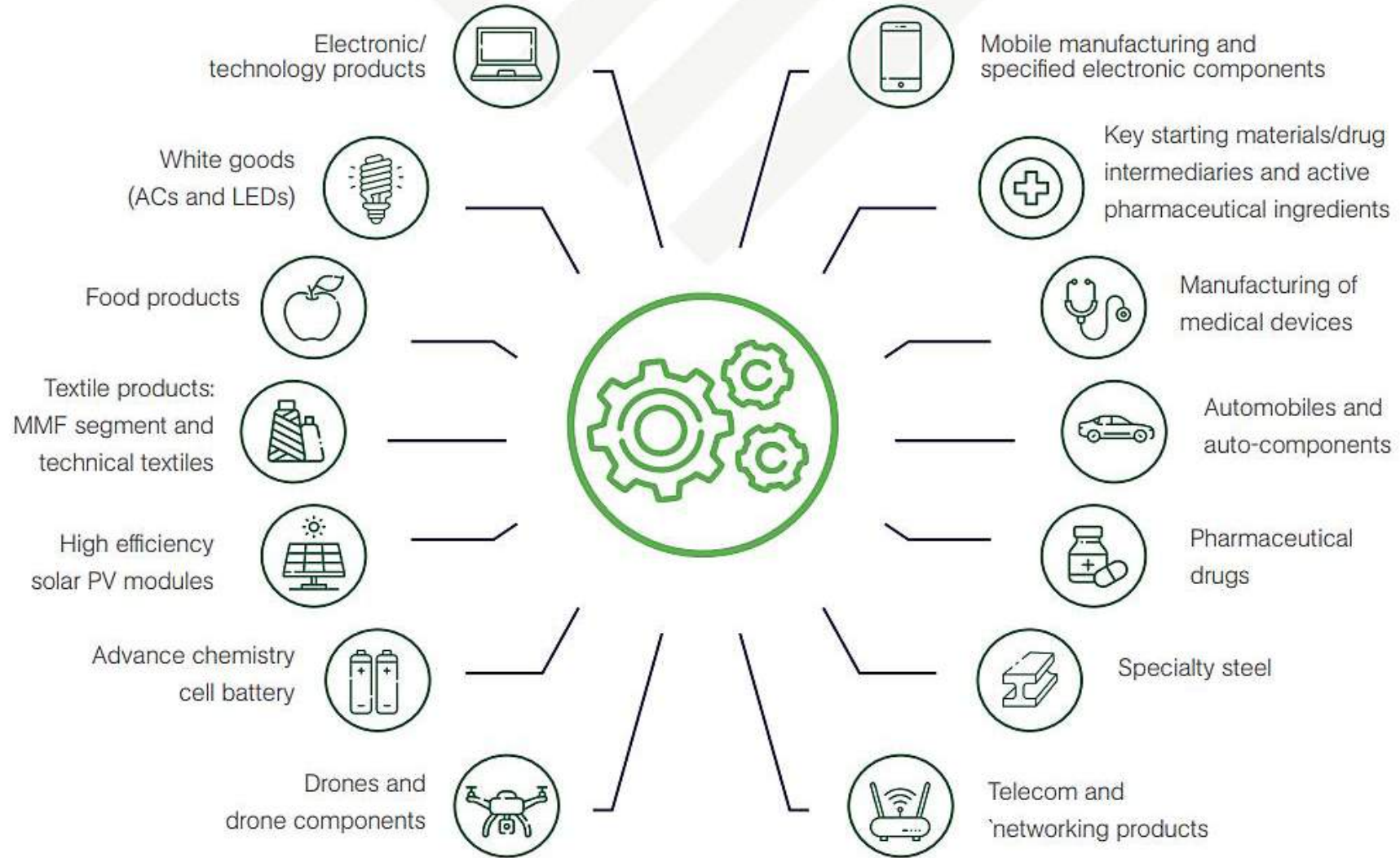
Ease of doing business reforms

Measures to boost manufacturing

One time amnesty scheme for default in export obligations

Emphasis on streamlining licensing procedure

PLI Scheme Extended to 14 Sectors in India



India-Chile Strategic Economic Partnership



Ongoing Negotiations for Comprehensive Economic Partnership Agreement (CEPA):

- Discussions are underway for a CEPA to enhance investment flows and broaden trade relations across key sectors, including pharmaceuticals, technology, and energy—particularly lithium. As the world's largest lithium producer, Chile is strategically important to India's transition to green energy, supporting EV battery manufacturing and renewable energy infrastructure development.
- Additionally, with India being a leading producer of high-quality generic medicines and Chile emerging as a key market in Latin America, both nations aim to bridge the supply-demand gap, fostering mutually beneficial trade partnerships.

India-Chile PTA

The India-Chile preferential trade agreement, which offers an array of concessions to both sides on several tariff lines, came into effect in 2017. The agreement covers key sectors such as pharmaceuticals, chemicals, agriculture, and industrial goods.

The Double Taxation Avoidance Agreement (DTAA)

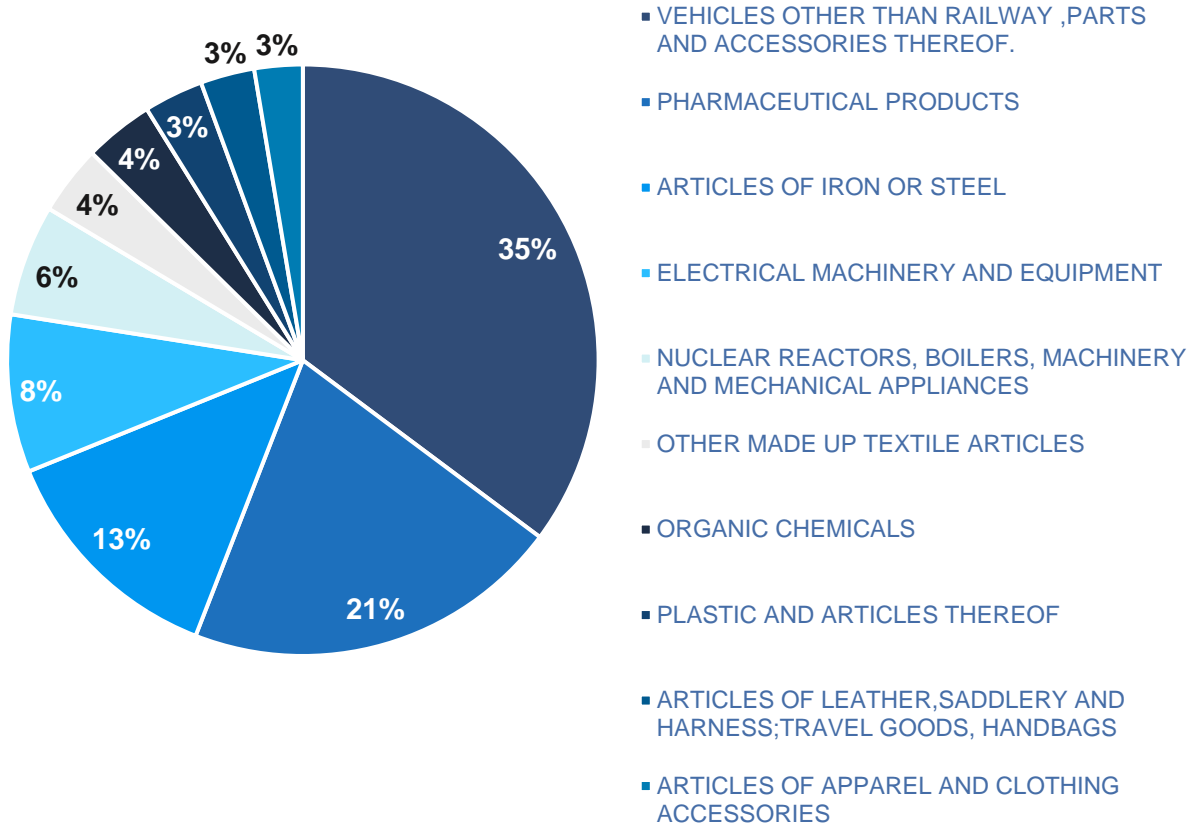
DTAA between India and Chile was signed on March 9, 2020, and came into effect on October 19, 2022, resulting increased cross-border trade activities and FDI between the two nations.



India-Chile Bilateral Trade : US\$ 2.69 Billion (FY 2024)

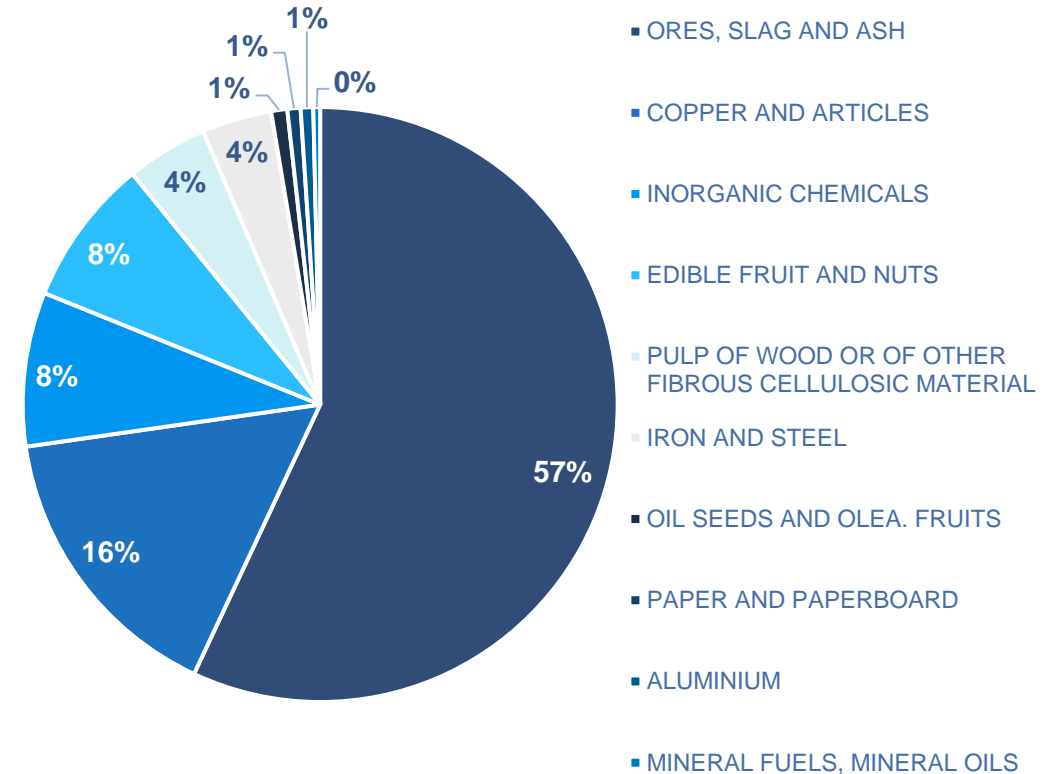
India's Export to Chile FY'24 - US\$ 1.18 Billion

Top Export Items (2023-24)



India's Import from Chile FY'24 - US\$ 1.51 Billion

Top Import Items (2023-24)





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Spotlight on India's Technology Sector

India's Technology Sector: Instrumental in the Economic Growth

GROWING DEMAND

- * In FY22, the top three Indian IT companies, TCS, Wipro and Infosys, were expected to offer 1.05 lakh job opportunities due to the increasing demand for talent and skill.
- * India's IT and business services market is projected to reach US\$ 19.93 billion by 2025.
- * The IT spending in India is estimated to record a double-digit growth of 11.1 percent in 2024, totaling \$138.6 billion up from \$124.7 billion last year.



GLOBAL FOOTPRINT

- * Indian IT firms have delivery centres all across the world.
- * IT & BPM industry is well diversified across verticals such as BFSI, telecom and retail.
- * Increasing strategic alliance between domestic and international players to deliver solutions across the globe.



COMPETITIVE ADVANTAGE

- * India's technology industry is on track to double its revenue to US\$ 500 billion by 2030.
- * India's overall Digital Competitiveness Score of 60 (on 100), ahead of every BRICs nations besides China, reflects the rise of tech talent in the country,

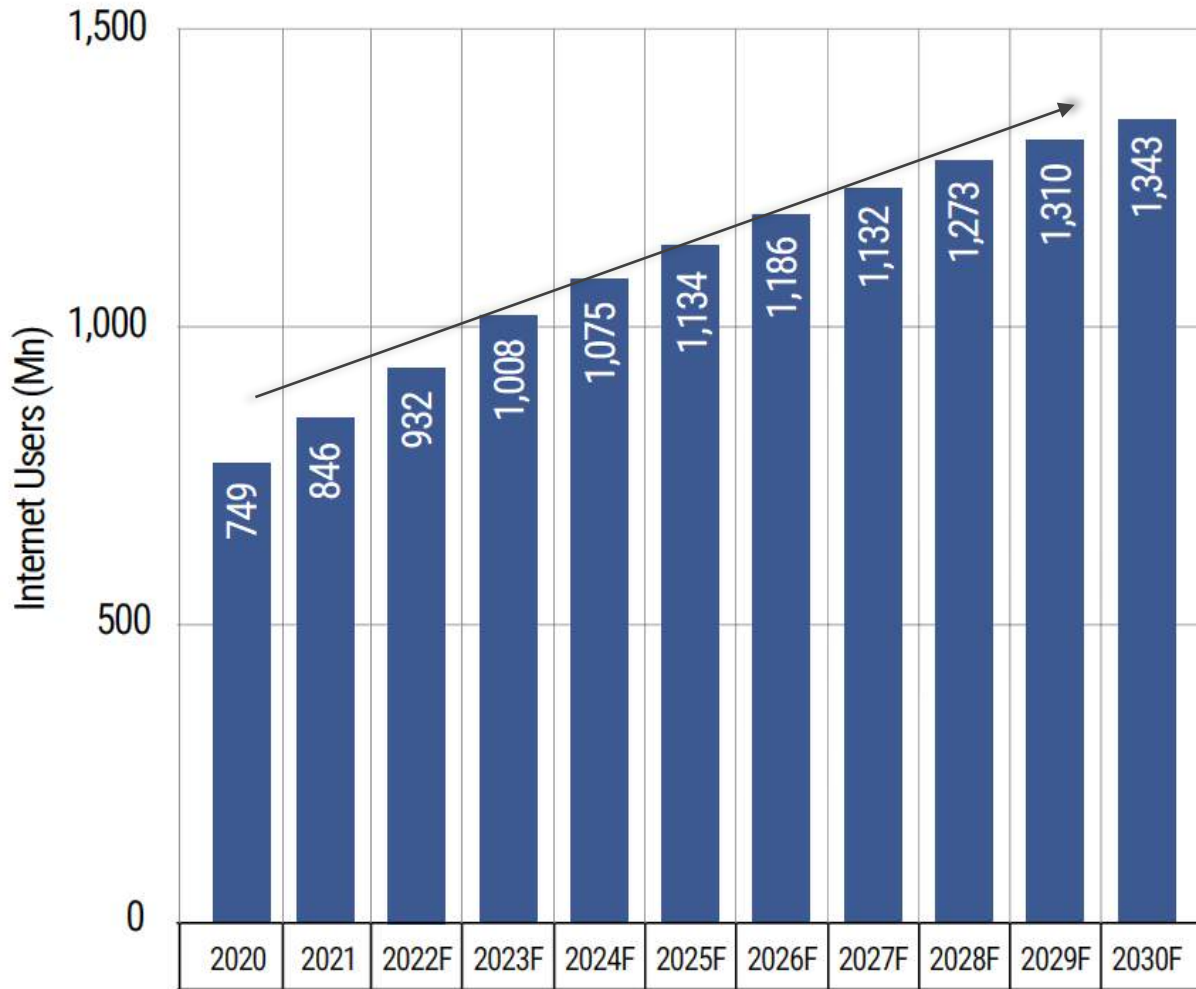


POLICY SUPPORT

- * In the Union Budget 2024-25, the allocation for IT and telecom sector stood at Rs. 1,16,342 crore (US\$ 13.98 billion).
- * The government prioritizes cybersecurity, hyper-scale computing, AI, and blockchain. With data costs at Rs. 10/GB (\$0.12/GB), India ranks among the world's cheapest.



India's Digital Economy



<p>1.3 Bn+ Internet Users By 2030</p>	<p>61% Internet Penetration In India</p>	<p>44% Increase In Internet Users From 2022 To 2030</p>
<p>\$0.17 Per GB Internet Cost In India</p>	<p>4.7 Hours Average Hours Spent On Mobile Per Day Per User</p>	<p>600 Mn+ Smartphone Users</p>
<p>\$3.21 Tn+ Total Value Of UPI Transactions Till Mar 2023</p>	<p>350 Mn+ Number Of Users Transacting Online</p>	<p>373 Mn+ Estimated Rural Internet Users In 2022</p>



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**How can we assist Chilean Businesses
enter the Indian market ?**



Project Office

Suitable for executing specific projects such as one time turnkey or installation projects

Liaison Office

Acts as a channel of communication, no commercial activities

Limited Liability Partnerships (LLP)

- No minimum capital requirements
- Less compliances compared to a wholly owned subsidiary (WOS)

Branch Office

- Allowed to conduct same business as parent company including import and export of goods, consultancy, etc.
- Retail trading/processing not permitted.

Wholly Owned Subsidiary (WOS)

Fewer restrictions on scope of activities



Investment Vehicles in India

For the purpose of carrying out export-import (EXIM), research and project execution operations, foreign investor can establish a:

- Liaison office
- Branch office
- Project office

For carrying out manufacturing services and other related business operations, foreign investor can establish a:

- Wholly owned subsidiary/
Joint Venture
- Limited liability partnership

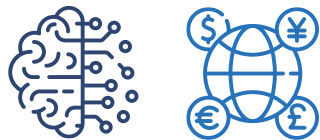
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How can we help

Our end-to-end solutions ensuring seamless market entry and success

Market Research & Entry Strategy

- Industry trends
- Sector-specific compliances
- Consumer segmentation
- Market potential
- Competitive analysis
- Location analysis
- Entry Strategy
- Corporate structuring



Business Matchmaking

- Partner Identification
- Partner assessment
- Meeting Set up and, Facilitating discussions
- Mergers and Acquisitions
- Company Review
- Background Check
- Joint Venture Agreements
- Contract Reviewing/Drafting



Setting up a Legal Entity

- Company Incorporation
- Bank account opening
- GST Certificate
- PAN/TAN registrations
- IEC Certification

Corporate services:

- Registered Office
- Resident Director



Legal, Regulatory & Advisory

- IP Advisory & Trademark
- Due Diligence
- Cross-Border Transactions
- Import duties
- FEMA/RBI compliances
- Licensing
- Visa/work permits
- Transfer pricing



Ongoing Support & Compliances

- Accounting
- Bookkeeping
- HR & Payroll
- Tax Filings & Returns
- Managing Payroll
- Audit
- Corporate Secretarial
- Other Regulatory Compliances



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