

India meets Britain Tracker 2024

The latest trends in Indian investment in the UK



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About our research

Our Tracker, developed in collaboration with the Confederation of Indian Industry (CII), identifies the top fastest-growing Indian companies in the UK as measured by percentage revenue growth year-on-year.

The Tracker includes Indian-owned corporates with operations headquartered or with a significant base in the UK, with a turnover of more than £5 million, year-on-year revenue growth of at least 10% and a minimum two-year track record in the UK, based on the latest published accounts filed as of 31 March 2024, where available. Turnover figures have been annualised where periods of less or more than 12 months have been reported.¹

Our report also highlights the top Indian employers – who through their UK subsidiaries employ more than 1,000 people in the UK.²

To compile the India meets Britain Tracker 2024, Grant Thornton analysed data from 971 UK-incorporated limited companies that are owned directly or indirectly, or controlled, by either an Indian-incorporated parent or an Indian citizen resident outside the UK.

¹ As our research relies on published and filed accounts, there is inevitably a time lag between the recording of the performance of the companies and the publication of this report.

² Employment numbers may include employees outside the UK in overseas subsidiaries of UK companies.

³ Based on Grant Thornton analysis of Bureau van Dijk and Companies House data

Introduction

This is the 11th edition of the Grant Thornton India meets Britain Tracker, developed in collaboration with the Confederation of Indian Industry. The Tracker identifies the fastest growing Indian-owned companies in the UK as well as the top Indian employers. It also provides insight into the evolving scale, business activities, locations, and performance of the Indian-owned companies making the biggest impact in the UK.

2024 research identifies the biggest cohort ever of Indian-owned companies in the UK

Our 2024 research identified a record 971 Indian-owned companies operating in the UK, up from 954 in 2023, with combined revenues of £68.09 billion, a strong increase on the £50.5 billion reported in 2023. This growth can be attributed, in part at least, to the increasing normalisation of the wider business environment as the long tail of COVID-19 disruption subsides.

The 971 companies in our research employed 118,430 people, up from 105,931 in 2023, and paid £1.17 billion in corporation tax, compared with £944 million in 2023.

This year's listing of fastest-growing companies also delivers strong results. For the first time ever, we identified 100 Indian businesses growing at a rate of 10% or more.⁴ The inclusion this year of automotive manufacturing giant Jaguar Land Rover in the list of fastest-growing companies saw the combined turnover of the 2024 Tracker companies rise to £42.8 billion, an increase of over 70% on the combined turnover of £25 billion for 2023 Tracker companies.

The 2024 Tracker companies achieved an average growth rate of 48% compared to 71.3% in 2023. The three fastest-growing companies were Interglobe Enterprises (UK) Ltd (323%), SAR Overseas Ltd (319%), and Sterlite Technologies UK Ventures Ltd (244%). Our congratulations go to all 2024 Tracker companies, especially those that have been featured several times over the years. The following companies all appear in the Tracker for the ninth time: Accord Healthcare Ltd, Bharat Forge International Ltd, Milpharm Ltd, and Secure Meters (UK) Ltd. Route Mobile Ltd makes its seventh appearance. This sustained growth by all these companies is to be particularly applauded.

India's dynamic economy set to supercharge India-UK partnership

Over the past year, a sluggish global economy and deteriorating international security have created a challenging environment for businesses everywhere. Despite this, the Indian economy continued to flourish. Annual economic growth of over 8% now puts the economy on track to become the third largest in the world within the next four years. On top of this, a free trade deal between India and the UK – much negotiated but yet to be concluded – has the potential to increase bilateral trade to more than \$100 billion by 2030.⁵ The enduring India-UK partnership promises exceptional opportunities for growth and prosperity in both countries. There's much to look forward to.



Anuj Chande OBE

Partner and Head of
South Asia Business Group
Grant Thornton UK LLP

T +44 (0)20 7728 2133






E anuj.chande@uk.gt.com

⁴ For qualifying criteria, see 'About our research'

⁵ [India-UK FTA: Month-end conclusion uncertain as gaps remain, thehindubusinessline.com](https://www.thehindubusinessline.com), 19 October 2023

Indian-owned companies in the UK

Key highlights

	2023	2024
 Number of companies	954	↑ 971
 Combined turnover	£50.5bn	↑ £68.09bn
 Total corporation tax paid	£944m	↑ £1.17bn
 Total number of employees	105,931	↑ 118,430
 Total number of female directors	29%	↓ 21%

Indian-owned companies are thriving in the UK

For the first time ever, the India meets Britain Tracker features one hundred Indian-owned businesses with annual growth of 10% or more.



The fastest-growing companies

Key highlights



100 out of 971
have revenue growth of at least
10%



48%
average revenue growth



combined turnover
£42.8 billion
£25 billion in 2023



employees in total
68,413
40,598 in 2023



corporation tax paid
£473.56 million
£449.5 million in 2023



capital expenditure
£1.4 billion
£864 million in 2023

Market size

42

companies have turnovers
between

£5-25 million

51

companies have turnovers
between

£25-250 million

7

companies have turnovers
greater than

£250 million+



Pandemic recovery helps make 2024 Tracker the largest-ever

The aftereffects of COVID-19 are still being felt by Indian businesses in the UK. The tentative recovery already evident in last year's Tracker developed into a full-blown return to health in this year's Tracker. 100 companies – the highest number ever in our research – reported growth of 10% or more – up from 79 in 2023 and 37 the year before. Between them, they reported average growth of 48% (compared with 71.3% last year).

Hospitality and leisure companies particularly benefitted from a full year's trading under normal conditions. Five feature in the top 30 this year:

Interglobe
Enterprises Ltd
323%

St James Court
Hotel Ltd
119%

OYO Technology and
Hospitality (UK) Ltd
82%

Norlake
Hospitality
81%

SGS Hotels
(UK) Ltd
57%

Several companies from other sectors demonstrated their ability to grow successfully whatever the economic challenges of recent years. This year, Accord Healthcare Ltd, Bharat Forge International Ltd, Milpharm Ltd, and Secure Meters (UK) Ltd all feature for the ninth time, while Route Mobile (UK) Ltd features for the seventh time.

The fastest-growing Indian-owned companies in the UK

Rank	Domestic ultimate owner	Global ultimate owner	Latest growth
1	Interglobe Enterprises (UK) Ltd	Interglobe Enterprises Private Ltd	323%
2	SAR Overseas Ltd	Sushila Parmar International Private Ltd	319%
3	Sterlite Technologies UK Ventures Ltd	Twin Star Overseas Ltd	244%
4	Essar (Oil) UK Ltd	Essar Global Fund Ltd	153%
5	St James Court Hotel Ltd	The Indian Hotels Co Ltd	119%
6	SISL Infotech (UK) Ltd	SISL Infotech Private Ltd	101%
7	India Infrastructure Finance Co (UK) Ltd	Government of India	100%
8	Cyjent Europe Ltd	Cyjent Ltd	98%
9	Amagi Media Private Ltd	Amagi Media Labs Private Ltd	86%
10	Ubique Systems UK Ltd	Ubique Systems Private Ltd	84%
11	OYO Technology & Hospitality (UK) Ltd	Oravel Stays	82%
12	Norlake Hospitality Ltd	Bharti Overseas Private Ltd	81%
13	Prime Focus Technologies UK Ltd	Prime Focus Ltd	78%
14	Synechron Ltd	Synechron Holdings Inc	78%
15	Lupin Healthcare (UK) Ltd	Lupin Ltd	76%
16	Kalyani Transmission Technologies International Ltd	Novel Engineering & Technology Consultants LLP	74%
17	Dishman Carbogen Amcis (Europe) Ltd	Adimans Technologies LLP	74%
18	Briar Chemicals Ltd	Safex Chemicals (India) Ltd	71%
19	Bird Overseas Holdings Ltd	Amadeus India Private Ltd	66%
20	Attune UK Ltd	Wipro Ltd	65%
21	Union Bank of India (UK) Ltd	Government of India	63%
22	Cheshire Salt Holdings	Tata Chemicals Ltd	62%
23	Coforge UK Ltd	Coforge Ltd	61%
24	Espire Infolabs Ltd	Espire Conglomerate Private Ltd	60%
25	Brown & Burk UK Ltd	Micro Labs Ltd	57%
26	SGS Hotels (UK) Ltd	SGS Infratech Limited	57%
27	State Bank of India (UK) Ltd	Government of India	57%
28	LTIMindtree UK Ltd	Larsen & Toubro Ltd	54%
29	Sonata Europe Ltd	Sonata Software Ltd	51%
30	Usha Martin International Ltd	Usha Martin Ltd	49%
31	Dynamatic Ltd	Dynamatic Technologies Ltd	48%
32	KPIT Technologies (UK) Ltd	KPIT Technologies Ltd	47%
33	Glenmark Pharmaceuticals Europe Ltd	Glenmark Pharmaceuticals Ltd	47%

The fastest-growing Indian-owned companies in the UK

Rank	Domestic ultimate owner	Global ultimate owner	Latest growth
34	Route Mobile (UK) Ltd	Route Mobile Ltd	46%
35	Birlasoft (UK) Ltd	Birlasoft Ltd	45%
36	Taj International Hotels Ltd	The Indian Hotels Co Ltd	45%
37	Sudhir Power (UK) Ltd	Mr Rahul Seth	44%
38	Mahindra Racing UK Ltd	Mahindra & Mahindra Ltd	43%
39	IPCA Laboratories UK Ltd	IPCA Laboratories Ltd	43%
40	Bank of Baroda (UK) Ltd	Government of India	43%
41	GH Holdings 1 Ltd	Bharti Overseas Private Ltd	43%
42	Quest Global Engineering Ltd	Quest Global Services PTE Ltd	39%
43	Natrium Holdings	Tata Chemicals Ltd	37%
44	Air Products Llanwern Ltd	Air Products & Chemicals Inc	37%
45	Muller Precision Ltd	Preciturn PVT Ltd	37%
46	Cigniti Technologies (UK) Ltd	Cigniti Technologies Ltd	36%
47	Tillomed Laboratories Ltd	Emcure Pharmaceuticals Ltd	36%
48	Torrent Pharma (UK) Ltd	Torrent Investments Private Ltd	35%
49	Intellect Design Arena Ltd	Intellect Design Arena Ltd	35%
50	Rategain Technologies Ltd	Rategain Technologies Ltd	34%
51	1GS Residences Ltd	Sambhavhath Infrabuild & Farms Private Ltd	33%
52	Marksans Pharma UK Ltd	Marksans Pharma Ltd	33%
53	Poeticgem Ltd	Mrs Payel Seth	31%
54	SMR Automotive Mirrors UK Ltd	Samvardhana Motherson International Ltd	31%
55	Greenlam Europe (UK) Ltd	Greenlam Industries Ltd	31%
56	Texmo Precision Castings (UK) Ltd	Ms Damayanti Ramachandran	29%
57	Electrosteel Castings (UK) Ltd	Electrosteel Castings Ltd	26%
58	Strides Pharma Global (UK) Ltd	Strides Pharma Science Ltd	29%
59	OYO Mountainia UK Ltd	SB Holdings (Cayman) Ltd	29%
60	Secure Meters (UK) Ltd	Secure Meters Ltd	28%
61	Bharat Forge International Ltd	Bharat Forge Ltd	25%
62	Mastek Systems Co Ltd	Mastek Ltd	25%
63	Sleaford Quality Foods Ltd	Jain Irrigation Systems Ltd	25%
64	Jaguar Land Rover Automotive plc	Tata Motors Ltd	25%
65	Veedol UK Ltd	Tide Water Oil Co (India) Ltd	24%
66	Dr Reddy's Laboratories (EU) Ltd	Dr Reddy's Laboratories Ltd	24%

The fastest-growing Indian-owned companies in the UK

Rank	Domestic ultimate owner	Global ultimate owner	Latest growth
67	Punjab National Bank (International) Ltd	Government of India	23%
68	Zensar Technologies (UK) Ltd	Zensar Technologies Ltd	22%
69	Neteron Holdings Ltd	Feroze Dhunjishaw Neterwala	22%
70	Firstsource Solutions UK Ltd	RPSG Ventures Ltd	21%
71	EESL Energypro Assets Ltd	Government of India	21%
72	Suprajit Europe Ltd	Suprajit Engineering Ltd	21%
73	Indiacast UK Ltd	Indiacast Media Distribution Private Ltd	21%
74	NIIT Ltd	NIIT Ltd	20%
75	Saksoft Solutions Ltd	Saksoft Ltd	19%
76	ICICI Bank UK plc	ICICI Bank UK plc	19%
77	SPP Pumps Ltd	Kirloskar Brothers Ltd	19%
78	Airtel Africa plc	Bharti Airtel Ltd	19%
79	LT Foods Europe Holdings Ltd	LT Foods Ltd	18%
80	RMSI Ltd	Mr Rajiv Kapoor	18%
81	Multi Trade Links (UK) Ltd	MTC Business Private Ltd	17%
82	Cramlington Precision Forge Ltd	T.V. Sundram Iyengar & Sons Private Ltd	17%
83	Venkys London Ltd	Venkateshwara Hatcheries Pvt Ltd	16%
84	Asia TV Ltd	Zee Entertainment Enterprises Ltd	16%
85	Cipla (EU) Ltd	Cipla Ltd	16%
86	Uflex Europe Ltd	Uflex Ltd	16%
87	Dhoot Transmission (UK) Ltd	Mr Rahul Dhoot	15%
88	Thermax Europe Ltd	RDA Holdings Private Limited	15%
89	Notedome Ltd	Manali Petrochemicals Ltd	14%
90	HCL Technologies UK Ltd	HCL Technologies Ltd	14%
91	Pfudler Ltd	GMM Pfudler Ltd	14%
92	Radicon Transmission UK Ltd	Elecon Engineering Co Ltd	13%
93	TVS Europe Distribution Ltd	TVS Automobile Solutions Private Ltd	13%
94	Gulf International Trading Company (Europe) Ltd	AMAS Holding SPF	12%
95	MSSL (GB) Ltd	Samvardhana Motherson International Ltd	11%
96	Tenon FM Ltd	Tenon Facility Management India Private Ltd	11%
97	Milpharm Ltd	Aurobindo Pharma Ltd	11%
98	Biocon Biologics UK Ltd	Biocon Ltd	10%
99	Accord Healthcare Ltd	Intas Pharmaceuticals Ltd	10%
100	Double Negative Ltd	Prime Focus Ltd	10%

Jaguar Land Rover roars into the Tracker

Combined turnover for the 2024 Tracker companies is £42.8 billion. Jaguar Land Rover entered the Tracker for the first time and contributed £22.8 billion towards the total, making it one of just seven 2024 Tracker companies with annual turnover greater than £250 million. The automobile manufacturer reported annual growth of 25% on the previous year, thanks in part to the easing of the semiconductor shortage, which held back production and sales following the pandemic. In the 2023 financial year, the Group was able to expand wholesale volumes and increase production of the Range Rover, Range Rover Sport, and Defender.⁶

London regains top position for Indian businesses in the UK

For the first time since 2021, London is home to more than 50% of Tracker companies. The Tracker reveals the very different nature of businesses by region. Of the 52 London-based Tracker companies, 21 operate in the technology, media and telecoms (TMT) sector. As in prior years, manufacturing and engineering companies dominate in the Midlands (five out of 11 companies) and the North (five out of 16).

Capex jumps 60% as Tracker companies take advantage of enhanced allowances due to end in 2023

Capital expenditure (capex) by Tracker companies jumped a massive 60% to £1.4 billion as Indian businesses took advantage of the new post-COVID-19 enhanced capital allowances announced in the 2021 Spring Budget, which was due to end in March 2023. The temporary enhanced tax relief could be complex to apply in practice, and there was a need for careful capital expenditure planning, so it is no surprise that the full impact of the enhanced allowances was only felt in the 2023 accounts.

Tracker companies in London and the Midlands accounted for more than 90% of the £1.4 billion total capex invested. In terms of investment by industry, three sectors accounted for 88% of total investment: TMT, automotive, and hospitality and leisure.

Financial services companies leap to 6% of all Tracker companies

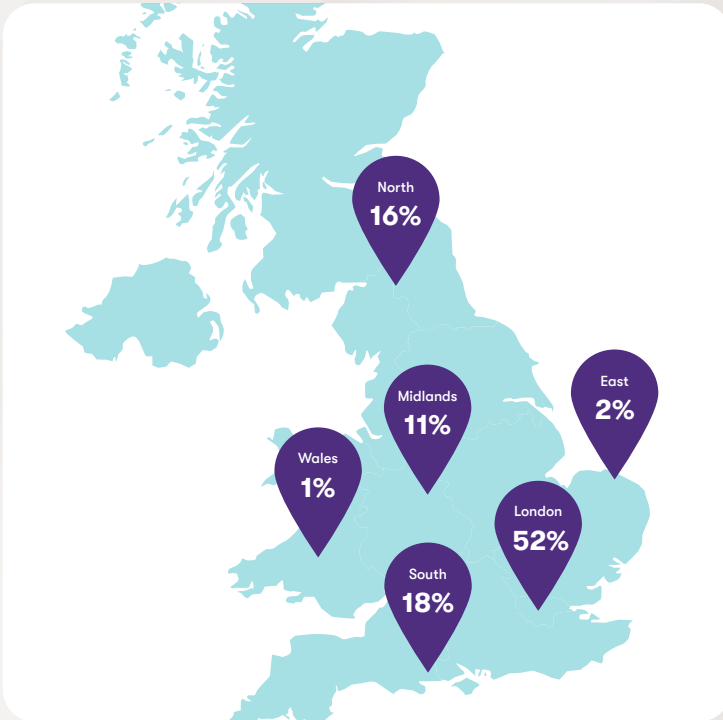
This year, financial services companies account for 6% of all Tracker companies, up from 1% last year, the sector's best showing in the Tracker since 2021. Five of the six financial services companies in the 2024 Tracker – India Infrastructure Finance Company UK Ltd, Union Bank of India, State Bank of India (UK), Bank of Baroda UK Ltd and Punjabi National Bank (International Ltd) – are owned by the Government of India. Despite growing by 43% in 2023, Bank of Baroda (UK) Ltd is set to wind down its UK retail banking business, citing the UK's regulatory requirements as the reason in its annual accounts.

TMT is still the largest sector

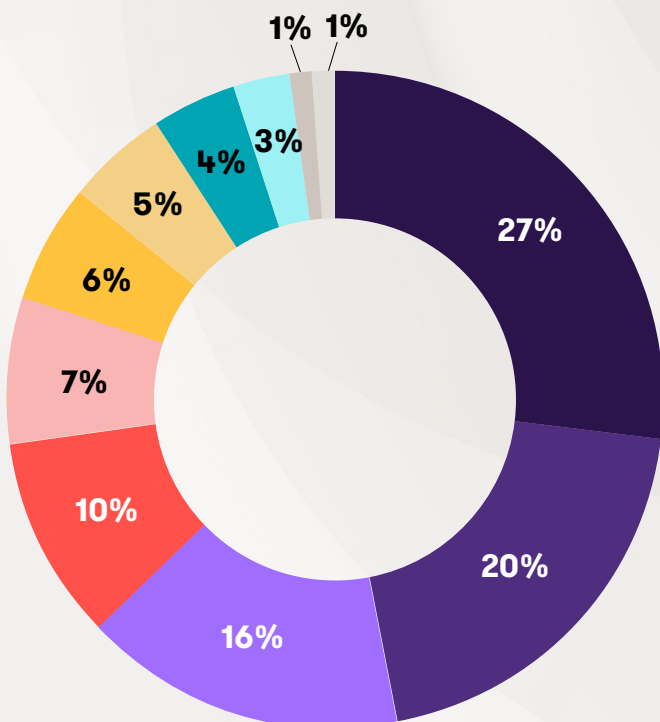
Since the Tracker started eleven years ago, TMT has been the largest sector in terms of the number of companies. It retains the top spot this year but has extended its lead over the engineering and manufacturing sector in second place. Compared to last year, TMT has increased to 27% of Tracker companies (up from 24%), while engineering and manufacturing has decreased to 20% (down from 23%). As with last year, the pharmaceuticals and chemicals sector retains third place, gaining one percentage point. The pharmaceuticals and chemicals sector often competes for second place with engineering and manufacturing, so it's interesting to note that even though it's still in third place, it is growing in number.

Key highlights from the Tracker

Top regions by proportion of Tracker companies



Top sectors



- Technology, media and telecoms
- Manufacturing and engineering
- Pharmaceuticals and chemicals
- Hospitality and leisure
- Automotive
- Financial services
- Energy
- Business services
- Food and beverage
- Retail
- Real estate

Top Indian employers in the UK



Major Indian employers in the UK

UK companies	Global ultimate owner	Latest employee number
Jaguar Land Rover Automotive plc	Tata Motors Ltd	38,379
Tata Steel Europe Ltd	Tata Steel Ltd	20,300
Firstsource Solutions UK Ltd	RPSG Ventures	5,596
Airtel Africa plc	Bharti Airtel Ltd	3,907
HCL Technologies UK Ltd	HCL Technologies Ltd	2,849
TVS Logistics Investment Ltd	TVS Supply Chain Solutions Ltd	2,728
Hinduja Global Solutions UK Ltd	Hinduja Global Solutions Ltd	2,028
Tenon FM Ltd	Tenon Facility Management (India) Private Ltd	1,772
GH Holdings 1 Ltd	Bharti Overseas Private Ltd	1,510
Norlake Hospitality Ltd	Bharti Overseas Private Ltd	1,046
Target Group Ltd	Tech Mahindra Ltd	1,003



Major Indian employers employ over 81,000 people in the UK⁷

11 Indian businesses in the UK employ more than 1,000 people. Between them, these major employers employ 81,140 people.⁸



Post-pandemic uplift for hospitality delivers new major employer

A new entry to the list, Norlake Hospitality Ltd, is the fastest-growing of the largest employers, with employee numbers increasing from 689 to 1,046 from 2022 to 2023 – a growth rate of 51.8%. A return to a full year of normal trading conditions for hospitality after the years of COVID-19 disruption is the most likely reason for this impressive performance.

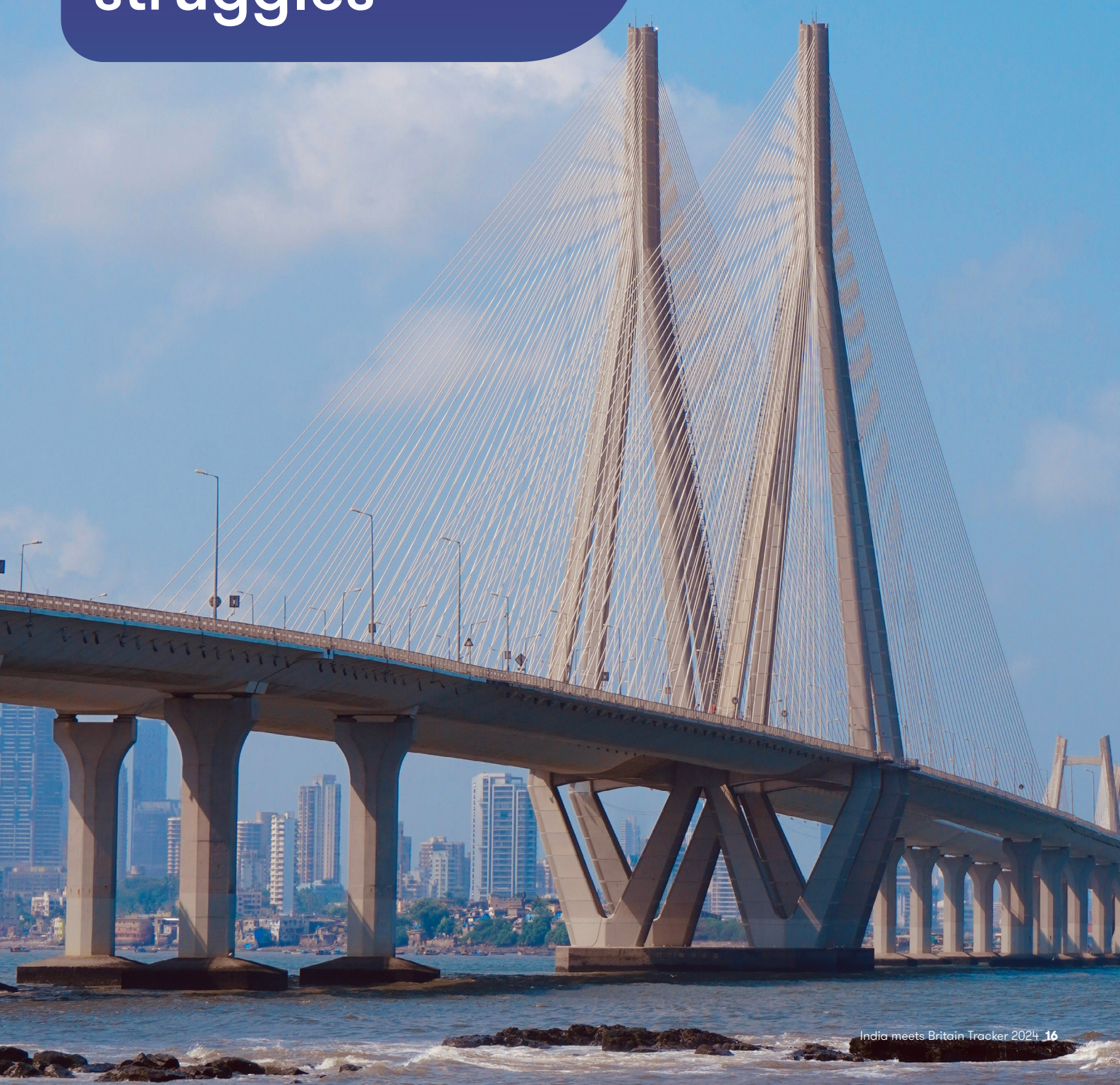
The other major employers all reported growth in employee numbers, apart from Target Group, where headcount fell by 11.2% as the company made redundancies to streamline the business.⁹

⁷ Employee numbers will include those residing in overseas locations.

⁸ The total employee number excludes employees of UK branches of Indian companies. If these were included, the employment numbers would be substantially higher.

⁹ [Target Group making 45 redundancies at Newport Office, South Wales Argus, 8 December 2023](#)

India grows strongly as the global economy struggles



India grows strongly as the global economy struggles

The global economy continued to face challenging headwinds in 2023. As pandemic disruption abated, the international security situation worsened. India was one of the few major economies in this challenging environment to show strong economic growth.

Figures for the 12 months to December 2023 show annual economic growth of 8.4%.¹⁰ In the same period, the UK growth rate was -0.2%, mirroring widespread negative or low annual growth in many G20 economies.¹¹ Figures from the IMF show that India is now the fifth largest economy in the world (behind the US, China, Germany, and Japan), with GDP worth USD 4,112 billion.¹²

During 2023, India's presidency of the G20 helped underline the country's growing presence on the world stage. More than 30 heads of state and government from around the world, including the UK prime minister, Rishi Sunak, attended the G20 summit in New Delhi in September 2023. As Secretariat for the Business 20 (B20), the G20's official dialogue platform with the global business community, the CII was instrumental in coordinating efforts to build consensus and set priorities on policies to address global economic challenges.

India is becoming an economic powerhouse

India's global influence is set to expand as the country's economic clout grows. With the OECD forecasting GDP growth of 6.5%, India will be the fastest-growing economy in the world in 2024. It is set to become the third-largest economy in the world by 2028.¹³

The Indian diaspora in the UK has been described as a 'living bridge' between the two countries. That bridge is the most likely reason both nations will continue to benefit from a mutually supportive and enduring partnership. Linguistic and political ties and a diaspora embedded in local culture mean the UK continues to hold powerful appeal for Indian investors. The successful conclusion of negotiations on a free trade agreement (FTA) could add a new layer of prosperity for both India and the UK.

Foreign direct investment (FDI) from India creates over 8,000 new jobs in 2023

In 2023, India was the source of 118 FDI projects in the UK, creating 8,384 new jobs, according to figures from The Department for Business and Trade. This is the second year in a row that India has been the second largest source of FDI projects in the UK after the United States.¹⁴ In the West Midlands, India is now the region's leading source of FDI. India is now such an important source of FDI to the West Midlands that the region has sent delegations to India to cement existing ties and encourage further investment.¹⁵

There have been notable large investments from Indian businesses as part of the transition to greener technologies. Tata, owner of Jaguar Land Rover, announced that they will build the UK's biggest electric vehicle battery manufacturing facility near Bridgwater in Somerset. This will be among the biggest buildings in the UK and is expected to create 4,000 new jobs at the plant with more in the supply chain.¹⁶ Tata Steel announced it will push ahead with plans to spend £1.25 billion to transition to a greener electric arc furnace at its steelworks in Port Talbot. This decision caused some controversy as, although it will cut carbon emissions, it will also lead to large job losses in the area.¹⁷

¹⁰ [India GDP Annual Growth Rate, Trading Economics, page accessed 15 April 2024](#)

¹¹ [United Kingdom GDP Annual Growth Rate, Trading Economics, page accessed 15 April 2024](#)

¹² [The top 10 largest economies in the world in 2024, Forbes India, 10 April 2024](#)

¹³ [India to be \\$5 trillion economy by FY28, reach \\$30 trillion by 2047: FM, The Economic Times, 10 January 2024](#)

¹⁴ [Inward Investment Results 2022 to 2023, Department for Business and Trade](#)

¹⁵ [West Midlands Wins: 2023 FDI Deep Dive, 13 July 2023](#)

¹⁶ [Tata confirms Somerset will host £4bn battery factory, bbc.co.uk, 28 February 2024](#)

¹⁷ [Port Talbot: Tata Steel's blast furnaces to close with 3,000 expected job losses, bbc.co.uk, 18 January 2024](#)



India-UK deal activity presents a mixed picture

India-UK deal activity presented a mixed picture in 2023. The total value of UK deals in India reached over USD 1 billion (against USD 55 million in 2022). More than half of that amount came from one acquisition, that of PayU Payments Private Limited-global payments business unit by Rapyd Financial Network for USD 610 million. The other major deal last year was also in the financial services space. BUPA plc paid over USD 329 million to increase its stake in Niva Bupa Health Insurance Company to 63%.

The total value of Indian deals in the UK fell to USD 67 million (compared with USD 227 million in 2022).¹⁸ The biggest of these deals was Reliance Retail Ventures' acquisition of a majority stake in Superdry plc's licences and brand assets in India, Sri Lanka, and Bangladesh for USD 48 million. In other deal activity in 2023:

- Leadership Boulevard acquired the Indian business of British educational services company, Pearson, for USD 5 million
- Mankind Pharma, one of India's leading pharmaceutical companies, acquired a minority stake in Actimed Therapeutics, for USD 5 million
- Creative brand marketing specialists Creativeland Asia Network acquired a controlling stake in London-based Creators Inc, in a deal worth USD 3.75 million
- Collabera Technologies, a leading provider of digital engineering services acquired Digiterre, a multi-award-winning software and data engineering consultancy firm, in a deal worth USD 5 million.

India and UK still to finalise free trade deal

Growth in trade between the UK and India continued to grow strongly. In 2023, total trade in goods and services was £39 billion, an increase of 4.8% on the previous year. As a result, India is currently the UK's 12th largest trading partner, accounting for 2.1% of total UK trade.¹⁹

Negotiations on the long-anticipated UK-India FTA, a huge economic opportunity for both countries, continued throughout 2023. A deal between the world's fifth and sixth-largest economies has the potential to increase bilateral trade to more than \$100 billion by 2030²⁰ and create new employment opportunities. As a result, both governments are committed to arriving at an agreement that works well for both sides. Nevertheless, despite a fourteenth round of negotiations in January 2024, an announcement remains elusive.

With the UK election now scheduled for 4 July there will be a hiatus in the negotiations which can only resume once a new Government is formed. Both major parties have confirmed their commitment to concluding an FTA.

¹⁸ Grant Thornton Bharat Dealtracker report

¹⁹ India Trade and Investment fact sheet release date 17 May 2024

²⁰ Indian Foreign Minister Jaishankar visits UK to boost bilateral ties, thenationalnews.com, 13 November 2023

India and the UK continue to deepen their partnership

The FTA negotiations continued against a backdrop of significant official visits, particularly UK delegations visiting India, underlining the determination of the two countries to continue strengthening their relationship.

The standout visit was that of the UK prime minister, Rishi Sunak, to the G20 summit in New Delhi in September 2023. Here, he and the Indian prime minister discussed “close and growing ties” between the two countries, agreeing that it was “important to build on the past and focus on the future” by “cementing a modern partnership” in defence technology, trade, and innovation. They also had a productive conversation about negotiations on the FTA between the UK and India.²¹ This was the second meeting between the two leaders in 2023, they also met at the G7 summit in Japan.²²

In January 2023, India’s foreign secretary, Vinay Mohan Kwatra, and Sir Philip Barton, Permanent Under-Secretary at the Foreign, Commonwealth and Development Office, met in New Delhi for the annual UK-India Strategic Dialogue.²³ Here the UK reaffirmed its commitment to the 2030 Roadmap for India-UK.²⁴

In March 2023, the UK foreign secretary, James Cleverly, visited India to mark the opening of the new Young Professionals Scheme. In its inaugural year, the scheme granted 2,400 British and 2,400 Indians the right to live and work in the other country for up to two years. (In the 2024 ballot, total visas awarded under the scheme rose to 6,000.) He also announced the creation of the UK’s first Tech Envoy to the Indo-Pacific region, who will boost ties with India as a priority.²⁵

In August 2023, the UK business and trade secretary, Kemi Badenoch, made a three-day visit to India to attend the G20 Trade Ministers Meeting in Jaipur. She also launched a new ‘Alive with Opportunity’ campaign to attract Indian inward investment to the UK.²⁶

In September 2023, the UK chancellor, Jeremy Hunt, and the Indian finance minister, Nirmala Sitharaman, held the 12th UK-India economic and financial dialogue in New Delhi.

In November 2023, the Indian external affairs minister, Subrahmanyam Jaishankar, met Rishi Sunak in London at the start of a four-day visit to the UK to strengthen bilateral ties.²⁷

In February 2024 Labour’s shadow cabinet visited New Delhi to reinforce their commitment to UK-India relations.

21 PM meeting with Prime Minister Modi of India, www.gov.uk, 9 September 2023

22 PM meeting with Prime Minister Modi of India, www.gov.uk, 22 May 2023

23 UK reaffirms 2030 Roadmap commitments at high level dialogue with India, www.gov.uk, 16 January 2023

24 2030 Roadmap for India-UK future relations, www.gov.uk, 4 May 2021

25 Foreign Secretary in India to forge stronger economic and tech ties in Indo-Pacific, www.gov.uk, 1 March 2023

26 Trade Secretary launches UK-India campaign on G20 visit to Jaipur, www.gov.uk, 24 August 2023

27 Indian Foreign Minister Jaishankar visits UK to boost bilateral ties, thenationalnews.com, 13 Nov 2023





Evolving trends and new opportunities

Major trends such as the expansion of AI and the transition to clean energy are shaping a new landscape for businesses in India and the UK.

With a population of over 1,400 million, India is now the largest country in the world.²⁸ With 40% of its population currently under 25, the country benefits from a ‘youth demographic dividend’ – lots of young workers, many highly educated, ready to be part of the country’s rapid economic growth. On the flip side, the profile of the population means the Indian government faces a huge task in creating enough jobs.

As the government seeks to develop the economy to create opportunities for all, it has recently highlighted a range of challenges. These include artificial intelligence’s (AI) threat to the services sector, the trade-off between energy security and economic growth, and the availability of a skilled workforce.²⁹ Correctly handled, these challenges can be recast as opportunities for businesses seeking to be part of India’s dynamic growth story.

AI revolution

A wave of AI-driven transformation is changing the workplace. The technology is helping improve productivity but, at the same time, is reducing the number of people needed to perform specific roles. The services sector is one of the first to feel the full impact, with CII members from sectors as diverse as hospitality and manufacturing reportedly using the technology to achieve efficiencies. In due course, AI will disrupt all sectors. Smart businesses will plan to capitalise on the opportunities as well as mitigate the threats.

Given AI’s rapid development, governments around the world are taking action to ensure the technology can be developed and used safely. In the UK, the government has announced a £100m investment to help prepare the UK to regulate AI and explore opportunities to use the technology responsibly.³⁰ It also hosted the first major global summit on AI in 2023.³¹

Meanwhile, in India, the Digital Personal Data Protection Act 2023 was passed last year. Although not specifically focused on AI, this new law aims to establish a comprehensive framework for safeguarding and regulating the use of Indian citizens’ personal data. It will ensure an added layer of protection in a world where vast amounts of data are now being collected to train AI and machine learning models.³²

Energy security and the clean energy transition

Conflict around the world in 2022 and 2023 has pushed the issue of energy security to the fore for many countries. The shift to clean energy – originally intended to address concerns around climate change – may also help improve energy security. India and the UK are both committed to increasing their supply of clean energy at pace. In India, the government aims to meet 50% of its electricity requirements from renewable energy sources by 2030,³³ while the UK aims to generate all its electricity from clean sources by 2035.³⁴

As a result, climate and clean energy are highlighted as a priority area for the India-UK Roadmap 2030. A range of programmes is underway to support India-UK collaboration in areas such as offshore wind, solar power, biofuels, and carbon capture.

In a parallel development, at the end of 2023, British International Investment (BII), the UK’s development finance institution, announced a USD 25 million fund for investment in companies and projects that contribute to the transition to a low-carbon economy, a large tranche of which will be invested in India.³⁵

Meanwhile, businesses are implementing change across their operations to reflect this evolving reality. One CII member, for example, aims to transition its full commercial fleet to EV or hybrid vehicles by the end of this year. It has already moved its entire fleet of forklift trucks to lithium battery electrical drive units.

Jaguar Land Rover is combining the clean energy transition with the AI revolution as it shifts towards cleaner, autonomous vehicles. Electric vehicles feature heavily in the Group’s strategy. The new Range Rover Sport will be electric, while all their brands offer plug-in and mild hybrid vehicles or, in the case of the Jaguar I-PACE, an all-electric vehicle. It has partnered with NVIDIA, a leading artificial intelligence company. They aim to develop AI-powered autonomous driving and connected services for all vehicles from 2025.³⁶

28 [Countries in the world by population \(2024\)](https://www.worldometers.info), www.worldometers.info, 16 July 2023

29 [India flags four challenges as it embarks on \\$7 trillion economy path](https://www.economictimes.com), [The Economic Times](https://www.economictimes.com), 29 January 2024

30 [More than £100m investment announced to help UK prepare to regulate AI](https://www.standard.co.uk), [The Standard](https://www.standard.co.uk), 6 February 2024

31 [UK to host first global summit on Artificial Intelligence](https://www.gov.uk), www.gov.uk, 7 June 2023

32 [Grant Thornton report: Implications of the DPDP Act 2023 on India’s Financial Services Sector](https://www.grantthornton.com)

33 [Report on India Renewable Electricity Roadmap 2030](https://www.pwccleanenergy.com)

34 [All UK’s electricity will come from clean sources by 2035, says PM](https://www.bbc.com), [bbc.co.uk](https://www.bbc.com), 4 October 2021

35 [BII commits \\$25 million in GEF SAGT to invest in clean tech industry](https://www.financialexpress.com), [Financial Express](https://www.financialexpress.com), 5 December 2023

36 [Jaguar Land Rover Annual Report 2023](https://www.jaguarlandrover.com)



Unlocking growth through skills

India has the youngest and largest workforce in the world. Yet just 5% of its workforce is recognised as formally skilled.³⁷ This is why the Indian government highlights the availability of a skilled workforce as a key growth challenge. Despite the scale of the wider task, India has had significant success developing digital skills among its young population. Today, the country is a leading exporter of IT and business process outsourcing (BPO) services globally and is emerging rapidly as a leading technology and innovation hub.³⁸ Those advances in technology and innovation were best demonstrated when India became the first country to successfully land a spacecraft on the south pole of the Moon in August 2023.³⁹

The UK is part of India's journey as it develops as a leader in technology and innovation. Within the last year, UK Research and Innovation (UKRI) and the Government of India each committed £16 million of new investment to their joint research and innovation partnership. The partnership includes a technology and skills programme.⁴⁰

ESG: a growing focus on the social component

Environmental, social and governance (ESG) challenges have been moving up the corporate agenda fast in recent years. In 2022, the UK became the first G20 country to make it mandatory for the largest businesses to disclose their climate-related risks and opportunities. In India, the Securities and Exchange Board of India (SEBI) mandated Business Responsibility and Sustainability Reporting (BRSR) disclosures for 1,000 companies from the financial year 2023.

While at present only the very largest companies will feel the impact of these new requirements the direction of travel is clear. Businesses that develop effective ESG policies will be better placed to withstand the challenges created by climate change and to realise the opportunities from the transition to a low-carbon economy. To respond to consumers' growing concern for the environment, some businesses are signalling their commitment to sustainable practices through accreditation schemes, such as the EarthCheck scheme for the tourism industry.

With this shift underway, many businesses are starting to pay closer attention to the 'S' (social) element of the ESG agenda. Inclusion and diversity (I&D) is an important aspect of this, as businesses increasingly seek to leverage the knowledge and experience of a wide range of different people, ensuring they feel welcome in the workplace. Again, forward-looking businesses that develop effective I&D strategies will supercharge their ability to attract the best talent for competitive advantage. CII members report a range of initiatives, from investing in mental health and wellbeing support for employees to developing responsible sourcing that embraces small producers and artisans, sometimes from less-able communities.

³⁷ [How can India prepare its youth for the future of work? Here's what's needed now, World Economic Forum, 26 October 2022](#)

³⁸ [How India is emerging as the world's technology and services hub, ey.com, 5 January 2023](#)

³⁹ [Chandrayaan-3: India makes historic landing near Moon's south pole, bbc.co.uk, 23 August 2023](#)

⁴⁰ [UK and India commit to research and innovation collaboration, UK Research and Innovation, 27 April 2023](#)

Top issues for Indian investors in the UK



Despite the continued growth in Indian investment in the UK there are certain concerns voiced by existing investors. Members of the Confederation of Indian Industry (CII) with operations in the UK identified four key areas of concern:



Stringent Know Your Customer regulations can be a deterrent

The UK's stringent Know Your Customer (KYC) requirements, can delay the process of incorporation in the UK and sometimes act as a deterrent to investing in the UK. Indian banks with operations in the UK have a role to play in helping Indian businesses understand and stay compliant with these requirements. Additionally, authorising select Indian Banks to operate as a branch with a mix of wholesale and retail businesses with a deposit threshold of less than £500 million can be a good step forward to enable and support Indian investment into the UK.



Investors say corporation tax increase makes doing business more expensive

In April 2023, the UK rate of corporation tax for companies with profits over £250,000 rose from 19% to 25%. While this makes it costlier to do business, the headline rate is still the lowest among the G7. The 'full capital expensing policy', announced by the UK government at the same time as the tax rate rise, means companies can deduct spending on investment from profits, reducing the tax they must pay.⁴¹



Indian investors want more flexible rules on Apprenticeship Levy

The CII reports that members want to see more flexible rules around how they are permitted to use the Apprenticeship Levy, currently 0.5% of overall wages for companies with an annual pay bill of over £3 million. This reflects a general concern voiced by many businesses in the UK regarding the complexity of the Apprenticeship Levy.

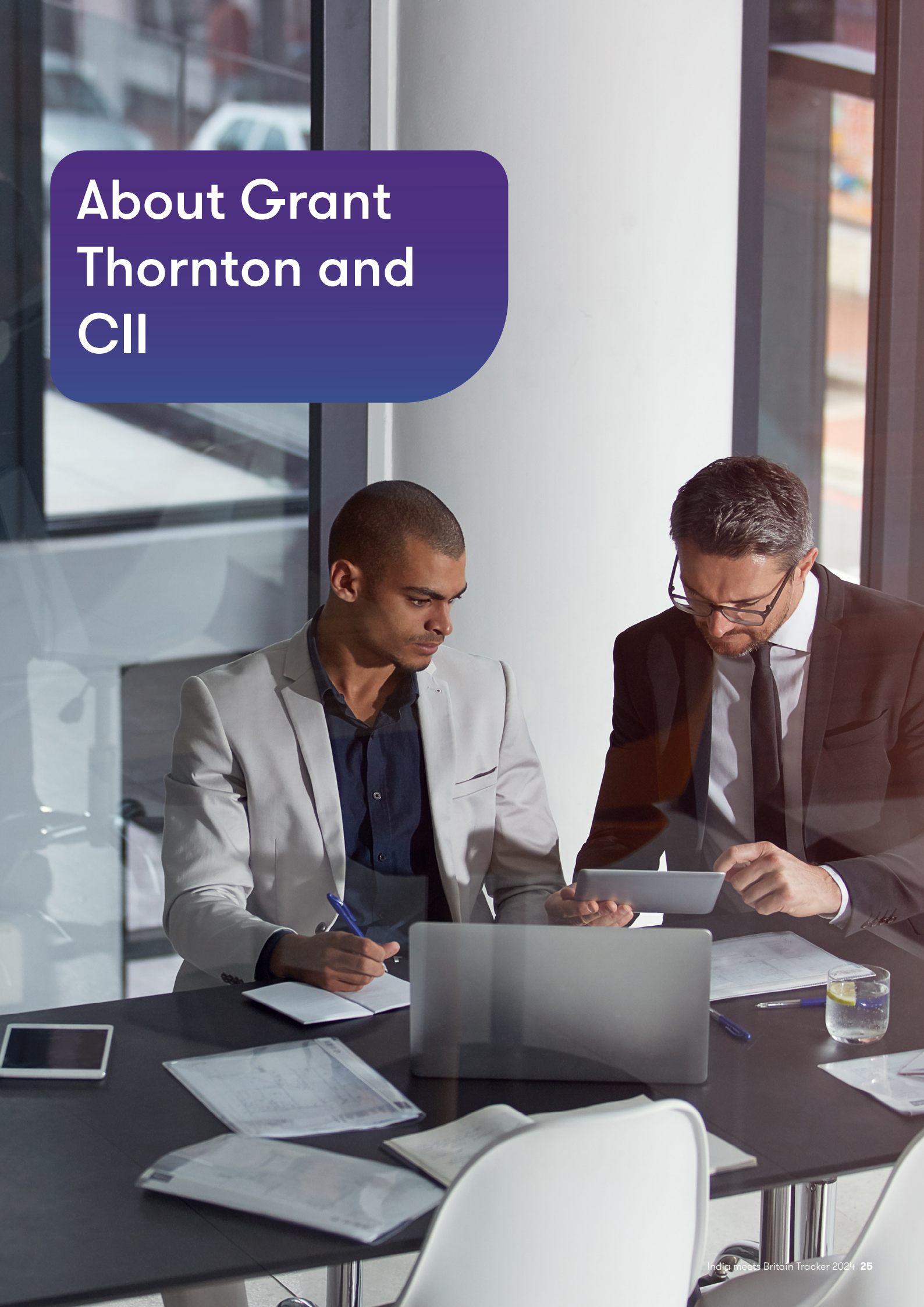


New minimum wage for ICT visa is too high

From 4 April 2024, the salary threshold for the ICT visa, now known as the Senior or Specialist Worker visa, rose from £45,800 to £48,500. Indian businesses report that this is making it difficult to bring in talent to address the shortage in tech skills (especially in AI) in the UK. Possible alternative visa routes for tech workers who do not meet the minimum salary requirement include the India Young Professionals Scheme and the new post-study Graduate Route.

⁴¹ Corporation tax: Jeremy Hunt confirms rise to 25% from April, [bbc.co.uk](https://www.bbc.co.uk), 15 March 2023

About Grant Thornton and CII



Grant Thornton

We're a business adviser that helps organisations navigate today's volatile markets, combining global scale with local insight, quality and understanding, providing the assurance, tax, and advisory services businesses need to realise their ambitions.

Our South Asia Business Group has worked closely with businesses in the India-UK corridor for over three decades. We understand what businesses need to succeed today and help them prepare for tomorrow. We go beyond business as usual, creating, protecting and transforming value by:

- identifying growth opportunities in the UK and South Asia, whether they are an Indian organisation or a UK business looking to expand internationally
- managing potential risks to protect their organisation and assets while ensuring the complexities of international regulatory requirements are always met
- achieving lasting success by helping businesses reach their true potential.

Our deep understanding of South Asian culture means we empathise with customs and attitudes in business and social contexts. We are widely recognised as one of the leading international firms advising on India-related matters. Over the years we have helped companies such as Pizza Express to enter the Indian market and have undertaken more than 400 transactions, with Tata Motors' acquisition of Jaguar Land Rover being one of the largest.

For further information about this report, contact:



Anuj Chande OBE

Partner and Head of
South Asia Business Group
Grant Thornton UK LLP
T +44 (0)20 7728 2133
E anuj.j.chande@uk.gt.com



Akshay Bhalla

Partner and Head of India Global
Grant Thornton UK LLP
T +44 (0)20 7865 2522
E akshay.bhalla@uk.gt.com



Gursheen Kaur Sahani

Head of Business Development
South Asia Business Group
Grant Thornton UK LLP
T +44 (0)7445 024215
E gursheen.k.sahani@uk.gt.com

Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness, and business opportunities for industry through a range of specialised services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

As India strategises for the next 25 years to India@100, Indian industry must scale the competitiveness ladder to drive growth. It must also internalise the tenets of sustainability and climate action and accelerate its globalisation journey for leadership in a changing world. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2023-24 as 'Towards a Competitive and Sustainable India@100: Growth, Livelihood, Globalisation, Building Trust' has prioritised six action themes that will catalyse the journey of the country towards the vision of India@100.

With 65 offices, including 10 Centres of Excellence, in India, and eight overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organisations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

CII UK office is the oldest functioning international office of the CII and has been active for the last 43 years.

For further information about this report, contact:



Ms Shehla Hasan

Director and Head, UK
Confederation of Indian Industry
E shehla.hasan@cii.in

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