



UK-India Tech Roundtable Series: Later Stage Growth - Indian Tech Companies in the UK





Introduction

In December 2021, Global Tech Advocates, Tech India Advocates and the London Stock Exchange Group convened a group of Indian-led tech founders and investors with the Department for Digital, Culture, Media and Sport.

The roundtable showcased the strength of the relationship between the thriving tech ecosystems in the UK and India.

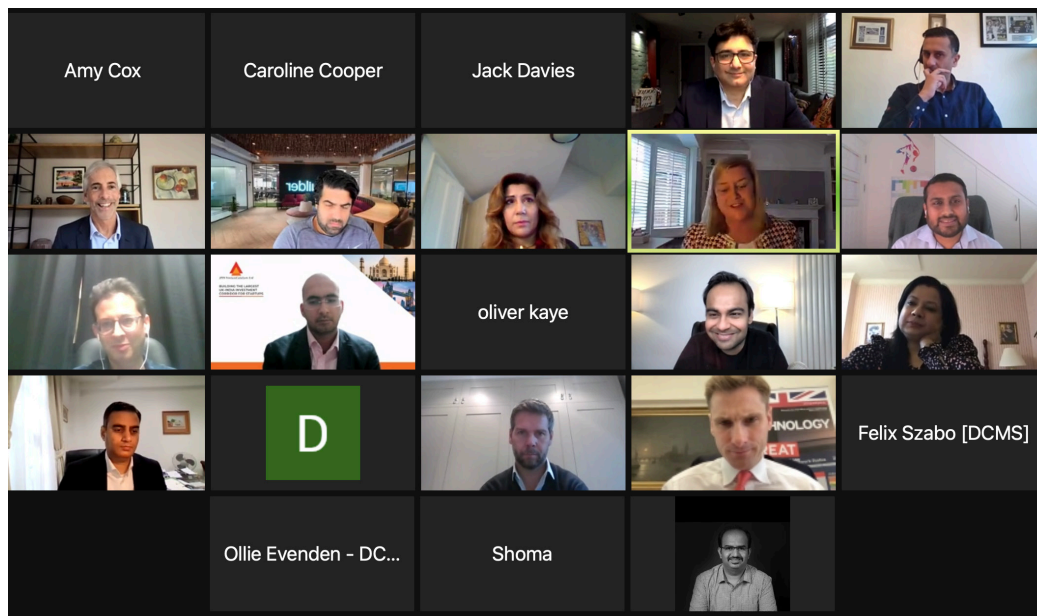
The UK is now widely regarded as the world's third tech ecosystem and has shown remarkable resilience during the pandemic, ending the year with 116 tech unicorns. Investment into UK tech has reached record levels of nearly £30bn tech investment during 2021.

Whilst the UK is in the midst of negotiating new trade relationships around the world, this roundtable highlighted the importance of Indian tech companies and tech talent in the continued success of the British tech sector.

The roundtable - hosted by Russ Shaw CBE, founder of Global Tech Advocates and Chris Philp, Minister for Tech and the Digital Economy - focused on two key themes:

- The experience of later stage Indian tech companies scaling in the UK
- Collaboration across the UK and Indian tech ecosystems

This report outlines the key discussion points and conclusions from the roundtable.



Attendees

16

ATTENDEES

Chris Philp MP
Minister for Tech and the Digital Economy

Russ Shaw CBE
Founder, Global Tech Advocates

Ani Kaprekar
Co-Founder , Tech India Advocates

Af Malhotra
Co-Founder , Tech India Advocates

Neil Shah
London Stock Exchange Group

Shashi Prashad
Director, KPMG

Shehla Hasan
Executive Director, Manchester India Partnership

Rohit Vadhvana
First Secretary - Economic, Info & Press,
High Commission of India in the UK

Dr Saif Mahmood
Corp Law (UK/India Expert) / Oxford
Scholar / founder of Amicus Juris

Janet Coyle
Managing Director, London & Partners

Bindi Karia
Partner, Molten Ventures

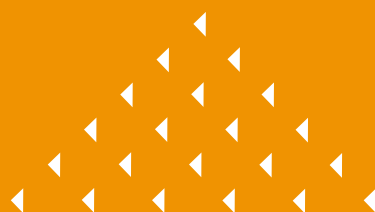
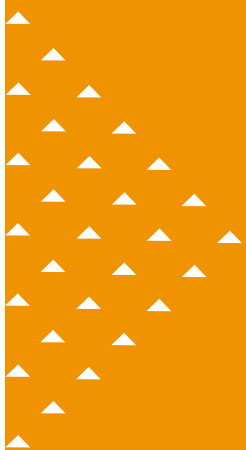
Gaurav Singh
Founder, JPIN Venture Catalysts

Henry Goodwin
Partner, Leo Capital

Harish Talreja
Vice President, Lightbox

Oliver Kaye
COO, Lenskart

Sachin Dev Duggal
Founder, Builder.ai



Key Findings

Indian tech founders and investors continually referenced capital and potential for innovation as a point of attraction of the UK and beyond, the roundtable attendees were also in agreement that the UK serves as a formidable springboard to other countries in Europe.

This is a significant advantage the UK has over the US. Indian startups can demonstrate a high growth potential to access the emerging markets in places such as Africa, South America and ASEAN markets.

The UK is an environment that is highly conducive to growth, from a legal and compliance perspective.

Several founders flagged that the lack of affordable and digitally skilled workers is the single biggest concern facing later stage scale up tech companies in India, where competition for talent is fierce and is leading to a steep increase in salaries and job expectations.

This is where the UK market is of crucial value, and can help alleviate the high competition for specialists due to its strong talent pool. From an investor perspective, many attendees cited the importance of building an ecosystem that accelerates growth. This includes access to capital, talent and government support which will add value to businesses.

Diverse talent is also a profound advantage of UK-India relations. Having well-known tech founders or CEOs with an Indian background that are successful in the UK can encourage collaboration and it deepens the understanding of how the tech ecosystem of entrepreneurs and investors in India operate.

There were also issues raised about regulation, specifically around GDPR that Indian companies face. There is an urgent need for bi-lateral agreement on data protection between the UK and India. The UK has a deal in place with Singapore for example. Without a data agreement in place, there will be significant upheaval for businesses in both nations.

Legal experts expressed the need for a review of the tax agreements currently in place - specifically to tighten up the UK-India tax treaty and expedite the pathway to business expansion.

It was also highlighted that UK & India should develop more city & region partnerships to attract diverse talent and to create more tech innovation and trade opportunities.

What attracts later stage growth of Indian tech companies in the UK:

- A high global growth potential to emerging markets.
- Potential for innovation
- Regulatory environment



Key Perspectives

Chris Philp MP, Minister for Tech and the Digital Economy

“The Government sees enormous opportunity in the relationship between the UK and India. We have a great trading relationship and huge diasporas going in both directions that give us a real bond between our countries. Digital and tech will be hugely important and there are huge mutual benefits for capital and ideas flows to take place between the UK and India.”

Rohit Vadhvana, High Commission of India to the UK

“The UK’s strength for Indian companies is in capital and innovation and to be a springboard to other countries in Europe. The UK remains one of the most important markets for Indian tech companies and startups and we are proud of that. India has been consistently the second largest investor in the UK in terms of talent and capital.”

Saif Mahmood, Amicus Juris

“I have never found expansion of companies in India to be easier than it is today, especially to the UK. All the available avenues for growth, from the legal and compliance perspective, have minimum statutory requirements. Up to \$1bn can be invested without any legal concerns.”

Gaurav Singh, JPIN Venture Catalysts

“What we need to also demonstrate to India startups is the amazing access UK has to emerging markets globally for growth (Africa, South America, ASEAN markets). This is a strong advantage the UK has over the US.”

Bindi Karia, Molten Ventures

“When you’re a European VC you invest in Europe. When you think about companies scaling, you think about them scaling to the US. When you think about the opportunities to scale into countries like India, we don’t have the knowledge base to support that. Investors need to get better at opening the doors to companies looking to enter the UK.”



We want to connect the UK to New India. New India is growing in tech and has a dynamic generation of entrepreneurs. New India has 70 unicorns, 40 of which were born during the pandemic. At this rate, by 2022, India will have crossed 100 unicorns. India is catching up with the UK. We believe that the UK can focus on developing city to city, region to region, partnerships. That would create a multiplier effect for the UK and India.”

Ani Kaprekar, Tech India Advocates

Janet Coyle, London & Partners

“Indian companies are making decisions a lot quicker. They might be making smaller commitments to London, but they’re coming fast and they want to make quick decisions and scale rapidly. We’re at a pivotal moment and we’ve got to understand what Indian founders want from London and the UK.”

Shashi Prashad, KPMG

“From our perspective, we’re still seeing an Indian talent pool of software engineers pulling UK companies to India. There are proposed changes to the R&D scheme that may limit that. The consultation about not claiming R&D tax credits for overseas teams needs to be looked at carefully.”

Oliver Kaye, Lenskart

“There is a huge tech hub in Bangalore that is migrating to Hyderabad, Delhi and Mumbai. We have incredible tech engineers and everything can be made in house in India. What we find our biggest challenge is quality of other people. We can’t find the right people in shops, we don’t have people who understand international standards. For those reasons, we go outside of India to find the right people. To rebrand, we’ve used a UK marketing agency for example.”

Henry Goodwin, Leo Capital

“There are significant challenges around regulation and GDPR that Indian companies are coming up against in the UK. I spent 12 years in Singapore and have seen the deal put in place with the UK and Singapore. I would ask for something similar to be put in place for the UK and India to lower the barriers around data in particular.”

Af Malhotra, Tech India Advocates

“We need to attract more diverse talent. The D&I issue in the UK is fundamental to the mindset shift we need to embrace in the UK.”

Shehla Hasan, Manchester India Partnership

“I would also like to underline the importance of Manchester. The Indian government looked at London and Manchester, and chose to direct Indian companies to Manchester. It now has 7 unicorns and is a very vibrant and fast-growth tech ecosystem.”