



# LOOKING BACK ON 2 YEARS OF MODI GOVERNMENT...

#MODI2YEARS

In association with



## Winning in India

Wednesday 1st June 2016, London

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Rt. Hon Patricia Hewitt  
Chair  
UK India Business Council

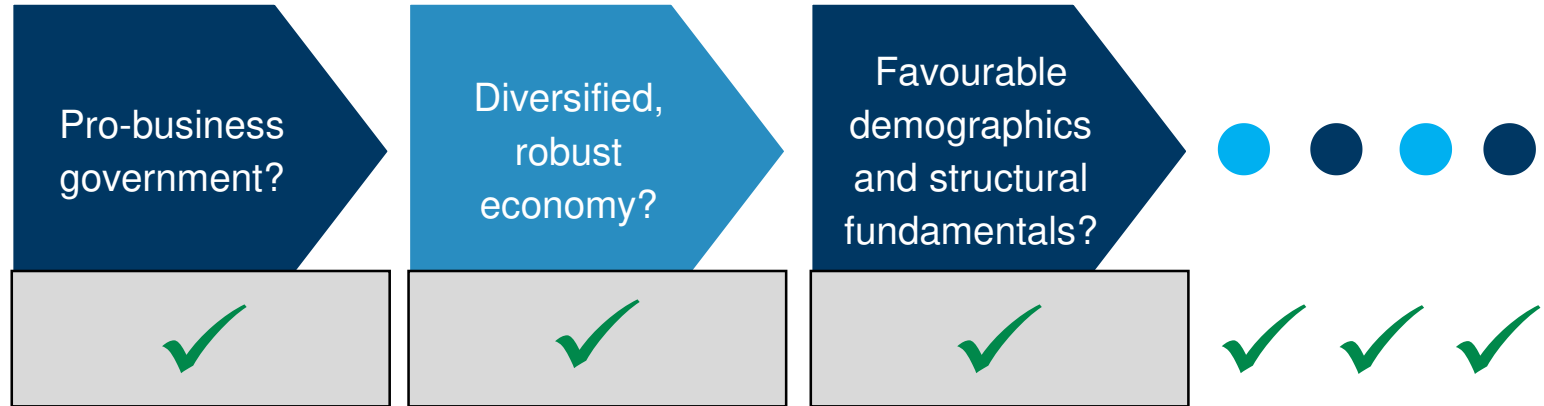
Ms Ajungla Jamir  
First Secretary Economic  
High Commission of India

Anuj Bugga  
Managing Director  
FTI Consulting

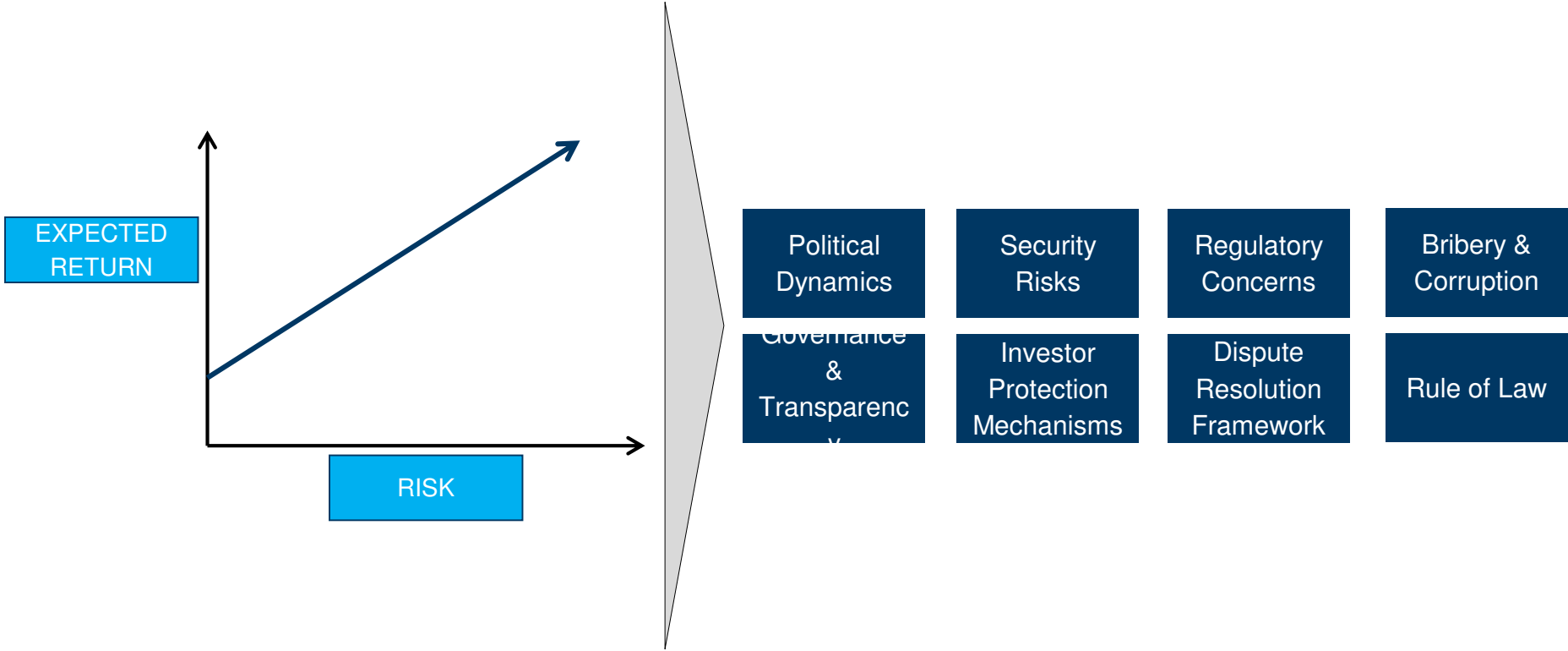
# MAKING WINNING INVESTMENTS

01 June 2016

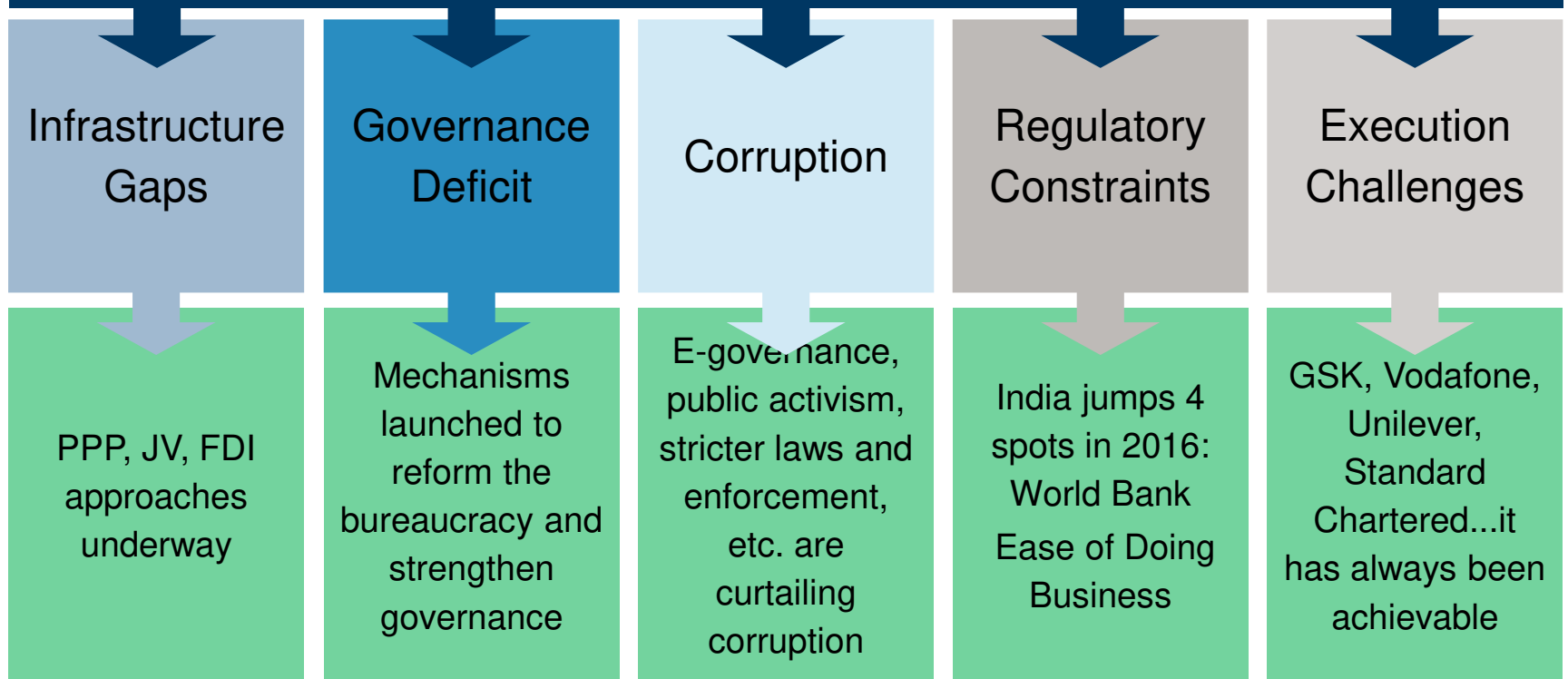
# RECIPE FOR WINNING IN INDIA...?



# COUNTRY RISK LANDSCAPE



## Principal Risks and Mitigating Factors





# LOCAL PARTNERSHIPS ARE VALUABLE, BUT...

## ANATOMY OF A FRAUD

The genesis of the fraudulent financial engineering of Satyam Computer Services goes back 7 yrs but the facts started unfolding only after the company's alleged bid to buy Maruti infrastructure and Maytas Properties, which itself was a trough of sorts in India's corporate governance history

**CRACKING THE CODE**  
It's a long process. It's not a simple matter of looking at the numbers and trying to figure out what's going on. It's a process of understanding the business, the industry, the company, and the people involved. It's a process of digging into the numbers and trying to understand what's really going on.

**THE FIGURES SAY IT ALL**  
The balance sheet is a key indicator of a company's financial health. It shows what the company owns and what it owes. It's a snapshot of the company's financial position at a given point in time.

**Accrued interest**  
This is the interest that has been earned but not yet received. It's a liability for the company. It's a key indicator of the company's financial health.

**Provision for doubtful debts**  
This is the amount of money that the company has set aside to cover the risk of non-payment of its receivables. It's a key indicator of the company's financial health.

**Over-stated**  
This is a term used to describe a number that has been inflated or exaggerated. It's a key indicator of a company's financial health.



## WHO IS A WILFUL DEFAULTER?

- 1 A borrower who defaults in loan payment despite having the capacity to pay
- 2 Funds have not been utilised for the purpose for which they

**“ We have to be careful going forward that on one hand we penalise criminal actions... and at the same time we don't indulge in a broad fishing expedition, which then becomes a reason for banks to get worried about loans**



**“ If somebody is declared by RBI, or by other orders, that he is a wilful defaulter, then it is very**

## Coming: Corruption hotline, Lokpal

**AAP** ■ Sisodia says Lokpal Bill in House's second sitting  
**AMITI YATSA & SHALINI NARAYAN**  
 NEW DELHI, FEBRUARY 12



**After the rout: BJP faces questions, this time from RSS**

**SHYAMAL YADAV**  
 NEW DELHI, FEBRUARY 12



**BJP supporters celebrate in Nagaoon on Thursday.**

**Assam gives BJP cheer**  
 cal bodies.  
 living in the rural to decide the assam



## THE PANAMA PAPERS PART-1

AN INVESTIGATION BY THE INDIAN EXPRESS WITH

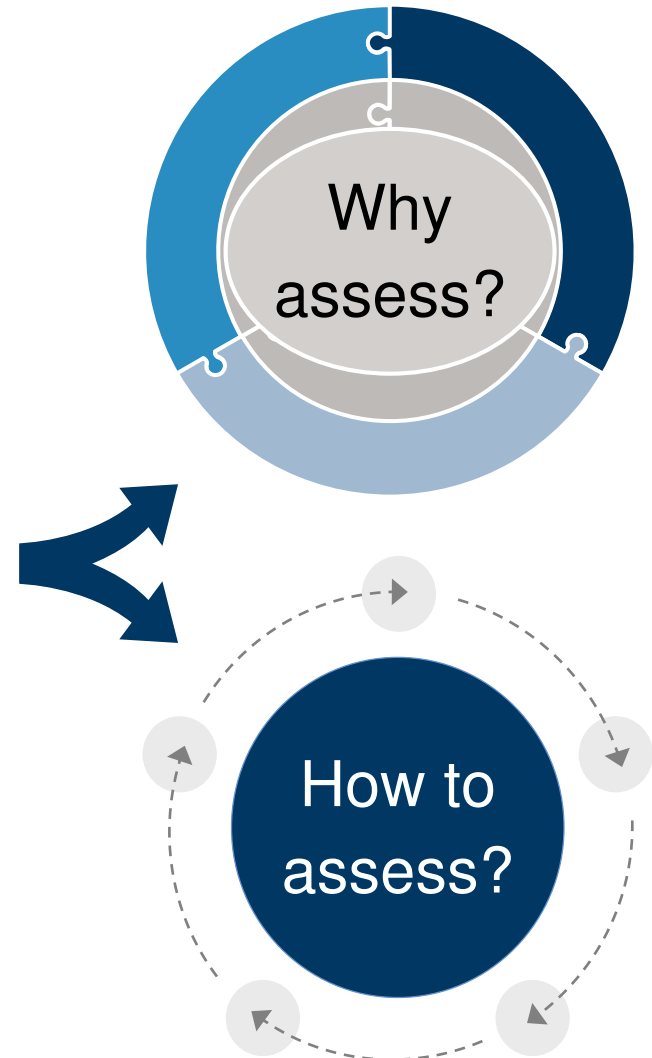
INTERNATIONAL CONSORTIUM OF INVESTIGATIVE JOURNALISTS & SUDDEUTSCHE ZEITUNG, MUNICH

# Revealed: Indians in global list of secret firms in tax havens

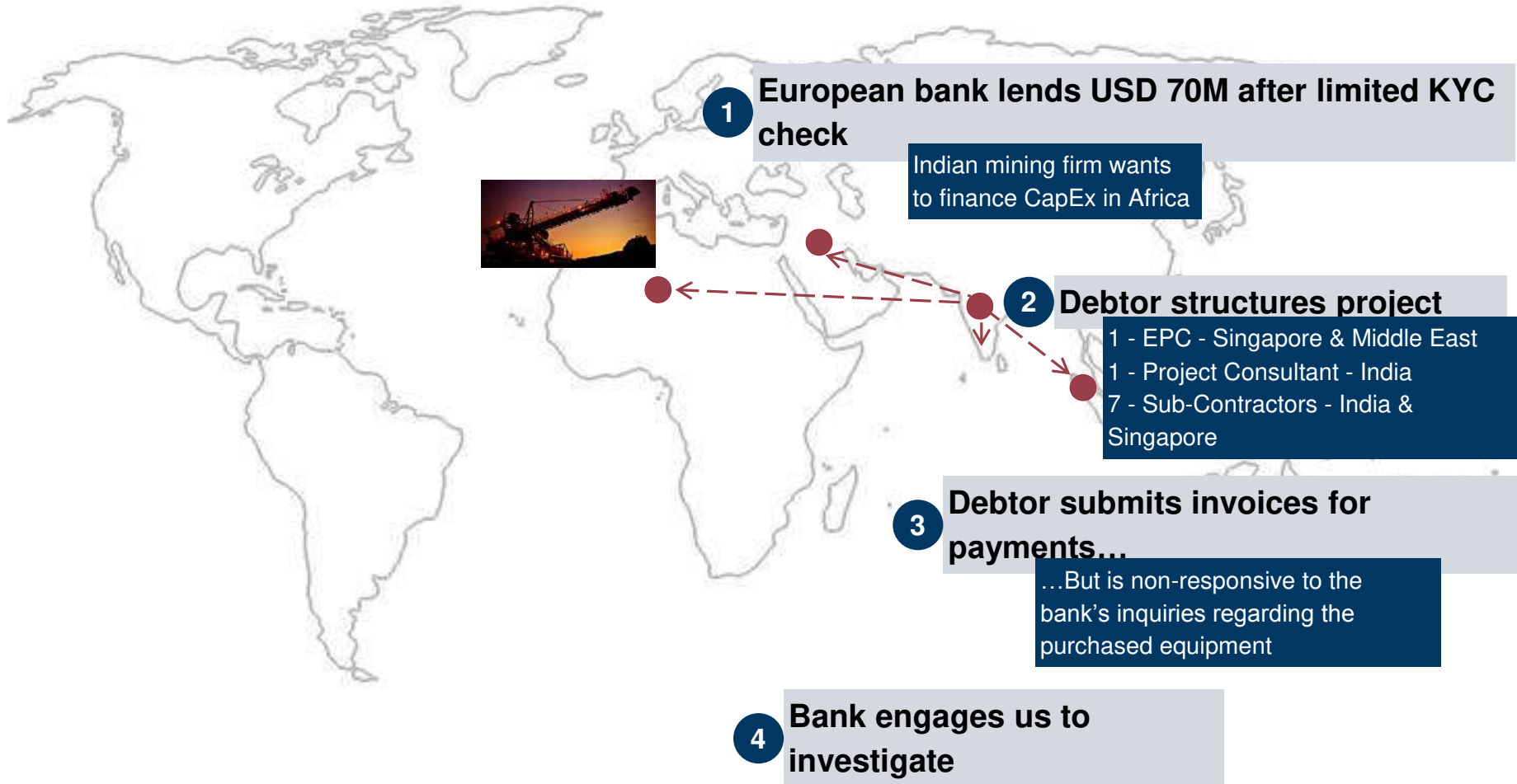
Biggest leak of over 11 million documents of Panama law firm features over 500 Indians linked to offshore firms, finds 8-month investigation by a team of *The Indian Express* led by Ritu Sarin, Executive Editor (News & Investigations)

# INVESTORS NEED CONTEXTUAL UNDERSTANDING, BUT...

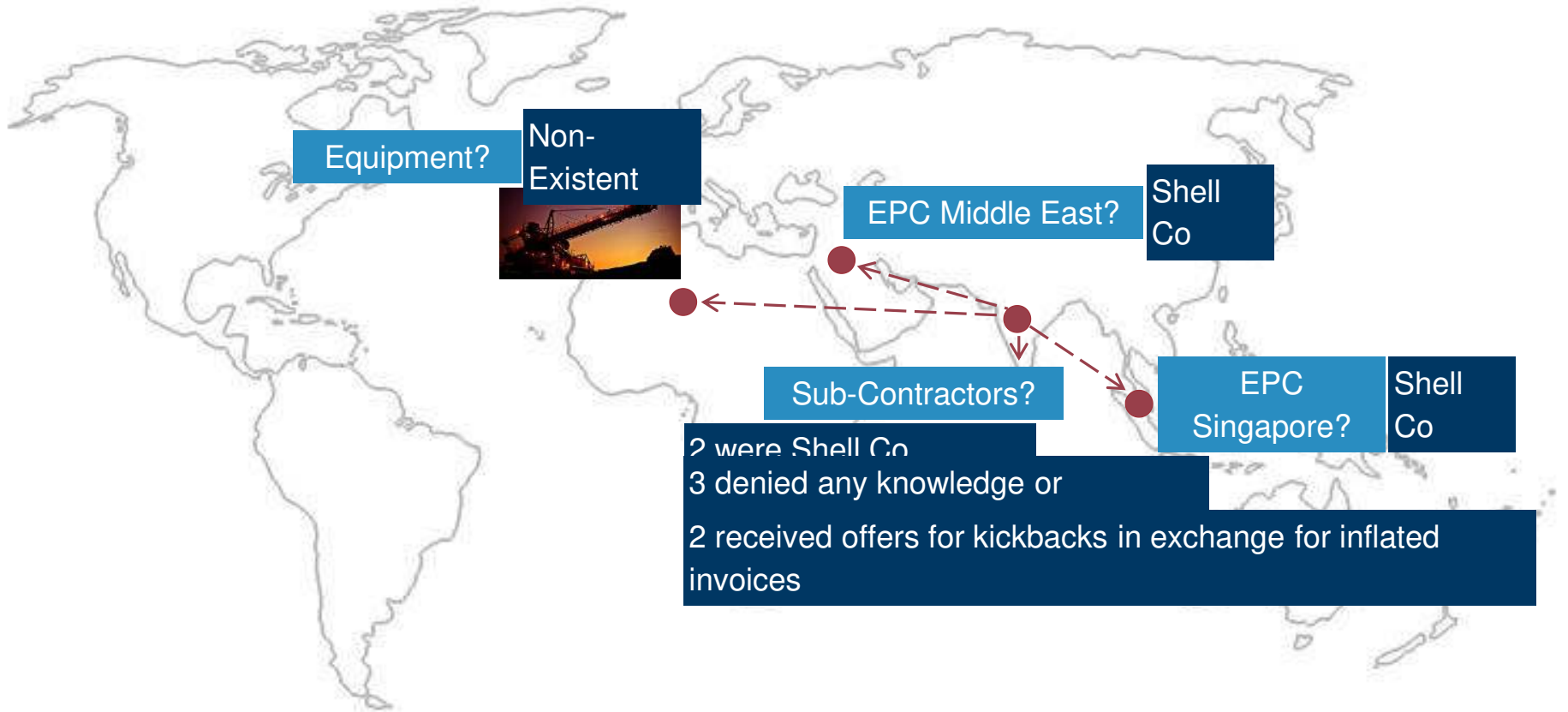
ON-GROUND ISSUES...	IMPACT	EVALUATION
Operations	Red	+
Business Model & Financials	Red	-
Regulatory & Litigation History	Red	+
Industry Reputation	Orange	-
Corporate Background	Orange	+
Management Strength & Dynamics	Orange	-
Governance Standards & Controls	Orange	-
Political Exposure	Orange	+
<i>...and many more</i>	Orange	-



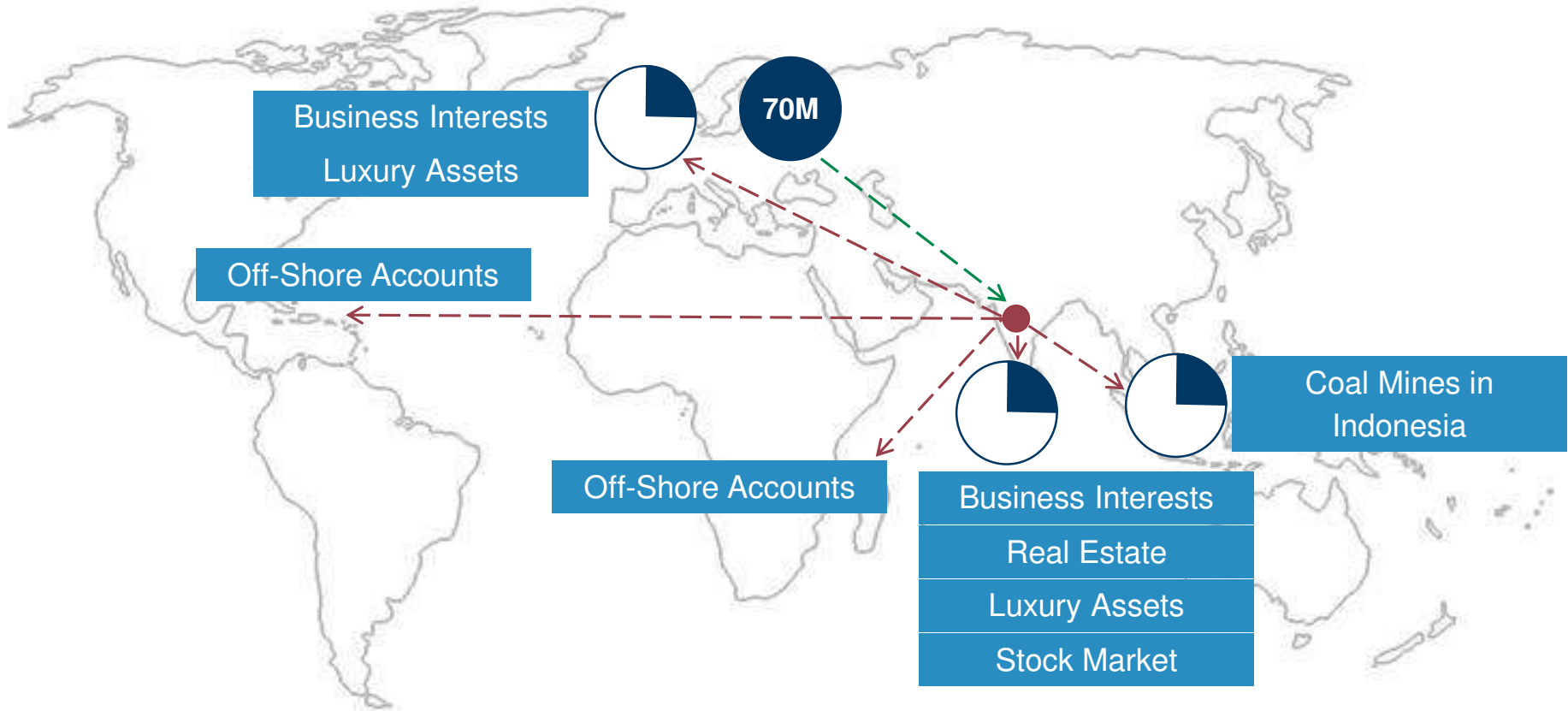
# WHAT IF WE DON'T ASSESS?



# BANK'S KYC CHECKS WERE DEFICIENT



# WHERE DID THE FUNDS GO?



# MODUS OPERANDI

## ON-GROUND ISSUES...

Operations

Exaggerated and mis-represented

Business Model & Financials

Document forgery and related party transactions

Regulatory & Litigation History

Credit default records against proxies of key individuals

Industry Reputation

Sketchy past and controversial associations

Corporate Background

Opaque and dubious

Management Strength & Dynamics

Management led a high-flying and extravagant lifestyle

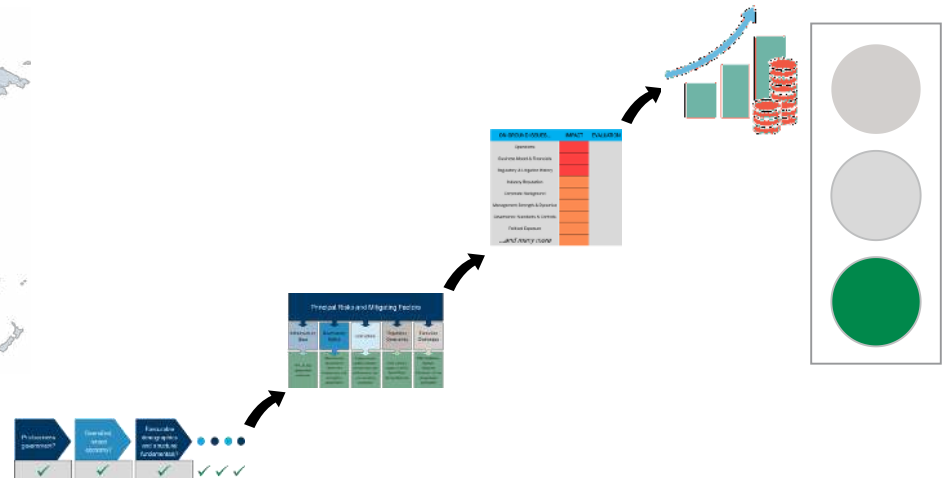
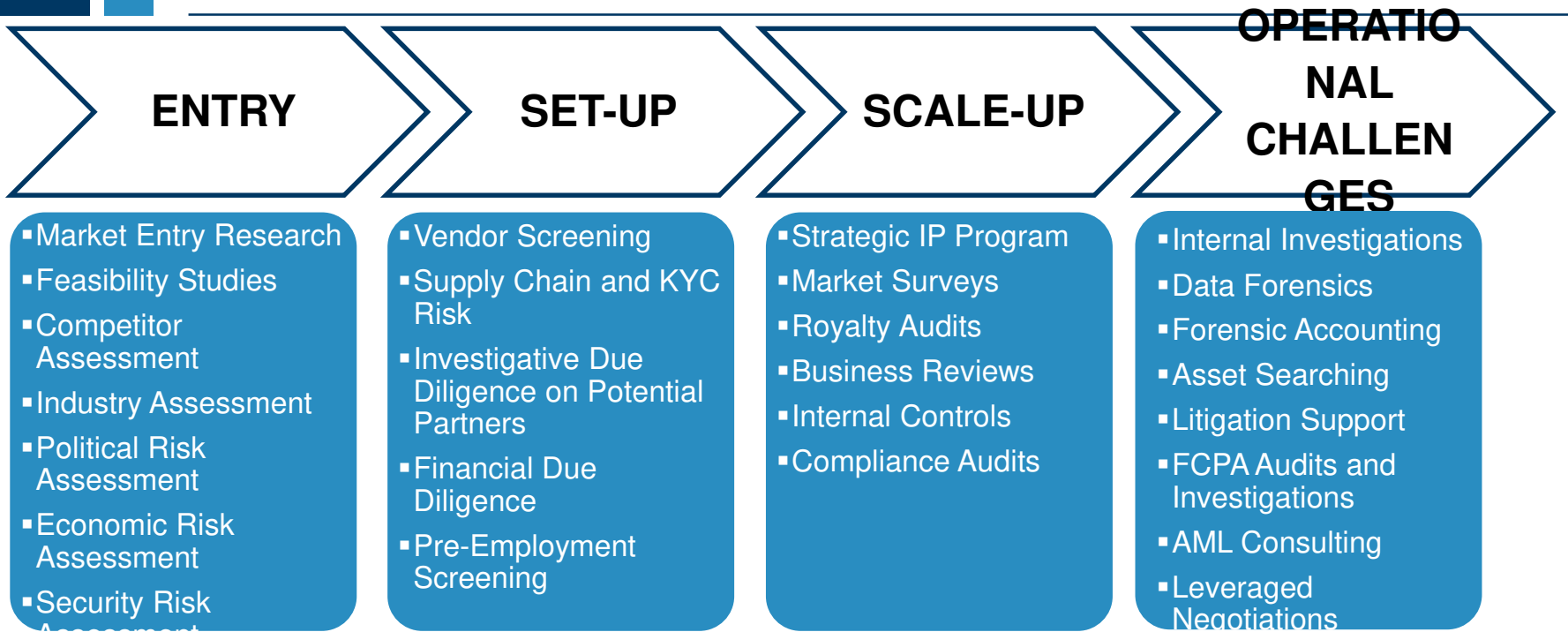
Governance Standards & Controls

Company funds were regularly diverted to personal accounts

Political Exposure

Political patron was the UBO of the Indonesian mining assets

# CRITICAL THINKING AT THE CRITICAL TIME





F T I <sup>TM</sup>  
CONSULTING

CRITICAL THINKING AT THE CRITICAL TIME<sup>TM</sup>



Steve Buckley  
Asia Pacific Adviser  
OCS

# Winning in India

1 June 2016

OCS Group Ltd



# OCS Group?

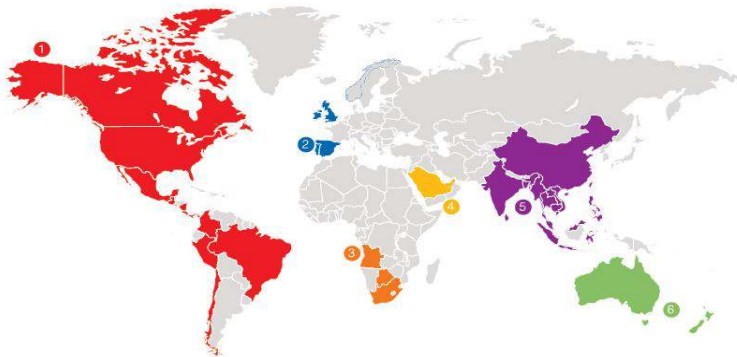


One man window cleaning business established in 1900 that has become the UK's largest and oldest-privately-owned International Facilities Services Provider

50 countries

80+ services

£1B Turnover



**1 America**  
Canada, Chile, Columbia, Costa Rica, El Salvador, Guadeloupe, Guatemala, Mexico, Peru, St Lucia, Trinidad & Tobago, USA

**4 Middle East**  
Qatar, Kingdom of Saudi Arabia, United Arab Emirates

**2 Europe**  
United Kingdom, Ireland, Portugal, Spain

**5 Asia**  
Bangladesh, Cambodia, China, India, Japan, Malaysia, Singapore, Thailand, Vietnam

**3 Africa**  
South Africa, Mauritius

**6 Australia**  
Australia, New Zealand



# OCS Journey in India

Joint Venture with PCI for  
Canon Hygiene washroom business  
14.12.2000



29.03.2012  
 AFM

Joint venture with  
Absotherm  
Facilities Management

19.04.2012  
 RADIANT

Joint venture with Radiant  
Hospitality Services

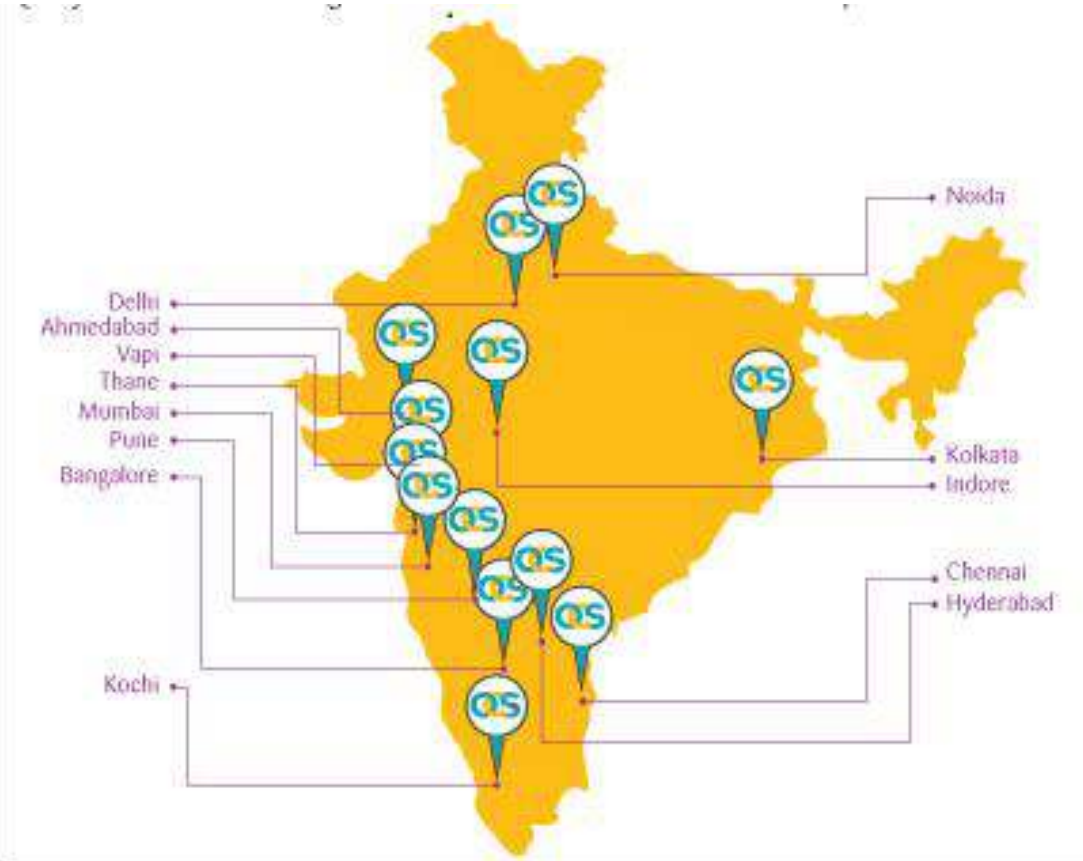
Acquisition of Corporate Millennium  
consumable business  
21.03.2015

2016  
100% ownership of  
all JV businesses

*"All of these companies now operate under the OCS India umbrella providing a combined 25,000-strong workforce making us one of the Top 5 local British Employers"*



# OCS India Network



# “Official” Sources of Assistance

- UKTI Teams across India for pre and post OMIS action;
- UKBIC Teams in both the UK and their 3 Indian Offices (Bangalore, Gurgaon & Mumbai);
- BBG Indian Network;
- CII (CBI equivalent);
- Indian High Commission;



Thank you for your attention.



Speaker Presentation

# Panel discussion and Q&A

**UK INDIA**  
BUSINESS COUNCIL





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