

Doing Business in India



Equi Corp Associates
Advocates & Solicitors

Equi Corp Associates, Advocates & Solicitors

TRANSACTION | ADVICE | LITIGATION

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About Us

“Navigating a complex legal system takes knowledge, experience & skill.”

Equi Corp Associates (“ECA”) is a multispecialty law firm based in Noida, Delhi-NCR, India started in 2012 for providing affordable access to legal counsel benefitting start-ups, small and growing businesses, social business enterprises, impact investors and non-profit organizations. ECA boutique service offerings are primarily at the intersection of start-up, sustainable development, social enterprise and investment sectors, advising them about legal aspects involved in modern markets in order to keep our clients in pace with the dynamic competitive environment. ECA is instrumental in advising various social enterprises and startups in setting up business in India. ECA not only have some of the best legal minds, but the best business minds too: lawyers are intimately familiar with the business environment and know the emerging risks and opportunities of their industries and practice groups.

ECA is also effective in providing match making partner/locating strategic alliance, follow up and representation with Government of India or any other incidental work related to investment or legal guidance in India.

One stop legal boutique with service levels at par with international law firms. Our respected clients - from individuals to small businesses to Fortune 500 companies -- turn to us for trusted legal counsel. Full service delivery is achieved by synergies of subject matter expertise of our in-house Lawyers, Chartered Accountants & Company Secretaries. We advise and assist NRI's/PIO's, Foreign Investors and Indian entrepreneurs with legal services that enables them to compete with best in world in the modern economy characterised by technology based, venture capital funded, futuristic businesses governed by complex and ever evolving legal and statutory framework.



OUR PRESENCE

**YOUR LEGAL PARTNER FOR
GROWTH IN INDIA**



Our Practice Areas

Corporate & Commercial	Banking & Finance	Employment & Human Resource	Litigation & Arbitration	Tax & Regulatory Compliance
Formation & structuring of business entities	Banks, NBFCs & other Financial Intermediaries	Appointment/Offer Letters, Termination Policies	Corporate/Commercial	Tax Strategy & Structuring
Foreign Investment in India & Abroad	Credit Co-operative & Financial Institutions	Employee Stock Option Plan	Taxation	Regulatory Compliance & Company Secretarial Services:
Drafting of Corporate & Commercial Agreements	Nidhi Company & Micro finance Institutions	Employee Handbook	Civil	- Incorporation of Companies/branches/liaison offices/trust/Society;
Compliance Audit, Due Diligence & Transaction Advisory	Prepaid Instruments, E-Wallets, P2P Lending, Blockchain, Crypto Currency	Employment Law Compliances	Medical Negligence	- Maintenance of Secretarial Records & recurring secretarial services
Mergers & Acquisitions	National Pension Scheme & PFRDA	Service Bonds	Recovery/Enforcement	- Registration with Statutory Authorities including Income Tax, RBI, SEBI, EOU, STPI, GSTN etc.
Private Equity & Venture Capital		Grievance Settlement Procedures	Arbitration	Anti-Competition, Corporate Governance & CSR
Fund Formation & Investments			White Collar Crimes	
			Economic Offences	
			Consumer Protection	

We excel in Nidhi Companies, Micro Finance, Fintech, Blockchain, Artificial Intelligence, IoT

Renewable Energy, BFSI, E-Commerce, Retail Trade, Tech-Startups, Social Sectors, Investments in Startups & SMEs

INDIA: AN OVERVIEW

ECONOMY

9th LARGEST economy in the world and likely to be third largest by 2030 (3)

MAIN INDUSTRIES
Automotive, textiles, steel, biotechnology, drugs and pharmaceutical, and food processing (4)

GDP GROWTH FOR FY 2016
7.3% (6)
FORECAST GDP GROWTH
FY 2017: 7.5% (13)

TOP EXPORTERS TO INDIA (7)
China, USA, Saudi, Switzerland, UAE

TOP IMPORTERS FROM INDIA
USA, UAE, Hong Kong, China, UK

COUNTRY FACTS

X 13 = INDIA
India is approximately 13 times the size of the UK

English is widely spoken in business, political and commercial circles; 25% of printed newspapers are published in English

India has the world's largest youth population with 356 million 10-24 year-olds

INDIA ACCOUNTS FOR...
2.4% of the world's surface
17.6% of the world's population

INDIA IS THE LARGEST...
Democracy in the world, and English speaking nation in the world

MEMBER OF THE G20

₹ CURRENCY
INDIAN RUPEE (INR)



CONSUMER MARKET

- INDIA LABOUR FORCE STANDS AT 496,960,163 MILLION (8)
- 3RD LARGEST ECONOMY IN THE WORLD BY PURCHASING POWER PARITY, AFTER THE USA AND CHINA (9)



In 2011: 45 Indian cities with population > 1 million (11)
By 2030: 68 Indian cities with population > 1 million (12)

(1) Census of India (http://censusindia.gov.in) (2) The states of Uttar Pradesh, Maharashtra, Bihar, West Bengal, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, Rajasthan and Gujarat - Census of India (3) WorldBank (4) Business Portal of India www.business-portal.in (5) World Bank (6) IAP (7) Indian Department of Commerce (8) WorldBank (9) International Monetary Fund (10) WAPSI (11) UNICEF, with data from the Census of India (12) McKinsey & Company (13) IMF

INDIA: A LAND OF OPPORTUNITY

At present, FDI is permitted in all sectors except in the following:

- ✦ Lottery business, including government or private lotteries or online lotteries;*
- ✦ Gambling & betting, including in casinos;*
- ✦ Chit Funds & Nidhi Companies;*
- ✦ Trading in Transferable Development Rights (TDRs);*
- ✦ Real Estate Business or Construction of Farm Houses, where Real Estate Business shall not include development of townships, constructions of residential/commercial premises, roads or bridges and REITs registered with SEBI*
- ✦ Manufacturing of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitute;*
- ✦ Activities/sectors not open to private sector investment e.g.- (i) Atomic Energy and (ii) Railway Operations (other than those specifically permitted);*
- ✦ Collaboration on foreign technology in any form, including licensing of franchisee, trademark, brand names, management contracts for lotteries and gambling and betting activities.*

India's FDI Policy covers 27 sectors and activities with sectoral caps or conditions for receiving foreign investment and is allowed via the following routes:

- i. Automatic Route: Prior approval is not required from the Government to receive foreign investment;*
- ii. Approval Route: This requires the Government's approval for receiving foreign investment.*

FORMS OF BUSINESS ENTITIES IN INDIA

- Any activity subject to specific approval;
- Income Taxable @40%* if there is a foreign partner/venture

- Any activity subject to FDI Policy;
- Income taxable @ 30%*
- Dividend repatriation subject to tax@19.665%

* Excluding applicable surcharge & cess



- Execute specific projects;
- Income Taxable @40%*;
- No Tax on Profit Repatriation

- Act as channel of communication with no commercial activity;
- Not a taxable entity but required to file limited tax return giving details of information on business conducted by head office.

- Export/import of Goods/Professional Service/Research Activities/No Manufacturing;
- Income Taxable @40%*
- No Tax on Profit Repatriation

- Any activity under Automatic Route
- Income taxable @ 30%*
- No Tax on Profit Repatriation

Key Considerations by the Investor prior to do Investment in India:

- ✚ *Nature of Business Activities;*
 - ✚ *Period of the Investment;*
 - ✚ *Business Model for the Indian Operations;*
 - ✚ *Exit Mechanism;*
 - ✚ *Tax Considerations*
-

EquiCorp Legal team examine issues related to pre-investment due diligence in India. We highlight the different regulatory, tax and economic issues that a Company/Investor should be aware of before entering the Indian market. We act as Legal Advisor with handhold approach to our clients.

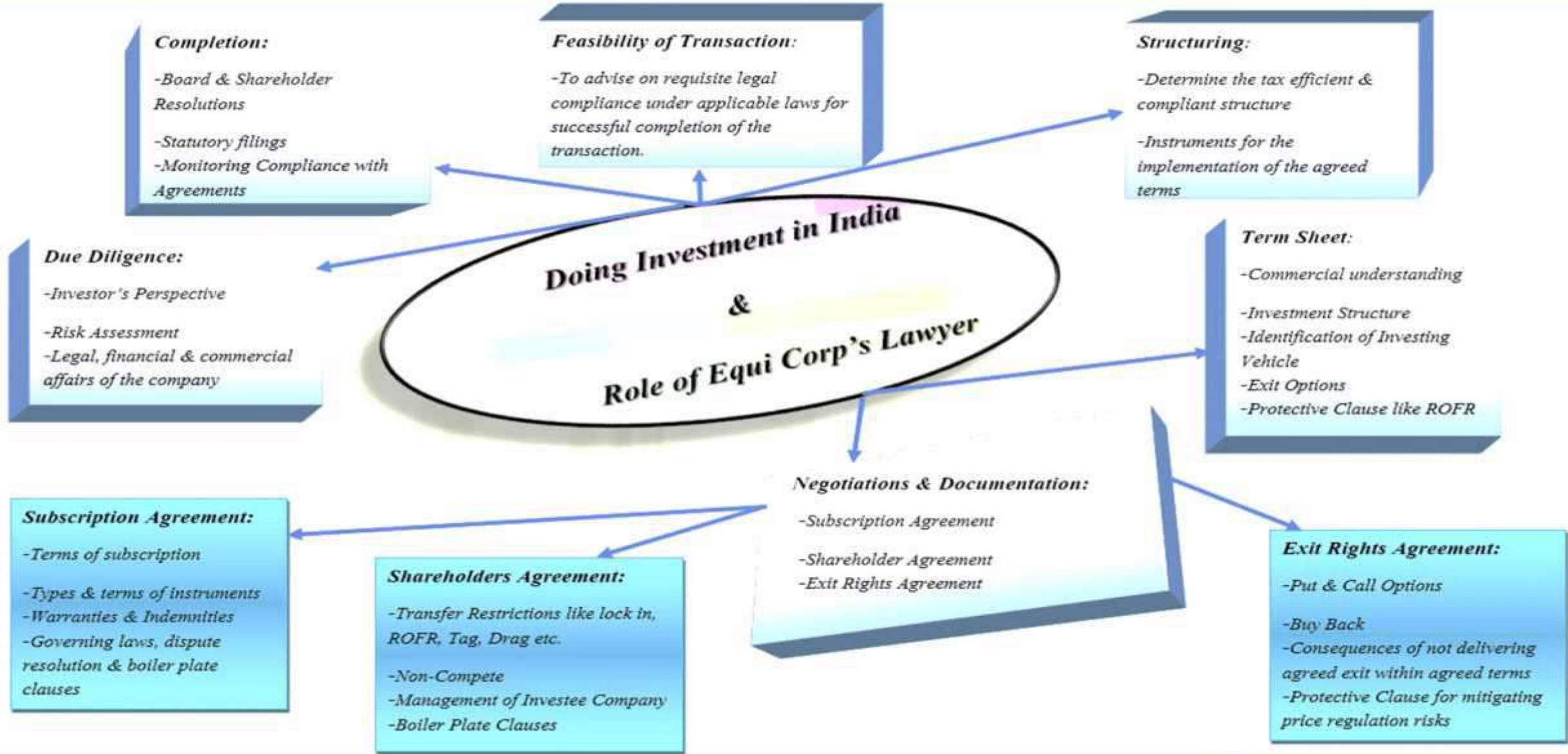
Strengths

- ▶ Local labor costs
- ▶ Domestic market
- ▶ Business and management education
- ▶ Skilled services workforce
- ▶ Local labor skills
- ▶ Telecommunications infrastructure



Challenges

- ▶ Legislative and administrative environment
- ▶ Transport and logistic infrastructure
- ▶ Corporate taxation
- ▶ Ease of doing business
- ▶ Flexibility of labor law



Legal & Compliance Management Landscape

1. Companies Act, 2013 & Allied Rules;
2. Foreign Exchange Management Act, 1999 & Allied Rules
3. Contract and other Commercial Laws
4. Applicable laws w.r.t- Whistleblower Policy; Anti-Sexual Harassment laws; CSR Policy etc.

Corporate & Secretarial

Real Estate, Transportation, Environment, Local laws

1. Land laws including for warehouse property and other real estate regulations;
2. Environmental Laws approval such as discharge of hazardous of waste materials, (if any);
3. Carriage Act by- Road, Air, Sea;
4. NOC from local panchayat etc.

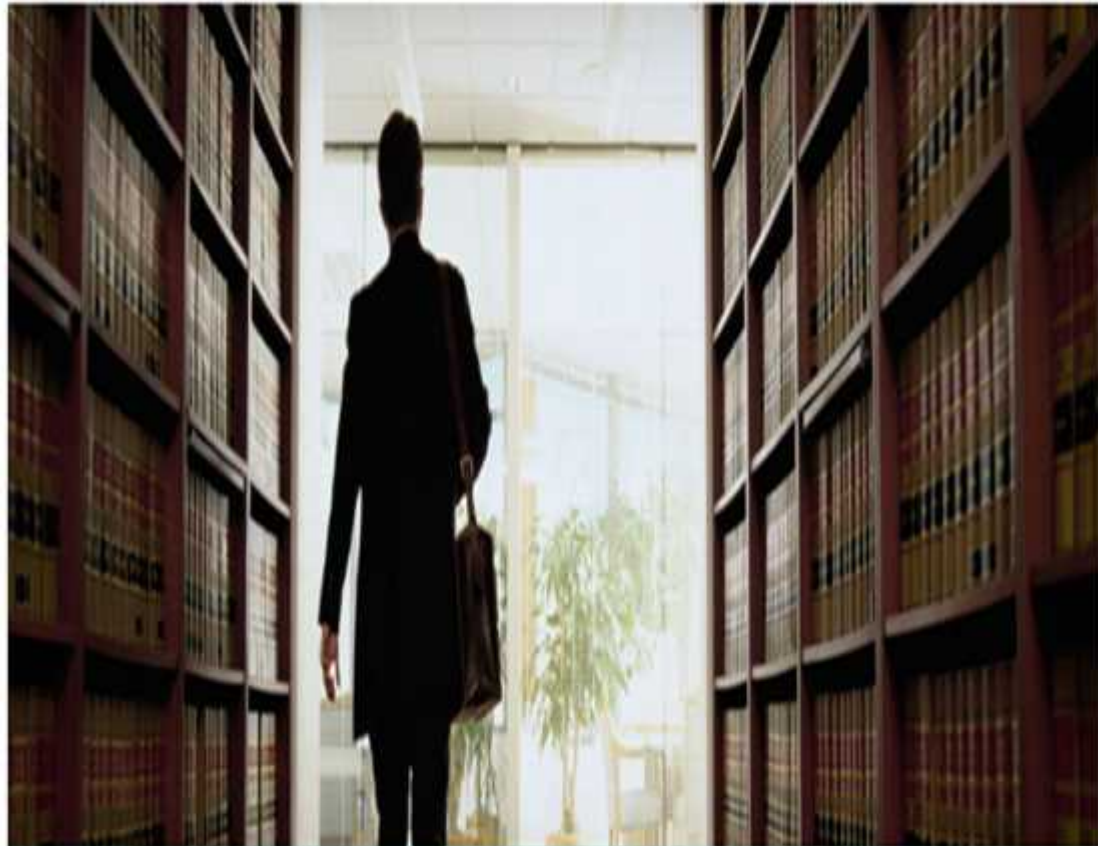
1. Taxation laws- Income Tax Act, 1961, Customs Act, 1962, Excise Act, 1944, State & Local Applicable Taxes – VAT etc, tax incentive by local/state government;
2. Trademark Act, 1999;
3. Other Statutory Approvals

Tax, IP, Licenses & Approvals

Labour, Insurance, Product Specific Laws and approvals

1. Labour law regulations including minimum wages, bonus etc.;
2. Insurance of the warehouse;
3. Product specific approvals, as requisite for ex- storage of chemicals, petroleum etc.

TIME FOR LEGAL EXPERT?



Let the Professionals at EquiCorp Associates take over the matter



- ◆ *There can be different structures for Doing Business in India and a Company/ Investor should look into the options which is best suited for their business/Investment.*
- ◆ *To know further details about Doing Business in India and other legal aspects including legal structure, tax aspects and for any other query, please contact us at admin@equicorplegal.com / [08448824659](tel:08448824659)*

Our Commitment

Value

- *One stop legal boutique where assignments carried out at a fraction of the cost of client's staff*
- *Reduce client staff management time and overhead costs, and increase client's profitability*
- *Enable clients staff to concentrate on more interesting and value-added work*

Service


- *Robust management and procedures to ensure delivery on time and on budget*
- *Dedicated one-to-one communication with client, to ensure every project is right first time*
- *Full service delivery is achieved by synergies of subject matter expertise of our in-house Lawyers, Chartered Accountants, Company Secretaries and Tax Consultants*

Quality

- *Two-level file review and signoff by expert Lawyers, even for the smallest assignment*

Our Core Strengths

- ❖ *Dedicated team of legal professionals with strong deal exposure and knowledge of regulations /compliances across multi industry sectors.*
- ❖ *Proactive and structured approach.*
- ❖ *Well defined Project methodology tailored to suit the needs of clients for service delivery.*
- ❖ *Talented team with experience of working with some of the largest companies in India exposure to leading cross border transactions in India.*
- ❖ *Experience & proven capabilities to handle Diversified Multi-National Clients i.e. Information Technology, Artificial Intelligence, Alternative Banking, BFSI, Fintech, Energy, Manufacturing, Consultancy, Oil & Gas Sector, Retail Trading, Hospitality, and related sectors.*
- ❖ *Competitive advantage of costing by virtue of expertise and experienced resources.*



Prepared for all your legal needs.

We represent many different clients in a wide range of legal matters.

Equi Corp Associates, Advocates & Solicitors

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