



ITALIAN TRADE AGENCY
ICE - Italian Trade Commission
Trade Promotion Office of the Italian Embassy



Ministero dello Sviluppo Economico



India Business and Investment Guide



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Foreword

India is a land of opportunities and we are profoundly committed to seize them, as the efforts of the Indian Government and of its people are turning into concrete figures with an enduring economic growth and the development of an attractive investment environment.

The protagonists of the Italian economy - entrepreneurs and financial Institutions - must be well aware of these significant evolutions; it is therefore our intention to work with all the major Italian and Indian stakeholders in order to highlight to both Sides the scope of our bilateral co-operation, exploit its potential and finally reap the many benefits of the Indo-Italian partnership.

This Guide, published by the Italian Trade Agency during the "Italian Business Mission to India 2017", is a working tool for turning challenges into business occasions.

I really think that Italy - one of the strongest manufacturing countries in the world - is well-positioned to grab the advantages that one of the fastest rising economies in the global arena can offer.

It is not by happenstance that Italy and India have been natural partners for years: they share many complementarities, important common interests and a human values approach to business that is a precious "ingredient" for any trade exchange.

We are confident that this Guide will help to build an even stronger partnership that we will support with openness and determination.

Ivan Scalfarotto

Italian Deputy Minister of Economic Development



Foreword

India is poised to play a vital role in the world economy and many opportunities exist for the Italian enterprises ready to explore the potential the Indian market offers.

The Italian Trade Agency (ITA), with its offices in India, is equipped to assist the Italian enterprise with a wide range of services: customized research, market entry advice, business networking, and the organization of events to launch products in the Indian market. Moreover, ITA can provide guidance to Italian companies at the early stages of the decision-making process - from setting up to investing in the right sector, from sourcing untapped opportunities to understanding the complex taxation and legal system, and from identifying Government schemes and the incentives one can draw from those schemes.

The “Italian Business Mission to India 2017” has given the Italian Trade Agency (ITA) the opportunity to produce an updated tool in support of the enterprises’ approach to the Indian market.

The guide focuses on sectors considered a priority for the Made in Italy: Infrastructure & Construction, Information & Communication Technology, Clean Technology and Renewable Energy as well as Pharmaceuticals, Automobile & Industrial Automation. And these are the sectors in which ITA and its partners have invested to boost the promotion and assistance to the Italian enterprises’ activities in terms of exports or investments.

The purpose of the “India Business and Investment guide” is to give the Italian exporter and investor an aid to perform and succeed, and give an insight into an impressive scenario of opportunities and perspectives.

I wish continued success to all the participants of the “Italian Business Mission to India 2017”!

Michele Scannavini

President of the Italian Trade Agency



About India



Lok Sabha

Total of

545 seats

Require at least

273 seats

to form a government

Rajya Sabha

Maximum of

250 members

Elected for a term of

6 years

India – Political System

India is a federal parliamentary republic (the Constitution defines it as a “Union of States”), subdivided into 29 States and seven Union territories, with New Delhi as its capital. India gained independence from the United Kingdom on 15 August 1947 and became a Republic on 26 January 1950.

The country has a total population of about 1.3 billion which makes it the second most populous country in the world (and the seventh largest country in the world by area with a total surface area of 3,287,263 sq. km).

India has a large youth population with more than 46% below the age of 25 years and only 5.95% above the age of 64 years. Of the total population Hindus constitute 79.8%, Muslims 14.2%, Christians 2.3%, Sikhs 1.7% and the remaining 2% are Buddhists, Jains, Parsis and others.

India’s official language is Hindi. It is spoken by 422 million who consider it their mother tongue (258 million people speak Hindi in its pure form while the other 164 million speak one of its 49 dialects) and has its own distinct alphabet (Devanagari). The other official language used for administrative purposes in India is English. Besides, there are another 22 regional or state languages recognised by the Constitution.

India, has a written constitution that incorporates the country as a federal constitutional republic governed under a parliamentary structure.

The government of India has three branches:

- **Legislative Branch:** Includes the Parliament of India and both its houses, Lok Sabha and Rajya Sabha
- **Executive Branch:** Includes the President, Vice President, Prime Minister and Cabinet of Ministers, Executive departments and Agencies
- **Judicial Branch:** Includes Supreme Court, High Courts and other legal mechanism



India follows a multiparty democratic political system to govern its 29 states and seven union territories and is the largest democracy in the world. It is established on the basis of the Constitution of India and is represented through a bicameral legislature. The bicameral legislature involves elections for two houses Lok Sabha (House of the People) and Rajya Sabha (Council of States). The parliament is located in New Delhi.

Lok Sabha: The members of Lok Sabha are elected by the people through general elections which take place every five years. The elected members are called Members of Parliament (MPs). The Lok Sabha has a total of 545 seats, where 543 are directly elected by the people of India and two nominated by the President from the Anglo-Indian Community. In general multiple parties participate in the general elections and required, at least, 273 seats for the absolute majority needed form a government.

Rajya Sabha: The members of Rajya Sabha are elected indirectly by the members of the legislative bodies of the states. Rajya Sabha can have a maximum of 250 members, currently 245 members are sanctioned for Rajya Sabha, of which 233 are elected from States and Union Territories and 12 are nominated by the President. Each member is elected for a term of six years. One third of the Rajya Sabha members retire every second year, and are replaced by newly elected members.

All the 29 States and two of the seven territories (Delhi and Puducherry) have their own legislature (bicameral for seven States, unicameral for all the other States and the two above mentioned union territories). In the bicameral legislatures, like the Union legislature, the upper house is known as “Legislative Council”, while the lower house is known as “Legislative Assembly”.



President of India

The head of the executive of the Indian republic is the President of the Republic (exercising only nominal executive powers). The executive power (nominal) lies with the President who exercises it directly or through subordinate officers as per the Constitution (executive powers instead lie with the Council of Ministers and the Prime Minister who exercises it factually). The President holds office for a period of five years, which is extendible, and is elected by a designated electoral college (made up of representatives of both the Houses and representatives of the States and the Union territories). Then comes the Vice-President of the Republic who is elected in the same manner as the President and he too holds office for a term of five years which is extendible. The Vice-President is the ex-officio chairman of the Upper House (Rajya Sabha) of the Indian parliament

The current president of India, Shri Pranab Mukherjee is holding the office since July 2012 and had a successful political career with INC (Indian National Congress - Political Party) and has held positions like Defense Minister, Foreign Minister, Commerce Minister, and Finance Minister through his political career.



Prime Minister of India

The Prime Minister, who in reality holds the main executive powers, is appointed by the President of the Republic upon recommendation of the majority party. The Union Council of Ministers is made up of Ministers, appointed by the President of the Republic on recommendation of the Prime Minister.

The current Prime Minister of India, Shri Narendra Modi, is holding the position since July 2014. He is a member of the Bharatiya Janata Party (BJP) and has been the Chief Minister of Gujarat state from 2001 to 2014.

Judiciary

The judiciary is independent from political influence. The judicial system consists of Supreme Court, presided by the Chief Justice of India, twenty four high courts and various other smaller courts and first level courts. The Supreme Court carries out various functions, including resolution of disputes between the Central and the State governments. It also acts as the court of appeal for high courts, besides other possible functions requested by the Parliament

Political Parties

In India there are six national political parties and around 40 regional parties. Since May 2014, BJP (Bharatiya Janata Party or Indian People's Party) is running the government. It is the first right-wing government after ten years of centre-left government of UPA (United Progressive Alliance), a coalition led by INC (Indian National Congress or Congress Party or simply Congress) the historic Indian party founded in 1885 that led all the governments since independence till 1977 and many later also. In fact, since independence till the elections in 2009, the Congress won 10 out of 15 national elections, six alone and four in coalitions, and governed the country for 49 years out of 67 years.



The BJP was born in 1980 after a merger of various parties to challenge the Congress. It has Hindu nationalist leanings with strong religious connotations, advocates social conservatism and a nationalist foreign policy. In practice it basically tends towards liberalism and gives particular attention to economic growth. The last national elections for Lok Sabha were held between April and May 2014 and the next elections are planned for 2019. As mentioned earlier, in India there are six national parties and more than 40 regional parties. In the 2014 Lok Sabha elections, the results were as follows: Bharatiya Janata Party - BJP (then in opposition and currently the ruling party) 31.3%; Indian National Congress (party of the outgoing government) 19.5%; various other parties got between 1 to 4% of votes.

In these elections BJP, the party leading the National Democratic Alliance or NDA (the coalition currently governing India), won 52% seats on its own and an absolute majority in the Lok Sabha. Other members of the coalition are some regional parties. The current government formed by parties of the National Democratic Alliance holds 61.65% seats in the Lok Sabha but does not have a majority in the Rajya Sabha (on 17 March 2017 it held 74 seats out of 245).

In the recent years, there has been a rise in importance of regional parties having control over the Legislative Assemblies of various states and a parallel marginalization of the Congress Party (which while in 2014 controlled 11 States and was part of government coalitions in another two, it now controls six States and is part of government, coalition in only one state).

Some prominent political parties active in India parties (in alphabetical order) include

Name	Current leader	Areas of Prominence
Aam Aadmi Party (AAP)	Arvind Kejriwal	Delhi
All India Trinamool Congress (AITC)	Mamata Banerjee	West Bengal
Bahujan Samaj Party (BSP)	Mayawati	Uttar Pradesh
Bharatiya Janata Party (BJP)	Amit Shah	Pan-India
Communist Party of India (CPI)	Suravaram Sudhakar Reddy	West Bengal, Kerala
Communist Party of India (Marxist) (CPI-M)	Sitaram Yechury	Kerala
Indian National Congress (INC)	Sonia Gandhi	Pan-India
Nationalist Congress Party (NCPz)	Sharad Pawar	Maharashtra



Indian Demographics

Location

Southern Asia, bordering an Arabian Sea and Bay of Bengal, between Burma & Pakistan

Area

Total: 3.3 mn. sq. km (7th largest in the world)
Land area: 2.97 mn. sq. km
Land boundary: 14,000 km
Coastline: 7,000 km

Climate

South: Tropical monsoon
North: Temperate



Top GDP Contributor

Services, Industry, Agriculture

Capital

New Delhi

State and Territories

29 States and 7 Union Territories

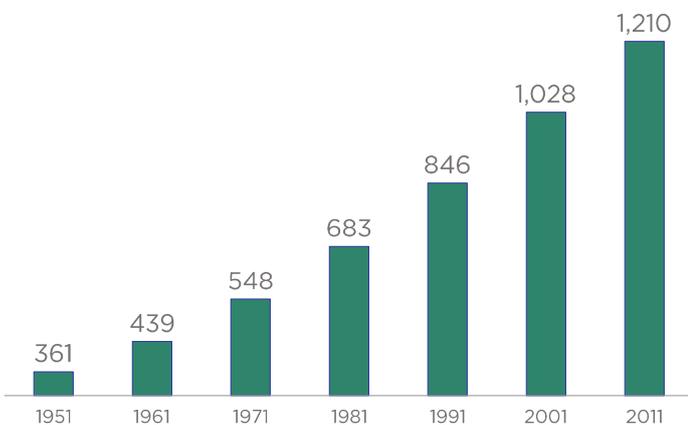
Official languages

English & Hindi

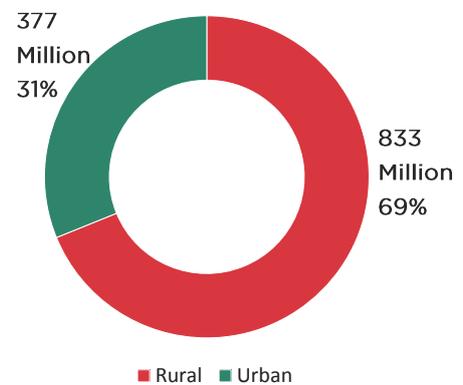
India has a total population of ~1.3 Bn (2011) with 31% residing in the urban areas. India has over 50% of population below 25 years of age, making it one of the youngest countries in the world.

India Population Growth

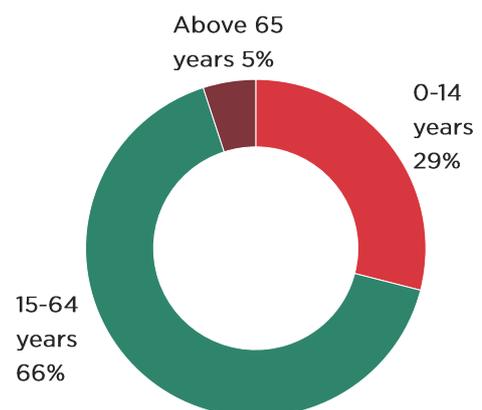
Million



Rural vs Urban (2011)



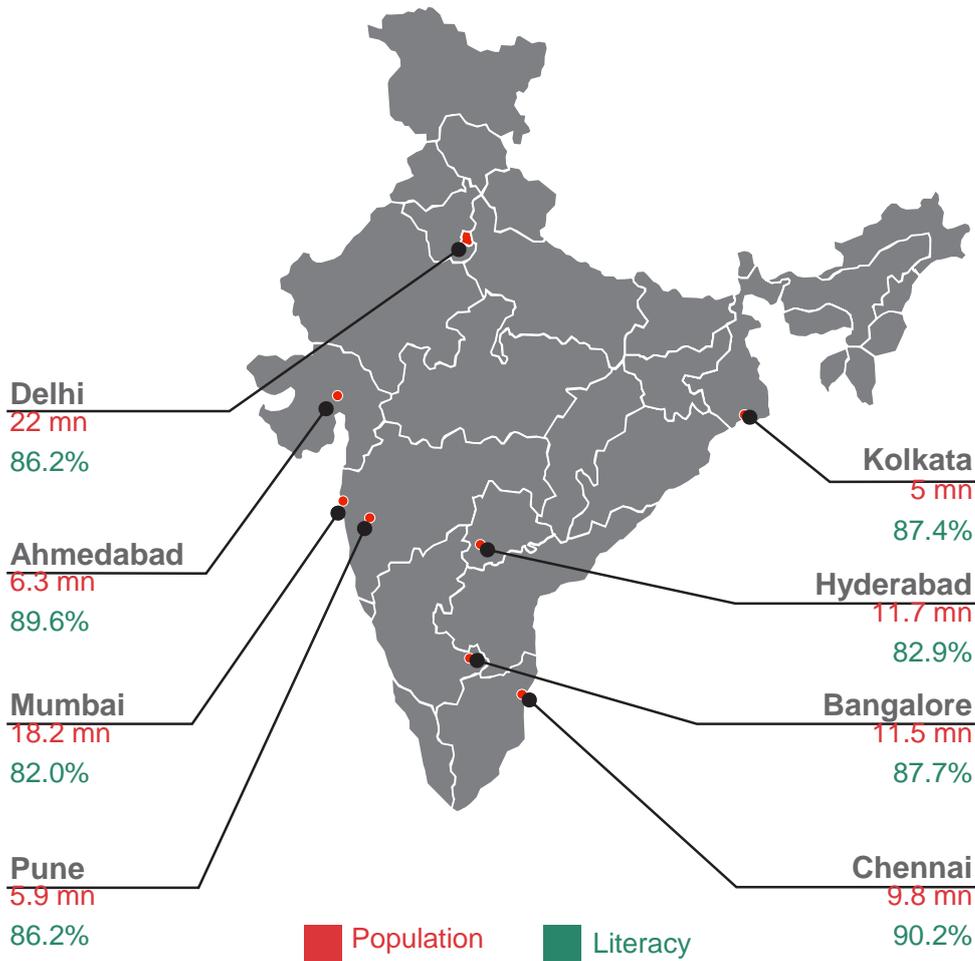
Population Classification by Age (2011)



Source: Census of India 2011, Ministry of Home affairs



Top 8 Metro Cities



Some prominent political active in India parties (in alphabetical order) include

Tier 1 Cities

New consumption centers
Epencenters of growth

Metro	Population (Mn, 2011)	Literacy Ratio (2011)
Metros (8)	79.5	86.5%
Surat	4.5	76.5%
Kanpur	4.5	71.1%
Jaipur	3.44	66.0%
Lucknow	4.6	70.3%
Nagpur	2.4	80.3%
Bhopal	2.4	72.1%
Coimbatore	3.5	77.1%
Faridabad	2	72.1%
Amritsar	1.2	68.9%
Ludhiana	3.5	73.9%
Chandigarh	1.1	76.8%
Jalandhar	2.2	74.3%
Average - All 20 Cities	6.28	78.6%



Key Socio-Economic Parameters

Today, India has the sixth largest economy in the world. A GDP growth rate of over 7% makes India one of the fastest growing economies with avenues for growth and investment. As per World Bank, India's GDP (PPP - Purchase Power Parity) is USD 8,720 billion, making it the third largest economy in the world in terms of PPP (after China and USA).

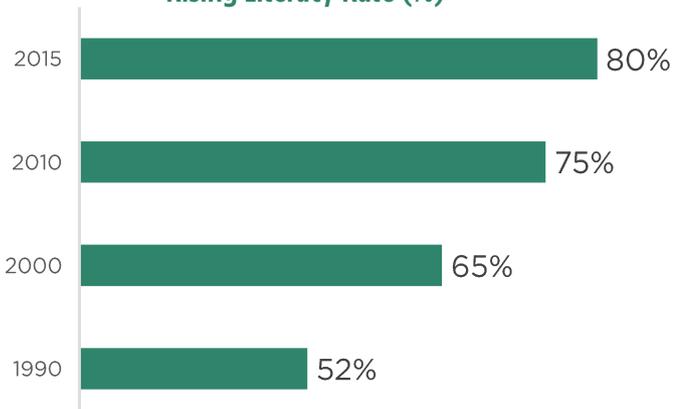
GDP at 2011-12 prices (CY)

€ trillion

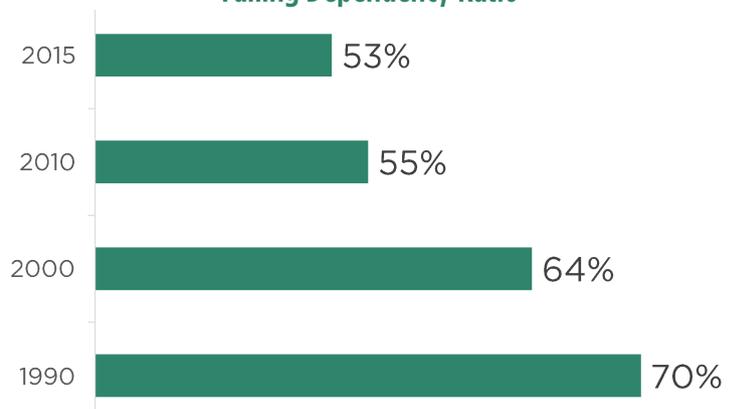


The growing population of India is one of the youngest in the world having high literacy, skill and falling dependency ratio

Rising Literacy Rate (%)



Falling Dependency Ratio



Technological / Infrastructure Advancement

Mobile Penetration



84%
1,058 mn

International Airports



26

Internet Penetration



34%
460 mn

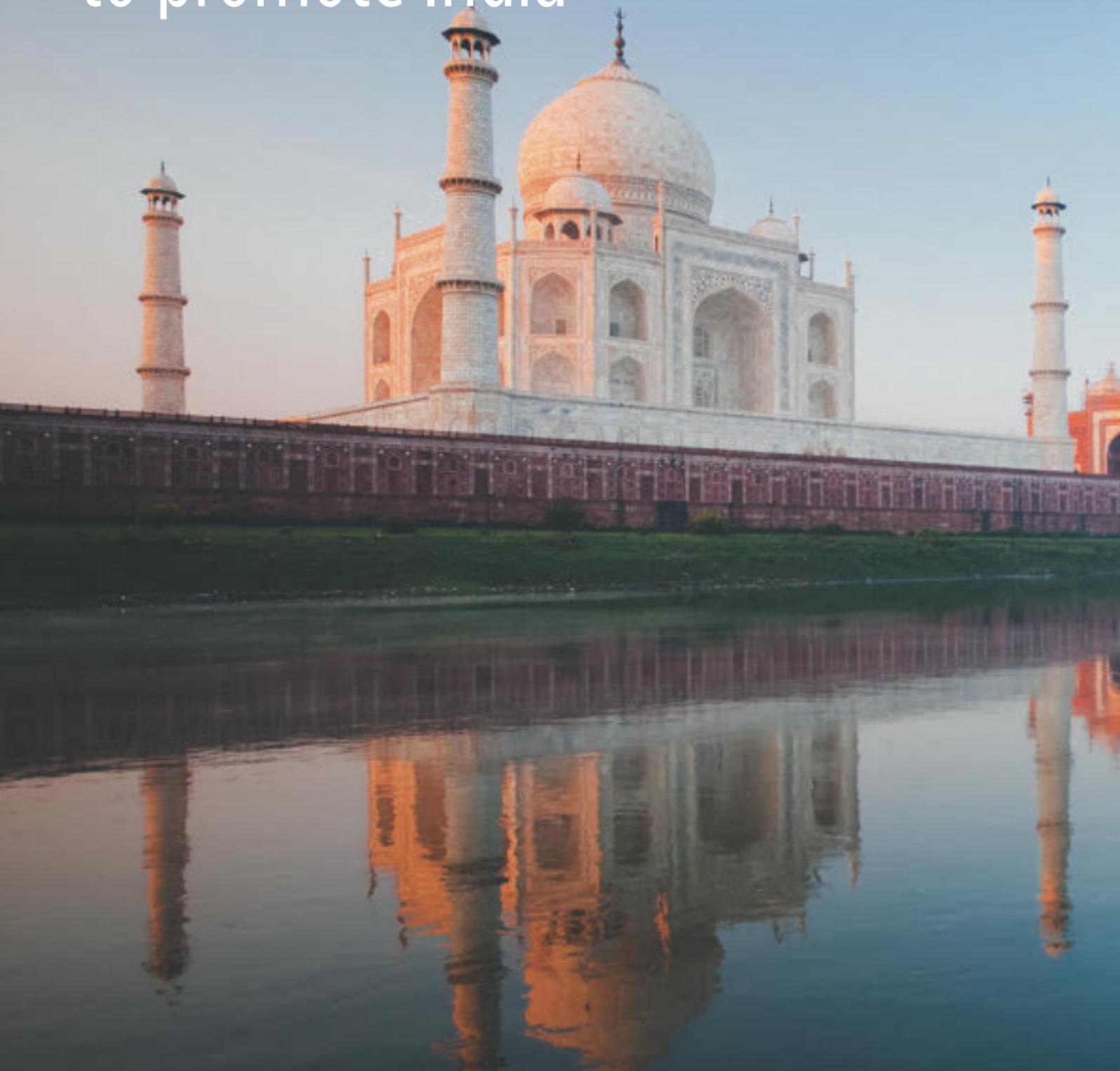


India PESTEL Analysis

A stable political environment and a growing economy make India a very attractive investment destination.

	Pros	Cons	Impact on Business
Political	<ul style="list-style-type: none"> Stable and industry friendly government Stable fiscal and monetary policies Cordial political relations with global powers Restructuring of old inefficient policies 	<ul style="list-style-type: none"> Bureaucracy, particularly in Govt./PSU sector Corporate tax rates and import duties among the highest Different political parties in power in different states 	<ul style="list-style-type: none"> Stable government at center to provide strong ground for growing businesses High taxes dampen margins
Economical	<ul style="list-style-type: none"> Growing disposable incomes Increasing purchasing power of consumers Low labour costs Increasing modern trade Rising urbanization Increasing FDIs inflows 	<ul style="list-style-type: none"> Rising inflation Currency fluctuations Increasing real estate prices Huge unorganized retail sector Political influence on banks especially PSUs Uncertainty over effects of recent demonetization drive 	<ul style="list-style-type: none"> High inflation may put pressures on pricing, but growing disposable incomes may offset these pressures
Social	<ul style="list-style-type: none"> Changing lifestyles & expectations Increasing working population Large English speaking population Focus on quality & Brand awareness Govt. thrust on quality education Growing health consciousness Value for money is critical 	<ul style="list-style-type: none"> Traditional practices prevalent Highly value conscious consumers Purchasing power high during harvest seasons Cyclicity power of purchasing power especially in rural India 	<ul style="list-style-type: none"> Focus on producing quality products that exceed expectations of customers and provide maximum value for money
Technological	<ul style="list-style-type: none"> Focus on infrastructure development Tax incentives to companies focused on R&D Rising automation across industries 	<ul style="list-style-type: none"> R&D spending still among the lowest in the world Power & Internet connectivity under-developed in Tier-2 & rural areas Lack of standards for technology adoption 	<ul style="list-style-type: none"> Businesses are increasingly moving toward technology and innovation to capture the 'bottom of the pyramid' pie
Environmental	<ul style="list-style-type: none"> Rising awareness among corporates about sustainability Green technology adoption incentives by government CSR incentives to corporate bodies 	<ul style="list-style-type: none"> Most companies hesitant to adopt green technologies citing long return on investment period 	<ul style="list-style-type: none"> Sustainability and Environment friendly practices - one of factors influencing decision making of clients
Legal	<ul style="list-style-type: none"> Dedicated courts for timely execution of cases Non-discrimination laws Stringent laws for healthy competition 	<ul style="list-style-type: none"> Complicated tax structure Retrospective tax laws 	<ul style="list-style-type: none"> Expected GST to bring in clarity and ease in indirect taxation

Indian Government Initiatives to promote India



The current government of India since coming to power in 2014 has launched multiple initiatives and schemes that aim at boosting the economic growth of India whilst generating opportunities for the international investor.



Make In India



Established	Launched on 25 th September 2014, as part of a wider set of nation-building initiatives. Devised to transform India into a global design and manufacturing hub
Key Sectors	Automobiles, Automobile components, Aviation, Biotechnology, Chemicals, Construction, Defence manufacturing, Electrical Machinery, Electronic systems, Food Processing, Media & Entertainment, Mining, Oil & Gas, Pharmaceuticals, Railways, Renewable Energy, Thermal Power, Space, Wellness
Key Department	Ministry of Finance
Key Contact	Investor Facilitation Cell (IFC) dedicated for the Make in India campaign Email: makeinindia@nic.in Tel: +91-11-2419 0300 Address: Invest India, The Ashok, Third Floor, 50B, Diplomatic Enclave, Chanakyapuri, New Delhi 110 021, India
Role	Make in India is a part of nation-building initiatives taken by the current government, devised to transform India into a global design and manufacturing hub. Make in India also aims to lower barriers to doing business and promote foreign investment in India

Major sectors under Make in India and Government Initiative

Automobiles

- By 2026, India is expected to be the third largest automotive market by volume in the world.
- 100% Foreign Direct Investments (FDIs) is allowed under the automatic route in the auto sector, subject to all the applicable regulations and laws.
- Manufacturing and imports in this sector are exempt from licensing and approvals and the encouragement of R&D by offering rebates on R&D expenditure.
- Each state in India offers additional incentives for industrial projects, such as; rebates in land cost, relaxation in stamp duty exemption on sale or lease of land, power tariff incentives, a concessional rate of interest on loans, investment subsidies/tax incentives & etc.
- Incentives for units in SEZ/NIMZ as specified in respective Acts or the setting up of projects in special areas like the North-East, Jammu & Kashmir, Himachal Pradesh & Uttarakhand



In July 2015, General Motors signed a letter of offer with the Maharashtra government to invest € 1 Billion at its existing Talegaon facility, near Pune, for further expansion, to export its various models.

Automobile Components

- Size of the Indian Auto Component Industry is around € 37 billion (2015-16) and it registered a CAGR of 14% during 2006-16, during the same period exports increased from € 3.0 billion to € 10.1 billion
- Cost competitive as compared to other manufacturing countries.
- Reduction in excise duties in the motor vehicles sector will spur demand for auto components.
- 100% Foreign Direct Investments (FDIs) is allowed under the automatic route in the auto components sector, subject to all the applicable regulations and laws.
- Basic customs duty on aluminum oxide for use in the manufacture of wash coat, which is used in the manufacture of catalytic converters reduced from 7.5% to 5%
- BMW has also decided to increase its localization to 50%. BMW has already signed deals with approximately 20 companies who supply its components.

Aviation

- Currently India is ninth largest civil aviation market, total passenger traffic stood at 224 million during 2016 and India is projected to be the third largest aviation market by 2020.
- The Indian aviation sector is likely to see investments totaling € 14.1 billion during 2016-2020 of which € 9.4 billion is expected to come from the private sector.
- Up to 100% FDIs is permitted in MRO for maintenance and repair organizations; flying training institutes; and technical training institutes under the automatic route.
- FDIs policy on Airports permits 100% FDIs under automatic route in greenfield projects and 74% FDIs in brownfield projects under automatic route. FDIs beyond 74% for brownfield projects is under government route.
- It has been decided to permit 100% FDIs under automatic route in brownfield airport projects.
- Aircraft engines and parts are eligible for duty exemption when imported for servicing, repair or maintenance of aircraft used for scheduled operations.
- Basic customs duty exemption is available for parts and testing equipment used for the maintenance, repair and overhaul of aircraft.
- In June 2015, France-based LH Aviation signed a MoU with OIS Advanced Technologies to set up a manufacturing plant in India to manufacture drones.

Chemicals & Petrochemicals

- The chemicals industry is a key constituent of the Indian economy, accounting for about 1.38% of the nation's GVA (Gross Value Addition)
- 100% FDIs permitted through automatic route also chemicals sector is de-licensed except for few hazardous chemicals.
- Total production of the major chemicals including petrochemicals was 23.9 Million tons in 2015-16.
- A large population, huge domestic market dependence on agriculture and strong exports are the key growth drivers for the industry.



Apple Inc. plans to make iPhones for the Indian market in Bangalore. Wistron, a Taiwanese OEM maker for Apple, is setting up a facility in Peenya, the city's industrial hub, to manufacture the iPhones. The facility will start production from next April 2018.

Di Bella, the Australia-based coffee chain, plans to invest € 9.4 million for setting up around 20 new outlets in Mumbai, besides entering Delhi and Bangalore by 2017.

- Industrial licensing has been abolished for most sub-sectors except for certain hazardous chemicals.
- Excise duty on Epoxy resin, Vinyl ester adhesives, Hardener for adhesives resin, hardeners, and Polyester infusion resin for rotor blades for Wind Operated Electricity Generators has been reduced from 12% to 6%.
- Custom duty on super absorbent polymer (SAP) imported for use in the manufacture of the Adult diapers has been reduced from 7% to 5%.
- In India, BASF announced a € 94 million investment in Dahej, Gujarat and is establishing an R&D facility in Mumbai, it's second in Asia.

Electronic Systems

- The electronics market of India is one of the largest in the world and is anticipated to reach € 376 billion by 2020.
- Sector is expected to grow at a projected CAGR of 26% for the period 2014-2020. (CAGR - Cumulative annual growth rate)
- 65% of the current demand for electronic products is met by imports which presents an opportunity for import substitution.
- 100% Foreign Direct Investments (FDIs) is allowed under the automatic route in the ESDM sector and is subject to all applicable regulations and laws.
- In case of electronics items for defense, FDIs up to 49% is allowed under automatic route, whereas anything above 49% is allowed through the government approval.
- Incentives for units in SEZ/NIMZ as specified in respective acts or the setting up of projects in special areas such as the North-east, Jammu & Kashmir, Himachal Pradesh and Uttarakhand.

Food Processing

- India ranked 12th in the World in exports of food and food products in 2015
- Major industries constituting the food processing sector are grain milling, sugar, edible oils, beverages, fruits & vegetables processing and dairy products.
- 42 Mega Food Parks (MFP) are being setup with an investment of € 2.23 billion. The parks have around 1250 developed plots with basic enabled infrastructure that entrepreneurs can take on lease for the setting up of food processing and ancillary units. Currently out of 42 MFP projects 8 projects have been commenced operations.
- The cost of skilled manpower is relatively low as compared to other countries.
- Consumption in India is driven towards packaged and ready-to-eat foods.
- 100% FDIs is permitted under the automatic route in food processing industries
- 100% FDIs is allowed through government approval route for trading, including through e-commerce in respect of food products manufactured or produced in India.
- Excise duty on machinery for the preparation of meat, poultry, fruits, nuts or vegetables and manufacture of wine, cider, fruit juices and on packing machinery is reduced from 10% to 6% in budget 2014-15.



International Finance Corporation (IFC), the investment arm of the World Bank, plans to invest € 117.5 million in Hero Future Energies Limited, the renewable energy arm of the Hero Group, which will be used to fund the construction of solar and wind power plants.

Renewable Energy

- India has the fifth largest power generation portfolio worldwide with a power generation capacity of 304.76 GW.
- Government of India has a target of adding 175 GW of renewable power in the country by 2022, which will offer massive investment opportunities across the value chain.
- Foreign Direct Investments (FDIs) up to 100% is permitted under the automatic route for renewable energy generation and distribution projects subject to provisions of The Electricity Act, 2003.
- Exemption from excise duties and concession on import duties on components and equipment required to set up a solar plant.
- A 10-year tax holiday for solar power projects and a subsidy of 30% of the project cost for off-grid Photovoltaic (PV) and solar thermal projects.



About India



Trade and Key Sectors



Doing Business



Taxation and Legal



Banking System

Digital India



Established

Established on 1st July 2015, it is an initiative to lay emphasis on e-governance and transform India into a digitally empowered society.

Key Nine Projects

Manufacturing of electronics, Provide public access to internet, Highways to have broadband services, Easy access to mobile connectivity, E-Governance, IT Training & Jobs, E-Kranti, Global Information and Early harvest programs

Key Department

Ministry of Electronics & Information Technology

Key Contact

Ministry of Electronics & Information Technology

Email: webmaster@digitalindia.gov.in

Tel: +91-11-24361951

Address: Electronics Niketan, 6, CGO Complex, Lodhi Road, New Delhi: 110003

Role

Digital India aims to transform India into a digitally empowered society and knowledge economy. The initiative is targeted towards developing digital infrastructure into a core utility and enabling governance and services on demand via the digital platform

3 Pillars

of Digital India

Infrastructure

High speed internet services

Governance and services

Government services will be available online

Digital empowerment

To provide universal digital literacy

Major projects under the initiative and advantages for international players:

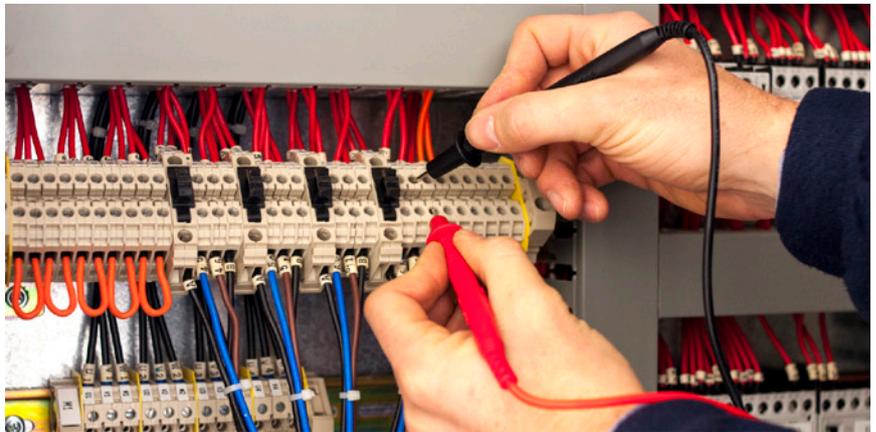
- **Manufacturing of Electronics:** The government is focusing on zero imports of electronics. In order to achieve this, the government aims to put up smart energy meters, micro ATMs, mobile, consumer and medical electronics.
- **Provide Public Access to Internet:** The government aims to provide internet services to 2.5 lakh villages which comprises of one in every village by March 2017 and 1.5 lakh post offices in the next two years.
- **Highways to have Broadband Services:** Government aims to lay national optical fiber network in all 2.5 lakh Villages. Broadband for the rural will be laid by December 2016 and broadband for all urban will mandate communication infrastructure in new urban development and buildings.
- **Easy Access to Mobile Connectivity:** The government is taking steps to ensure that by 2018 all villages are covered through mobile connectivity. The aim is to increase network penetration and cover gaps in all 44,000 villages.
- **E-Governance:** The government aims to improve processes and



delivery of services through e-Governance with UIDAI, payment gateway, EDI and mobile platforms. School certificates, voter ID cards will be provided online.

- **IT Training for Jobs:** The government aims to train around 10 million students from small towns and villages for IT sector by 2020. Setting up of BPO sectors in North eastern states is also part of the agenda.
- **E-Kranti:** This service aims to deliver to people to people electronic services which deal with health, education, farmers, justice, security and financial inclusion.
- Software companies can invest in here, as opportunity is big
- **Global Information:** Hosting data online and engaging social media platforms for governance is the aim of the government.
- **Early Harvest Programs:** Government plans to set up Wi-Fi facilities in all universities across the country. Email will be made the primary mode of communication.

Skill India



Established

Established on 15th July 2015, The National Skill Development Mission (NSDM) is a part of Skill India launched by the Indian Government. It aims to train 400 million Indians by the year 2022.

Key Schemes

Pradhan Mantri Kaushal Vikas Yojana, Skill loan schemes and National policy for skill development and entrepreneurship & etc.

Key Department

Ministry of Skill Development and Entrepreneurship

Key Contact

National Skill Development Corporation

Email: proposals@nsdcindia.org

Tel: +91-11-47451600-10

Address: Block A, Clarion Collection, Shaheed Jeet Singh Marg, New Delhi - 110016

Role

It aims to reap the demographic dividend of India by providing adequate institutions and opportunities for the youth. It seeks to include Industrial Training Institutes (ITI), Vocational training at school level, and polytechnics to achieve its mission. Also giving more opportunity to people who are less skilled.



Vision of Skill India initiative: Here is what the government of India aims to achieve through Skill India initiative.

- **National Skill Development Mission:** NSDM is an ambitious scheme to tackle the problem of unemployment rampant in India due to low-skilled people. The role of private sector in skill development is very crucial as they are the ultimate beneficiaries.
- **National Policy for Skill Development and Entrepreneurship:** The first National Policy for Skill Development was introduced in 2009. After this policy, National Skill Development Corporation (NSDC) was established in 2009 to promote private sector participation. NSDC has tied up 211 training providers, many of whom have already started their operations, to offer short term training programmes.
- **Pradhan Mantri Kaushal Vikas Yojana (PMKVY):** PMKVY is a scheme that would ensure that youth must go for skill training under NSDC and this scheme would affect the skill set of the 2.4 million individuals across the length and breadth of the country.
- **Skill Loan Scheme:** Skill Loan Scheme has replaced earlier Indian Banks Association (IBA) Model Loan Scheme for Vocational Education and Training. IBA has already circulated the scheme to the Chief Executives of All Member Banks for implementation of the Scheme. Any Indian National who has secured admission in a course run by Industrial Training Institutes (ITIs), Polytechnics or in a school recognized by Central or State education Boards or in a college affiliated to recognized university, training partners affiliated to NSDC Sector Skill Councils, State Skill Mission, State Skill Corporation can avail loan for the purpose. Amount of loan varies from INR 5,000 to INR 150, 000/- depending on the course having a repayment period of 3 to 7 years. Simple rate of interest at 11% – 12% per annum is charged during the period of study.



Startup India



Established

Established on 16th January 2016, by Prime Minister Mr. Narendra Modi announced bunch of benefits and schemes to promote start-up ecosystem in India and The event was called ‘Startup India” or “Stand up India”. Pradhan Mantri Kaushal Vikas Yojana, Skill loan schemes and National policy for skill development and entrepreneurship & etc.

Action Plans of Schemes

- Simplification and Handholding
- Funding Support and Incentives
- Industry-Academia Partnership and Incubation

Key Department

Ministry of Commerce and Industry

Key Contact

Startup India Hub

Email: dipp-startups@nic.in

Tel: +91-11-2306 1204

Address: Udyog Bhawan, New Delhi

Objective

Objective to build a strong ecosystem for improving innovation and Startups in India. This will drive sustainable economic growth and generate large scale employment opportunities and also aims to empower Startups to grow through innovation and design.

As per the Government scheme of Startup India, A Start-up is defined as:

- An entity, incorporated or registered in India
- Not older than five years
- Annual turnover does not exceeding € 3.5 million (INR 250 million) in any preceding financial year
- Working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property



Fund of Funds

With a Corpus of
€ 1.4 Billion
(~US\$1.5 Billion)

Key Qualification criteria

- The entity should not be formed by splitting up, or reconstruction of a business already in existence
- An entity shall cease to be a Start-up if its turnover for the previous financial years has exceeded € 3.5 million (INR 250 million) or it has completed 5 years from the date of incorporation/ registration
- A start-up shall be eligible for tax benefits only after it has obtained certification from the Inter-Ministerial Board, setup for such purpose

Startup India action plan

- **Compliance Regime based on Self-Certification:** Objective is to reduce the regulatory burden on Startups thereby allowing them to focus on their core business and keep compliance cost low. In order to make compliance for Startups friendly and flexible, simplifications are required in the regulatory regime.
- **Startup India Hub:** An all-India hub will be created as a single point of contact for start-up foundations in India, which will help the entrepreneurs to exchange knowledge and access financial benefits.
- **Rollout of Mobile App and Portal:** An online portal, i.e. a mobile application, has been launched to serve as the single platform for Startups for interacting with Government and Regulatory Institutions for all business needs and information exchange.
- **Legal Support and Fast-tracking Patent Examination at Lower Costs:** An online portal, i.e. a mobile application, has been launched to serve as the single platform for Startups for interacting with Government and Regulatory Institutions for all business needs and information exchange.
- **Less Stringent Policy for PSUs:** In order to promote Startups, Government shall exempt Startups (in the manufacturing sector) from the criteria of “prior experience/ turnover” without any relaxation in quality standards or technical parameters. The Startups will also have to demonstrate requisite capability to execute the project as per the requirements and should have their own manufacturing facility in India.
- **Faster Exit for Startups:** If business failure happens, it is critical to reallocate capital and resources to more productive avenues and accordingly a swift and simple process has been proposed for Startups to wind-up operations. It will promote entrepreneurs to experiment with new and innovative ideas, without having the fear of facing a complex and long-drawn exit process where their capital remain interminably stuck.
- **Funding Support through a ‘Fund of Funds’ with a Corpus of € 1.4 Billion (INR 100 Billion):** Government will set up a fund with an initial corpus of € 350 Million (INR 25 Billion) and a total corpus of € 1.4 Billion (INR 100 Billion) over a period 4 years. The Fund will be in the nature of Fund of Funds, which means that it will not invest directly into Startups, but shall participate in the capital of SEBI registered Venture Funds.
- **Credit Guarantee Fund for Startups:** To overcome from traditional Indian stigma associated with failure of Startup in general and to encourage experimentation among Startup entrepreneurs through disruptive business models, credit guarantee comfort would help flow of Venture Debt from the formal Banking System.



- **Tax Exemption on Capital Gains:** Government wants to promote investments into Startups by mobilizing the capital gains arising from sale of capital assets. With this objective, exemption shall be given to persons who have capital gains during the year, if they have invested such capital gains in the Fund of Funds recognized by the Government.
- **Tax Exemption to Startups:** Income tax exemption to startups announced for three years
- **Tax Exemption on Investments:** Under The Income Tax Act, 1961, where a Startup (company) receives any consideration for issue of shares which exceeds the Fair Market Value (FMV) of such shares, than excess consideration is taxable in the hands of recipient as Income from Other Sources.
- **Organizing Startup Fests:** Government has introduced Startup fests at national and international stages. These fests would provide a platform to Startups in India to showcase their ideas and work with a larger audience comprising of potential investors, mentors and fellow Startups.
- **Launch of Atal Innovation Mission (AIM):** Entrepreneurship promotion through Self-Employment and Talent Utilization (SETU), wherein innovators would be supported and mentored to become successful entrepreneurs. Innovation promotion – to provide a platform where innovative ideas are generated
- **Setting up of 35 new incubators in institutions:** Government will create a policy and framework for setting-up of incubators across the country in public private partnership. PPP model being considered for 35 new incubators, 31 innovation centers at national institutes
- **Setting up of 7 new research parks:** Government shall set up seven new research parks - six in IITs, one in IISc with an initial investment of ₹ 14 Million (INR 1 Billion) each.
- **Building Innovation Centers at National Institutes:** In order to augment the incubation and R&D efforts in the country, the Government will set up/ scale up 31 centers (to provide facilities for over 1,200 new Startups) of innovation and entrepreneurship at national institutes
- **Promotion of Startups in the Biotechnology Sector:** Five new bio clusters, 50 new bio incubators, 150 technology transfer offices and 20 bio connect offices will be established.
- **Launching of Innovation Focused Programs for Students:** There will be innovation core programs for students in 5 lakh schools.
- **Annual Incubator Grand Challenge:** The Government of India is proposing to make forward looking investments towards building world class incubators. In its first phase, the aim is to establish 10 such incubators. To enable this, Government of India shall identify and select 10 incubators who have the potential to become world class and these incubators would be given ₹ 1.4 Million (INR 100 Million) each as financial assistance which may be used for ramping up the quality of service offerings.



Smart Cities Mission



Established	Established on June 2015, by Prime Minister Mr. Narendra Modi and It is an urban renewal and retrofitting mission by the Government of India with a mission to develop 100 cities (the target has been revised to 109 cities)
Objective of Mission	<ul style="list-style-type: none"> • Provide basic Infrastructure • Clean and Sustainable Environment • Apply Smart Solution • Quality of Life
Key Department	Union Ministry of Urban Development
Key Contact	<p>Ministry of Urban Development, Government of India</p> <p>Tel: +91-11-2306 2194</p> <p>Address: Nirman Bhawan, Maulana Azad road, New Delhi-110011</p>
Strategy	<p>Pan - City initiative in which at least one Smart Solution Is applied city-wide</p> <p>Develop areas step by step - three models of area based developments -</p> <ul style="list-style-type: none"> • Retrofitting • Redevelopment • Greenfield
Total Funding	Total funding for this project is € 14.1 Billion

Key vision of the Smart Cities Project

- Adequate water supply
- Assured electricity supply
- Sanitation, including solid waste management
- Efficient urban mobility and public transport
- Affordable housing, especially for the poor
- Robust IT connectivity and digitalization
- Good governance, especially e-Governance and citizen participation
- Sustainable environment
- Safety and security of citizens, particularly women, children and the elderly
- Health and education



Below is the list of Top 20 Smart Cities, released by The Government of India in February 2016

1	Bhubaneswar	8	Visakhapatnam	15	Udaipur
2	Pune	9	Solapur	16	Guwahati
3	Jaipur	10	Davangere	17	Chennai
4	Surat	11	Indore	18	Ludhiana
5	Kochi	12	Coimbatore	19	Bhopal
6	Ahmedabad	13	Kakinada	20	New Delhi
7	Jabalpur	14	Belgaum		

The Smart City initiative aims to integrate multiple information and communication technology (ICT) and Internet of Things (IoT) solutions that would improve and augment the local departments, information systems, schools, libraries, transportation systems, hospitals, power plants, water supply networks, waste management, law enforcement, and other community services.

To achieve the same, Smart Solutions are to be implemented that would consist of the following:

E-Governances and Citizen Services

- Public information, Grievance Redressal
- Electronic service Delivery
- Citizens Engagement
- Citizens - City's Eye and Ears
- Video Crime Monitoring

Waste Management

- Waste to Energy & Fuel
- Waste to Compost
- Waste Water to be Treated
- Recycling and Reduction of Construction and Demolition Waste

Water Management

- Smart Meters & Management
- Leakage Identification, Preventive Maintenance
- Water Quality Monitoring

Energy Management

- Smart Meters & Management
- Renewable Sources of Energy
- Energy Efficient & Green Buildings

Urban Mobility

- Smart Parking
- Intelligent Traffic Management
- Integrated Multi-Model Transport

Others

- Tele-Medicine & Tele Education
- Incubation/Trade Facilitation Centers
- Skill Development Centers



Implementation and Operational Framework

- Project Monitoring Unit (PMUs) will be constituted at both Central and Regional level
- Mission Directors will be appointed from both Ministry of Urban Development (MoUD) and Urban Local Bodies, who will lead their respective Project Monitoring Unit (PMUs) as well as support staff
- An Empowered Committee of Experts will be instituted, having representation from all bodies–Central Govt/State/Urban Local Bodies. This committee will have the ultimate authority to approve/disapprove a project.

Financial Structure for Smart Cities

- Smart cities will be developed through collaboration between Central, State and urban local bodies. The funding will be through own sources, grants, viability gap funding (VGF) and public private partnership (PPP).
- The Central Government will provide viability gap funding (VGF). Of the total viability gap funding (VGF) allocated to each Smart Cities by Central:
 - ◆ Approximately 60% will be allocated for investment in infrastructure
 - ◆ 10% for e-governance initiatives
 - ◆ Remaining funds will be in form of equity contribution of the government in two integrated Township projects (in partnership with a private developer), as well as one Greenfield project and one redevelopment project

Initial Funding for the initiative may be provided by the Government of India in consultation with other ministries, multilateral, bilateral developing agencies and banks. This fund may blend grant funds from:

- CSS (Central Government allocation)
- Borrowings from multi-lateral and bi-lateral agencies; For instance, Asia Development Bank (ADB) has firmly committed to support India's Smart Cities Programme
- Bonds subscribed by national and state level land development agencies (e.g., Haryana Urban Development Authority (HUDA), Punjab Urban Development Authority (PUDA), Delhi Development Authority (DDA) etc.)

The pooling of funds from several sources is expected to reduce borrowing cost and lengthen tenor. The fund may provide Viability Gap Funding (VGF) as well as provide credit guarantees to municipal bonds and term loans to leverage debt resources from financial markets.



Use PPPs where feasible in smart city projects to leverage private sector financing. Fostering PPPs in the urban sector provision for incentives could be explored; however, this needs to be discussed with the relevant ministries of the Government of India and concerned departments in the Central/State Governments.

Pooled Municipal Debt Obligation (PMDO) facility was set up in 2006 with the participation of several Banks to promote and finance infrastructure projects in urban area on shared risk basis.

Real Estate Infrastructure Trusts (REITS): Government of India intends to provide incentives for REITS, which will have pass through for the purpose of taxation. These are expected to make available fresh equity and attract long term finance from foreign and domestic sources including the NRIs.

Infrastructure debt funds (IDFs): They could be directed to invest in highly rated municipal bonds. They could be used as a means to re-finance debt taken during the construction phase as well as additional cash for financing operations. Tax-free municipal bonds: Creditworthy local governments. Issuing tax-free municipal bonds to bring down the cost of borrowing.

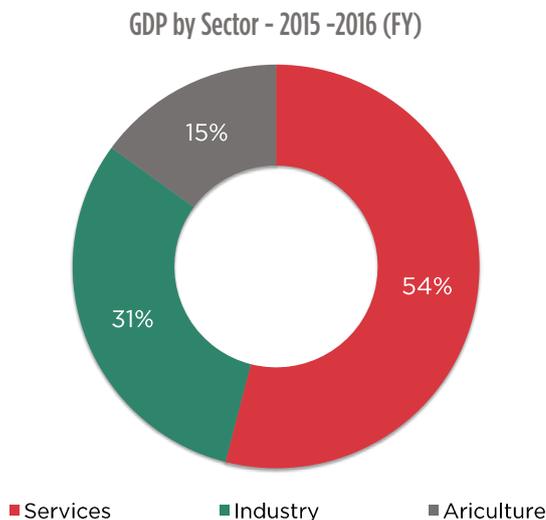
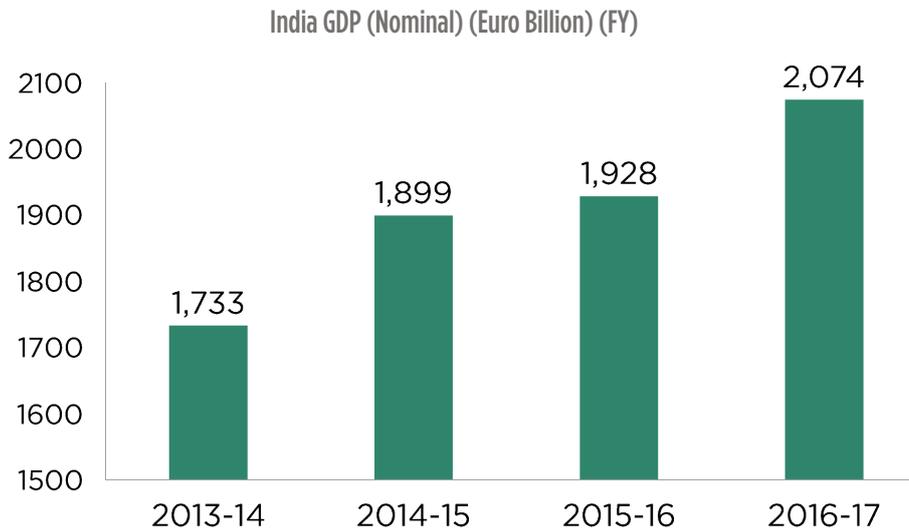
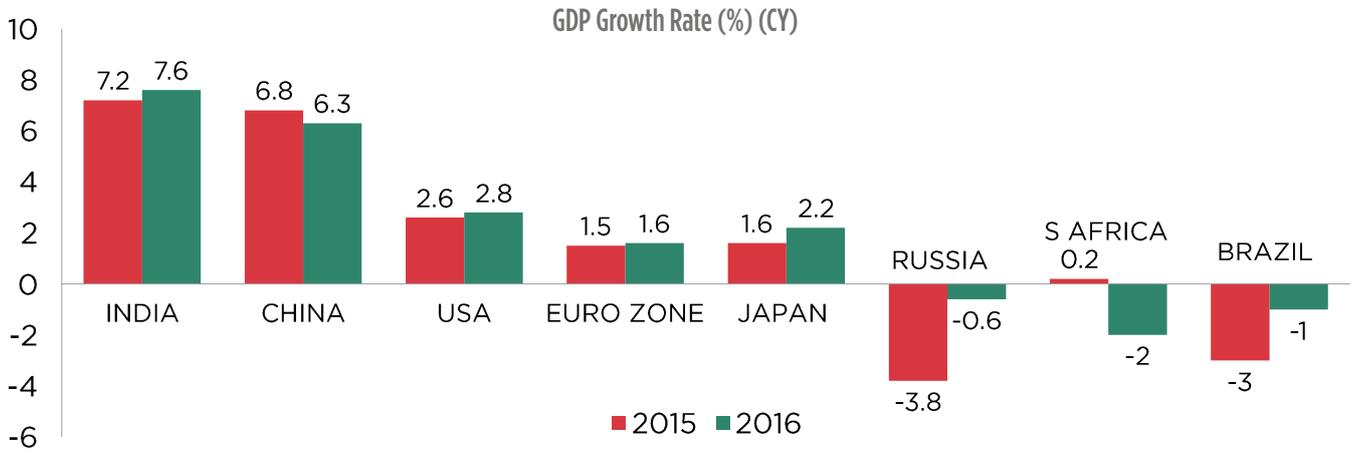


India's Trade and Key Sectors



India's Trade and Key Sectors – A Brief Overview

India is the fastest growing major economy, overtaking China in terms of growth rate.



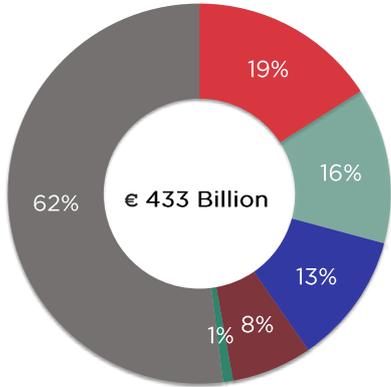
Source: United Nations Department of Economics and Social Affairs

FY: Fiscal Year CY: Calendar Year



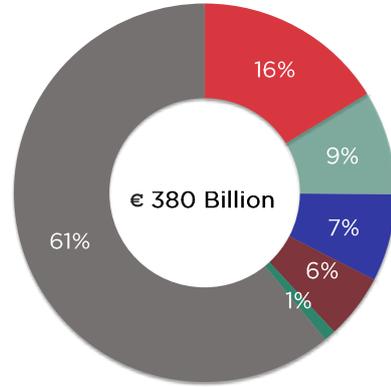
Italy's Trade with the World

Italy's Total Exports (2016) (CY)



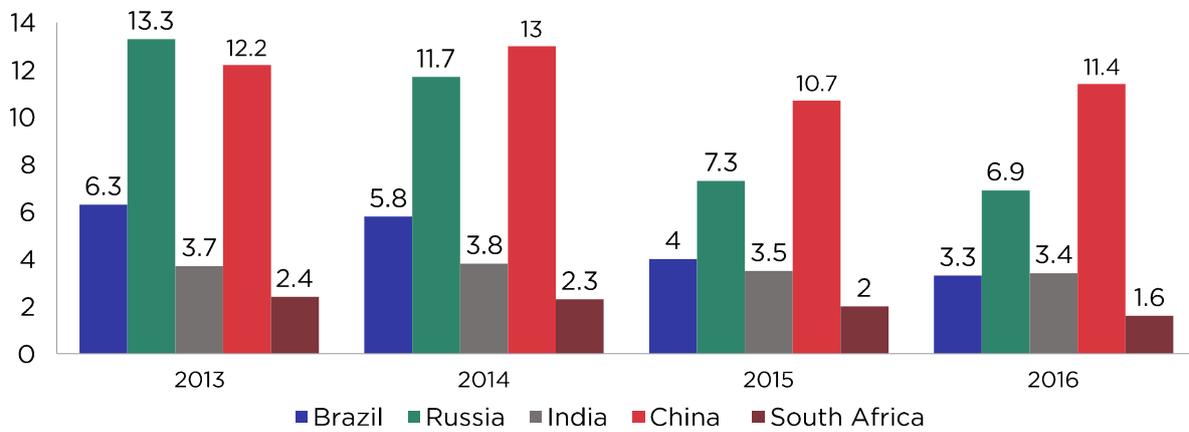
Germany France USA United Kingdom India Others

Italy's Total Imports (2016) (CY)



Germany France China Netherlands India Others

Italy's Export to BRICS Countries (Euro Billion) (CY)



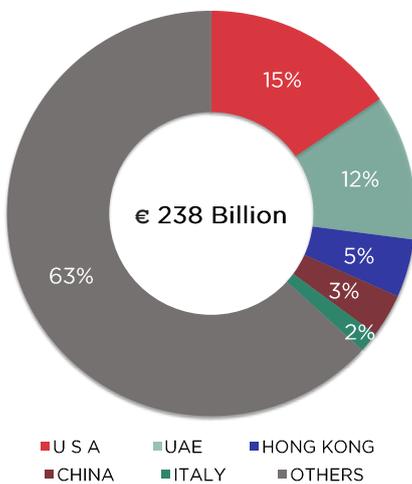


India Trade with the World

India Trade Statistics (€ Billion) (FY)



India Total Exports (FY 2015-16)

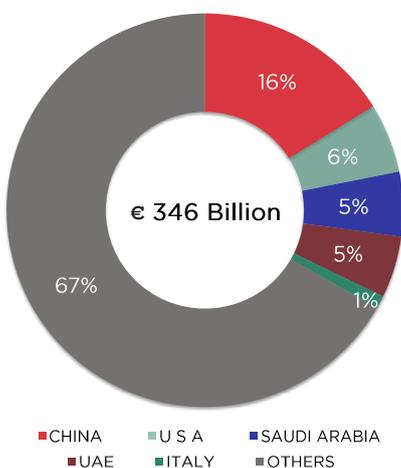


India's total exports in 2015-16 were estimated at € 238 Billion.

USA and the Middle East form the key export locations for India.

The major product of export include IT software products and services, Automobiles, Textiles, Refined Petroleum, Pharmaceuticals and Jewellery and Food Grains etc.

India Total Import (FY 2015-16)



India's total imports in 2015-16 were estimated at € 346 Billion.

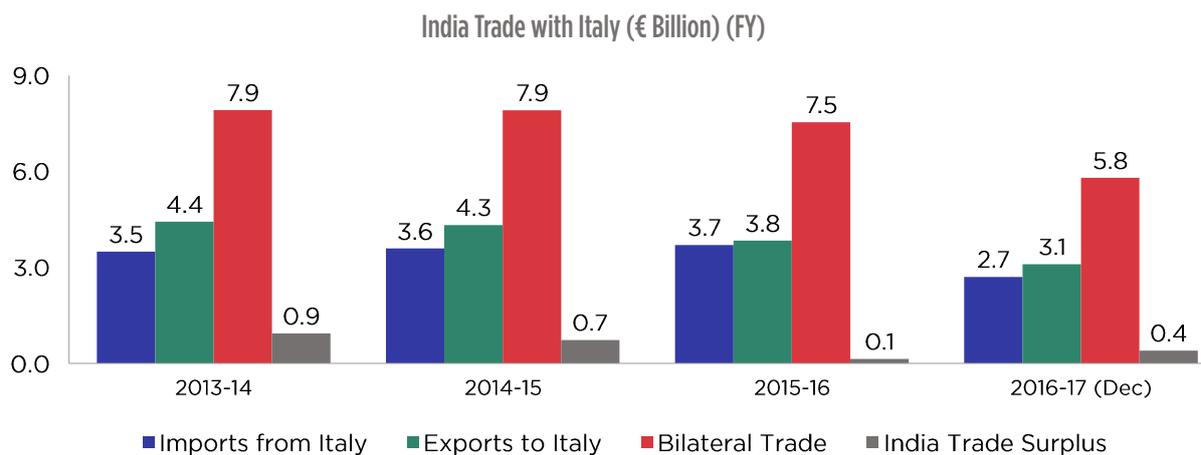
China, USA and the Middle East form the key import locations for India.

The major products of import include Crude Oil, Precious Metals, Stones and Gems, Electrical Machineries, Organic Chemicals etc.



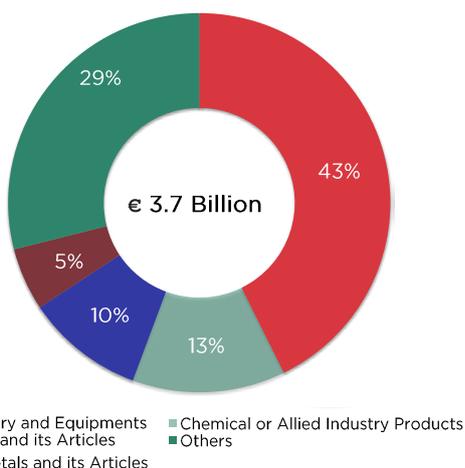
India Italy Trade Statistics

Italy was India's 24th largest trading partner during the financial year 2015-16 and maintained the same position also during 2016-2017. As per data available till **December 2016** Italy held 26th spot in India's overall imports (with a share of 1.1%, same as in 2015) and 15th position in India's overall export (a share of 1.7%). Instead India is the 17th largest supplier to Italy (with a share of 1.2%) and 30th largest client (with a share of 0.8%).

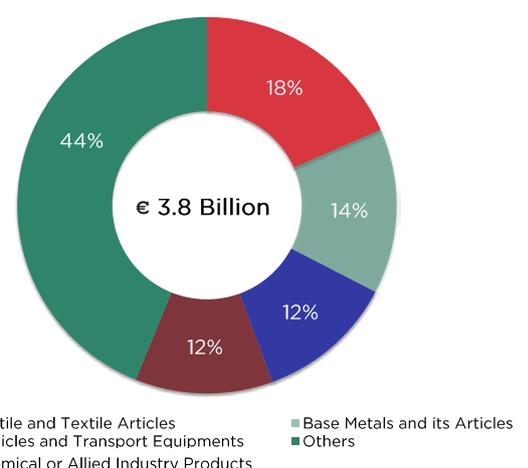


India's total Trade with Italy is ~1% of India's overall trade with the world. The major commodities of trade with Italy include Textiles, Machinery equipments, Automobiles, Chemicals etc

Italy Exports to India (FY 2015-16)



Italy Imports from India (FY 2015-16)





India Italy Trade Segment

All Values in € Million Sector Discription	Export		Import	
	2014-15	2015-16	2014-15	2015-16
Machinery and Equipment's	410.92	386.47	1537.45	1582.03
Chemical or Allied Industry Products	443.62	452.72	467.27	479.85
Base Metals and its Articles	706.95	544.41	377.42	372.44
Plastics and its Articles	190.72	262.01	190.98	197.74
Vehicles and Transport Equipment's	345.43	450.31	161.26	163.41
Mineral Products	438.82	31.95	132.95	133.58
Measuring, Medical, Musical and other Instruments and Apparatus	19.49	19.87	115.38	122.28
Paper and Paper Products	10.06	8.97	129.6	111.8
Art Work and Antiques	0.4	6.27	49.1	97.45
Raw and Processed Leather	284.38	253.58	86.21	91.11
Miscellaneous Manufactured Articles	22.4	24.31	62.09	77.77
Textile and Textile Articles	731.95	707.18	73.37	69.3
Glass, Stone and Similar Material Articles	45.29	46.94	49.4	55.64
Precious Stones and Metals	111.87	87.83	53.18	41.1
Vegetable Products	230.04	246.63	32.77	37.6
Prepared Foodstuffs; Beverages, Spirits and Vinegar	16.36	18.66	26.39	23.34
Footwear and Accessories	167.37	145.84	18.78	14.74
Wood and its Articles	4.43	4.08	8.84	10.73
Animal or Vegetable Fats and oils	18.44	18.07	10.64	9.7
Live Animal: Animal Products	119.8	113.53	5.13	5.69
Arms and Ammunition	2.21	0.57	2.14	2.39
Miscellaneous	1.07	7.93	1.61	0.94
Total	4322	3838.13	3591.97	3700.64

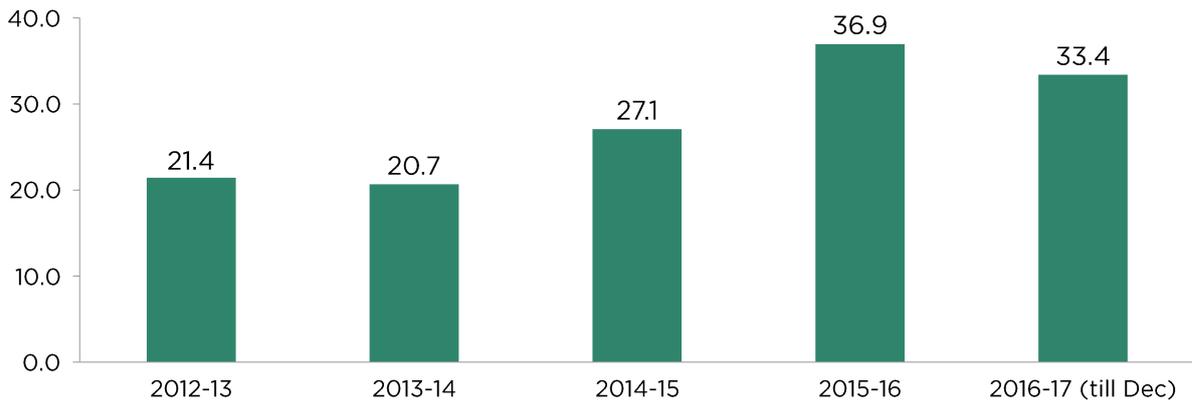


FDIs Inflow in India

India received nearly € 37 billion (USD 40 billion) in FDIs equity inflows in 2015-16 making it one of the world's preferred investment destinations. The investment in 2016-17 is expected to cross USD 60 billion. Amongst the G20 member countries, the United Kingdom is the largest investor in India with € 22.8 billion between 2000 and September 2016; in absolute terms, G20 countries have invested around € 80 billion in the last fifteen and a half year with the largest investor being the United Kingdom followed by Japan (€ 22.5 billion), United States (€ 18.3 billion), Germany (€ 8.7 billion) and France (€ 5.0 billion).

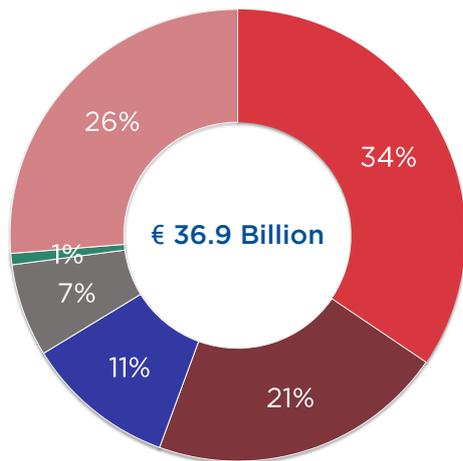
FDIs Equity inflows in India (FY)

€ Billion



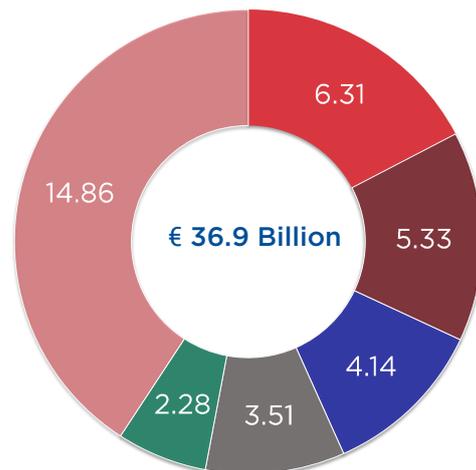
Mauritius, Singapore and USA are the top contributors of FDIs in India. FDI's are focus on towards Services and the IT industries. Italy's contribution to FDI's in India is ~1%

FDIs Inflows – by Countries (FY 2015-16)



■ SINGAPORE ■ MAURITIUS ■ U.S.A.
 ■ JAPAN ■ ITALY ■ Others

FDIs Inflows – by Sectors (FY 2015-16)



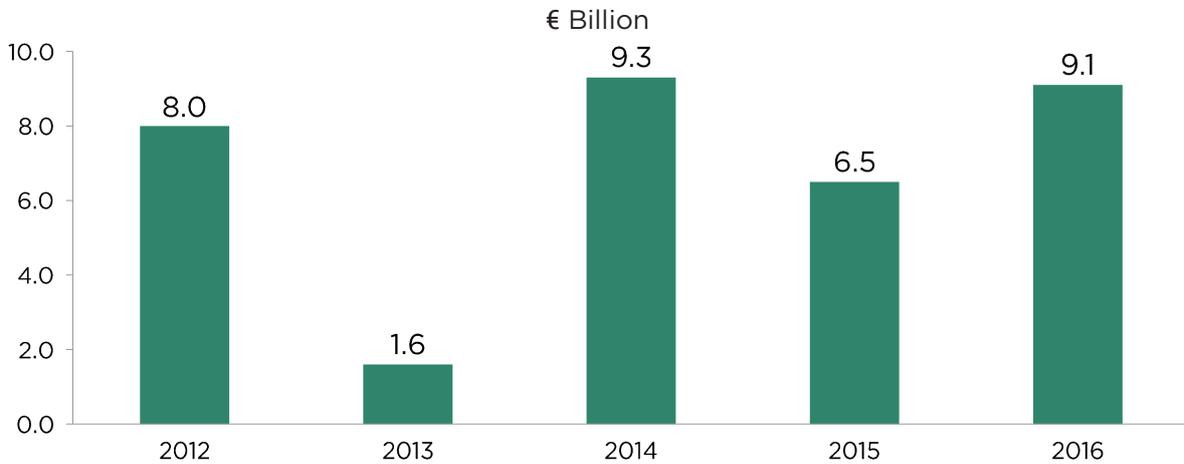
■ Services ■ Computer Software & Hardware
 ■ Construction ■ Trading
 ■ Automotive ■ Others



FDIs Outflow from India

The outflow of investments from India reached around ~ € 9.1 Billion in 2015-16.

FDIs Equity Outflows from India (CY)



Mauritius, Singapore, UAE and USA are the preferred destinations of investment for Indian investors. Financial Services and Manufacturing are the major sectors of investment.

Investment in Italy is limited to 0.03% of the total FDIs outflow from India

FDIs Outflows – by Countries (CY 2016)



- Mauritius ■ Singapore ■ UAE
- USA ■ Netherlands ■ Others

FDIs Outflows – by Sectors (CY 2016)

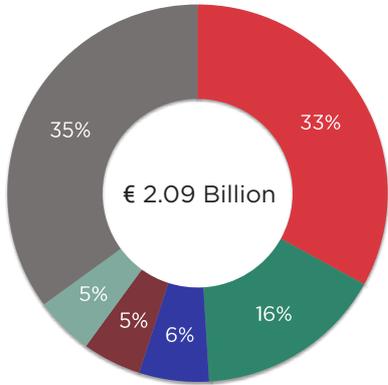


- Financial, Insurance Services ■ Manufacturing
- Agriculture & Mining ■ Wholesale, Retail, Horeca
- Electricity Gas & Water ■ Others



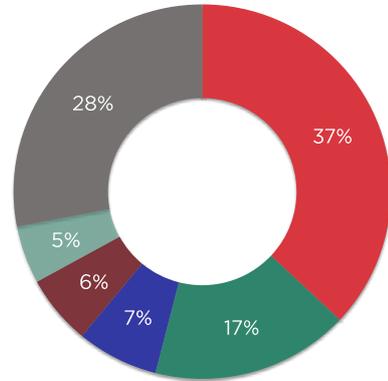
FDIs Statistics (India-Italy)

FDIs inflow from Italy to India (April 2000 to Dec 2016)



- Automobile Industry
- Trading
- Services Sector*
- Industrial Machinery
- Food Processing Industries
- Others

Top 5 Indian States receiving FDIs from Italy



- Maharashtra
- Delhi
- Karnataka
- Gujarat
- Tamil Nadu
- Other States

FDIs outflow from India to Italy (CY 2016)

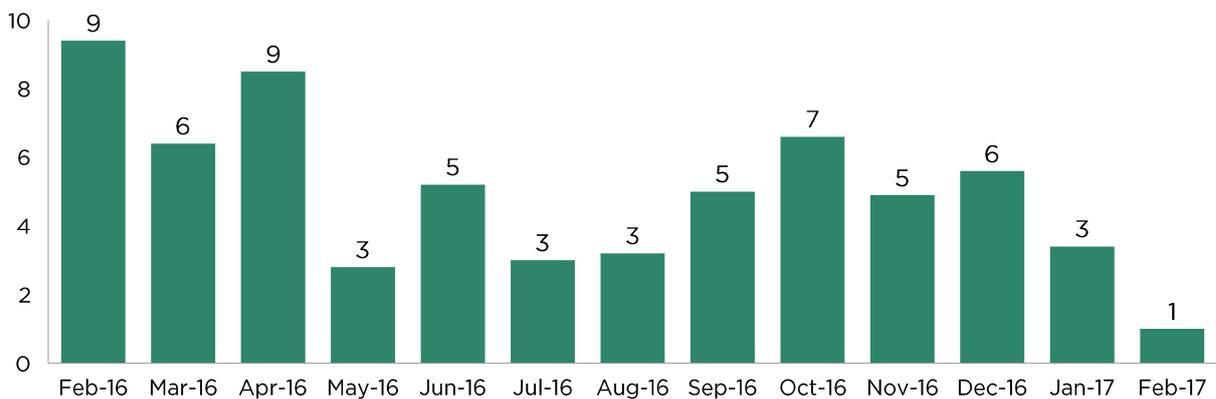


- Electricity, Gas and Water
- Wholesale, Retail Trade, Restaurants and Hotels
- Financial, Insurance and Business Services
- Manufacturing

Italy climbed one spot in the rankings and since April 2016 is the 13th largest investor in India (considering the period April 2000-December 2016), with a share of 0.69% and a stock of around 2.09 billion Euro (top sectors of interest are: automobile 33%; commercial services (trading) 16%, services (including financial) 6%; industry machinery 5%). According to data from Indian sources, during the financial year 2015-16 (from 1st April 2015 to 31 March 2016) total FDIs inflow from Italy was around 330 million dollars.

Index of Industrial Production (IIP)

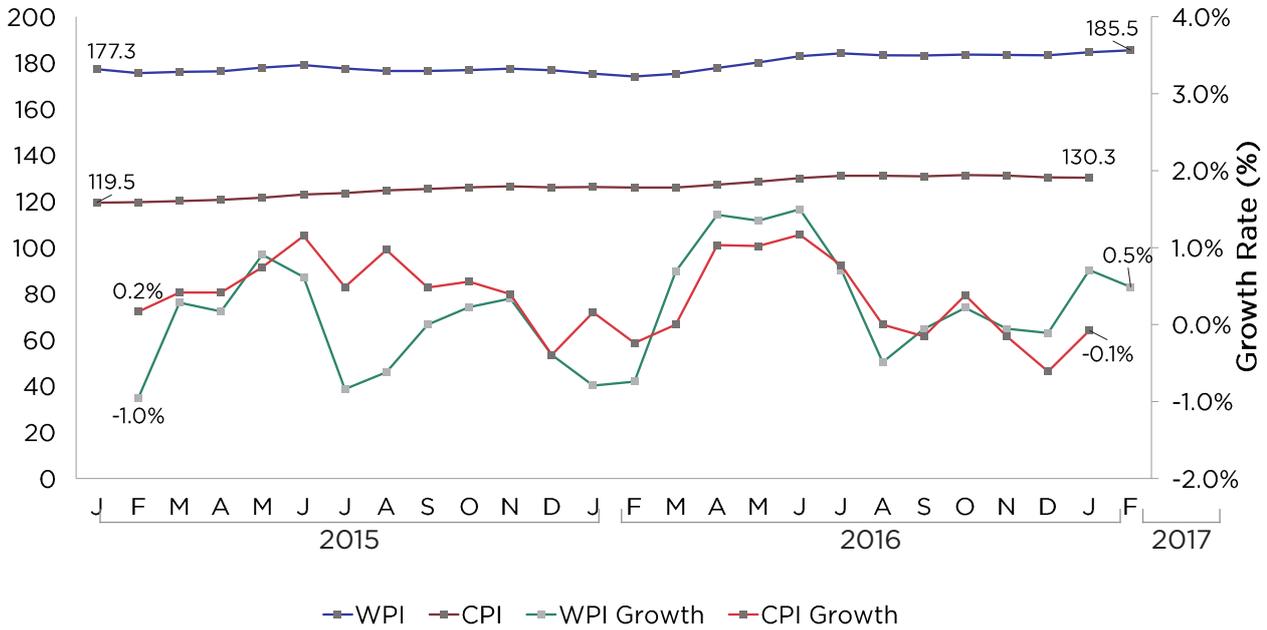
India IIP cumulative growth rate (%)





Wholesale and Consumer Price Indices

Price Indices



Source: Office of the Economic Adviser, Ministry of Commerce



130

Ease of Doing Business

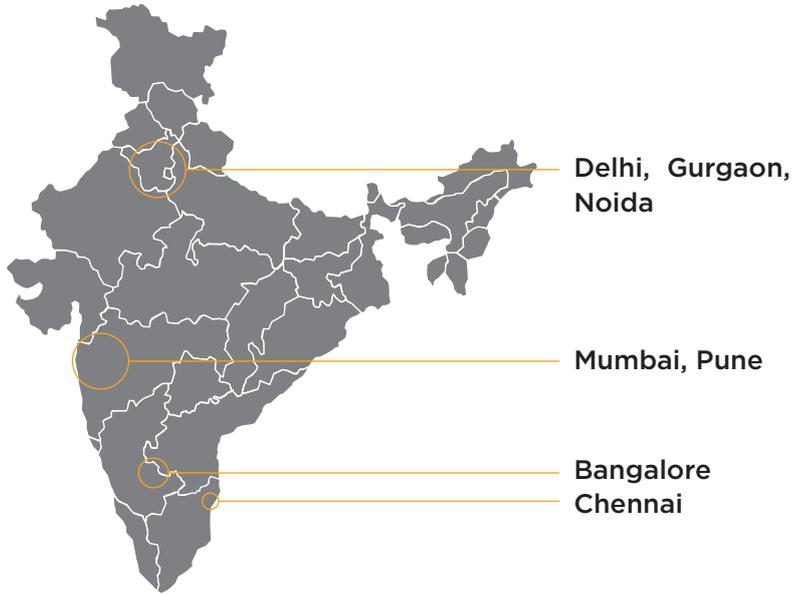


39

Global Competitiveness Index



Italian Companies in India



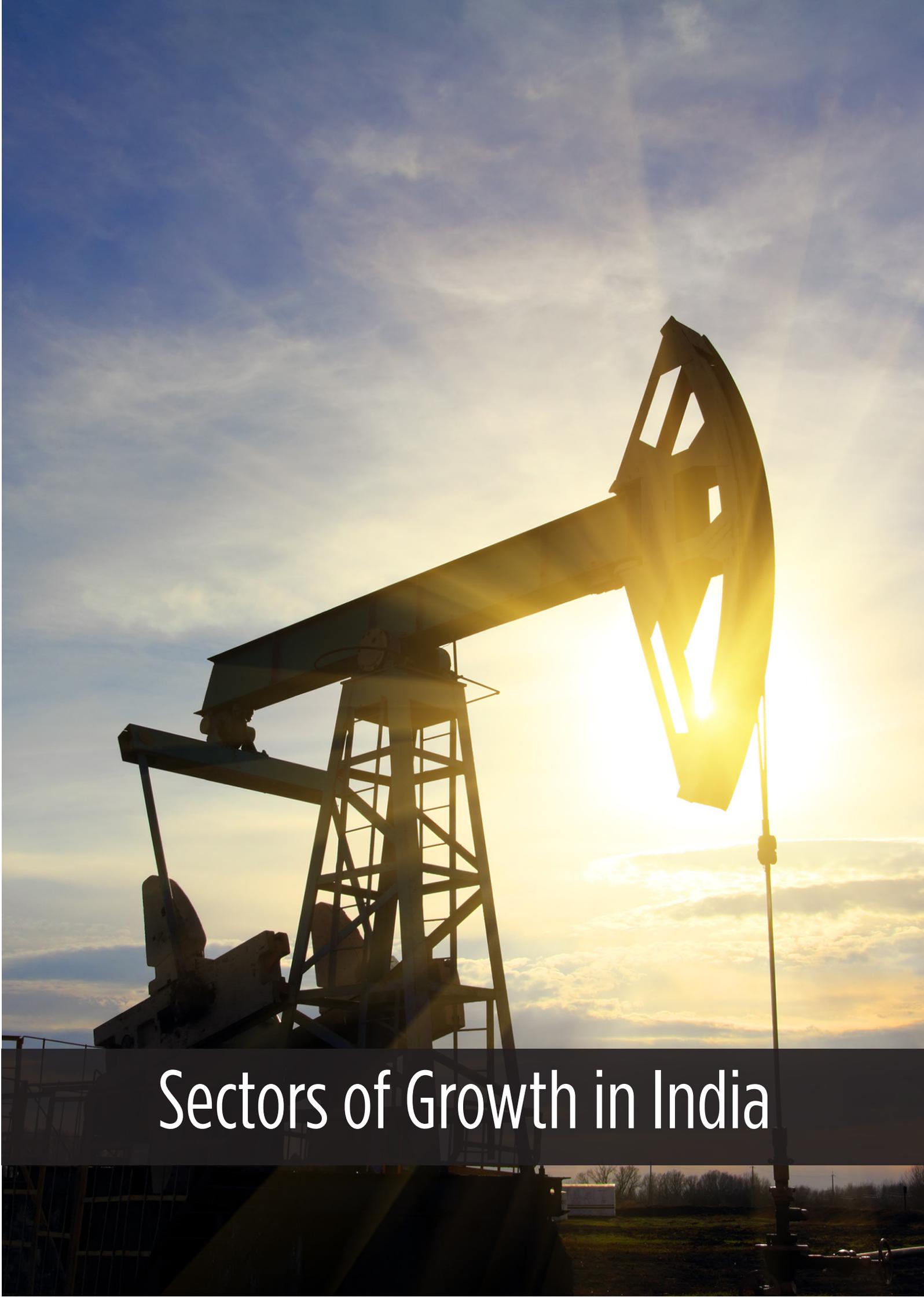
There are More than **400 Italian companies** present in India

Major locations of presence include city / clusters of **Delhi-Gurgaon-Noida, Mumbai-Pune, Chennai** and **Bangalore**.

Emerging locations for Italian plants in India include states of **Gujarat** and **Rajasthan**.

Major Italian companies in India include: FCA (also New Holland and Magneti Marelli), Carraro, Maschio Gaspardo, Eni, Piaggio, Prysmian, Lavazza, Luxottica, Ansaldo Caldaie, Saipem, Salini Impregilo, Bonfiglioli, Mapei, Italcementi, Ferrero, Bauli, Perfetti van Melle, Benetton, Gruppo Coin.

- **Defense Industry:** Gruppo Finmeccanica, Beretta, Fincantieri.
- **Financial Sector:** Gruppo Assicurazioni Generali and many Italian banks

A silhouette of an oil pumpjack (jack-o'-lantern) is shown against a bright, hazy sunset sky. The sun is low on the horizon, creating a strong glow and lens flare effects. The pumpjack's long walking beam and horsehead are clearly visible against the light. The sky transitions from a pale yellow near the sun to a deeper blue at the top. The overall mood is industrial and serene.

Sectors of Growth in India



India Business & Investment Guide

Automobile Sector

€ 88 Billion

Size of Indian Automobile Market

24 Million

Vehicles produced in 2015-16

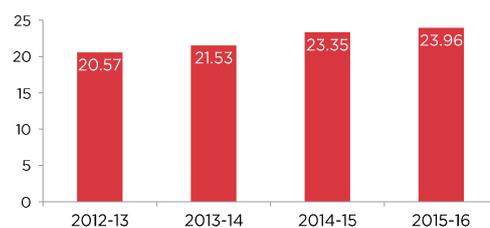
7% GDP

& 49% of manufacturing GDP in 2015-16



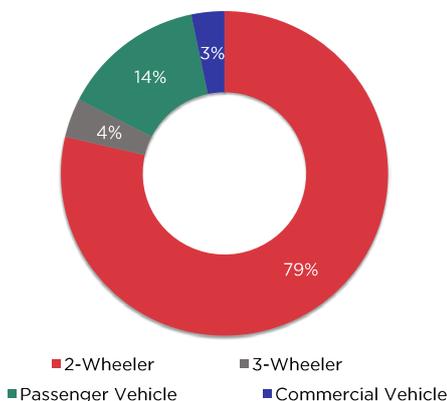
Automobile Production in India

Million units



Automobile Segment

2015-2016



Source: SIAM, Invest India, Make in India

Key Initiatives

- Automobile Mission Plan 2016-2026: Position India as one of the top three automobile manufacturing centers in the world
- The National Electric Mobility Mission Plan (NEMMP) 2020 aims to promote hybrid and electric vehicles and achieve 6-7 million sales from 2020 onwards. To boost production and achieve the target, Government offers fiscal and monetary incentives under Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME India) under NEMMP 2020 with an initial outlay of INR 750 million.
- Customs Duty on commercial vehicles increased from 10% to 20%, whereas, excise duty on Ambulance chassis reduced from 24% to 12.5%
- To promote domestic manufacturing of commercial vehicles under 'Make in India' initiative, the government is actively bringing changes in taxes and licenses such as increase in customs duty on commercial vehicles from 10% to 20% and reduction in excise duty on Ambulance chassis from 24% to 12.5%. These measures by the government are encouraging the automobile companies to push up their domestic manufacturing and also inviting foreign companies to setup manufacturing facilities in India.

Investments

- The sector received FDIs inflow of ~ € 2.5 billion during FY2015-16
- ISUZU invested € 423 million in its Greenfield manufacturing unit in India
- Tata Motors and Fiat Ltd have set up joint assembly line with an investment of ~ € 260 million in Pune to manufacture SUV cars
- Top foreign investors include Ford Motors(USA); Suzuki Motors(Japan); Daimler

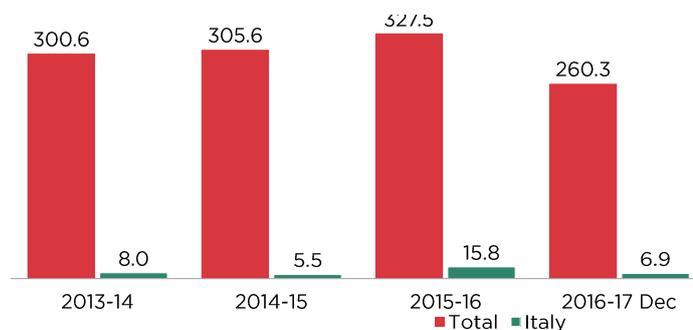


Automobile Sector Opportunities

- The Automotive sector is anticipated to provide huge opportunities for the automotive players (OEMs and component manufacturers) and the investors as it is expected to contribute in excess of 12% of the country's GDP and comprise more than 40% of its manufacturing sector.
- Scope in the manufacturing of hybrid and electric vehicle under the National National Electric Mobility Mission Plan (NEMMP) 2020.
- Under the 'Make in India' initiatives the government is encouraging the automobile companies to push up their domestic manufacturing and also inviting foreign companies to setup manufacturing facilities in India.

Automotive (HS Code 8701, 8702, 8703, 8704, 8705, 8711)							
Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	Germany	81.8	59.5	1	Mexico	1052.6	1141.3
2	Thailand	45.5	24.9	2	Sri Lanka DSR	681.5	392.9
3	U K	40.8	37.0	3	South Africa	584.1	420.6
4	Sweden	29.7	15.1	4	Nigeria	311.8	114.0
5	U S A	25.7	27.8	5	Bangladesh PR	305.5	303.1
7	Italy	15.8	6.9	7	Italy	302.7	257.1
Total Imports		327.5	260.3	Total Exports		8,639.6	7,090.8
%age Share of Italy		4.82%	2.65%	%age Share of Italy		3.50%	3.63%

Automotive Import Trend (€ Mn)



Source: SIAM, Invest India, Make in India

Key HS Codes	Applicable Imports Custom Duty (%)
87032491	210.206%
87032210	195.745%
87113020	137.9%
87084000	29.441%

100% FDIs under the automatic route allowed

Key Companies

Indian



MARUTI SUZUKI
Count on us



TATA MOTORS



HONDA



HYUNDAI



Mahindra



EICHER

Italian



PIAGGIO

GLOBAL POSITION IN MANUFACTURING

- Tractor: 1st
- Two-Wheeler: 2nd
- Bus : 2nd
- Heavy Truck: 5th
- Car: 6th
- Commercial Vehicle: 8th

ANNUAL SALES GROWTH FY 2015-16

- Passenger Vehicle: 7.24%
- Commercial Vehicle: 11.51%
- Three - Wheeler : 1.03%
- Two-Wheeler: 3.01%

ELECTRIC & HYBRID VEHICLE TREND

- Production 2014-15: 17,107
- Production 2015-16: 71,909
- Sales 2014-15: 16,513
- Sales 2015-16: 65,224



Construction and Infrastructure

3rd

Largest producer of electricity

6%

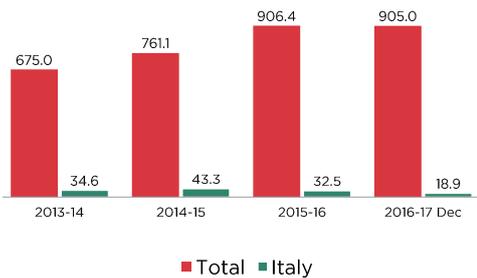
Contribution to GDP by Transport Sector

1,08,000 km

of Railroad network



Construction Machinery Import Trend (€ Mn)



Key HS Codes	Applicable Imports	Custom Duty (%)
73261910	29.441%	

100% FDIs under the automatic route allowed

Key Initiatives

- Integrated Power Development Scheme (IPDS) with estimated cost of € 3.3 billion launched aiming to provide 24x7 uninterrupted power supply to all.
- Projects worth € 3.5 billion have been sanctioned to benefit 3486 towns
- Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) to provide continuous power supply to rural India.
- National Highways Development Project (NHDP) to upgrade and develop National Highways, with estimated cost of € 80 billion
- Government of India plans to invest around € 10 billion in 12 major ports in the next five years under 'Sagarmala' initiative
- Dedicated Freight Corridors: Six high-capacity, high-speed dedicated freight corridors to be made
- In order to fast-track award of contracts and implementation of highway projects in the country by making additional funds available for investment in projects, the Government of India allows 100% equity divestment by private developers after two years of construction completion for all Build-Operate-Transfer (BOT) projects.

Investments

- During FY2014-16, the total FDIs inflow in the sector stood above € 2 billion, from companies such as Enercon (Germany); Vestas (Denmark); Applied Materials (USA)
- 100% FDIs inflow is allowed in power generation (excluding atomic energy), transmission, and trading.
- Railways anticipated to invite investment of around € 123 billion in the next 5 year
- Total FDIs inflow of € 1.1 billion in construction (infrastructure) activities during FY 2000-2016



Construction and Infrastructure Opportunities

- Opportunities in Transmission and Distribution under the Integrated Power Development Scheme (IPDS) with an aim to minimize the Transmission and Distribution losses. There is a plenty of scope for private companies to operate in this space.
- To encourage the private participation in infrastructure development, Public Private Partnership (PPP) cell has been set up at center and state levels to fast track the award and execution of PPP project. Around 136 projects are ongoing and many projects are in pipeline.
- Government is exploring private-sector participation through PPP models for developing port infrastructure and coastal shipping. Planned investment of around € 10 billion in 12 major ports is proposed for the next five years under the 'Sagarmala' initiative.

Construction Machinery (HS Code 8426, 8428, 8429)							
Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China p rp	310.9	441.6	1	Nepal	56.9	109.7
2	Germany	218.2	146.5	2	U Arab EMTS	55.8	22.1
3	Japan	79.5	78.0	3	Saudi Arab	53.8	19.2
4	Korea rp	58.6	43.5	4	Turkey	33.2	1.5
5	U S A	37.0	36.7	5	South Africa	31.5	16.6
7	Italy	32.5	18.9	73	Italy	0.6	0.9
	Total exports	906.35	905.01		Total Exports	596.45	411.26
	%age Share of Italy	3.59%	2.09%		%Age Share Of Italy	0.10%	0.22%

Key Companies



POWER

- Thermal accounts for 213.22 GW, 68% of total capacity
- Coal is prime source followed by Gas

ROAD, RAIL & AVIATION

- Roadways handles 60% freight & 90% passenger traffic
- Indian Aviation market to be 3rd largest by 2020



India Business & Investment Guide

Renewable Energy and Clean/Greentech

3rd largest

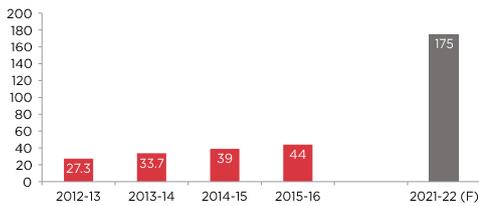
Producer of electricity

4th largest

Installed capacity of wind power



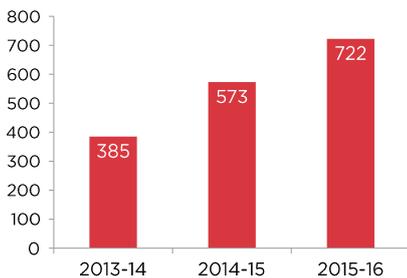
Renewable Energy Capacity Addition (GW)



Key Initiatives

- India has an ambitious target of 175 GW of renewable power by 2022.
- It is anticipated to include 100 GW of Solar power, 60 GW from wind power, 10 GW from biomass power and 5 GW from small hydro power.
- A 10-year tax holiday for Solar and Biomass power projects.
- Exemption from excise duties and concession on import duties on components and equipment required to set up a solar plant.

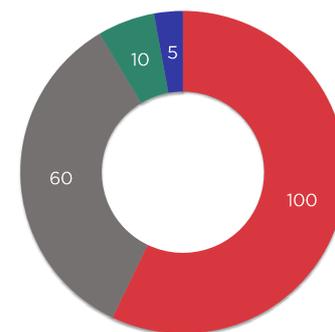
FDIs equity inflow in Renewable Energy (€ Mn)



Investments

- 100% FDIs is permitted under the automatic route for renewable energy generation and distribution projects.
- Total FDIs inflow of € 3.4 billion in renewable energy sector during FY2000-2016

Renewable Energy Capacity Target (GW), 2022



■ Solar ■ Wind ■ Biomass ■ Small Hydro

Source: Make in India, Ministry of Renewable Energy



Renewable Energy and Clean/Greentech

Opportunities

- The Prime Minister of India and the President of France jointly launched the International Solar Alliance (ISA) on 30th November, 2015 at Paris with its headquarters in India. The ISA strives to bring together more than 121 solar resource rich nations for coordinated research, low cost financing and rapid deployment. ISA will put India globally in a leadership role in climate and renewable energy issues. It will also give plenty of opportunities to investors interested in renewable energy sector as a number of projects have already been awarded and many more are in pipeline.
- High opportunities in the renewable energy sector in India. The Government of India has revised the ambitious target of its renewable energy capacity in India to 175 GW by 2022 which is the largest expansion in the world thus providing plenty of opportunities for the investors in this sector.
- Sources such as Wind energy have an estimated potential of 302 GW, Small hydro has potential of 19.7 GW, and Bio-power has potential of 22.5 GW that needs to be harnessed.
- The Government is focused on promoting renewable energy projects in the country by providing a whole host of financial and fiscal incentives such as accelerated depreciation, concessional custom duty, excise duty exemption, income tax holidays for 10 years to promote renewable energy along with exemption from excise duties and concession on import duties on components and equipment required to set up a solar plant.

Solar Panels and cells (HS Code 85414011, 85414019)

Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P Rp	1849.0	1546.6	1	U K	99.5	17.4
2	Malaysia	178.9	127.1	2	Belgium	8.5	4.4
3	Japan	80.9	1.5	3	U S A	7.2	4.3
4	Taiwan	40.7	39.4	4	Netherland	5.8	1.6
5	U S A	26.4	8.0	5	Japan	4.5	0.3
11	Italy	1.2	0.4	12	Italy	1.9	4.7
Total Imports		2,214.3	1,762.4	Total Exports		160.8	59.6
%age Share of Italy		0.06%	0.02%	%age Share of Italy		1.19%	7.85%

Wind Energy (HS Code 84128030, 85023100)

Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P RP	2.70	1.09	1	U K	5.4	6.9
2	Spain	0.85	0.00	2	Sri Lanka Dsr	1.9	1.0
3	Romania	0.68	0.00	3	Turkey	0.9	0.6
4	Austria	0.14	3.70	4	Germany	0.7	0.0
5	Denmark	0.03	0.00	5	Italy	0.6	1.2
12	Italy	0	0.01	6	Iran	0.3	0.0
Total Imports		4.44	4.81	Total Exports		10.7	12.5
%age Share of Italy		0.00%	0.13%	%age Share of Italy		5.6%	9.4%

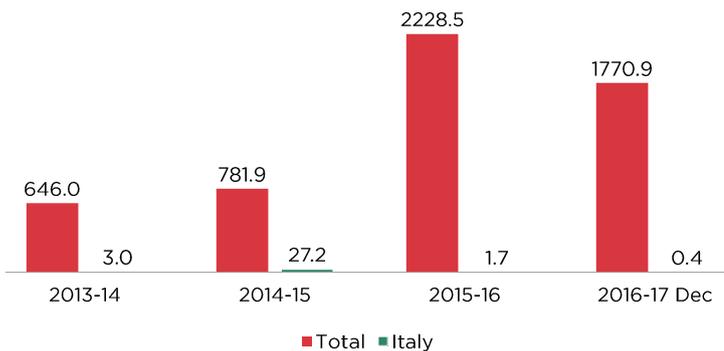


Renewable Energy and Clean/Greentech

Hydro Power (HS Code 85023920, 84109000)							
Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	Japan	2.6	0.0	1	Vietnam Soc Rep	9.3	6.1
2	Belgium	2.5	0.0	2	Nepal	6.3	6.2
3	China P Rp	1.5	2.1	3	Georgia	5.3	2.6
4	France	1.3	0.2	4	Indonesia	3.8	3.5
5	Czech Republic	0.8	0.5	5	Brazil	3.8	1.8
6	Italy	0.4	0.0	11	Italy	1.7	1.1
Total Imports		9.8	3.7	Total Exports		52.0	35.5
%age Share of Italy		4.5%	0.05%	%age Share of Italy		3.2%	3.1%

Renewable Energy Equipment Import Trend

(€ Mn)



Source: Ministry of Urban Development, IBEF, Tecnova Research

Key Companies



Key HS Codes	Applicable Custom Duty (%)	Imports
84128030	29.441%	
85414011	17.390%	

100% FDIs under the automatic route allowed

RENEWABLE CAPACITY

- Solar: 8GW
- Wind : 27.44GW
- Small Hydro: 4.3 GW
- Bio- Power: 4.88 GW

INSTALLED

RENEWABLE SOURCES

- 44.23 GW, 14% of total capacity
- 61% is generated by Wind, followed by Solar power



Waste Management (Water and Sanitation)

170

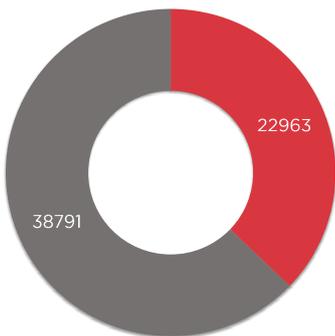
Combined wastewater treatment plants

61,754 Million

Litre waste water generated daily

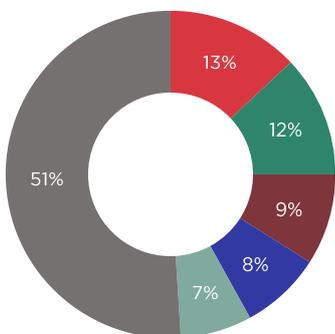


Waste Water Treatment in India



Total Waste Water generation estimated at 61754 Million Liters per Day

Statewise Waste Water Generation



■ Maharashtra
 ■ Uttar Pradesh
 ■ Tamil Nadu
■ West Bengal
 ■ Delhi
 ■ Others

Key Initiatives

- The Indian Ministry of Water Resources plans to invest ~ € 46 billion in the water sector in the coming years
- The Yamuna River Action Plan Phase III project for Delhi has been approved at an estimated cost of ~ € 257 million
- The Government of India and the World Bank have signed a ~ € 465 million credit for the Rural Water Supply and Sanitation (RWSS) project in the Indian states of Assam, Bihar, Jharkhand and Uttar Pradesh
- The Zero Liquid Discharge (ZLD) or Zero Discharge (ZD) Policy has been drafted by the Ministry of Environment and Forest (MoEF) and Central Pollution Control Board (CPCB), which urges industries to strive for ZLD status
- The Ministry of Union Development added that under Swachh Bharat Mission, about ~€ 5.2 billion of the project cost of ~ € 8.7 billion is to be incurred on solid waste management.

Investments

- Indian waste water sector has an investment potential of around ~ € 121 billion between 2015 and 2030.
- Vishvaraj Infrastructure an Indian company is ready to invest ~ € 810 million in India's wastewater treatment market
- Three mid to Large scale projects in Water Sector with European companies in India have been started

Source: Envis Center under Ministry of Environment & Forest, CPCB Bulletins



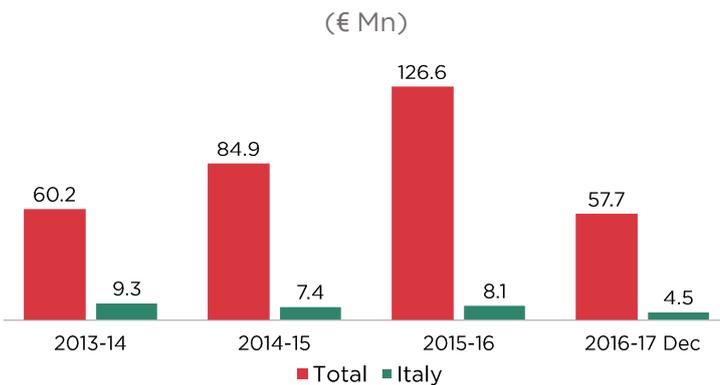
Waste Management (Water and Sanitation)

Opportunities

- Opportunities in the Zero Liquid Discharge (ZLD) technologies which is going to be stringent after the policy enforcement. This mandated policy is expected to boost the activity in water treatment industry thus inviting new investments towards this sector.
- Opportunities in solid waste management under the Swachh Bharat Mission where about € 5.2 billion is expected to be spent under this scheme. Opportunities lie for investment in new technologies in the solid waste management.
- The “Namami Gange” programme has been launched by the government which integrates the efforts to clean and protect the Ganga River in a broad manner. Over € 2.7 Billion has been sanctioned in the 2014-2015 budget for the next 5 years for this program that will cover 8 states, 47 towns & 12 tributary rivers. The program would be implemented by the National Mission for Clean Ganga (NMCG), and its state counterpart organizations i.e., State Program Management Groups (SPMGs).

Waste Water /Sewage Treatment Machines (HS Code 84212110, 84212190)							
Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	U S A	32.2	7.4	1	Bangladesh Pr	9.2	5.8
2	Israel	15.7	0.9	2	U Arab Emts	8.9	5.7
3	Germany	14.2	10.8	3	France	7.7	4.9
4	China P Rp	9.8	6.3	4	Indonesia	4.7	3.2
5	Italy	8.1	4.5	5	U S A	4.7	3.6
7	Singapore	6.8	2.7	48	Italy	0.3	0.1
Total Imports		126.6	57.7	Total Exports		91.4	60.3
%age Share of Italy		6.40%	7.82%	%age Share of Italy		0.28%	0.19%

Waste Management Machinery Import Trend



Key HS Codes	Applicable Custom Duty (%)	Imports
84212110	26.428%	
84212190	26.428%	

100% FDIs under the automatic route allowed



State/ UT-wise list of Sewage Treatment Plants (STPs) and Common Effluent Treatment Plants (CETPs)

State/UT	Total No. of STPs	Number of CETPs
Andhra Pradesh	12	11
Andaman & Nicobar Islands	8	-
Assam	5	-
Bihar	6	-
Chandigarh	5	-
Chhattisgarh	36	-
Delhi	35	13 (NCT of Delhi)
Goa	7	-
Gujarat	52	30
Haryana	41	14
Himachal Pradesh	68	-
Jammu & Kashmir	25	1
Jharkhand	24	1
Karnataka	57	9
Kerala	10	5
Maharashtra	78	-
Madhya Pradesh	17	1
Meghalaya	1	-
Mizoram	1	-
Odisha	47	-
Puducherry	6	-
Punjab	86	4
Rajasthan	64	14
Sikkim	11	-
Tamil Nadu	73	49
Telangana	18	-
Tripura	2	-
Uttar Pradesh	73	8
Uttarakhand	24	4
West Bengal	28	1



India Business & Investment Guide

Agriculture Machinery

€ 6 Billion

Size of agriculture equipment sector

14%

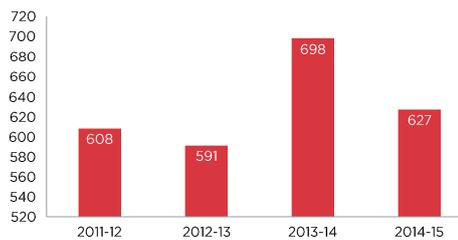
Contribution

to GDP by agriculture and allied sector



Tractor Sales

'000 units



Tiller Sales

'000 units



Source : FICCI, IBEF

Key Initiatives

- Subsidies between of 25% to 50% are provided to farmers by the Government to ensure the machinery/equipment is available at an attractive price
- In FY2016, government allocated- € 207 million for establishment of Farm Machinery Banks to distribute farm machinery and tools to farmers

Investments

- 100% FDIs is allowed under the automatic route including development and production of seeds and planting material along with services related to agro and allied sectors
- Agricultural machinery sector attracted FDIs equity inflow of about ~ € 400 million during FY 2000-2016
- Key investors include Lemkan (Germany); Maschio Gaspardo (Italy); etc

Opportunities

Opportunities for agriculture machinery/ farm equipment manufacturers as the government is providing subsidies between 25% to 50% to the farmers in order to boost the adoption of agricultural machinery and increase penetration within the farmers of India.

Key Companies



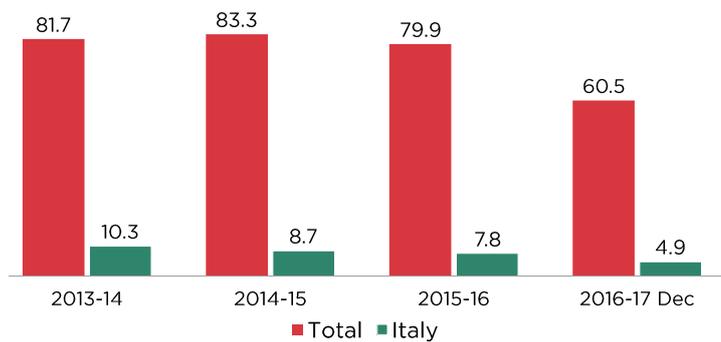


Agriculture Machinery

Agriculture Machinery (HS Code 8432, 8433)							
Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P Rp	36.1	32.0	1	U S A	20.5	12.7
2	Thailand	10.5	7.5	2	Sri Lanka Dsr	10.3	4.9
3	Italy	7.8	4.9	3	Nepal	8.1	12.1
4	U S A	7.0	4.1	4	Algeria	6.9	3.8
5	Japan	5.6	4.7	5	Thailand	4.2	2.2
7	Brazil	2.6	0.4	10	Italy	2.9	2.0
Total Imports		79.9	60.5	Total Exports		105.4	81.6
%age Share of Italy		9.75%	8.07%	%age Share of Italy		2.71%	2.47%

Agriculture Machinery Import Trend

(€ Mn)



Source : FICCI, IBEF

Key HS Codes	Applicable Custom Duty (%)	Imports
84332000	12.034%	

100% FDIs under the automatic route allowed



Food Processing Machinery

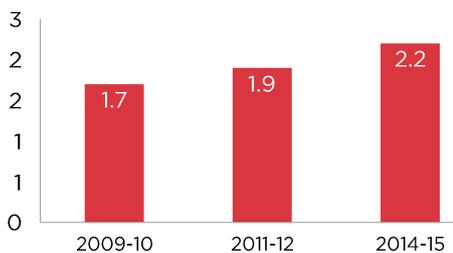
€ 2.2 Billion

Size of Food Processing Machinery market

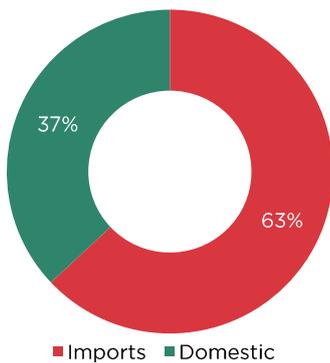


Food Processing Machinery Market

€ Billion



Machinery Supply to Market



Key Initiatives

- Single Window Facilitation Cell set up by Government in 2016 for addressing queries, facilitation and hand holding foreign investors investing in food processing industry in India
- The government is providing capital subsidies, tax rebates, depreciation benefits, as well as reduced custom and excise duties for processed food and machinery to provide special benefits to the food processing sector
- Excise duty on machinery for food processing and packaging has been reduced from 10% to 6% in 2016-17
- Excise duty exempted on machinery used in Dairy sector for pasteurizing, drying, evaporation etc.
- Service tax exempted on pre-conditioning, pre-cooling, ripening, waxing and retail packing, labeling of fruits and vegetables and also on transportation of food grains
- Priority sector lending facility (at subsidized interest rates and hassle free processing) from banks for setting up new food processing units for capacity augmentation
- Over 134 projects have been sanctioned for building the cold storage infrastructure in India of which 88 are operational having a capacity of 3.31 MT
- Government approved 42 mega food parks are being set up with an allocated investment of ~ € 2.2 billion

Investments

- 100% FDIs is allowed under the automatic route for trading including through e-commerce for food products produced and manufactured in India
- Total FDIs inflow of above € 1 billion in the food processing sector from Apr 2014 to Sep 2016
- Key investors include B.S.A. International (Belgium); Ferrero S.P.A (Italy); Nivesh Investments Ltd. (Mauritius); Everfoods Asia Pte Ltd (Singapore); Kellogg Company (USA); etc

Source: MHPE, Govt. of India & IBEF



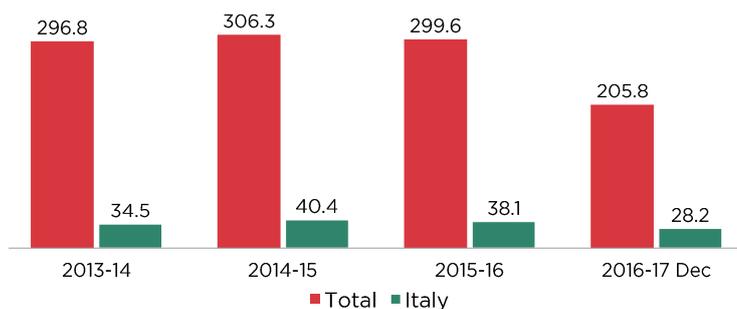
Food Processing Machinery

Opportunities

- High opportunities for food processing machinery from Indian large and medium enterprises as they are expanding their capacities in setting up new facilities under the government schemes (Government has approved 42 mega food parks with an estimated investment of ~ € 2.2 billion).
- High opportunities in cold storage infrastructure. Government helps companies for investment into this segment by providing funds under priority sector lending facility (at subsidized interest rates and hassle free processing) from banks for setting up new food processing units for capacity augmentation.

Food Processing Machinery (HS Code 8437, 8438, 841981, 84172000)							
Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P Rp	70.3	58.5	1	Bangladesh Pr	23.1	12.3
2	Italy	38.1	28.2	2	Kenya	16.8	16.4
3	Germany	34.4	22.6	3	Nigeria	13.1	10.6
4	U S A	31.6	18.3	4	Sri Lanka Dsr	12.1	5.6
5	U K	20.4	10.9	5	Indonesia	9.7	3.7
7	Thailand	16.5	10.5	39	Italy	0.8	1.7
Total Imports		299.6	205.8	Total Exports		185.3	130.8
%age Share of Italy		12.71%	13.70%	%age Share of Italy		0.44%	1.33%

Food Processing Machinery Import Trend
(€ Mn)



Key HS Codes	Applicable Imports Custom Duty (%)
84389090	23.416%

100% FDIs under the automatic route allowed

Key Companies



Source: MHIPE, Govt. of India & IBEF



Woodworking Industry

65% share

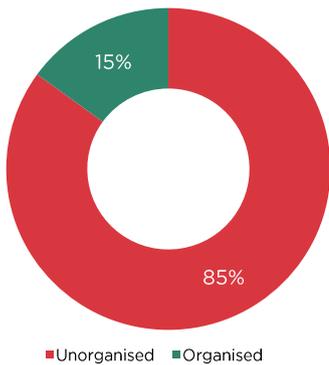
Solid Woodworking machines

35% share

Panel processing machines



Furniture Market



Investments

- In 2013, Hettich announced to invest Rs. ~ € 70 million in India over 5 years along with setting a facility at Vadodara
- IKEA announced in 2013 to invest ~ € 208 million in Indian market

Opportunities

- Smart Cities program launched by Government of India aims at boosting the urban real estate construction and indirectly affects the Furniture market of India, opening new demand avenues and fueling growth
- Opportunities mainly from Small and Medium Enterprises (SMEs) operating in wood working sector (plywood and furniture manufacturing)
- The Government of India presently allows duty free import of furniture for all the SEZs and STPIs. A sales tax of 14.5% is being imposed for transactions with local players. These incentives are import centric, which gives lots of opportunity for international players.

Source: ASSOCHAM, Ministry of Skill Development



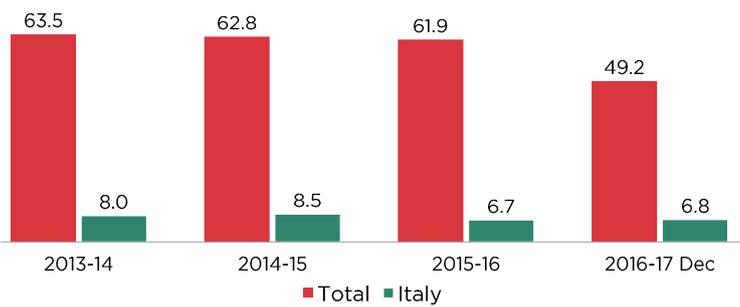
Woodworking Machinery

Wood Working Machinery (HS Code 8465)

Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P RP	20.9	16.4	1	Australia	3.9	4.0
2	Germany	9.6	4.8	2	U S A	3.7	4.7
3	Taiwan	7.7	6.2	3	Myanmar	2.3	0.0
4	Italy	6.7	6.8	4	Canada	2.2	2.3
5	Korea RP	3.6	1.5	5	South Africa	1.4	0.8
7	Japan	2.5	3.2	15	Italy	0.5	1.5
Total Imports		61.9	49.2	Total Exports		29.8	28.3
%age Share of Italy		10.78%	13.74%	%age Share of Italy		1.76%	5.41%

Wood Working Machinery Import Trend

(€ Mn)



Key HS Codes	Applicable Imports Custom Duty (%)
84651000	26.428%

100% FDIs under the automatic route allowed

Key Companies



International Companies





India Business & Investment Guide

Ceramic Industry

€ 3.75 Billion

Size of Ceramic industry

70% Market

is controlled by
Tiles market

800 Million sq mtr

Tiles produced in 2013-14



Key Initiatives

- The Government is under taking various infrastructure development programs that is expected to drive the grow of ceramic products especially Sanitaryware and Tiles
 - **Swachh Bharat Abhiyaan:** Under the program Govt. intends to build 60 million toilets covering 4,041 statutory towns by 2019
 - **Housing for All:** The programme proposes to build around 60 million homes by 2022
 - **Smart Cities:** An ambitious plan to develop 100 “Smart Cities” with an investment of ~ € 7 Billion in the first phase

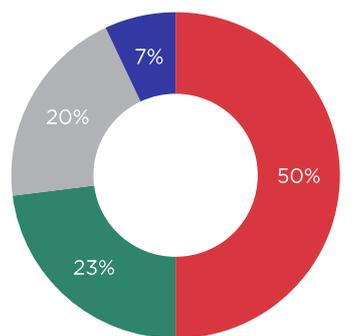
Investments

- Adani Port and Special Economic Zone Ltd (APSEZ), a part of diversified Adani group, is under process of developing a ceramic cluster at Mundra in Kutch district.
- The tile industry of India invited investments of around ~ € 700 million in the last 5 years

Opportunities

- Growing urbanization driving the need of ceramic tiles which is creating a lot of opportunities for ceramic machinery manufacturers in India.
- Projects like Smart Cities Mission, Housing for All and Swachh Bharat Abhiyaan from Government of India expected to boost the requirement of tiles and sanitary ceramics will lead the opportunity for ceramic machinery manufacturers overall.

Tile Segments, By Value



■ Vitrified ■ Floor ■ Wall ■ Industrial

Source: ICCTAS (Indian Council of Ceramic Tiles and Sanitary ware)



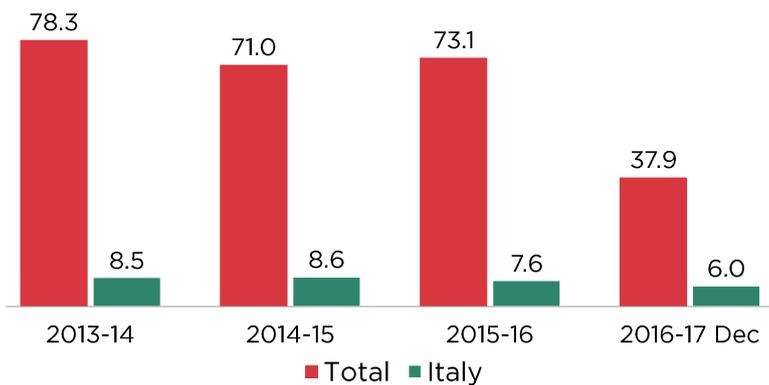
Ceramic Machinery

Ceramic Machinery (HS Code 84742010, 84748020, 84748090)

Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P RP	23.7	13.0	1	Nepal	6.5	6.0
2	Austria	13.0	0.8	2	Ireland	4.5	5.0
3	Germany	8.9	8.3	3	Sri Lanka Dsr	4.3	0.6
4	Italy	7.6	6.0	4	Finland	3.2	2.2
5	Korea Rp	4.9	0.9	5	Oman	2.5	1.6
6	Switzerland	4.2	1.3	6	U Arab Emts	1.8	0.5
Total Imports		73.1	37.9	Total Exports		42.3	36.2
%age Share of Italy		10.40%	15.79%	No Ceramic machines were exported to Italy in the last 2 yrs			

Ceramic Machinery Import Trend

€ Million



Key HS Codes	Applicable Imports Custom Duty (%)
84748020	26.428%

100% FDIs under the automatic route allowed

Key Companies

Kajaria
TRANSFORM YOUR WORLD

JOHNSON
REDEFINING LIFESTYLES, WORLDWIDE.

SOMANY



India Business & Investment Guide

Stone and Marble Processing Machinery

€ 5 Billion

Indian marble and granite industry

€ 137 Million

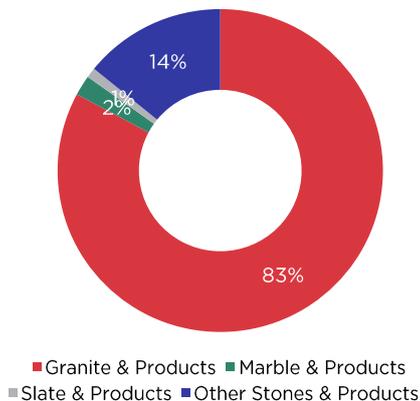
Machinery imports for stone and marble

20,000

Stone processing units in India



Marble & Stone Product Exports



Source: Federation of Indian Granite & Stone Industry

Key Initiatives

- In 2016, the Government reduced the Minimum Import Price (MIP) for marble blocks to ~ € 186 per tonne from ~ € 302 per tonne, and that on imports of marble and granite slabs has been reduced to ~ € 37 per sq meter and ~ € 46 per sq. meter respectively.
- As per the new policy announced in 2016, the government abolished the licensing restrictions on raw marble and granite imports along with increasing the basic customs duty to 40% from 10% at present on marble blocks
- Under same policy, the basic customs duty on marble & granite slabs has been doubled from 10% to 20%

Investments

- The granite industry has attracted an investment to the tune of € 4.86 billion in last three years
- Federation of Indian Granite & Stone Industry (FIGSI) is setting up an R&D and training center over an area of 32 acres at Hosur (Tamil Nadu)

Opportunities

- India has one of the world's largest reserves of granites and natural stones accounting for 20% of the total world reserves in granites, marbles, sand stone, slate and others. Indian stone and marble industry is becoming more structured; this is creating a high opportunity for stone and marble cutting machinery in India (there are over 160 shades of granite colors available in India which has a high global demand).
- Approximately 50% of granite produced in India is exported and India's granite and natural stone products has almost 80% of its markets in United States and European Union which requires high precision machine for marble cutting and processing.
- Apart from the export fueled growth, the sector is expected to receive increased domestic demand from the Smart Cities Mission launched by Government aimed at developing cities with new housing and infrastructure

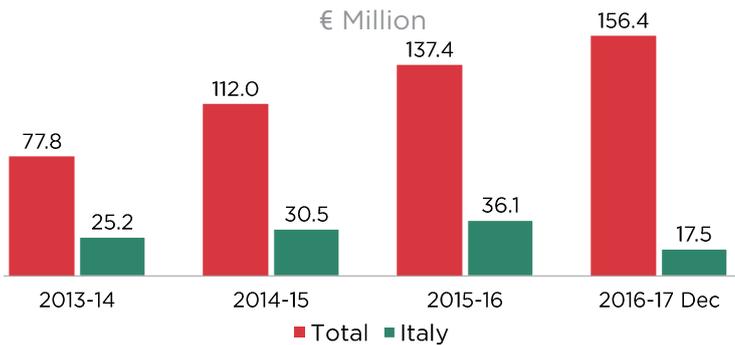


Stone and Marble Processing Machinery

Stone and Marble Processing Machinery (HS Code 8464)

Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P RP	85.8	122.1	1	Bangladesh Pr	0.5	0.0
2	Italy	36.1	17.5	2	U S A	0.3	0.0
3	Israel	4.5	5.9	3	Ethiopia	0.2	0.1
4	Germany	4.0	1.8	4	Nepal	0.2	0.2
5	U S A	1.6	0.5	5	Germany	0.2	0.2
6	Japan	1.1	0.9	34	Italy	0.01	0.07
Total Imports		137.4	156.4	Total Exports		3.6	2.7
%age Share of Italy		26.29%	11.18%	%age Share of Italy		0.40%	2.75%

Stone & Marble Machinery Import Trend



Key HS Codes	Applicable Custom Duty (%)	Imports
84742010	26.428%	
84641010	26.428%	

100% FDIs under the automatic route allowed



India Business & Investment Guide

Leather Machinery

€ 16.6 Billion

Size of Leather Industry

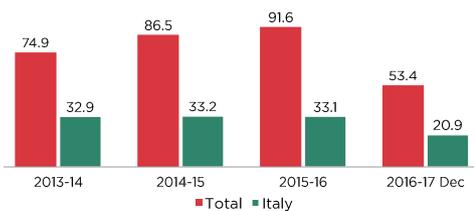
2nd Largest

producers of footwear & leather garments



Leather Machinery Import Trend

€ Million



Key HS Codes	Applicable Custom Duty (%)	Imports
84531000	26.428%	

100% FDIs under the automatic route allowed

Source: DIPP & DGFT

Key Initiatives

- The Integrated Development of Leather Sector (IDLS) for capacity modernization and technological up-gradation of the leather sector
- Machinery can be imported without import duty under the Export Promotion Capital Goods (EPCG) Scheme of Foreign Trade Policy
- State governments providing single window clearance system to fast-track clearances to set-up a production unit

Investments

- 100% FDIs under automatic route is allowed in leather sector in India
- Total FDIs inflow of € 50 million in the leather industry from Apr 2014 to Sep 2016
- Key investors in leather industry include Mayur Uniquoters Ltd (Mauritius); Apache Group (Taiwan); Feng Tay Shoes (Taiwan); Itares (Italy); etc.

Opportunities

- High opportunity for leather machinery industry due to government initiative towards Mega Leather Clusters (MLC) with all required infrastructure for production to be set-up in next 5 years which will give opportunity for Leather processing and export units in India.
- Capital goods (machinery) required by the industry can be imported without import duty under the Export Promotion Capital Goods (EPCG) Scheme of Foreign Trade Policy of India
- Leather machinery opportunity will also come from modernization and technology up gradation of the leather sector under the government initiative (Integrated Development of Leather Sector (IDLS))



Leather Machinery

Leather Processing Machinery (HS Code 8453)							
Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	Italy	33.1	20.9	1	Italy	0.48	0.32
2	China P RP	25.6	15.3	2	U K	0.30	0.01
3	Taiwan	18.0	7.9	3	U S A	0.20	0.08
4	Hong Kong	4.3	1.0	4	Bangladesh PR	0.18	0.07
5	Korea RP	3.2	2.1	5	Nepal	0.15	0.15
6	Germany	1.5	2.1	6	Ethiopia	0.11	0.10
	Total Imports	91.6	53.4		Total Exports	2.3	1.3
	%age Share of Italy	36.13%	39.1%		%age Share of Italy	21.13%	23.7%

Key Companies





Textile Machinery

€ 1.7 Billion

Size of Textile Machinery market

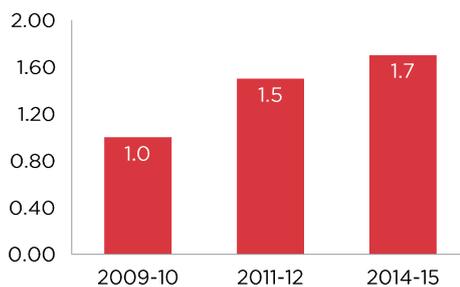
2nd largest

Spindle & Rotor capacity

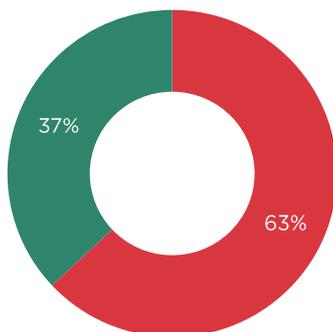


Textile Machinery Market

(€ Billion)



Machinery Supply to Market



■ Imports ■ Domestic

Key Initiatives

- The Technology Upgradation Fund Scheme (TUFS) has infused investment of more than ~ € 38 billion in the industry to provide support for modernization and upgradation through credit at reduced rates and capital subsidies
- Government also provides funding under Scheme for Integrated Textile Parks (SITP) for infrastructure development including building, warehouse, plant and machinery
- Integrated Processing Development Scheme (IPDS) establish Brown Field and Green Field projects with a total cost of ~ € 70 Million to address the environmental issues faced by the textile processing units. The scheme will provide government support for establishing common infrastructure to catalyze private sector investments in the major processing clusters. The scheme parameters envisage Government support limited to 50% of the project cost with ceiling limit of Euro 10 Million

Investments

- 100% FDIs is allowed under the automatic route in textile sector in India
- Total FDIs inflow of ~ € 1.7 billion came to Indian textile sector during FY 2000- 2016
- Key investors in textile industry include Rieter (Switzerland); Monti (Italy); Socktas (Turkey); CMT (Mauritius)

Opportunities

- 74 Integrated Textile Parks have been approved by the government with an expected investment of ~€ 643 million which will lead to opportunities in textile machinery industry
- High growth in textile machinery industry expected due to Amended Technology Upgradation Fund Scheme (ATUFS) for textile industry, which aims to provide incentives to entrepreneurs and business owners for upgrading technologies (ATUFS facilities are expected to receive an investment of ~ € 14 billion).

Source: (MHIFE, Government of India)

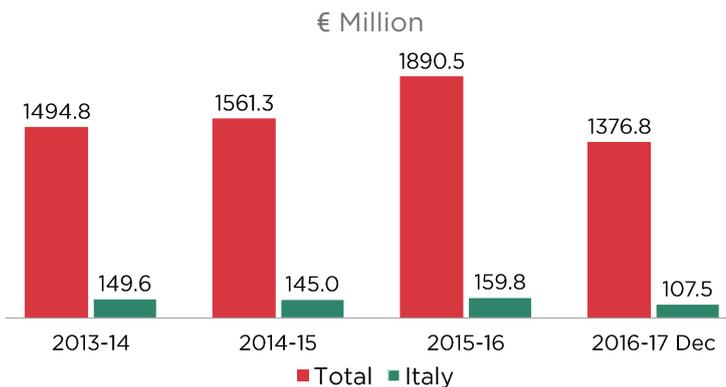


Textile Machinery

Textile Machinery (HS Code 8444, 8445, 8446, 8447, 8448, 8449, 8451, 845210, 845221)

Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P RP	668.2	450.4	1	Bangladesh PR	55.1	51.9
2	Germany	347.7	262.0	2	Vietnam SOC REP	38.5	20.3
3	Japan	294.6	252.4	3	Netherland	32.2	14.2
4	Italy	159.8	107.5	4	Indonesia	26.8	21.8
5	Switzerland	137.5	95.4	5	Malaysia	23.5	15.3
6	Belgium	84.6	58.7	8	Italy	15.1	8.14
Total Imports		1,890.5	1,376.8	Total Exports		384.0	299.8
%age Share of Italy		8.45%	7.81%	%age Share of Italy		3.93%	2.71%

Textile Machinery Import Trend



Key HS Codes	Applicable Imports Custom Duty (%)
84483340	23.416%

100% FDIs under the automatic route allowed

Key Companies



Savio





Industrial Automation

€ 1.6 Billion

Size of Industrial Automation Industry



Industrial Automation Market

€ Billion



Key Initiatives

- Government Initiative of 'Make in India' to boost manufacturing output to 25% of GDP by 2022 from current level of 17% as a result of fueling growth in automation industry
- Growing adoption of international standards of automation and Industrial Internet of Things (IIOT) in manufacturing sector
- Indian Government plans to establish dedicated funds to incentivize automation adoption especially for the SME's in manufacturing sector
- NASSCOM Bengaluru set up Centre of Excellence for IoT (Internet of Things) to promote start-up in IoT space
- Automation Systems Technology Centre (ASTeC) program, launched by the MeITY, Government of India, aimed at collaborative R&D for innovative technology development in the field of automation
- Successful implementation of Smart Grid pilot programmes by Ministry of Power would also generate a big push towards automation in Power Sector

Investments

- Government allocated ~ € 17 Million for 50% funding of five IOT projects on PPP model over a period of three years
- Siemens plans to invest € 1 billion in India manufacturing unit
- ABB India plans € 93 million investment in its manufacturing unit and R&D facility
- Schneider Electric plans to invest ~€ 104 million in India in five years span

Source: CII Sector profile, Ministry of Electronics and Information Technology(MeiTY)



Industrial Automation

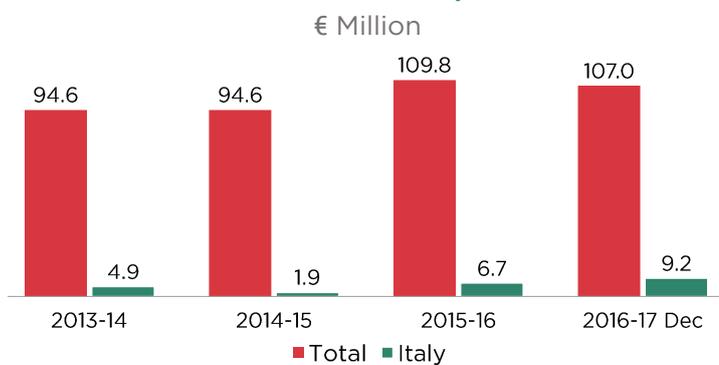
Opportunities

- Make in India aims to elevate manufacturing output to 25% of GDP by 2022. This provides immense potential for Industrial Automation
- Indian manufacturing companies have not invested extensively in traditional automation so they have greater potential to invest towards smarter Industrial Internet of Things (IIOT) technologies

Industrial Automation (HS Code 8456)

Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P RP	18.6	20.4	1	China P RP	0.68	0.58
2	Japan	18.0	15.1	2	Zimbabwe	0.60	0.02
3	Germany	17.4	9.7	3	Germany	0.52	0.34
4	Switzerland	14.6	10.6	4	Kenya	0.51	0.10
5	Israel	11.0	13.0	5	Belgium	0.40	0.00
6	Italy	6.7	9.2	32	Italy	0.02	0.23
Total Imports		109.8	107.0	Total Imports		5.42	5.39
%age Share of Italy		6.1%	8.6%	%age Share of Italy		0.4%	4.2%

Industrial Automation Import Trend



Key HS Codes	Applicable Imports Custom Duty (%)
84561100	26.428%

Machinery: 100% FDIs under the automatic route allowed

Electronics: 100% FDIs under the automatic route allowed

Key Companies

SIEMENS

Schneider
Electric

ABB



IT/ITeS

€ 133 Billion

Indian IT - BPM Market

IT-BPM accounts for

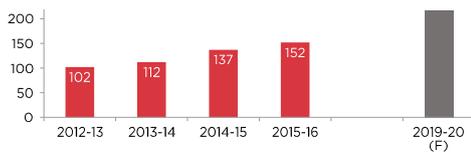
45%

of total service export
Contribute

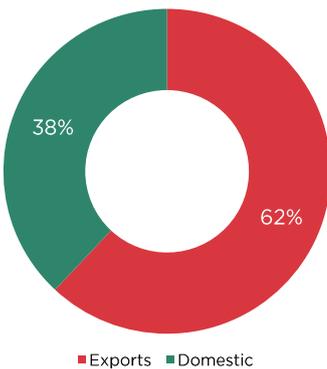


Indian IT/ ITeS Sector

€ Billion



Revenue Composition



Source: DIPP, Nasscom, Ministry of Communications & Information Technology

Key Initiatives

- Tax holidays extended to the IT sector along with favorable policies for raising foreign capital, funding for seed capital & growth.
- Tax rate reduced from 25% to 10% on royalty and fee for Tech services
- National Optical Fiber Network (NOFN): To connect all the 0.25 million Gram Panchayats through optical fiber network in phases

Investments

- Computer software & hardware attracted FDIs inflow of € 20 billion during FY2000-2016, becoming third ranked sector in terms of FDIs inflow in India
- Market expected to triple its current annual revenue by the end of FY 2025
- U.K, U.S. and Europe contributes around 90% of total exports
- Start-up ecosystem expanding rapidly with a 40% Y-o-Y growth in no. of start-ups

Opportunities

- India's IT - BPM industry amounts for 56% of the global outsourcing market size and offers solutions and services around SMAC, IS outsourcing, IT consulting, software testing Automation and other services
- The IT sector enjoys various financial incentives such as tax holidays along with favourable policies for raising foreign capital, funding for seed capital & growth. The government is investing in building capacity and attract investment by domestic and International players into the Indian IT/ITeS sector
- The government is also working on the National Optical Fibre Network (NOFN) programme to connect all the 0.25 million Gram Panchayats through optical fiber network in phases that would provide connectivity to rural areas. This provides an opportunity for the IT companies to expand their markets beyond the urban India and thus inviting fresh investments into the sector.



IT/ITeS

IT Hardware (HS Code 8473, 8471)

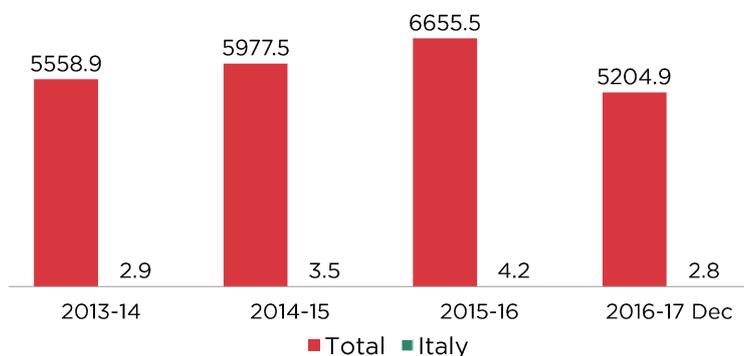
Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P RP	3410.4	2503.7	1	U S A	69.7	62.9
2	Singapore	838.7	565.5	2	Israel	48.5	1.8
3	Malaysia	387.9	223.4	3	Singapore	47.6	33.4
4	U S A	258.1	208.3	4	China P RP	43.1	31.5
5	Thailand	200.4	135.0	5	Hungary	34.2	35.5
28	Italy	3.2	2.3	31	Italy	0.7	0.41
Total Imports		5,927.6	4,181.8	Total Exports		412.3	262.4
%age Share of Italy		0.05%	0.05%	%age Share of Italy		0.16%	0.16%

IT Software (HS Code 85238020)

Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	Finland	287.5	197.7	1	U Arab Emts	27.3	12.17
2	China Prp	204.4	126.1	2	Togo	13.1	0.002
3	Usa	75.2	566.1	3	China PRP	6.15	0.415
4	Singapore	33.4	25.2	4	Bangladesh PR	5.17	1.42
5	U Arab Emts	24.3	13.7	5	Usa	3.50	0.447
20	Italy	0.967	0.561	23	Italy	0.074	0.001
Total Imports		727.9	1023.1	Total Exports		65.23	21.38
%age Share of Italy		0.13%	0.05%	%age Share of Italy		0.114%	0.005%

IT Hardware & Software Import Trend

€ Million



Key HS Codes	Applicable Imports Custom Duty (%)
85238020	17.390%
84733010	6.00%
84713010	17.390%

Services: 100% FDIs under the automatic route allowed

Key Companies



Market IT-BPM

- Total Market : €133 Billion
- Domestic Market : €33 Billion
- Exports Market : €100 Billion

Exports IT/ITeS

- Total exports: € 102 billion
- IT Services - € 58 billion
- BPM Industry - € 23 billion
- ER&D and SPD* - €21 billion

Firms & Centres

- IT firms in India : 16000
- Delivery Centres in India: 50
- Offshore Delivery Centres : 640 in more than 80 countries



India Business & Investment Guide

Telecommunications

€ 35 Billion

Telecom Industry revenue

2nd

Largest telecommunications market

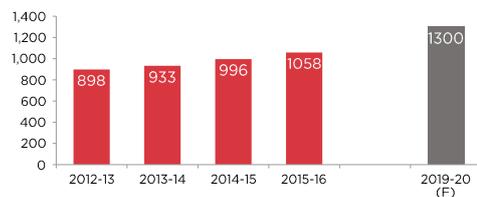
1058 million

Phone subscribers

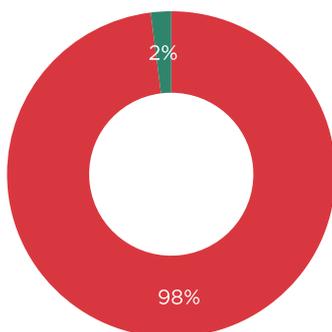


Telecom Subscribers in India

Million



Device Composition



■ Wireless ■ Wired

Key Initiatives

- In August 2016, Spectrum auction took place with the largest quantum of spectrum being made available by the Government of India.
- Digital wallets witnessed exponential growth in the back of the recent demonetization drive by the Government of India.
- FDI's policy has made the sector one of the fastest growing and a top five employment opportunity generator in the country.
- FDI's cap in the telecom sector has been increased to 100 % from 74%. Out of 100%, 49% will be done under automatic route and rest will be done through the FIPB approval route
- For Telecom equipment manufacturing and provision of IT enabled services, 100% FDI's is permitted
- Government of India several initiatives to promote manufacturing in the country, such as; "Make in India" and it appears to have had a positive impact on mobile handset manufacturing in the country.

Investments

- LeEco, has entered into a partnership with Compal Technologies and invested ~ € 6.5 million to set up manufacturing facility at Greater Noida, to start manufacturing Le2 smart phones in India
- Huawei has set up its largest global service centre (GSC) at Bengaluru in India, with an initial investment of ~ € 19 million.
- Gionee, which currently assembles smartphones in partnerships with contract manufacturers Foxconn and Dixon, plans to invest ~ € 70 million to set up a manufacturing facility.

Opportunities

Digital India Campaign envisages a € 18.6 billion investment covering mobile connectivity throughout the country, re-engineering of government process via technology and enabling e-delivery of citizen services.

Source: Ericsson Mobility report, Department of Telecommunications, Tecnova Research

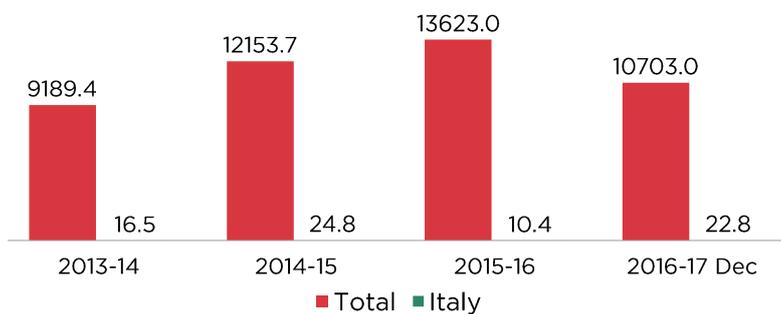


Telecommunications

Telecommunications Hardware (HS Code 8517)							
Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	China P RP	9074.0	7742.5	1	U Arab Emts	178.1	106.2
2	Korea RP	1324.6	554.6	2	U S A	103.7	119.0
3	Hong Kong	583.3	442.5	3	Netherland	94.0	70.1
4	Vietnam Soc REP	466.8	371.2	4	Hong Kong	53.1	73.8
5	Singapore	442.4	302.3	5	China P RP	52.9	52.8
26	Italy	10.4	22.8	32	Italy	2.2	1.35
Total Imports		13,623.0	10,703.0	Total Exports		765.6	667.5
%age Share of Italy		0.08%	0.21%	%age Share of Italy		0.29%	0.20%

Telecom Hardware Import Trend

€ Million



Key HS Codes	Applicable Imports Custom Duty (%)
85171110	17.390%

Telecom Services and Infrastructure: Automatic route upto 49%. Government Route beyond 49%

Electronics: 100% FDIs under the automatic route allowed

Key Companies





About India



India Trade and Key Sectors



Doing Business in India



Taxation and Legal



Banking System

India Business & Investment Guide

Pharmaceuticals

€ 30 Billion

Indian Pharma Industry

Produce

80%

of the antiretroviral drugs

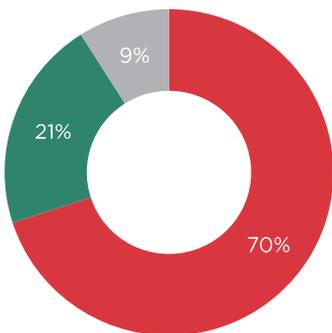


Indian Pharmaceutical Industry

€ Billion



Pharmaceutical Industry



■ Generic Drug ■ OTC ■ Patent Drugs

Key Initiatives

- The Government of India has launched 'Pharma Vision 2020'; an initiative aimed to make India a global leader in end-to-end drug manufacture
- Under Make in India, the Government plans to incentivize bulk drug manufacturers to reduce dependence on imports of Active Pharmaceutical Ingredients (API)
- The Department of Pharmaceuticals plans to launch a VC fund of ~ € 140 million aimed to support start-ups involved in R&D within pharmaceutical and biotech industry
- Micro and small pharmaceutical companies have been provided subsidies under the 'Credit Linked Capital Subsidy Scheme (CLCSS)' for technology up-gradation.
- Pharma Data Bank, an integrated pharmaceutical database management system was launched on June 25, 2015, to facilitate online filling of mandatory returns along with submitting application for price approval for new drug

Investments

- 100% FDIs is permitted under the automatic route for Greenfield projects and under government route for Brownfield project investments
- The sector received an estimated FDIs of around € 1.4 billion in FY2016
- Key investors include Abbot (UK), Mylan (Netherlands), Pfizer (USA); Glaxo Smith Kline (UK); Johnson & Johnson (USA)

Source: DIPP, Invest India, Make in India



Pharmaceuticals

Opportunities

- Over € 186 Billion is expected to be spent on medical infrastructure including hospitals, laboratories, pharmacies etc. in the next decade due to increase of over 20% in the patient pool.
- Pharma Vision 2020 is an initiative aimed to make India a global leader in end-to-end drug manufacture which is in line to the government's 'Make in India' programme. The pharmaceutical companies are encouraged to invest in this sector through the Governments active support such as incentivizing bulk drug manufacturers to reduce dependence on imports of Active Pharmaceutical Ingredients (API) along with launching a VC fund of ~ € 140 million to support start-ups involved in R&D within pharmaceutical and biotech industry.
- Additionally, the micro and small pharmaceutical companies have been provided subsidies under the 'Credit Linked Capital Subsidy Scheme (CLCSS)' for technology up-gradation, and facility of online filling of mandatory returns along with submitting application for price approval for new drug.

Pharmaceuticals (HS Code 30)							
Imports (Euro Million)				Exports (Euro Million)			
Rank	Countries	2015-2016	2016-2017 (Apr-Dec)	Rank	Countries	2015-2016	2016-2017 (Apr-Dec)
1	U S A	286.6	216.8	1	U S A	4562.2	3716.6
2	Germany	196.8	173.6	2	South Africa	477.9	244.7
3	China P RP	131.7	99.6	3	U K	421.5	325.0
4	Indonesia	119.2	56.6	4	Nigeria	357.5	245.1
5	Switzerland	107.0	70.7	5	Russia	321.4	235.2
7	Italy	68.1	49.4	86	Italy	16.2	16.22
Total Imports		1,492.0	1,224.5	Total Exports		11,733.5	9,167.5
%age Share of Italy		4.57%	4.03%	%age Share of Italy		0.14%	0.18%

Pharmaceutical Import Trend



Key HS Codes	Applicable Imports Custom Duty (%)
30061010	21.782%

Greenfield: 100% FDIs under the automatic route allowed

Brownfield: Automatic upto 74%. Beyond 74%, Government Route

Key Companies





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Key Departments and Organizations

Automotive

Key Departments and Associations

Key Departments and Associations Ministry of Heavy Industries & Public Enterprises, Government of India

Website: www.dhi.nic.in

Tel: +91-11-2306 1858

Address: Udyog Bhawan, Rafi Marg, New Delhi-110011

Key Contact: Mr. Vishvajit Sahay (Joint Secretary)

Email: vishvajit.sahay@nic.in

Society of Indian Automobile Manufacturers (SIAM)

Website: www.siamindia.com

Tel: +91-11- 2464 78 10/11/12

Address: Core 4-B, 5th Floor, India Habitat Centre, Lodhi Road, New Delhi

Email: siam@siam.in

Health Care

Key Departments and Associations

Department of Pharmaceuticals, Government of India

Website: www.pharmaceuticals.gov.in

Tel: +91-11-2306 3341

Address: Room No. 514, Udyog Bhawan, Rafi Marg, New Delhi-110011

Key Contact: Ms. Sunanda Sharma (Economic Advisor)

Email: sunanda.sharma@nic.in

Indian Drug Manufacturers' Association

Website: www.idma-assn.org

Tel: +91-22-2494 4624 / 2497 4308

Address: Core 102, Poonam Chambers, 'A' Wing, 1st Floor, Dr. A. B. Road, Worli, Mumbai

Email: admin@idmaindia.com

Organisation of Pharmaceutical Producers of India

Website: www.idma-assn.org

Tel: +91-22-2491 8123/ 2486

Address: Peninsula Chambers, Ground Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai

Email: admin@indiaoppi.com



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Energy & Power

Key Departments and Associations

Ministry of Power

Website: www.powermin.nic.in

Tel: +91-11-2371 6020

Address: Room No. 408, 4th Floor, Shram Shakti Bhawan, Rafi Marg, New Delhi-110011

Key Contact: Ms. Anju Bhalla (Joint Secretary)

Ministry of New and Renewable Energy

Website: www.mnre.gov.in

Tel: +91-11- 2436 2891

Address: Block-14, CGO Complex, Lodhi Road, New Delhi

Key Contact: Ms. Sutapa Majumdar (Economic Advisor)

Email: sutapa.m@nic.in

Independent Power Producers Association of India

Website: www.ippai.org

Tel: +91-11-4373 4444

Address: 6th Floor, Le Meridien Commercial Tower, Raisina Road, Connaught Place, New Delhi

Email: iqbal@ippaimail.org

Railways, Roadways, Aviation

Key Departments and Associations

Ministry of Railways

Website: www.indianrailways.gov.in

Tel: +91-11-23382834

Address: Rail Bhawan, Raisina Road, New Delhi

National Highways Authority of India

Website: www.nhai.org

Tel: +91-11-2509 3512

Address: G 5&6, Sector-10, Dwarka, New Delhi

Email: memberadmin@nhai.org

Ministry of Civil Aviation

Website: www.civilaviation.gov.in

Tel: +91-11- 2461 0358

Address: Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi

Key Contact: Mr. T.N. Dwivedi (Deputy Secretary)

Email: tn.dwivedi57@nic.in



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Real Estate

Key Departments and Associations

Ministry of Urban Development

Website: www.moud.gov.in

Tel: +91-11-2306 1926

Address: Nirman Bhawan, New Delhi

Key Contact: Mr. Anupam Mishra (Economic Advisor)

Email: anupam.mishra@nic.in

Confederation of Real Estate Developers Associations of India (CREDAI)

Website: www.credai.org

Tel: +91-011- 43126200

Address: 5th Floor, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi

Email: shari@aepcindia.com

Food Processing

Key Departments and Associations

Ministry of Food Processing Industries

Website: www.mofpi.nic.in

Tel: +91-11-2649 2216/ 2174

Address: Panchsheel Bhawan, August Kranti Marg, Khelgaon, New Delhi

Food Safety and Standards Authority of India (FSSAI)

Website: www.fssai.gov.in

Tel: +91-011-2323 6975

Address: FDA Bhawan near Bal Bhawan, Kotla Road, New Delhi

IT/ ITes

Key Departments and Associations

Ministry of Electronics and Information Technology (MeitY), Government of India

Website: www.meity.gov.in

Tel: +91-11- 2430 1851

Address: Electronics Niketan, 6, CGO Complex, Lodhi Road, New Delhi

Email: webmaster@meity.gov.in

National Association of Software and Services Companies (NASSCOM)

Website: www.nasscom.in

Tel: +91- -80- 4115 1705/ 1706

Address: JSS Institutions Campus, First Floor, CA Site No.1, HAL 3rd Stage, Behind Hotel Leela Palace, Bangalore

Email: bangalore@nasscom.in

Leather Industry

Council for Leather Exports

Website: www.leatherindia.org

Tel: +91- 44-2859 4367

Address: 3rd Floor, CMDA Tower - II, Gandhi Irwin Bridge Road, Egmore, Chennai

Email: cle@cleindia.com



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Telecom

Key Departments and Associations

Department of Telecom, Ministry of Communications, Government of India

Website: www.dot.gov.in

Tel: +91-11- 2373 9191; +91-11- 2337 2177

Address: Sanchar Bhawan 20, Ashoka Road, New Delhi 110001

Key Contact: Mr. Manoj Sinha (Minister)

Email: mosc-office@gov.in

Telecom Regulatory Authority of India

Website: www.trai.gov.in

Tel: +91-11-2323 6308

Address: Mahanagar Doorsanchar Bhawan (next to Zakir Hussain College); Jawaharlal Nehru Marg (Old Minto Road); New Delhi: 110 002

Key Contact: Mr. R S Sharma (Chairman)

Email: ap@traigov.in; cp@traigov.in

Cellular Operators Association of India

Website: www.coai.com

Tel: +91-11- 2334 9275

Address: 14, Bhai Veer Singh Marg; New Delhi 110 001

Key Contact: Mr. Gopal Mittal (Chairman)

Email: contact@coai.in

Textiles

Key Departments and Associations

Ministry of Textiles

Website: www.texmin.nic.in

Tel: +91-11-2306 1769

Address: Udyog Bhawan, New Delhi

Key Contact: Ms. Rashmi Verma (Secretary)

Email: secy-textiles@nic.in

Apparel Export Promotion Council

Website: www.aepcindia.com

Tel: +91-124-2708 108

Address: Apparel House, Sector-44, Institutional Area, Gurugram, Haryana 122003

Mr. S. Hari Krishnan (Secretary)

Email: shari@aepcindia.com

Waste Management

Central Pollution Control Board

Website: <http://cpcb.nic.in>

Tel: +91-11- 4310 2030

Address: Parivesh Bhawan, CBD-cum-Office Complex East Arjun Nagar, DELHI - 110 032

Key Contact: Ms. S.P. Singh Parihar (Chairman)

Email: ccb.cpcb@nic.in



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Key Public Bodies Governing Business in India

Department of Industrial Policy & Promotion (DIPP)

Established	Established in 1995, it is a part of the Ministry of Commerce and Industry of the Central Government
Offices	Operates through its Office at New Delhi
Chairman	Mrs. Nirmala Sitharaman – Minister of State for Commerce and Industry Mr. Ramesh Abhishek – Secretary
Role	<p>Post economic liberalization of India in 1992, DIPP was established for regulation and administration of the industrial sector.</p> <p>It formulates the Industrial Policy of India along with monitoring the growth and development in certain key industrial areas and making appropriate policy amendments to address the emerging concerns.</p> <p>DIPP is also responsible for facilitation of FDIs inflows into the country through formulating the FDIs policy, promoting positive investment climate, encouraging foreign technology collaborations and providing direct assistance in resolving the problems faced by foreign investors in India.</p> <p>DIPP is also involved in promotion of industry throughout the country by monitoring and stimulating industrial growth, promoting industrial activity in underdeveloped and remote areas of the country along with undertaking productivity and quality improvement programs.</p> <p>The DIPP also formulates and implements a comprehensive Intellectual Property Rights (IPRs) policy covering Patents, Designs, Trade Marks and Geographical Indications of Goods.</p>
Key Contact	<p>Ministry of Commerce and Industry, Department of Industrial Policy and Promotion</p> <p>Website: http://dipp.nic.in</p> <p>Tel: +91-11-2306 1204 / 1008 / 1815</p> <p>Address: Udyog Bhawan, New Delhi-110011</p>



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Food Safety and Standards Authority of India (FSSAI)

Established	Established under Food Safety and Standards Act 2006, it is under the administration of Ministry of Health & Family Welfare, Government of India
Offices	Head Office in New Delhi, Five Regional Offices and Two Laboratories
Chairman	Mr. Ashish Bahuguna - Chairman, FSSAI Mr. Pawan Kumar Agarwal - CEO, FSSAI
Role	<p>FSSAI has been created to establish science based standards for various food articles in India and regulate their manufacture, storage, distribution, sale and import in order to ensure availability of safe and wholesome food for human consumption.</p> <p>FSSAI is responsible for formulation of procedure and guidelines, laboratory accreditations along with providing scientific advice and technical support to Central Government and State Governments in the matters of framing the policy and rules in areas which have a direct or indirect bearing on food safety and nutrition.</p> <p>Any food product to be imported in India requires FSSAI certification. The Food Import Clearance System (FICS) of FSSAI enables importers to seek No Objection Certificates (NOC) for imported food items.</p> <p>It also collects and collates data relating to food consumption, incidence and prevalence of biological risk, contaminants in food, and residues of various contaminants in foods products, identification of emerging risks and introduction of rapid alert system.</p> <p>FSSAI is also involved in promoting general awareness about food safety and food standards in India</p>
Key Contact	<p>Food Safety and Standards Authority of India</p> <p>Website: www.fssai.gov.in</p> <p>Tel: +91-11-2323 6975/ Toll Free: 1800 1121 00</p> <p>Address: FDA Bhawan near Bal Bhawan, Kotla Road, New Delhi - 110002</p>



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Agricultural and Processed Food Products Export Development Authority (APEDA)

Established	Established in 1986 by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act, 1985
Offices	Operates through five Regional Offices and 13 Virtual Offices with head office location at New Delhi
Chairman	Mr. Devendra Kumar Singh - Chairman Mr. Sunil Kumar - Director
Role	<p>APEDA was established with the responsibility of export promotion and development of scheduled food products which mainly includes fruits, vegetables, meat and poultry products, dairy products, bakery products, alcoholic and non-alcoholic beverages, cereal, floriculture, herbal and medicinal plants, etc.</p> <p>It is responsible for fixing standards and specifications for the scheduled products and development of industries relating to the scheduled products for export by assisting in financial requirements along with undertaking surveys and feasibility studies, participation in enquiry capital through joint ventures and other reliefs and subsidy schemes.</p> <p>APEDA also carries out inspection for ensuring the quality of meat and meat products in slaughter houses, processing plants, storage premises, conveyances or other places where such products are handled</p> <p>APEDA is also involved in collection and publication of statistics, promotion of export oriented production and development, improving packaging and marketing of the Scheduled products</p>
Key Contact	<p>Agricultural & Processed Food Products Export Development Authority</p> <p>Website: www.apeda.gov.in</p> <p>Tel: +91-11-2651 3204/ 3219/ 4572</p> <p>Address: 3rd Floor, NCUI Building 3, Siri Institutional Area, August Kranti Marg, (Opp. Asiad Village), New Delhi - 110 016</p>



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Marine Products Export Development Authority (MPEDA)

Established	Established in 1972 by the Government of India as a nodal agency for promotion of seafood exports from India
Offices	Six Regional Offices and Eight Sub-Regional Offices
Chairman	Dr. A. Jayathilak – Chairman
Role	<p>MPEDA is a nodal agency for the holistic development of seafood industry, empowered to take all necessary measures required for ensuring sustained, quality seafood exports from the country.</p> <p>MPEDA is empowered to carry out inspection of marine products, its raw material, fixing standards and specifications, training, regulating as well as take all necessary steps for marketing the seafood overseas. MPEDA's focus is primarily on five areas namely Capture Fisheries, Aquaculture, Processing Infrastructure & Value Addition, Quality Control & Market Promotion.</p> <p>MPEDA is also responsible for dissemination of market information & trade enquiries, Elevating problems/issues of the industry with appropriate agency / organizations working under Govt. of India and redressal of quality and trade disputes</p> <p>MPEDA is also involved in promotion of Indian marine products in overseas markets and has been participating in various international Seafood events</p>
Key Contact	<p>Marine Products Export Development Authority</p> <p>Website: www.mpeda.gov.in</p> <p>Tel: +91-484 2311 979/ 803/ 901/ 854</p> <p>Address: MPEDA House, Building No: 27/1162, P.B.No:4272, Panampilly Avenue, Panampilly Nagar PO, Kochi -682 036, KERALA</p>



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India Trade Promotion Organization (ITPO)

Established	Established in 1977, under Ministry of Commerce & Industry for Trade promotion in India
Offices	Head office located at New Delhi, with Four regional offices at Bangalore, Chennai, Kolkata and Mumbai
Chairman	Mr. L C Goyal – Chairman & Managing Director, ITPO
Role	<p>ITPO is a nodal agency of Government of India under Ministry of Commerce & Industry committed to showcase excellence achieved by the country in diverse fields especially trade and commerce.</p> <p>ITPO is instrumental in organizing fairs and exhibitions in India and abroad, Buyer-Seller Meets, Promotion through Overseas Department Stores, Contact Promotion Programs, Product Promotion Programs, Market Surveys and Information Dissemination.</p> <p>International trade fairs and various expositions in India are approved and regulated by ITPO. It also manages 123 acres of prime land in the heart of India's capital, New Delhi, Pragati Maidan which is frequently used for exhibitions etc.</p> <p>ITPO also assists State Governments in setting up Regional Trade Promotion Centres (RTPC) in various States</p>
Key Contact	<p>India Trade Promotion Organization</p> <p>Website: www.indiatradefair.com</p> <p>Tel: +91- 11-2337 1540</p>
Key Upcoming Events	Address: Pragati Bhawan, Pragati Maidan, New Delhi-110001



National Centre for Trade Information (NCTI)

Established	Incorporated in 1995, under Ministry of Commerce & Industry, Government of India, it is promoted By India Trade Promotion Organisation (ITPO) & National Informatics Centre (NIC)
Offices	Head Quartered in New Delhi
Chairman	Ms Neeta Verma - Chairman, NCTI and Director General, National Informatics Centre (NIC), Mr Vikas Malhotra - Executive Director, NCTI
Role	<p>NCTI mainly deals in electronic information field where it provides value added information in the field of electronic trading opportunities, trade data analysis, live trade leads from World Trade Point Federation (WTPF) and organized export awareness seminars along with updating/uploading information on its website.</p> <p>NCTI is also involved in providing Market Entry Support Services and Business Development Services to companies exploring Indian market for setting up factories, joint ventures, looking for agents/distributors and for testing the Indian market.</p>
Key Contact	<p>National Centre for Trade Information</p> <p>Website: www.ncti.gov.in</p> <p>Tel: +91-11-2337 19 48/ 50/ 53</p> <p>Address: Hall # 19, Pragati Maidan, New Delhi - 110001</p>

Invest India

Established	Established in 2009, Invest India a not-for-profit organization promoted by Ministry of Commerce and Industry and Federation of Indian Chambers of Commerce & Industry (FICCI)
Offices	Operates through its office at New Delhi
Chairman	Mr. Ramesh Abhishek - Chairman, Mr. Deepak Bagla - MD & CEO
Role	<p>Invest India is a Government of India's official Investment Promotion and Facilitation Agency mandated to facilitate investments in a comprehensive, focused and structured manner into India . It is promoted by the Federation of Indian Chambers of Commerce & Industry (FICCI), the Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce and Industry (Government of India), and the State Governments of India.</p> <p>Invest India is the first point of reference for potential investors where functional and domain experts provide state and sector specific inputs along with hand-holding support to the potential investors through the entire investment cycle.</p> <p>The experts help in identifying the location, taking necessary regulatory approvals, arranging meetings with the concerned corporate and government officials and also extending support on remedial actions in case problems are faced by the investors.</p> <p>The support and hand holding for investors under "Make in India" program is being provided by Invest India.</p>
Key Contact	<p>INVEST INDIA, Investor Facilitation Cell, Make in India</p> <p>Website: www.investindia.gov.in</p> <p>Tel: +91-11-2419 0300</p> <p>Address: The Ashok, Third Floor, 50B, Diplomatic Enclave, Chanakyapuri, New Delhi 110 021</p>



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Industrial Associations involved in Business in India

Federation of Indian Export Organizations (FIEO)

Established	Established in 1965. FIEO was jointly established by Ministry of Commerce & Industry (Government of India) and Traders and Exporters
Members	Has over 100,000 members, has ~20 regional chapter offices in India
Chairman	S C Ralhan – President, FIEO & CEO Sri Tools Industries
Role	<p>A Public Private platform, FIEO provides the crucial interface between international trading community of India & the Central/ State Governments, financial institutions, ports, railways, surface transport and all involved in export trade facilitation. FIEO's direct members contribute more than 70% of India's total exports.</p> <p>FIEO is also instrumental in elevating and redressal of exporters' problems. FIEO is also responsible for maintaining the Indian Trade Portal – www.indiantradeportal.in on behalf of the Department of Commerce, Govt. of India. It also looks after Global Trade/ Tender Queries uploaded by the Indian missions abroad.</p> <p>FIEO also exchanges business delegations with counterparts overseas and arranges exhibitions, catalogue shows abroad.</p>
Key Contact	<p>Federation of Indian Export Organizations</p> <p>Website: www.fieo.org</p> <p>Tel: +91-11- 46042222, 26150101/ 02/ 03/ 04</p> <p>Address: Niryat Bhawan, Rao Tula Ram Marg, Opp. Army Hospital Research & Referral, New Delhi</p>



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Indo-Italian Chamber of Commerce and Industry (IICCI)

Established	Established in 1966, IICCI is a non-profit recognised by the Italian Government
Members	More than 1200 members. Is Head Quartered at Mumbai, with 4 regional offices at New Delhi, Bangalore, Chennai, Kolkata
Chairman	Mr. Lorenzo Angeloni - Honorary President IICCI, Ambassador of Italy in India, Mr. Narinder K. Nayar - President IICCI, Managing Director, CONCAST (India) Limited
Role	<p>IICCI is aimed at developing and strengthening the Industrial, commercial and trade relations between India and Italy.</p> <p>IICCI provides business consultancy services like entry strategy reports, sourcing and procurement, legal services required for running a business in India</p> <p>It is also involved in trade promotional events for Indo-Italian business community through promotional, networking and branding initiatives in India.</p> <p>IICCI works on five core sectors for Indo-Italian trade: Infrastructure & Building, Agri & Food Technology, Energy & Environment, Machine Tools, Furniture & Design</p>
Special Projects undertaken	<p>Indo - Italian UCIMU Project in the Aerospace Sector</p> <p>The Indo-Italian Club for Infrastructure and Building (IICIB)</p> <p>The Indo - Italian Agri-Food Technology Center - IIAFTC</p>
Key Contact	<p>The Indo-Italian Chamber of Commerce and Industry</p> <p>Website: www.indiaitaly.com</p> <p>Tel: +91-22- 677281 86/ 87/ 88/ 89/ 90</p> <p>Address: Office No. 501 - 5th Floor, 349 Business Point, Western Express Highway, Andheri (East), Mumbai</p>



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Federation of Indian Chambers of Commerce and Industry (FICCI)

Established	Established in 1927. FICCI is a non-government, not-for-profit organization
Members	Has over 2,50,000 companies as members Has 15 offices in India and 8 international offices in China, Germany, Italy, USA, UK, Japan, Nepal, Singapore
Chairman	Pankaj R. Patel - President, FICCI and Chairman and Managing Director of Zydus Cadila - Cadila Healthcare Ltd
Role	FICCI is the one of the oldest non government not for profit organization in India aimed at providing platform for networking and consensus building within and across Industry sectors. It also engages with the Government in policy formulation and raising Industry concerns and issues. FICCI also acts as port of call for the international business community. FICCI organized regular Exhibitions, Tradefairs, Summits and Meets with key industry stakeholders and Government policy makers and influencers
Key Contact	Federation of Indian Chambers of Commerce and Industry Website: www.ficci.in Tel: +91-11-237387 60-70 Address: Federation House, Tansen Marg, New Delhi



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Confederation of Indian Industry (CII)

Established	Established in 1991 as CII, the organization started in 1895 as Engineering and Iron Traders Association. CII is a non-government, not-for-profit organization
Members	Has over 2,00,000 companies as members Has 66 offices in India and 9 international offices in Australia, Bahrain, China, Egypt, France, Germany, Singapore, UK, and USA
Chairman	Dr. Naushad Forbes – President, CII & Co-Chairman, Forbes Marshall
Role	<p>The Confederation of Indian Industry (CII) aims to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society through advisory and consultative processes.</p> <p>Apart from advising Government on policy issues, CII provides a platform for the Indian Industries for consensus-building and networking. It also acts as a port for overseas delegations that wish to explore Indian markets.</p> <p>CII organizes on a regular basis multiple International Events, Exhibitions, Seminars and Meetings with key members of Government, Industry other policy making bodies to promote Trade and investments</p>
Key Contact	<p>Confederation of Indian Industry</p> <p>Website: www.cii.in</p> <p>Tel: +91-11-45771000, 24629994/5/6/7</p> <p>Address: The Mantosh Sondhi Centre, 23, Institutional Area, Lodi Road, New Delhi</p>



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The Associated Chambers of Commerce & Industry of India (ASSOCHAM)

Established	Established in 1920. Assocham is a non-government, not-for-profit organization formed by multiple chambers of commerce in the country
Members	<p>Has over 4,50,000 companies as members</p> <p>Has 7 Regional offices in India and 23 international offices in Canada, Australia, Japan, UAE, USA, UK, Spain, Netherlands, France, Germany, Russia, Singapore, South Africa and other African Nations</p>
Chairman	Sunil Kanoria - President ASSOCHAM & Vice Chairman of Srei Infrastructure Finance Limited
Role	<p>ASSOCHAM started with 13 Chambers as its members in 1920 and today has in its fold more than 400 Chambers at regional and city level which impart strength to the entity. ASSOCHAM aims to empower Indian enterprise by inculcating knowledge that will be the catalyst of growth in global market and help them upscale, align and emerge as formidable player in respective business segments.</p> <p>ASSOCHAM has formed ~75 National Councils covering the gamut of economic activities in India. It also has ~16 Trade promotion councils with different countries of the world</p> <p>ASSOCHAM organizes events, summits and trade fairs on a regular basis with Key International and National Industry stakeholders, Government policy influencers and formulators aiming to promote Trade and investments</p>
Key Contact	<p>The Associated Chambers of Commerce and Industry of India</p> <p>Website: www.assochem.org</p> <p>Tel: +91-11- 46550555</p> <p>Address: ASSOCHAM Corporate Office, 5, Sardar Patel Marg, Chanakyapuri, New Delhi</p>



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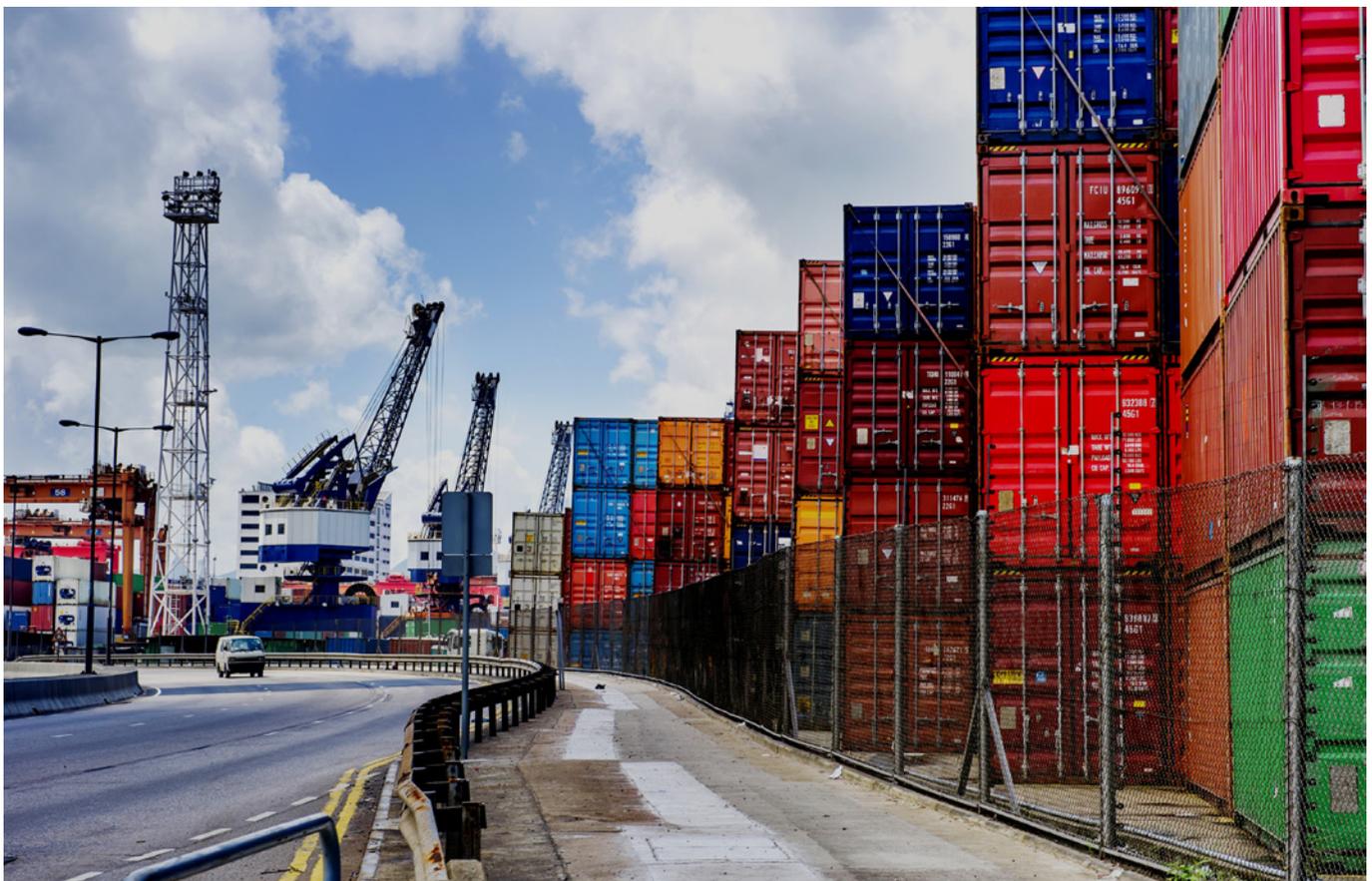
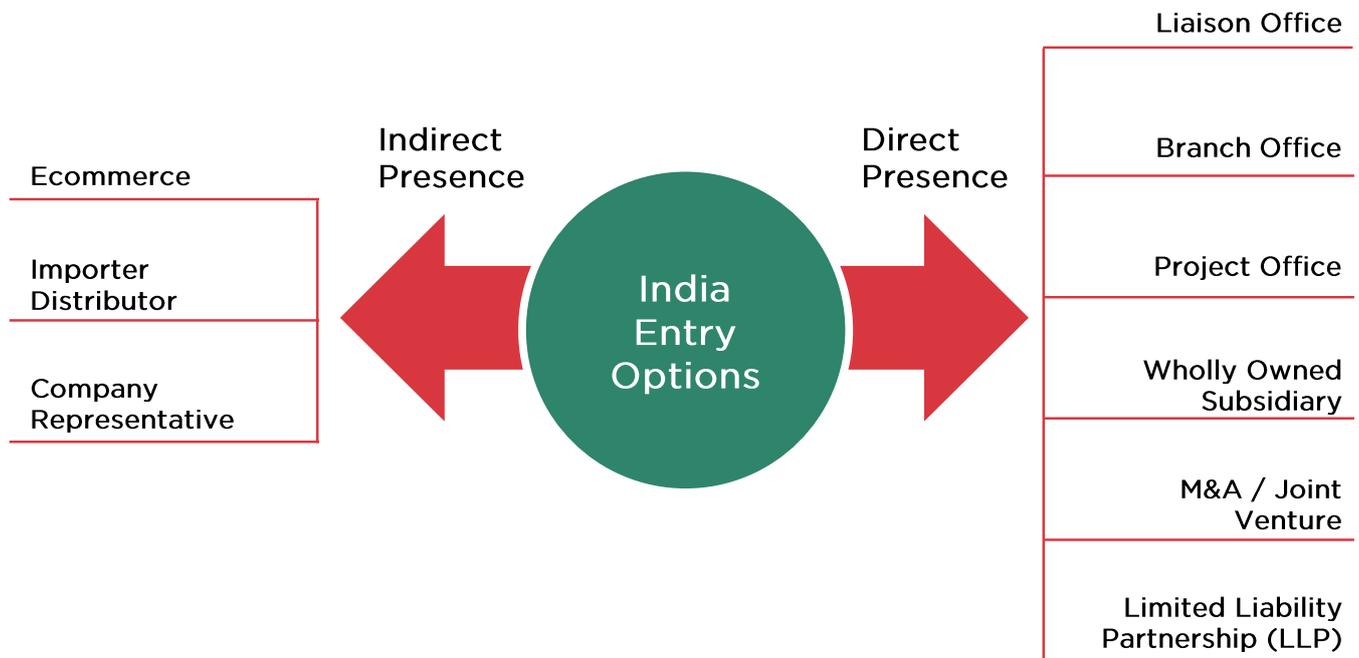




Setting up in India

Getting Started in India

There are multiple routes to sell in India with different levels of investments. However, each route has its own set of challenges with respect to the business it can generate.





Brief Comparison of Indirect Entry Options

Particulars	E-commerce Platform	Import Partner	Distribution	Company Representative
Characteristics	Selling online on E-commerce platforms in India through Import and warehousing partner. Gives access to online market only	Selling in Indian market online as well as brick and mortar through an import and distribution partner. Is limited by the reach of the distributor partner		Having a sales representative in India. Gives a focused selling approach but network building for the firm would take time
Set-Up and Requirement	An import and warehousing partner is needed that in many cases is suggested by the e-commerce firm. Product shipping can be on the basis of order placing or minimum stock maintenance as per mutual agreement. Billing is done directly with the parent company	The import - distribution partner is responsible for order placement and shipment clearance. Product shipping can be on the basis of order placing or minimum stock maintenance as per mutual agreement. Billing is done through the Importer and not directly with the parent company		The employee in India can be an Indian or Foreign national working from home / office. The office space can be an own office or an incubation support center. Shipping can be based on order or minimum stock in case a warehousing support is also taken. Billing is done directly with the parent company
Control of Sales	Sales is dependent on E-commerce platform company	Control of Sales in hands of Import - Distribution partner		Control of Sales lies with the employee in the country
Investment and charges	Charges as a part of fees for the platform and warehousing needs to be paid	Commission / Fees as an agreed percentage or any other form with the Import Distribution partner needs to be paid		Employee Salary and expenses along with any charges for office (if taken), warehousing (if taken) needs to be paid
Closure	Can be mutually ended with the e-commerce platform company	Can be mutually ended with the Import distribution partner		



Brief Comparison of Direct Entry Options

Particulars	Branch Office (BO)	Liaison Office (LO)	Office Project Office (PO)	Wholly Owned Subsidiary (WOS)	Limited Liability Partnership (LLP)
Characteristics	Commercial activities on behalf of the Head office.	Representative office with no right to undertake commercial activities in India.	Temporary office for execution of a specific project in India.	WOS is allowed to undertake manufacturing, trading or service activities subject to FDIs policy and other applicable laws.	LLP is allowed to undertake manufacturing, trading or service activities subject to FDIs policy and other applicable laws.
Characteristics	Commercial activities on behalf of the Head office.	Representative office with no right to undertake commercial activities in India.	Temporary office for execution of a specific project in India.	WOS is allowed to undertake manufacturing, trading or service activities subject to FDIs policy and other applicable laws.	LLP is allowed to undertake manufacturing, trading or service activities subject to FDIs policy and other applicable laws.
Ownership and Liability	It is a part of foreign Company /Head Office. Assets of Foreign Company can be attached by court for liabilities incurred by BO.	It is a part of foreign Company/Head Office. Assets of Foreign Company can be attached by court for liabilities incurred by LO	It is a part of foreign Company/Head Office. Assets of Foreign Company can be attached by court for liabilities incurred by LO.	Wholly Owned by Foreign Company. WOS is a separate legal entity and is liable only to the extent of its assets.	LLP is owned by Partners to the extent of their capital contribution. LLP is a separate legal entity and is liable only to the extent of its assets.
Status	Foreign Company	Foreign Company	Foreign Company	Domestic Company	Domestic Legal Entity
Control	Controlled by Parent Company. (BO is managed by an Authorized Representative, resident in India)	Controlled by Parent Company. (LO is managed by an Authorized Representative, resident in India)	Controlled by Parent Company. (LO is managed by an Authorized Representative, resident in India)	Controlled by Board of Directors.	Controlled by Designated Partners/Partners.
Set - Up Requirements	Prior approval of Reserve Bank of India Power to approve the applications for setting up of BO delegated to Category-I Authorized Dealer (AD) Bank	Prior approval of Reserve Bank of India Power to approve the applications for setting up of LO delegated to Category-I Authorized Dealer (AD) Bank	General permission is available if certain conditions are met. If not met, prior approval of RBI is required. Power to approve the applications for setting up of LO BO PO delegated to Category-I Authorized Dealer (AD) Bank	Registrar of Companies, Ministry of Corporate Affairs.	Registrar of Companies, Ministry of Corporate Affairs.
Set - Up Requirements	5 years profit making track record	3 years profit making track record	Foreign Company have secured a contract from an Indian company to execute a project in India.	Two Shareholders Two Directors (with at least one resident director)	No Minimum Capital required. Two Designated Partners (One partner should be resident in India).
Eligibility Criteria	Minimum net worth USD 100,000	Minimum net worth USD 50,000			



Particulars	Branch Office (BO)	Liaison Office (LO)	Project Office (PO)	Wholly Owned Subsidiary (WOS)	Limited Liability Partnership (LLP)
Entry Routes	Reserve Bank Route - Where principal business of the foreign entity falls under sectors in which 100% Foreign Direct Investments (FDIs) is permissible FIPB (Foreign Investment Promotion Board) Route - Principal business of the foreign entity falls under sectors in which 100% Foreign Direct Investments (FDIs) is not permissible	Reserve Bank Route - Where principal business of the foreign entity falls under sectors in which 100% Foreign Direct Investments (FDIs) is permissible FIPB (Foreign Investment Promotion Board) Route - Principal business of the foreign entity falls under sectors in which 100% Foreign Direct Investments (FDIs) is not permissible	General Permission is available if certain conditions are met. If not met, prior approval of RBI is required.	Procedural, simple routine information/ documentation and filing requirements If Principal business of the foreign entity does not fall under sectors in which 100% Foreign Direct Investments (FDIs) is not allowed under automatic route then the approval of FIPB (Foreign Investment Promotion Board) Route is required	Procedural, simple routine information/ documentation and filing requirements FDIs in LLP allowed only in those sectors under automatic route is allowed.
Permitted Activities	List of Activities specified which is permitted for BO.	Only information collection, market survey, communication activity etc. are permitted.	As per Contract awarded by Indian Company.	WOS can carry out any activity subject to FDIs and other local laws.	LLP can carry out any activity subject to FDIs and other local laws. FDIs in LLP allowed only in those sectors in which 100% FDIs under automatic route is allowed.
Operating Time Limit	No Time limit is prescribed. RBI may prescribe time limits say 3 years or 5 years. Further renewal can be obtained.	3 Years and further renewal can be obtained.	PO has time limit as per Contract awarded to Foreign Company.	No time limit.	No time limit.
Timelines for approval	20 - 24 weeks	20 - 24 weeks	3-4 weeks (16-20 weeks if RBI approval is required)	8-10 weeks	8-10 weeks
Rate of Income Tax	Flat rate - 40% Education Cess- 3% Total - 41.2% (Surcharge @ 2% on tax will be levied if Income is above 10 million to 100 million and 5% in case income is above 100 million)	Since the LO is not permitted to earn any income, it is not a taxable entity in India.	Flat rate - 40% Education Cess- 3% Total - 41.2% (Surcharge @ 2% on tax will be levied if Income is above 10 million to 100 million and 5% in case income is above 100 million)	Flat Rate - 30% Education Cess -3% Total - 30.9% (Surcharge @ 7% on tax will be levied if Income is above 10 million to 100 million and 12% in case income is above 100 million)	Flat Rate - 30% Education Cess- 3% Total - 30.9% (Surcharge @ 10% on tax will be levied if Income is above 10 million. It is subject to marginal relief)
Funding for Local operations	Local expenses can be met through foreign inward remittances or from local earnings.	Local expenses can be met only out of foreign inward remittances	Local expenses can be met through foreign inward remittances or from local earnings.	Foreign Capital (FDIs) External Commercial Borrowings (ECB) Domestic Funding Local Earnings	Foreign Capital (FDIs) Domestic Funding Local Earnings



Particulars	Branch Office (BO)	Liaison Office (LO)	Office Project Office (PO)	Wholly Owned Subsidiary (WOS)	Limited Liability Partnership (LLP)
Remittance of Profits/ Dividends/ Interest outside India	For profits repatriation audited financial statements need to be filed to the Designated Authorized Dealer (Bank) Chartered Accountant need to certify that profits have been arrived in the prescribed manner Not subject to dividend distribution tax	Liaison office can remit to its Head office the balance amount held in Indian bank account after payment of all liabilities incurred in India.	For profits repatriation audited financial statements need to be filed to the Designated Authorized Dealer (Bank) Chartered Accountant need to certify that profits have been arrived in the prescribed manner Not subject to dividend distribution tax	No approval required for the remittance of dividends and interest Dividend would be subject to the dividend distribution tax which is at present 20% Interest would be subject to withholding tax requirements.	Profits can be distributed among partners without DDT. Other remittances (except Interest) are subject to withholding tax requirements.
Audit and Legal Compliances	Annual Audit is mandatory Various statutory forms to be filed with RBI and Registrar of Companies.	Annual Audit is mandatory Various statutory forms to be filed with RBI and Registrar of Companies.	Annual Audit is mandatory Various statutory forms to be filed with RBI and Registrar of Companies.	Highly regulated Annual Audit is mandatory Various statutory forms to be filed with RBI and Registrar of Companies.	Less Compliances Annual Audit is mandatory only if capital contribution exceeds certain specified limits of turnover.
Closure	Application to be made to RBI. No objection certificate from Income Tax Department	Application to be made to RBI. No objection certificate from Income Tax Department	On completion of project.	Application to ROC. Lengthy Legal Process/ Court process to be followed.	Application to ROC. Lengthy Legal Process/ Court process to be followed.



Establishment of Offices in India: Branch Office/ Liaison Office/ Project Office

Procedure for application with RBI

For the purpose of establishment of Branch Office/Liaison Office/ Project Office in India, the Foreign Company is required to make an application to the Reserve Bank of India through designated (Authorized) bank (i.e. an AD Category - I bank identified by the applicant with whom they intend to pursue banking relations) in Form FNC*. For the purpose of preparation of Form FNC, following key information is required:-

1. Full name and address of the applicant.
2. Date and Place of incorporation / registration
3. Telephone Number(s), Fax Number(s) and E-mail ID.
4. Details of capital
 - a. Paid-up capital
 - b. Free Reserves/Retained earnings as per last audited Balance Sheet/Financial Statement
 - c. Intangible assets, if any
5. Brief description of the activities of the applicant.
6. Value of goods imported from and / or exported to India by the applicant during each of the last three/ five years:
 - a. Imports from India
 - b. Exports to India
7. Particulars of existing arrangements if any, for representing the company in India.
8. Particulars of the proposed Branch Office/Liaison Office/ Project Office:
 - a. Details of the activities/ services proposed to be undertaken/ rendered by the office.
 - b. Place where the office will be located.
 - c. Phone number
 - d. E-mail ID
 - e. Expected number of employees (with number of foreigners)
9. Name, address Telephone Number, Fax Number and Email-ID of the banker of the applicant in the home country
10. Any other substantial information which the applicant company wishes to furnish in support of application for establishment of Branch Office/Liaison Office/ Project Office.

*Form FNC available at bank branches and could also be downloaded from - <https://rbidocs.rbi.org.in/rdocs/Forms/PDFs/form-fnc1.pdf>



Along with the Form FNC, following additional documents/information is required to be submitted

1. Two complete sets of Certificate of Registration & Memorandum & Article of Association of Foreign applicant company attested by the Notary Public in the country of registration and consularized by the Indian Embassy in the home country/ Apostil [If the Original Certificate & Memorandum & Article of Association is in a language other than in English, the same may be translated into English and notarized as above and cross verified/attested by the Indian Embassy/Apostil in the home country. In such case, both notarized and consularized/ apostil Original Certificate & MOA & AOA as well as notarized and consularized/apostil translated copies will be required]
2. Latest Audited Balance sheet of the applicant company. [If the applicants' home country laws/regulations do not insist on auditing of accounts, an Account Statement certified by a Certified Public Accountant (CPA) or any Registered Accounts Practitioner by any name, clearly showing the net worth may be submitted]
3. Banker's Report from the applicant's banker in the host country / country of registration showing the number of years the applicant has had banking relations with that bank.
4. Letter of Comfort
5. Proof of Identity and Address of principal shareholders, promoters, directors and authorized signatories. [If the original document is in a language other than in English, the same may be translated into English and notarized as above and cross verified/attested by the Indian Embassy/Apostille in the home country.
6. Nature and location of activity: Declaration of nature and location of the activity of proposed Branch Office/Liaison Office/ Project Office and applicant foreign company on applicant foreign company's letter head.
7. A declaration to be submitted on applicant foreign company letterhead confirming sources of funds.
8. List of Directors along with their address on applicant foreign company letterhead (to be signed by one of the director on applicant foreign company letterhead)
9. Complete Account Opening Form for opening of bank account with Authorized Dealer Bank. (Can be filed post receipt of RBI Approval)

Please note that some additional documents/ clarification may be asked on case to case basis by the Authorized Dealer Bank or RBI.



Procedure for application with Registrar of Companies

Any established firm / office in India needs to be registered with the Registrar of Companies. Within 30 days from the date of establishment of place of business in India, the Foreign Company need to register with the Registrar of Companies, India by making an application in E-Form FC-1(Detailed instructions available at - http://www.mca.gov.in/MCA21/dca/help/instructionkit/NCA/Form_FC-1_help.pdf).

Before filing of Form FC-1 with the ROC, following key formalities need to be completed

- Obtaining Permanent Account Number (PAN) of the person authorized to be the Head of Branch Office/Liaison Office/ Project Office in India (Authorized person) from Income Tax Department. (<http://www.incometaxindia.gov.in/Pages/tax-services/apply-for-pan.aspx>).
- Obtaining Digital Signature Certificate (DSC) of the person authorized to be the Head of Branch Office/Liaison Office/ Project Office in India (Authorized person) from the Certifying Authorities such as Tata Consultancy Services (TCS), National Informatics Centre (NIC), Centre for Development of Advanced Computing (CDAC) etc.

On completion of above said formalities, E-form FC-1 is required to be filed with the ROC. For filing of Form E-form Fc-1, following information/documents are required

1. Certificate of registration & Memorandum & Article of Association of Foreign applicant company attested by the Notary Public in the country of registration and consularized by the Indian Embassy / Apostil in the home country (If the Original Certificate& Memorandum & Article of Association is in a language other than in English, the same may be translated into English and notarized as above and cross verified/attested by the Indian Consulate/ Apostil in the home country. In such case, both notarized and Consularized /Apostil Original Certificate & MOA & AOA as well as notarized and Consularized /Apostil translated copies will be required.)
2. Details of Director along with their complete address on the letter head of applicant foreign company.
3. Approval letter from Reserve Bank of India;
4. Two sets of Power of attorney in English Language in favor of authorized representative for Branch Office/ Liaison Office/ Project Office in India attested by the Notary Public in the country of registration and consularized by the Indian Embassy/ Apostil in the home country. (If the Original POA is in a language other than in English, the same may be translated into English and notarized as above and cross verified/ attested by the Indian Embassy/ Apostil in the home country. In such case, both notarized and consularized/ Apostil Original POA as well as notarized and consularized/ Apostil translated POA will be required)



Establishment of Wholly Owned Subsidiary (WOS)

Key Requirements for Incorporation of a Company (WOS) in India

- Company Directors
 - At least two directors are required to incorporate a private company.
 - One director should be a Resident Director in India (the term resident directors mean a person who have stayed in India for total period of not less than 182 days in previous calendar year).
 - It is suggested to have two foreign directors on board and one Indian Resident on Board
- Shareholders & Shareholdings
 - At least two shareholders are required to incorporate a private company in India. Both Shareholders could be Non-resident (whether Company or Individual or both).
 - The requirement for minimum equity share capital has been withdraw. However, it is recommended to setup a Entity with at least minimum share capital of INR 0.1 million.
- Registered Office
 - Every Company should have a registered office all the time on or after the 30th day of its incorporation.



Procedure for application of WOS with Ministry of Corporate Affairs

1

Fulfilment of Key Requirements

- Minimum 2 directors (out of which one should be Indian Resident)
- Minimum 2 shareholders (can be individual or Body Corporate)
- Registered office of the Company

2

Obtaining Digital Signature Certificate (DSC)

- Every individual decided to be appointed as Director required to have
- Digital Signature as per the Information Technology Act 2000

3

Obtaining Director Identification Number (DIN)

- Every individual decided to be appointed as Director required to have DIN
- The application for obtaining is to be made in E-Form DIR-3 through online portal of Ministry of Corporate Affairs (MCA)

4

Filing of Name Availability Form

- After evaluating the proposed name, under the prescribed parameters, an application in e-Form INC 1 through online Portal of Ministry of Corporate Affairs (MCA) is to be made for reserving of the desired name
- Details of minimum two Directors of the proposed LLP, one of them must be a resident of India, is required to be filled in the application for reservation of the name. In case any body/corporate is a shareholder, copy of the Board Resolution of the body corporate authorizing the incorporation of Company shall be attached
- Copy of Trademark certificate if proposed name has resemblance to any trade mark name

5

Filing of Incorporation Documents

- **Filing of incorporation E-Form 32:** Incorporation Document through the portal of the MCA with prescribed fee, based on the total authorised share capital of the Company. Consent of Directors/ shareholders and declaration from Directors/ shareholders etc
- This is an informative document setting down the details of Company, its shareholders, shareholding (subscription sheet), consent for forming a Company and to become shareholders and First Directors in Company and declaration stating that all the requirements of Companies Act have been complied with has to be filed
- The Shareholders are required to subscribe their names along with signatures to the subscription sheet, which shall be witnessed by any professional/ individual/ notary public. In case the subscription sheet is executed outside India, then it must be notarized and apostilled/consularised

6

Certificate of Incorporation

- After the Registrar of Company is satisfied that all the formalities with respect to the incorporation has been complied with, he will issue a Certificate of Incorporation of the Company. The Certificate of Incorporation issued online shall be the conclusive evidence of formation of the Company



Foreign Investment Framework

FDIs in India

It is the intent and objective of the Government of India to attract and promote Foreign Direct Investments in order to supplement domestic capital, technology and skills, for accelerated economic growth.

India's Foreign Exchange Management Act (FEMA) was brought in force in 1999 post the liberalization of the Indian economy. The act was in force with the objective of facilitating external trade and payments and for promoting the 'orderly development' and 'maintenance' of foreign exchange markets in India. Now foreign exchange transactions are permitted, unless specifically prohibited/regulated.

Three key institutions of the country are responsible for the control, regulation and formulation of policies for foreign investments in the country.



Ministry of Commerce & Industries

Department of Industrial Policy & Promotion (DIPP) issues an annual FDIs Policy to regulate foreign investments in India.



Reserve Bank of India

It notifies press notes/releases issued by DIPP as per FDIs policy. This is done by making amendment to Foreign Exchange Management Act (FEMA), its rules and regulations.



Ministry of Finance

Foreign Investment Promotion Board (FIPB) grants government approvals for FDIs under government approval route.

Foreign Direct Investments (FDIs)

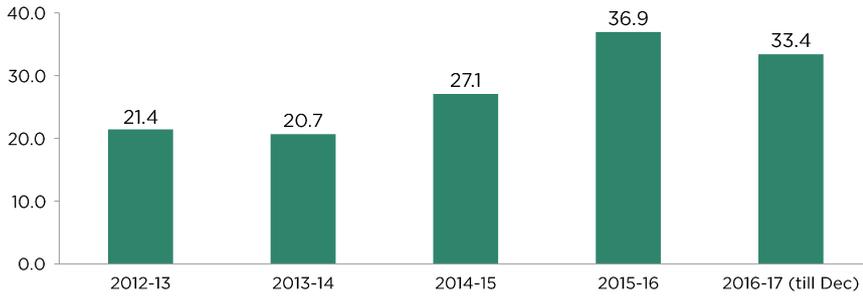
Foreign Direct Investments is defined by the Indian government as an investment by non-resident entity/person residing outside India in the capital of an Indian company which involves acquisition of control along with the transfer of resources.

Since 2000 to Sep 2016, India has witnessed a cumulative FDIs inflow of over USD 310 Billion in the various sectors. Post the new government formation at the center in 2014 and launch of 'Make in India' campaign and relaxation of FDIs norms for investments, FDIs has picked up pace and had crossed the USD 32Bn mark by Sep 2016.

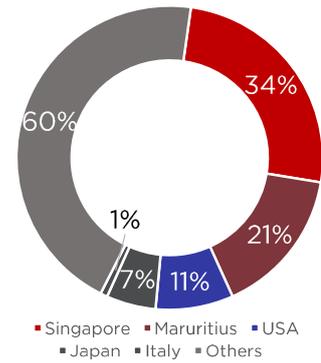


FDIs Equity inflows in India (FY)

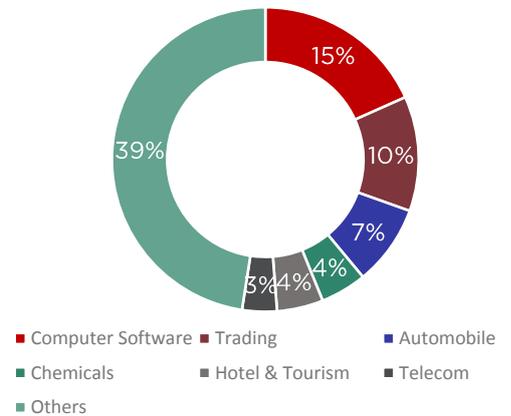
€ Billion



FDIs Inflow by Countries (FY 2015-16)



FDIs Inflow by Sectors (FY 2015-16)



The major sectors of investment in the country in CY 2015 include Services, Computer Software, Trade and Automotive. The major countries of Investment source include Singapore, Mauritius, USA, Japan, Netherlands and Germany

Foreign investments in India can be made by any non-resident entity as per the rules of the FDIs Policy excluding the specifically prohibited sectors.

A company, partnership and trust firm which is incorporated outside India and owned and controlled by NRIs is allowed to invest in India with the special exemptions as available to the NRIs under the FDIs Policy.

The portfolio Investment Scheme allows investment in the capital of an Indian company by Foreign Institutional Investor (FII) and Foreign Portfolio Investors (FPI) to a limit of 10% individual holding of an FII/FPI and 24% aggregate investment of FII/FPI which could be raised through special resolution to the limit of sectoral cap.

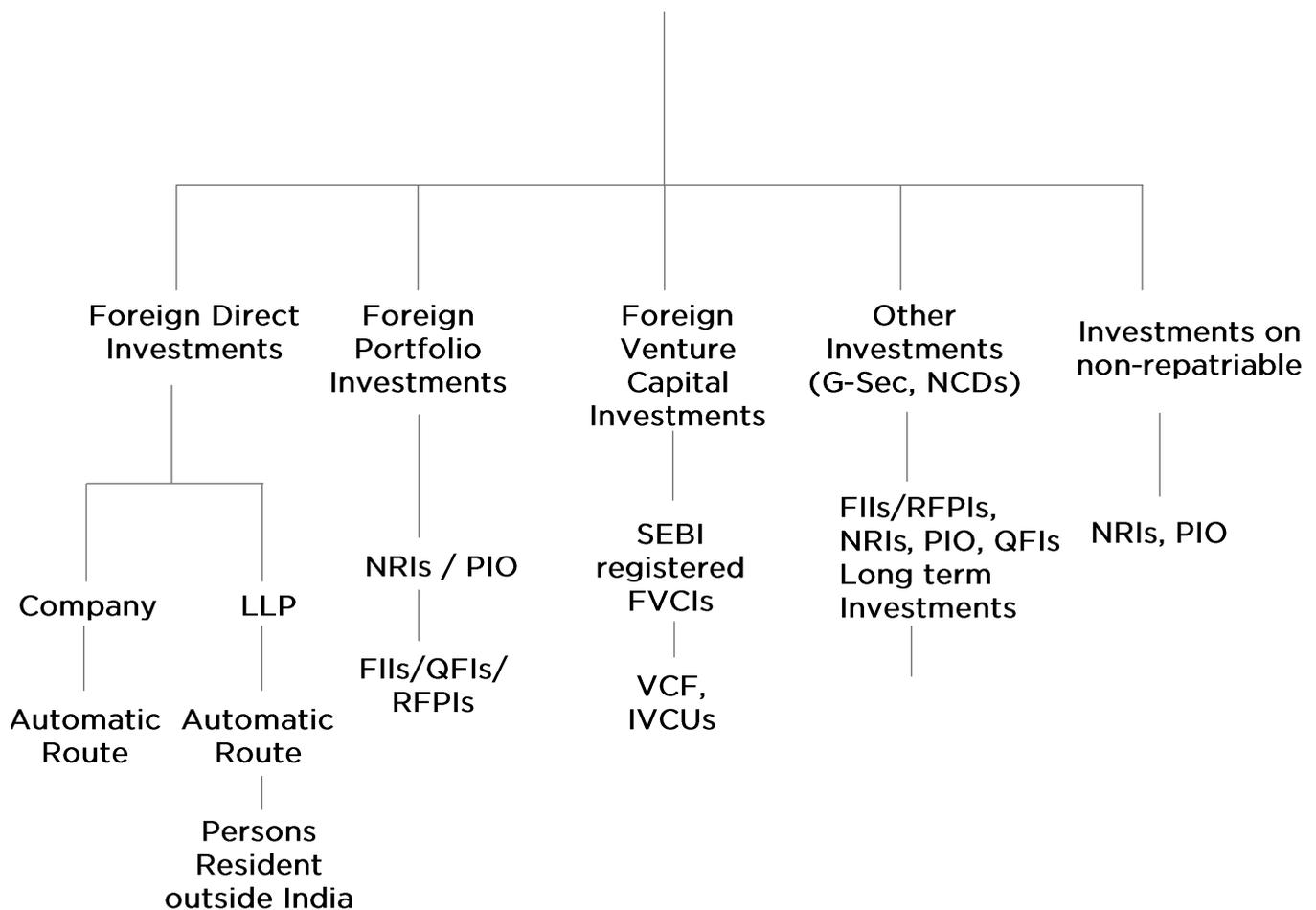
Registered NRIs and FIIs/FPIs, under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, can invest or trade in the capital of Indian Companies on recognized Indian Stock Exchanges through a registered broker.

A Non- Resident Indian is also allowed to subscribe to the National Pension System under the Pension Fund Regulatory and Development Authority (PFRDA); subject to the conditions that the person is eligible to invest as per the provisions of the PFRDA Act and the subscriptions are made through a normal banking channel. The annuity/accumulated saving in the case will be repatriable.



Routes for Investing in India and Sectoral Caps

Foreign Investments



Any Indian firm may receive Foreign Direct Investments (FDIs) through two routes as given under:

- Automatic Route
 - o FDIs under this route is allowed without the need of any prior approval from either of the Reserve Bank (RBI) or the Government of India in all sectors which are specified under this route in the FDIs Policy issued by the Government of India from time to time.
- Government Route
 - o The FDIs in sectors which are not covered under the automatic route needs prior approval from the Government which is considered by the Foreign Investment Promotion Board (FIPB), Department of Economic Affairs, and Ministry of Finance.

FDIs policy lists down the sectors/activities in which FDIs is allowed only up to a limit (cap on FDIs) or FDIs is allowed with entry conditions like minimum capitalization, lock-in period etc. If any sector/activities are not listed in the FDIs policy, FDIs is permitted up to 100% under the automatic route.



Following is the list of sectors with allowed FDIs caps and entry routes defined:

Sector	Activity	% of Equity / FDIs Cap	Entry Route Automatic
Agriculture & Animal Husbandry	<p>a) Floriculture, Horticulture, Apiculture and Cultivation of Vegetables & Mushrooms under controlled conditions;</p> <p>b) Development and Production of seeds and planting material;</p> <p>c) Animal Husbandry (including breeding of dogs), Pisciculture, Aquaculture, under controlled conditions; and</p> <p>d) Services related to agro and allied sectors</p> <p>Note: Besides the above, FDIs is not allowed in any other agricultural sector/ activity</p>	100 %	Automatic
Plantation Sector	<p>(i) Tea sector including tea plantations</p> <p>(ii) Coffee plantations</p> <p>(iii) Rubber plantations</p> <p>(iv) Cardamom plantations</p> <p>(v) Palm oil tree plantations</p> <p>(vi) Olive oil tree plantations</p> <p>Note: Besides the above, FDIs is not allowed in any other plantation sector/ activity.</p>	100 %	Automatic
Mining	<p>Mining and Exploration of metal and non-metal ores including diamond, gold, silver and precious ores but excluding titanium bearing minerals and its ores; subject to the Mines and Minerals (Development & Regulation) Act, 1957.</p>	100 %	Automatic
	<p>Coal & Lignite</p> <p>(1) Coal & Lignite mining for captive consumption by power projects, iron & steel and cement units and other eligible activities permitted under and subject to the provisions of Coal Mines (Nationalization) Act, 1973.</p> <p>(2) Setting up coal processing plants like washeries subject to the condition that the company shall not do coal mining and shall not sell washed coal or sized coal from its coal processing plants in the open market and shall supply the washed or sized coal to those parties who are supplying raw coal to coal processing plants for washing or sizing.</p>	100 %	Automatic
	<p>Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities</p> <p>Mining and mineral separation of titanium bearing minerals & ores, its value addition and integrated activities subject to sectoral regulations and the Mines and Minerals (Development and Regulation Act 1957).</p>	100 %	Government
Petroleum & Natural Gas	<p>Exploration activities of oil and natural gas fields, infrastructure related to marketing of petroleum products and natural gas, marketing of natural gas and petroleum products, petroleum product pipelines, natural gas/pipelines, LNG Regasification infrastructure, market study and formulation and Petroleum refining in the private sector, subject to the existing sectoral policy and regulatory framework in the oil marketing sector and the policy of the Government on private participation in exploration of oil and the discovered fields of national oil companies.</p> <p>Petroleum refining by the Public Sector Undertakings (PSU), without any disinvestment or dilution of domestic equity in the existing PSUs.</p>	100 % 49 %	Automatic Automatic
Defence	<p>Defence Industry subject to Industrial license under the Industries (Development & Regulation) Act, 1951</p> <p>Manufacturing of small arms and ammunition under Arms Act ,1959</p>	49 %	Automatic up to 49% A b o v e 49% under Government route on case to case basis, wherever it is likely to result in access to modern and 'state-of-art' technology in the country.



Sector	Activity	% of Equity / FDIs Cap	Entry Route Automatic
Broadcasting Carriage Services	(1) Teleports (setting up of up-linking HUBs/Teleports); (2) Direct to Home (DTH); (3) Cable Networks (Multi System operators (MSOs) operating at National or State or District level and undertaking up gradation of networks towards digitalization and addressability); (4) Mobile TV; (5) Headend-in-the Sky Broadcasting Service(HITS)	100 %	Automatic
	Cable Networks(Other MSOs not undertaking up gradation of networks towards digitalization and addressability and Local Cable Operators (LCOs)) Note: Infusion of fresh foreign investment, beyond 49% in a company not seeking license/permission from sectoral Ministry, resulting in change in the ownership pattern or transfer of stake by existing investor to new foreign investor, will require Government approval	100 %	Automatic
Broadcasting Content Services	Terrestrial Broadcasting FM(FM Radio), subject to such terms and conditions, as specified from time to time, by Ministry of Information & Broadcasting, for grant of permission for setting up of FM Radio stations	49 %	Government
	Up-linking of 'News & Current Affairs' TV Channels	49 %	Government
	Up-linking of Non-'News & Current Affairs' TV Channels/ Down-linking of TV Channels	100 %	Government
Print Media	(i) Publishing of newspaper and periodicals dealing with news and current affairs (ii) Publication of Indian editions of foreign magazines dealing with news and current affairs	26 %	Government
	(i) Publishing/printing of scientific and technical magazines/specialty journals/ periodicals, subject to compliance with the legal framework as applicable and guidelines issued in this regard from time to time by Ministry of Information and Broadcasting. (ii) Publication of facsimile edition of foreign newspapers	100 %	Government
Airports	Greenfield projects	100 %	Government
	Existing projects	100 %	Government
Air Transport Services	(i) Scheduled Air Transport Service/ Domestic Scheduled Passenger Airline (ii) Regional Air Transport Service	26 %	Automatic up to 49% (Automatic up to 100% For NRIs) Government route beyond 49%
	Non-Scheduled Air Transport Service Helicopter services/seaplane services requiring DGCA approval	26 %	Automatic
Other services under Civil Aviation sector	(i) Ground Handling Services subject to sectoral regulations and security clearance (ii) Maintenance and Repair organizations; flying training institutes; and technical training institutions.	100 %	Automatic
Construction Development: Townships, Housing, Built-up Infrastructure	Construction-development projects (which would include development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships)	100 %	Automatic
Industrial Parks	Industrial Parks -new and existing	100 %	Automatic



Sector	Activity	% of Equity / FDIs Cap	Entry Route Automatic
Satellites- establishment and operation	Satellites- establishment and operation, subject to the sectoral guidelines of Department of Space/ISRO	100 %	Government
Private Security Agencies	Private Security Agencies	74 %	Automatic up to 49%. Government route beyond 49% and up to 74%
Telecom Services	(including Telecom Infrastructure Providers Category-I) All telecom services including Telecom Infrastructure Providers Category-I, viz. Basic, Cellular, Unified Access Services, Unified License (Access Services), Unified License, National/International Long Distance, Commercial V-Sat, Public Mobile Radio Trunked Services (PMRTS), Global Mobile Personal Communications Services (GMPCS), All types of ISP licenses, Voice Mail/Audiotex/UMS, Resale of IPLC, Mobile Number Portability Services, Infrastructure Provider Category-I (providing dark fiber, right of way, duct space, tower) except Other Service Providers.	100 %	Automatic up to 49%. Government route beyond 49%
Trading	(i) Cash & Carry Wholesale Trading/Wholesale Trading (including sourcing from MSEs)	100 %	Automatic
	(ii) E-commerce activities (iii) Duty Free Shops		
	Single Brand retail trading	100 %	Automatic up to 49%. Government route beyond 49%
	Multi Brand Retail Trading	51%	Government
Railway Infrastructure	Construction, operation and maintenance of the following: (i) Suburban corridor projects through PPP, (ii) High speed train projects, (iii) Dedicated freight lines, (iv) Rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities, (v) Railway Electrification, (vi) Signaling systems, (vii) Freight terminals, (viii) Passenger terminals, (ix) Infrastructure in industrial park pertaining to railway line/sidings including electrified railway lines and connectivity to main railway line and (x) Mass Rapid Transport Systems.	100 %	Automatic
Asset Reconstruction Companies	Asset Reconstruction Company' (ARC) means a company registered with the Reserve Bank of India under Section 3 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).	100 %	Automatic
Banking	Banking- Private Sector	74 %	Automatic up to 49%. Government route beyond 49% and up to 74%.
	Banking- Public Sector subject to Banking Companies (Acquisition & Transfer of Undertakings) Acts 1970/80. This ceiling (20%) is also applicable to the State Bank of India and its associate Banks.	20 %	Government
Credit Information Companies (CIC)	Credit Information Companies	100 %	Automatic
Infrastructure Company in the Securities Market	Infrastructure companies in Securities Markets, namely, stock exchanges, commodity exchanges, depositories and clearing corporations, in compliance with SEBI Regulations	49 %	Automatic



Sector	Activity	% of Equity / FDIs Cap	Entry Route Automatic
Insurance	(i) Insurance Company (ii) Insurance Brokers (iii) Third Party Administrators (iv) Surveyors and Loss Assessors (v) Other Insurance Intermediaries appointed under the provisions of Insurance Regulatory and Development Authority Act, 1999 (41 of 1999)	49 %	Automatic
Pension Sector	Pension Sector	49 %	Automatic
Power Exchanges	Power Exchanges registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2010.	49 %	Automatic
White Label ATM Operations	White Label ATM Operations	100 %	Automatic
Non-Banking Finance Companies (NBFC)	Foreign investment in NBFC is allowed under the automatic route in only the following activities: (i) Merchant Banking (ii) Under Writing (iii) Portfolio Management Services (iv) Investment Advisory Services (v) Financial Consultancy (vi) Stock Broking (vii) Asset Management (viii) Venture Capital (ix) Custodian Services (x) Factoring (xi) Credit Rating Agencies (xii) Leasing & Finance (xiii) Housing Finance (xiv) Forex Broking (xv) Credit Card Business (xvi) Money Changing Business (xvii) Micro Credit (xviii) Rural Credit	100 %	Automatic
Pharmaceuticals	Greenfield	100 %	Automatic
	Brownfield	100 %	Automatic up to 74% Government route beyond 74%

Prohibited Sectors

Foreign Direct Investments in India under FDIs policy is allowed in all sectors except for the following prohibited sectors/activities

- Lottery Business including Government/private lottery, online lotteries, etc.
- Gambling and Betting including casinos etc.
- Chit funds
- Nidhi company*
- Trading in Transferable Development Rights (TDRs)
- Real Estate Business or Construction of Farm Houses 'Real estate business' shall not include development of townships, construction of residential /commercial premises, roads or bridges and Real Estate Investment Trusts (REITs) registered and regulated under the SEBI (REITs) Regulations 2014.
- Manufacturing of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
- Activities/sectors not open to private sector investment e.g.(I) Atomic Energy and (II) Railway operations
- Foreign technology collaboration in any form including licensing for franchise, trademark, brand name, management contract is also prohibited for Lottery Business and Gambling and Betting activities.

* Micro Finance Institutions (MFI) involved in borrowing and lending money between their members.



Investment Linked Incentives

Investment Linked Incentives are introduced by the government of India to encourage the diversion of profits from taxed sector to the exempt/non-taxed sector. These incentives in the form of a deduction for capital expenditure (excluding expenditure incurred on acquisition of land, goodwill or financial instrument) incurred prior to the commencement of operations shall be allowed for specified businesses. Such expenditure has to be capitalized in the books of account on the date of commencement of business.

The following are the business having Investment linked incentives

Nature of expense	Quantum of deduction
Laying and operating a cross-country natural gas or crude or petroleum oil pipeline network for distribution including storage facilities being integral part of such network	100%
Building and operating a new hotel of two-star or above category as classified by the GoI	100%
Building and operating a new hospital (with at least 100 beds)	150%
Developing and building a housing project under a scheme for slum redevelopment or rehabilitation framed by the GoI or state governments and is notified by the CBDT in this behalf in accordance with the guidelines prescribed	100%
Developing and building a housing project under a scheme for affordable housing framed by the GoI or state governments and which is notified by CBDT on this behalf in accordance with the guidelines prescribed	150%
Producing fertilizer in a new plant or in a newly installed capacity in an existing plant	150%
Setting up and operating an inland container depot or a container freight station notified or approved by the Customs Act, 1962	100%
Bee-keeping and production of honey and beeswax	100%
Setting up and operating a cold chain facility	150%
Setting up and operating a warehousing facility for storage of agricultural produce	150%
Setting up and operating a warehousing facility for storage of sugar	100%

Incentives for R&D

Nature of expense	Quantum of deduction
Revenue expenditure incurred on payment of salary to an employee engaged in scientific research or on purchase of materials used in such scientific research during the three years preceding the commencement of business	100%
Payment to a research association/university, college or other institution for scientific research	175%
Payment to an Indian company to be used for scientific research and development that fulfills certain conditions	125%
Payment to a research association/university or college or other institution for research in social science or statistical research (notified by the GoI)	125%
Capital expenditure incurred in any financial year and within the three years immediately preceding the financial year (other than on acquisition of land)	100%
Expenditure by a company engaged in bio-technology/manufacture or production of any article or thing (except those mentioned in the Eleventh Schedule) for scientific research on approved in-house research and development facility (other than expenditure on land or building) incurred up to 31 March 2017	200%
Payment to a National Laboratory/University/Institute of Technology/specified person (notified by the GoI) for scientific research undertaken under an approved program	200%



Apart from the central level incentives, many states have been keen to attract investments in the form of setting up new units/ expanding existing units to develop states in terms of infrastructure, education and create employment. For these purposes the states offer many investment limited incentives.

Concessions/exemptions to a large and mega unit are typically granted depending on the quantum of investment proposed to be made, strategic importance of the project, proposed employment that will be generated by the project and other similar criteria. Exemptions/incentives that are provided to the investing units typically depend upon the negotiations between the parties involved (i.e., the investor and the respective state governments) and it varies from state to state and sometimes even from government to government.

Special Economic Zones

The SEZ Act, 2005 came into effect on 10th February, 2006, providing for drastic simplification of procedures and for single window clearance on matters relating to central as well as state governments. The SEZ Act focuses on

- Generation of additional economic activity
- Promotion of exports of goods and services;
- Promotion of investment from domestic and foreign sources;
- Creation of employment opportunities;
- Development of infrastructure facilities;

India has ~206 active SEZs with a total of 405 formal approvals. The incentives and facilities offered to the units in SEZs for attracting investments into the SEZs, including foreign investment include:

- Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units
- 100% Income Tax exemption on export income for SEZ units for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years.
- Exemption from minimum alternate tax.
- External commercial borrowing by SEZ units upto US \$ 500 million in a year without any maturity restriction through recognized banking channels.
- Exemption from Central Sales Tax.
- Exemption from Service Tax.
- Single window clearance for Central and State level approvals.
- Exemption from State sales tax and other levies as extended by the respective State Governments.

In the FY 2015-16, the exports business from the ~4200 units in the operational SEZ's amounted to ~USD 70 Billion and provided employment to over 1.6 Million people



Investment incentives under FTP (Foreign Trade Policy)

Export Promotion Capital Goods:

EPCG allows import of capital goods including spares for pre-production, production and post production at zero duty subject to an export obligation of 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from Authorization issue-date.

EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers. The Scheme also covers a service provider who is designated / certified as a Common Service Provider (CSP). EPCG authorization holder can export either directly or through third party (s). Export proceeds are to be realized in freely convertible currency except for deemed exports.

Two types of export obligation are mandatory under the EPCG scheme:

- Annual Average in which export obligation is over and above, the average level of exports achieved by the authorization holder in the preceding 3 licensing years for the same and similar products within the overall export obligation period including extended period, if any. Such average would be the arithmetic mean of export performance in the last three years for the same and similar products.
- Specific Average which is 6 times the duty saved amount in which the Authorization holder shall also fulfill a minimum of 50% export obligation in each block of years-the first block being of 4 years and the second block is of 2 years.

EPCG Authorization holder may also source capital goods from a domestic manufacturer. Such domestic manufacturer shall be eligible for deemed export benefit under FTP. EPCG Authorization holders can opt for Technological Up gradation of existing capital goods imported under EPCG Authorization. Import of second hand capital goods is not permitted under the EPCG scheme.



Investment Forms and Types of Business Enterprises

Investment Forms

India has a range of investment opportunities across sectors which are primarily regulated by few rules & regulations for an overall smooth execution of the process. The primary guiding principles adhered include:

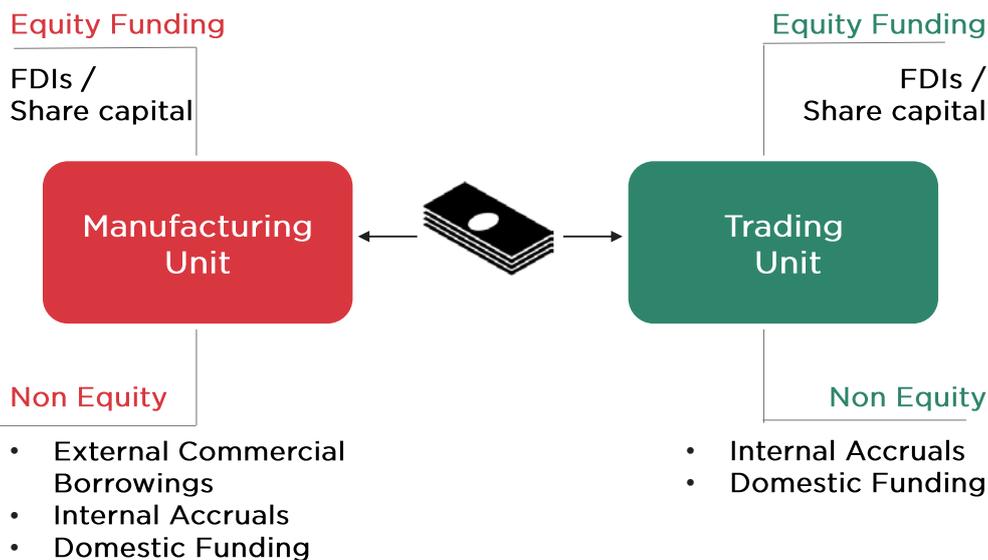
- The industrial policy
- FEMA
- The regulations and notifications issued by the Reserve Bank
- The FDIs Policy issued by the DIPP

Foreign investors may follow different methodologies to invest in Indian companies. The interest in an Indian company can be acquired through

- Investing in the shares of an unlisted company
- Investing in the shares of a listed company
- Establishing a new company and transferring the defined business of the target to a new company.

Modes of funding depend upon the nature of activities of Subsidiary Companies in India:

Routes for Investing in India and Sectoral Caps



Equity Investments

These overseas investments can be in the form of equity capital, Foreign Currency Convertible Bonds or FCCBs, or investment in shares of Indian companies when they are listed in overseas exchanges through the issue of American Depositary Receipts (ADRs) or Global Depositary Receipts (GDRs). Foreign Institutional Investors (FIIs) or Foreign Portfolio Investors (FPIs) purchase a company's stock through the stock markets. Foreign Venture Capital Investors (FVCIs) put money mainly in new or relatively new ventures from which conventional investors stay away, given the risks involved.

Investment in the form of Share capital gives voting rights to the investor in the investee company with payouts in the form of dividends. It also gives a means on repatriation in the form of buyback of shares subject to pay distribution tax.



External Commercial Borrowings

ECBs are commercial loans raised by eligible resident entities from recognized non-resident entities and should conform to parameters such as minimum maturity, permitted and non-permitted end-uses, maximum all-in-cost ceiling, etc.

Tracks of ECB

Track 1	Track 2	Track 3
Medium term foreign currency denominated ECB with minimum average maturity of 3/5 years.	Long term foreign currency denominated ECB with minimum average maturity of 10 years.	Indian Rupee (INR) denominated ECB with minimum average maturity of 3/5 years.

Forms of ECB

- Loans including bank loans
- Securitized instruments (e.g. floating rate notes and fixed rate bonds, non-convertible, optionally convertible or partially convertible preference shares / debentures)
- Buyers' credit;
- Suppliers' credit
- Foreign Currency Convertible Bonds (FCCBs);
- Financial Lease; and
- Foreign Currency Exchangeable Bonds (FCEBs)

Available routes for raising ECB

- Automatic route (no prior approval of reserve bank of India only through authorized bankers)
- Approval route (with prior permission of Reserve Bank of India through Authorized Dealer Banker)

Greenfield Investment:

Investments with the following motives fall under Greenfield investments

- Setting up a new Joint Venture/ Wholly Owned Subsidiary (fresh issue of shares/American Deposit Receipt/ Global Deposit Receipt)
- Building new production facilities in a foreign country.
- It refers to investment in a manufacturing, office, or other physical company-related structure or group of structures in an area where no previous facilities exist.

Brownfield Investment

Brownfield investments are relating to existing investments/ business activities and include:

- Share Purchase
- Conversion of ECB/pre-Incorporation payables/import payables, royalty
- Gift of shares/Share swap
- Rights/Bonus issue/ESOP
- Demerger/ Amalgamation



Mergers & Acquisitions

Mergers and acquisitions (M&A) are defined as consolidation of companies. Differentiating the two terms, Mergers is the combination of two companies to form one, while Acquisitions is one company taken over by the other. M&A is one of the major aspects of corporate finance world. The reasoning behind M&A generally given is that two separate companies together create more value compared to being on an individual stand. With the objective of wealth maximization, companies keep evaluating different opportunities through the route of merger or acquisition.

Mergers & Acquisitions can take place:

- by purchasing assets
- by purchasing common shares
- by exchange of shares for assets
- by exchanging shares for shares

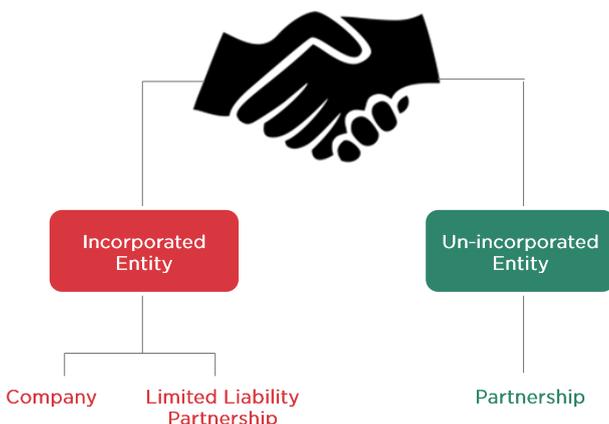
Mergers & Acquisitions often take place with an objective of

- Creating Value
 - o Synergy
 - o Growth
 - o Increasing market power
 - o Acquiring unique capabilities or resources
 - o Unlocking hidden value
- Cross-Border Mergers
 - o Exploiting market imperfections
 - o Overcoming adverse government policy
 - o Technology transfer
 - o Product differentiation
 - o Following clients

Joint Ventures

Joint Venture is a combination of subsets of assets contributed by two (or more) business entities for a specific business purpose and a limited duration. It is essentially a medium to long-term contract which is specific and flexible. Though, the joint venture represents a newly created business enterprise, its participants continue to exist as separate firms. A joint venture can be organized as a partnership firm, a corporation or any other form of business organization which the participating firms choose to select.

Joint Venture Structure



*Company is the commonly used structure to form a JV in India as laws governing a company are clear and it enjoys a comparatively better recognition. The next slides have been prepared on JV in form of a Company.



Incorporation of a Joint Venture can be done through

- Formation of New Entity - Parties to the JV incorporate a new company and subscribe to the shares of the company in mutually agreed proportion and terms, and commence a new business.
- Share purchase - A proposed JV partner can acquire shares of the existing company either by subscribing to new shares or acquiring shares of the existing shareholder

A Joint venture generally has the following characteristics:-

- Contribution by partners of money, property, effort, knowledge, skill or other assets to the common undertaking.
- Joint property interest in the subject matter of the venture.
- Right of mutual control or management of the enterprise.
- Right to share in the property.

A foreign company can invest in an Indian company through a joint venture agreement (or as a wholly owned subsidiary) in the areas which are otherwise not reserved exclusively for the public sector or which are not under the prohibited categories such as real estate, insurance, agriculture and plantation. Foreign investment into India is governed by the Foreign Direct Investments (FDIs) policy and the Foreign Exchange Management Act, 1999 (FEMA).

Forms of Business Enterprises

Sole Proprietorship

Sole proprietorship is the oldest and most common form of business activity in India where an individual owns, manages and controls a business. Sole proprietorship has the following features:

- Ease of formation with minimal legal formalities. There is no formal agreement needed, since it is a one-man organization. In addition, it is not necessary to register such a firm. However, owners of such businesses may be required to obtain a license (specifically relating to their line of business) from the local administration.
- Single point of control over all the aspects of the business and makes all the decisions although they may hire employees or support staff for assistance in day-to-day activities.
- Profits or losses resulting from the operation are solely borne by the proprietor.
- There is no legal existence separate from its owner. The liability of the proprietor is unlimited, i.e., it extends beyond the capital invested in the business.
- A NRI or a PIO residing outside India is allowed to do business in India as a sole proprietor. However, the person should make investments on a non-repatriation basis, subject to satisfaction of certain conditions.
- However, an NRI or PIO cannot invest in a proprietary concern, that is engaged in any agricultural or plantation, real estate business or print media sector, even on a non-repatriation basis.
- Furthermore, investments can be either made through inward remittance or out of a Non-resident External Account (NRE) or foreign currency on-resident (Bank) Account (FCNR) accounts maintained with authorized dealers or authorized banks.
- NRIs or PIOs can make investments and avail repatriation benefits after obtaining the approval of the RBI.
- Alternate Minimum Tax is applicable to sole proprietorship



Partnership

A partnership is defined as a relation between two or more persons in agreement to share the profits of a business conducted by them or any of them, who is acting for the others. The owners of a partnership business are individually known as partners and collectively as a firm. The main features of a partnership include the following:

- A partnership is easy to form, with less legal formalities and registration is not essential.
- A partnership should have a minimum of two partners, and the maximum number can be 10 in the banking sector and 20 in all other types of businesses. Furthermore, specific regulatory approvals are likely to be required in the case of partnership firm engaged in banking operations.
- A partnership firm has no separate legal existence of its own, i.e., the firm and its partners are considered a single entity in the eyes of the law.
- In the absence of any agreement to the contrary, all partners have the right to participate in the activities of the business.
- Ownership of property usually carries with it the right of management. Every partner, therefore, has a right to share in the management of such a business. The liability of the partners is unlimited. They are legally considered to be jointly and severally liable for the firm's liabilities. This means that creditors can recover their loans from the personal properties of individual partners if the assets and property owned by the firm are insufficient to meet its debts.
- There are restrictions on transfer of interest, i.e., partners cannot transfer their interest in the firm to any other person or persons (except to existing partners) without the unanimous consent of all the partners.
- A partnership firm has a limited span of life, i.e., it must be legally dissolved on the retirement, bankruptcy or death of any partner
- An NRI or PIO residing outside India is allowed to invest in a partnership organization in India. However, such investments should be made on a non-repatriable basis, subject to the satisfaction of certain conditions.
- However, NRIs or PIOs can make investments in a partnership firm with repatriation benefits after obtaining the approval of the RBI.
- An NRI or a PIO cannot invest in a partnership concern that is engaged in any agricultural or plantation or real estate business, or in the print media sector.
- Alternate Minimum Tax is applicable to partnership firms

Limited Liability Partnership (LLP)

Limited Liability Partnership (LLP) is an alternative corporate business vehicle that provides the benefits of limited liability of a company, but allows its members the flexibility of organizing their internal management on the basis of a mutually arrived agreement, as is the case in a partnership firm. Internationally, LLPs are the preferred vehicle of business, particularly for service industry or for activities involving professionals.



LLP is governed by the provisions of the Limited Liability Partnership Act 2008, the salient features of which are as follows:

- The LLP shall be a body corporate and a legal entity separate from its partners. Any two or more persons, associated for carrying on a lawful business with a view to profit, may by subscribing their names to an incorporation document and filing the same with the Registrar, form a Limited Liability Partnership. The LLP will have perpetual succession.
- The mutual rights and duties of partners of an LLP shall be governed by an agreement between partners or between the LLP and the partners subject to the provisions of the LLP Act 2008. The act provides flexibility to devise the agreement as per their choice.
- The LLP will be a separate legal entity, liable to the full extent of its assets, with the liability of the partners being limited to their agreed contribution in the LLP which may be of tangible or intangible nature or both tangible and intangible in nature. No partner would be liable on account of the independent or un-authorized actions of other partners or their misconduct. The liabilities of the LLP and partners who are found to have acted with intent to defraud creditors or for any fraudulent purpose shall be unlimited for all or any of the debts or other liabilities of the LLP.
- Every LLP shall have at least two partners and shall also have at least two individuals as Designated Partners, of whom at least one shall be resident in India. The duties and obligations of Designated Partners shall be as provided in the law.
- The LLP shall be under an obligation to maintain annual accounts reflecting true and fair view of its state of affairs. A statement of accounts and solvency shall be filed by every LLP with the Registrar every year. The accounts of LLPs shall also be audited, subject to any class of LLPs being exempted from this requirement by the Central Government.
- The Central Government has powers to investigate the affairs of an LLP, if required, by appointment of competent Inspector for the purpose.
- The compromise or arrangement including merger and amalgamation of LLPs shall be in accordance with the provisions of the LLP Act 2008.
- A firm, private company or an unlisted public company is allowed to be converted into LLP in accordance with the provisions of the Act.
- The Indian Partnership Act, 1932 shall not be applicable to Limited Liability Partnerships.



1 Deciding the Designated Partners

- At least two persons (one of them shall be a resident in India) are required to form an LLP. If both the entities are body corporate, then two individuals also needed to be designated as Designated Partners

2 Obtaining Digital Signature Certificate (DSC)

- Individuals to be appointed as designated partners are required to have Digital Signatures as per the IT Act 2000

3 Obtaining Director Identification Number (DIN)

- Every Individuals decided to be appointed as Designated Partner required to have DIN. The application for obtaining is to be made in E-Form DIR-3 through online portal of Ministry of Corporate Affairs (MCA)

4 Filing of Name Availability Form

- After evaluating the selected proposed name of the LLP under the prescribed parameters an application, e-Form 1, through the portal of MCA is to be made for reserving of the desired name.
- Details of minimum two Designated Partners of the proposed LLP, one of them must be a resident of India, is required to be filled in the application for reservation of the name. In case any body corporate is a partner, copy of the Board Resolution of the body corporate authorizing the incorporation of LLP shall be attached.

5 Filing of Incorporation Documents

- **Filing of incorporation E-Form 2:** Incorporation Document through online portal of Ministry of Corporate Affairs with prescribed fee, based on the total monetary value of contribution of partners, has also to be paid. Consent of partners and declaration from partners etc.
- This is an informative document setting down the details of LLP, its partners including Designated Partners, amount of their contribution (subscription sheet), consent for forming a LLP and to become partner and designated partner in LLP and declaration stating that all the requirements of LLP Act have been complied with has to be filed.
- The partners are required to subscribe their names along with signatures to the subscription sheet in their own handwriting, which shall be witnessed by any chartered accountant/company secretary/advocate in practice. In case the subscription sheet is executed outside India, than it must be notarized and apostilled/consularised.

6 Certificate of Incorporation

- After the Registrar of LLP is satisfied that all the formalities with respect to the incorporation has been complied with, he will issue a Certificate of Incorporation of the LLP. The Certificate of Incorporation issued online shall be the conclusive evidence of formation of the LLP.

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Repatriation of Funds and Remitting Profits

Repatriation of Funds

Dividend

- Profit and dividend earned from an Indian entity are repatriable after payment of dividend distribution tax (DDT). DDT @ 16.995% (inclusive of cess) is payable by the company (that declares dividend) on the amount of dividend distributed.
- However, dividend is free of Indian income tax in the hands of the recipient shareholders, Indian or foreign. Profit of LLP is flow-through and repatriable without payment of any taxes and without any regulatory approval.

Buyback of Share

- Profit earned from an Indian company can be repatriated along with capital by way of buyback of shares after paying buy back tax @ 20% on profits distributed by companies to shareholders through buyback of shares.
- Such a tax is not applicable if the company concerned is a widely held company having substantial public interest (i.e. a listed company or a subsidiary thereof etc.)

Reduction of Capital

- Surplus capital of Indian company could be reduced in lieu of cash payment to the shareholders. Such a payment, however, attracts dividend distribution tax to the extent of accumulated profits (whether capitalized or not).
- Repayment over and above accumulated profits is subject to capital gains tax, subject of course to Double Taxation Avoidance Agreement, where applicable.

Royalty & Fees for Technical Services

- Rate of tax on royalty and fees for technical services for non-resident tax payers under the Income-tax Act is 25% in respect of agreements entered into after March 31, 1976.
- Non-residents can continue to themselves avail of lower tax rates under the Double Taxation Avoidance Agreement, where applicable. Tax treaties such as those with Netherlands and Singapore prescribe for a lower tax withholding of 10%.

Consultancy Services

- Remittance of up to US\$ 1m per project for any consultancy service procured from outside India can be made without prior RBI approval.
- Limit for entities in the power, telecommunications, railways, roads including bridges, sea ports and airports, industrial parks, urban infrastructure (water supply, sanitation and sewage projects) sector, is extended to US\$ 10m per project.

Pre-incorporation expenses

- No RBI approval is required for remittance up to 5% of the investment in Country, on the reimbursement of pre-incorporation expenses incurred in India amounting or US\$ 0.1m, whichever is higher, on the basis of certification from statutory auditors and on the basis of some basic documentation.



Other remittances

- No prior approval is required to remit profits earned by Indian branches of companies (other than banks) incorporated outside India to their head offices outside the country.
- In addition, sundry remittances are allowed for certain items, including gifts, repair charges for imported machinery, maintenance and legal expenses, subject to prescribed limits.
- Other remittances include:
 - o Sundry Remittances,
 - o Advertisements abroad or on Internet,
 - o Remittance of magazine subscription by recognized agents,
 - o Remittances towards Legacies, Bequests or Inheritances,
 - o Payment of Freight in Foreign Currency by Indian Exporters/ Importers to Airline/Shipping Companies or their Agents in India,
 - o Bids in Foreign Currency for Projects to be executed in India,
 - o Sale of Overseas Telephone Cards,
 - o Commission to Overseas Agents on securing Advertisements for Indian newspapers/ periodicals, etc.,
 - o Advance Remittances for Transactions other than Imports.

Remitting Profits from India

Procedures & Regulations for Foreign Businesses: Before any investments in India, it is very important for foreign companies to know how they will repatriate their profits from India. Even though there are fewer restrictions on remitting profits than on remitting personal income, there are still many procedures that are contingent on an entity's investment model. International companies in India operate through:

- Liaison Office
- Project Office
- Branch Office Or
- Wholly Owned Subsidiary (WOS)

Liaison Offices

- This type of offices are only meant to promote the parent company's business interests, spread awareness of the company's products or explore further opportunities for business.
- They are not allowed to commence any business activities and thus cannot earn any income in India. Expenses must be met entirely through inward remittance of foreign exchange from the Head Office outside India. Therefore, no money can be repatriated from a Liaison Office.

Project Offices

- Project offices are established to carry out specific projects in India. They can only undertake activities related to execution of the specified project. Project Offices can remit outside India a surplus upon completion of the project.
- They are not allowed to commence any business activities and thus cannot earn any income in India.
- Expenses must be met entirely through inward remittance of foreign exchange from the Head Office outside India. Therefore, no money can be repatriated from a Liaison Office.



Branch Offices

- Local offices are often used by foreign companies engaged in manufacturing and trading activities in India. They are allowed to represent the parent company, but have limited operational capacity. Prominent operations not allowed by branch offices include retail trading activities and manufacturing or processing activities.
- All investments and profits earned by branches of a foreign company are repatriable after taxes are paid, but there are two uncommon exceptions. First is that certain sectors are subject to special conditions, such as defense.
- For these sectors, there will be a lock-in period where companies have to wait for permission to be granted by the Indian government. The second exception is only when non-resident Indians (NRIs) specifically choose to invest under non-repatriable schemes.

According to sections 11C.1 and 11C.2 of RBI's Exchange Control Manual, application for remittance of profits by branches of foreign companies requires the following documents:

- Certified copies of audited Balance Sheet and P&L Account statement for the year to which the profit relates
- Certificate from auditors covering how the remittable amount was calculated; confirmation that entire income of the branch office had accrued from sources in India; and confirmation that the requirements of the Companies Act, 1956, have all been met
- Certificate from auditors citing RBI's approval number and date, to the effect that the branch office has carried on business in compliance with approval granted by RBI
- Certificate from auditors that shows sufficient funds have been set aside to meet all Indian tax liabilities, or that these liabilities have already been met
- Declaration from applicant that profits sought for remittance are purely earned in the normal course of business and do not include profits from any other source

Authorized dealers will scrutinize the documents to make sure that the income is derived from RBI-approved activities, and that calculations of the amount sought to be remitted are correct. An authorized dealer is a bank specifically authorized by the Reserve Bank under Section 10(1) of FEMA to deal in foreign exchange. Most large international banks are authorized dealers.

Remittances of winding-up proceeds of a Branch Office are also permitted, but they are subject to prescribed procedures and the submission of the following documents:

- Tax clearance certificate from Income Tax Department for the remittance
- Auditor's certificate confirming that all liabilities in India have been either fully paid or adequately provided for
- Auditor's certificate to the effect that the winding up is in accordance with provisions of the Companies Act, 1956
- In case of winding up otherwise than by a court, an auditor's certificate stating that there are no legal proceedings pending against the applicant or the company under liquidation, and that there is no legal obstruction in permitting the remittance



Wholly Owned Subsidiaries (WOS)

WOS in India have independent legal status distinct from the parent foreign company. Foreign entities with long term business objectives often choose to establish their presence with a WOS because it provides longevity, flexibility and a stronger legal foundation to do business in India.

The two ways of repatriating profits from a WOS in India are:

- Payout of Profits as Dividends
- Buyback of Shares by the Company

Dividends are freely repatriable without any restrictions as long as taxes are paid, notably the Dividend Distribution Tax (DDT). Tax credit or tax relief is not applicable for the DDT or for repatriation of dividends. No authorization of the Reserve Bank of India (RBI) is needed but the remittance needs to be done through an Authorized Dealer (Authorized Bank).

There is a limited list of 22 consumer goods industries where repatriation of dividends is subject to several requirements most notably that dividends must balance against export earnings for a period of 7 years from beginning of production. The list includes manufacturing of food products, coffee, soft drinks and others. Dividend balancing is not required beyond the seven year period.

Notable point is that profits can be repatriated in the middle of the year with interim dividends after the DDT is paid. However, if using interim dividends, the company must have enough reserve profits to pay the dividend and enough money to pay taxes in India. If at the end of the year that turns out not to be possible, the directors may be made personally liable and be penalized, as a mistake on their part to declare interim dividends on wrong judgment.

Profit can also be repatriated along with capital through buyback of shares as long as a buy back tax of 20% is paid on profits distributed by companies to shareholders. The tax is not valid if the company concerned is a publicly listed company or a subsidiary of a publicly listed company.



Foreign Nationals in India

Visa Requirements in India

Foreign Nationals visiting India are required to possess a genuine and valid national passport or any other internationally recognized travel document which establishes his/her nationality and identity and bearing a photograph of the foreigner.

There are different categories of Visas with specific endorsement issued by India to the visiting foreigners. The endorsements include the number of entries allowed and the duration of stay in India depending upon the request and the subsequent decision of the Visa issuing authority. In case of any doubt, they may seek clarification from any of a Indian Missions abroad.

Work Related Visa

Under Work Visa's, India issues two types of visas to foreigners:

- Business Visa designated as 'B' Visa
- Employment Visa designated as 'E' Visa

Business visa (B): Business visa is given strictly to those who make business related trips to India such as making sales for industrial / commercial products or consumer goods or establishing contact on behalf of the company outside India.

Conditions for getting Business Visa

A foreigner is granted B Visa if he satisfies the following conditions:

- The applicant should be a person of assured financial standing and has expertise in the field of the intended business.
- The applicant is not visiting India for the business of money lending or petty trading or for a full time employment in India including payment of salary in India.
- The applicant will have to comply with all other requirements like payment of tax liabilities etc.
- The grant of Business Visa is subject to any instructions issued by the Government of India on the basis of reciprocity with other foreign countries from time to time.

Duration and Validity: Business Visa can be granted by Indian Missions/Posts with validity up to 5 years or shorter duration to foreign business persons as per their requirement to set up industrial/business venture or to buy or sell industrial/commercial products. The period of stay in India for such foreigners for each visit is limited to 6 months. The foreign nationals who have set up or intend to set up a joint venture in India can also avail a multiple entry visa which can be valid up-to 10 years.

Fee for Business Visa: The fee for Business visa is different both country to country. Embassys charge. Visa fees also based on the visa duration from 1 year to 5 years or 10 years with multiple entry.

Contact Office and Form Requirement: An foreign nationals intending to visit India are required to fill online visa application by visiting website <http://indianvisaonline.gov.in/visa/> and visit their nearest embassy with printout of the online filled application and required travel documents.



Documents for Availing 'B' visa

- Passport with 6 month validity
- Passport size photographs
- Photo copy of passport
- Copy of online filled form
- Sponsor letter
 - o From organization in India
 - o Parent company abroad
- Proof of financial standing and expertise in field of intended business.

Employment Visa (E): Employment visas (E) are issued to foreign nationals who are working in India, for an organization registered in India. The validity of Employment visa is usually one year, or till the term of the contract. It can also be extended in India.

Conditions for getting Employment Visa

The Employment visa can be granted to following categories of foreign nationals:

- Foreign nationals coming to India as consultant on contract for whom the Indian Company pays fixed remuneration (this may not be in the form of a monthly salary).
- Foreign artists engaged to conduct regular performances for the duration of the employment contract given by Hotels, Clubs or other organizations.
- Foreign nationals who are coming to India to take up employment as coaches of national/state level teams or reputed sports clubs.
- Foreign sportsmen who are given a contract for a specified period by Indian Clubs/Organizations.
- Self-employed foreign nationals coming to India for providing Engineering, Medical, Accounting, Legal or such other highly skilled services in their capacity as independent consultants provided the provision of such services is permitted under law.
- Foreign language teachers/interpreters.
- Foreign specialist chefs.
- Foreign nationals deputed for providing technical support/services transfer of know-how/services for which the Indian company pays fee/royalty to the foreign company.
- Senior management personnel and/or specialists employed by foreign firms who are relocated to India to work on specific project/management assignments.

The Employment visa applicant should satisfy the following condition in order to be considered for grant of visa:

- The applicant should be a highly skilled and/or qualified professional being engaged or appointed by a company/organization/industry/undertaking in India on contract or an employment basis at a senior level, skilled position such as technical expert, senior executive, or in a managerial position etc.
- The Employment visa can't be granted for routine, ordinary or secretarial/clerical jobs.



- The employee's salary must be in excess of U.S. \$25,000 per year. However, this condition of annual floor limit on income will not apply to:
 - o Ethnic cooks
 - o Language teachers other than English language teachers) / translators
 - o Staff working for the concerned Embassy/High Commission in India
- The foreign national must comply with all legal requirements like payment of tax liabilities etc.
- The Employment Visa must be issued from the country of origin or from the country of domicile of the foreigner provided the period of permanent residence of the applicant in that particular country is more than 2 years.

Duration and Validity: Embassy/Consulate may grant employment visa, with validity of one year irrespective of the contract. This can be extended further from MHA/FRRO in the concerned state in India. The duration of Employment visa starts from the day of issuance only and not from the day of entry in India.

Foreign technician may get visa for period of five years or the bilateral agreement between Indian and foreign government whichever is less with multiple entries.

A highly skilled IT person can avail visa with multiple entry option valid upto 3 years. Others can get visa with validity of two years with multiple entries.

Fee for Employment Visa: Visa fees for Employment visa is different for all the country's an Embassy is in charge. Visa fees are also dependent on the visa duration from 1 year to 5 years.

Contact Office and Form Requirement: The Employment visa applicants are required to fill online visa application by visiting website <http://indianvisaonline.gov.in/visa> and visit their nearest embassy with printout of the online filled application and required travel documents.

Documents for Availing 'E' visa

- Passport with 6 month validity
- Passport size photographs
- Photo copy of passport
- Copy of online filled form
- Appointment letter
- Contract letter
- Resume of applicant
- Organization registration
- Tax liability letter
- Project details
- Sponsor letter from organization in India
- Justification letter from employer



Residential Permit

Registration of Foreigners: All foreigners (including foreigners of Indian origin) who intend to visit India on a long term (more than 180 days) Student Visa, Medical Visa, Research Visa and Employment Visa are required to get themselves registered over the place where the foreigner intends to stay. The registration is done at the Foreigners Regional Registration Officer (FRRO)/Foreigners Registration Officer (FRO) concerned having jurisdiction over that place, within 14 days of arrival in India.

All other foreigners will not be required to get themselves registered, even if they have entered India on a long term visa if their continuous stay in India does not exceed 180 days. However, if they intend to stay in India for more than 180 days, registration is required well before the expiry of 180 days from the date of arrival with the FRRO/FRO concerned.

All foreign nationals (including minors above 16 years of age) have to report to the appropriate Registration Officer for registration in person or through their authorized representative. No registration is required for children below the age of 16 years.

Residential Permit: Residential permit is issued to every foreigner at the time of registration which is valid till the period of stay specified in the visa. Extension of permit can be obtained through application for extension of the Residential Permit made at least two months before its expiry to the nearest Registration Officer.

Prohibition and Restrictions on Places to Visit: No foreign national is allowed to visit or reside in any prohibited/ restricted place without the permission of the jurisdictional authority. For a visit to a Protected / Restricted Area/ Cantonment Area, the foreign national must obtain a prior permission of the competent authority.

Protected Areas

- Parts of State of Manipur
- Parts of State of Mizoram
- Parts of State of Arunachal Pradesh
- Whole of State of Nagaland
- Whole of State of Sikkim
- Parts of State of Uttaranchal.
- Parts of State of Jammu and Kashmir.
- Parts of State of Rajasthan.
- Parts of State of Himachal Pradesh.

Restricted Areas

- Whole of Union Territory of Andaman and Nicobar Islands
- Part of the state of Sikkim

Power to issue permit to foreigners for visiting Restricted / Protected areas vests with the Ministry of Home Affairs. However, Foreigners Regional Registration Officers (FRROs) have been delegated powers to grant permission for some specified areas in some specific conditions.



Other Immigration Matters

Entering into India: Immigration check is conducted for all passengers, Indians or foreigners, both at the time of arrival and departure.

The passports are duly stamped at time of arrival as well as departure. Passengers should be careful to see that their passports are duly stamped before leaving the immigration counter. Foreigners arriving in India are required to fill Arrival Cards only while Indians have to fill Departure Cards at the time of Departure. The following information is required to be provided by the passengers in these cards:

- Name
- Date of Birth
- Passport Number
- Address in India
- Flight Number, Date of Arrival / Date of Boarding

Foreigners Holding Person of Indian Origin (PIO) Cards

The foreigners holding PIO cards are allowed entry into India if valid PIO card is presented along with the valid new foreign passport issued in lieu of the passport endorsed on the PIO card. However the foreigners are advised to have necessary endorsement of the new passport from the competent authority on their PIO cards to avoid any inconvenience.

Overseas Citizen of India (OCI)

Persons who are carrying old cancelled passports having Life Long Indian “U” Visa Sticker affixed on it along with new passport are allowed entry into India. Even if the OCI card holder acquires nationality of a different country, except that of Pakistan and Bangladesh, he/she is also allowed entry into India if, he/she is carrying his/her old passport having Life Long Indian “U” Visa sticker pasted on it along with the new passport of the recently acquired nationality.

Regulations applicable to foreigners in India

The extant Acts which are guiding and monitoring the entry, stay and exit of foreign nationals in the country are:

- Passport (Entry into India) Act, 1920: Under this Act and the Rules made under this Act, the foreigners coming to India are required to get visa from Indian Missions/ Posts
- Foreigners Act, 1946: It regulates the entry of foreigners into India, their presence therein and their departure from India
- Registration of Foreigners Act, 1939: It mandates that certain categories of foreigners who intend to stay in India for more than the specified period, or as provided in their visa authorization, are required to get them registered with the Registration Officer.



Authorities for Registration of Foreigners

The authorities concerned with registration etc. of a foreigner in India are Foreigners Regional Registration Officers (FRROs) at Kolkata, Mumbai, New Delhi, Chennai, Amritsar, Bangalore and Hyderabad, and the District Superintendents of Police in all other districts.

Online Registration by the Foreigners

Online application can be filed by a foreigner online from the website <http://indianvisaonline.gov.in/frro/> for availing visa services in the office of FRRO, Delhi.

The process for application is as follows:

- Applicant shall select the Online Registration option from the main menu. The online application form will be displayed automatically.
- Fill the online registration form and schedule the appointment in the FRRO before the visit. Once the application form is filled and submitted, a unique Registration number will be generated by the system.
- The applicant is advised to keep the Registration number as the same number will be used for any further modifications in the details submitted online and during his/her visit at the FRRO.
- Once the appointment is scheduled successfully, a Pdf. File (filled application) will be generated by the system. Applicant is required to take the print out of the application and the requisite supporting documents for interview at the registration office.



Taxation and Legal



TAXATION, IMPORT/EXPORTS AND LEGAL

Taxation in India

Overall Tax Structure

Tax structure in India is divided into Direct and Indirect Taxes, with shared responsibility of authorities of Central and State Governments and local bodies

At the Central Level, two bodies under Department of Revenue, Ministry of Finance govern the taxation:

- Central Board of Direct Taxes (CBDT) - Responsible for all the Direct taxes in the country
- Central Board of Excise and Customs (CBEC) - Looks after taxes relating to Customs, Central Excise, Service Tax

Direct Taxes

Corporate Tax (Central Tax)

Minimum Alternative Tax
Fringe Benefit Tax
Dividend Distribution Tax

Capital Gain Tax

Income Tax (Central Tax)

Individuals
Companies

Gift Tax

Indirect Taxes

Export Duty

Central Tax

Service Tax

Central Sales Tax

State Tax

Custom Duty

Central Tax

Excise Duty

Central Tax

Value Added Tax

State Tax

Corporate Taxation in India

- Corporate tax is a tax imposed on the net income of the company. Companies, both private and public which are registered in India under the Companies Act 1956, are liable to pay corporate tax.
- Domestic companies are taxed at the rate of 30% while for foreign firms, tax rate is 40%
- Additional Surcharge is levied based on the annual income of the company

Description	Total income Upto INR 10Million		Total income Between INR 10 million to INR 100million		Total income above INR 100Million	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Tax Rate (%)	30*	40	30*	40	30*	40
Surcharge (%)	Nil	Nil	7	2	12	5
Education Cess (%)	3	3	3	3	3	3
Effective Rate (%)	30.9	41.2	33.06	42.02	34.61	43.26



1 Minimum Alternate Tax (MAT)

As per Indian tax law, MAT is paid by corporations on the basis of profits disclosed in their financial statements. In cases where the tax payable according to regular tax provisions is less than 18.5% of their book profits, corporations must pay 18.5% (plus surcharges and cess as applicable) of their book profits as tax. The tax credit is allowed to be carried forward for 10 years and set off against income tax payable under the normal provisions of the IT Act to the extent of the difference between tax according to normal provisions and tax according to MAT.

2 Dividend Distribution Tax (DDT)

Dividend distribution tax is levied on companies according to the dividend paid by the company to its investors. At present the dividend distribution tax is 15%. This tax is paid out of the profits/reserves of the company declaring the dividend. Additional surcharge of 12% on DDT and education cess of 3% is levied

3 Fringe Benefit Tax (FBT)

Fringe Benefit Tax (FBT) is an additional income tax payable by the employers on value of fringe benefits provided to the employees. Fringe Benefits are defined as any privilege, service, facility or amenity directly or indirectly provided by an employer to his employees (including former employees) by reason of their employment and includes expenses or payments on certain specified heads.



Key Indirect Taxes in India

Duty/Tax	Stage of Application	Rates
Customs Duty	Import of Goods in India.	Rate varies from product to product depending on HS code of product.
Excise Duty	Manufacturing Activities in India	Standard rate: 12.36%
Value Added Tax (VAT)	Sale of Goods within a State	It varies from state to state and tax rate varies from 4% to 14.5%.
Central Sales Tax (CST)	Sale of Goods from one state to another state. Not applicable if goods are transferred from one branch to another branch.	2% if sale is made to a registered dealer. VAT rate - if sale is made to an un-registered dealer
Service Tax: Provisioning of services.	It may also be applicable if services are received under reverse charge mechanism. Few services covered under reverse charge mechanism are transportation services, import of services etc.	Standard rate: 12.36%
Octroi	Entry of goods in notified areas in state of Maharashtra. It is payable by the Person causing entry of goods into a local area.	Rate varies from product to product depending on HS code of product.
Entry Tax: Entry of goods within municipal limits of specified states	The said tax is payable by the Person causing entry of goods into municipal limits. Entry tax is applicable in the following states: Maharashtra, Karnataka, Rajasthan, Andhra Pradesh, Gujarat, Uttar Pradesh, West Bengal, Punjab, Orissa, Madhya Pradesh, Uttarakhand, Chhattisgarh, Bihar, Assam.	Varies from product to product and state to state.
Export Duty	Export of Goods - In order to encourage export there is export duty on very few products like luggage leather, hides, skins and leather, Iron ores and concentrates etc.	Rate varies from product to product



An Introduction to GST

The GST is an indirect tax that brings most of the taxes imposed on most goods and services, on manufacture, sale and consumption of goods and services, under a single domain at the national level. Internationally, many countries such as Australia, France, Canada, Germany, Japan, Singapore, New Zealand etc have an established GST structure in place and India is soon to join the league.

Under the present tax system in India, taxes are levied separately on goods and services. The GST is a consolidated tax based on a uniform rate of tax fixed for both goods and services and it is payable at the final point of consumption. At each stage of sale or purchase in the supply chain, this tax is collected on value-added goods and services, through a tax credit mechanism.

Under the new GST structure, 3 sub taxes emerge replacing the earlier present taxes:

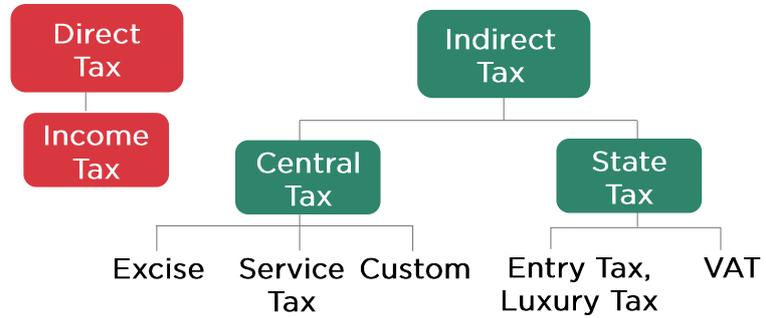
- a. CGST: CGST means Central Goods and Service Tax. CGST is a part of goods and service tax. Taxes collected under Central Goods and Service tax will be the revenue for central Government. Present Central taxes like Central excise duty, Additional Excise duty, Special Excise Duty, Central Sales Tax, Service Tax etc. will be subsumed under Central Goods And Service Tax.
- b. SGST: SGST means State Goods and Service Tax. A collection of SGST will be the revenue for State Government. After the introduction of SGST all the state taxes like Value Added Tax, Entertainment Tax, Luxury Tax, Entry Tax etc. will be merged under SGST. For example, if goods are sold or services are provided within the State then SGST will be levied on such transaction.
- c. IGST: IGST means Integrated Goods and Service Tax. Revenue collected from IGST will be divided between Central Government and State Government as per the rates specified by the Government. IGST will be charged on transfer of goods and services from one state to another state. Import of Goods and Services will also be deemed to be covered under Inter state transactions so IGST will be levied on such transactions. For example, if Goods or services are transferred from Rajasthan to Maharashtra then the transaction will attract IGST.

The GST tax structure is proposed to have 4 slabs having tax rates: 5%, 12%, 18% and 28%. The 5% slab is for essential items and the 28% slab for luxury goods. The 12% and 18% slabs are proposed to be the standard tax rates applicable on most of the products and services. Also, around 80 items are likely to be exempted under the proposed goods and services tax (GST), including grains, green coconut, poha, unprocessed green tea leaves, and non-mineral water.



Existing Taxation Structure

Current Tax Structure



Sample Duty Calculation for Goods manufactured in India: HS Code: 85299090

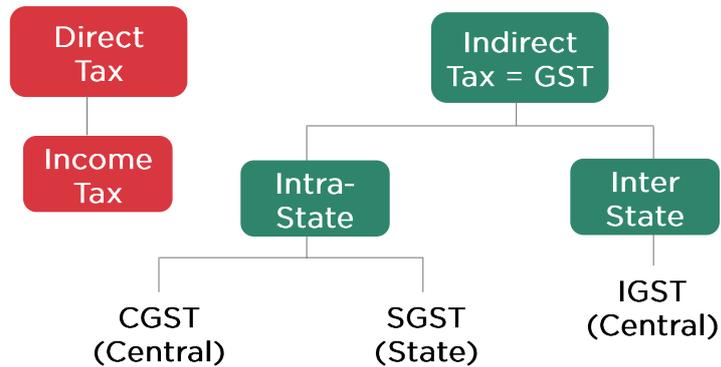
Duty Calculation	Rate	Value	Applicable Duties
Ex Works Value		100.0	Excise Duty 12.50%
Excise Duty	12.5%	12.5	VAT 14.5% (Karnataka State)
Sub-total		112.5	Total 28.8%
VAT	14.5%	16.3	
Final price to customer		128.8	

Sample Duty Calculation for Goods Imported in India: HS Code: 85299090

Duty Calculation	Rate	Value	Applicable Duties
CIF Value		100.00	Custom Duty 10%
Assessable Value (add 1% to CIF insurance charges)	0%	100.00	Countervailing Duty (CVD) 12.50%
Basic Customs Duty	10.0%	10.00	Additional CVD (ACD) 4%
Sub-Total for Calculating CVD		110.00	Cess 3%
CVD	12.5%	13.75	Total Duty 29.44%
Sub-total for calculating Education Cess on Customs		23.75	
Total Cess on Customs	3.0%	0.71	
Sub-total for ACD		124.46	
Additional CVD	4.0%	4.98	
Landed Cost		129.44	



Taxation Structure post implementation of GST (1st July 2017 proposed)



Sample Duty Calculation for Goods manufactured in India

Duty Calculation	Rate	Value
Ex Works Value		100.0
CGST	9.0%	9.0
SGST	9.0%	9.0
Sub-total Duty		18.0
Final price to customer		118.0

Assumed GST rates for calculation

CGST	9.0%
SGST	9.0%
Total	18.0%

Sample Duty Calculation for Goods Imported in India

Duty Calculation	Rate	Value
CIF Value		100.00
Basic Customs Duty	10.0%	10.00
Sub-Total for GST		110.00
CGST	6.0%	6.60
SGST	6.0%	6.60
Sub-total Duty		13.20
Landed Cost		123.20

Assumed GST rates for calculation

CGST	6.0%
SGST	6.0%
Total	12.0%

The Goods and Services Tax (GST) implementation came a step closer on 29th March 2017 to meet its July 1 target of rollout with the Lok Sabha passing all four bills: Central GST, Integrated GST Bills, Union Territory GST and the GST (Compensation to the States) Bill 2017.

It is expected to check tax evasion along with boosting the GDP growth by about 2 per cent. The GST council will now decide the detailed rules for the single GST tax and rates of individual goods and the states will also present the state GST Bills in their respective assemblies.

The government is also setting up specific working groups to address the issues faced by various industry sectors to ensure smooth transition to the new regime.

The tax collected through GST will be allocated equally between the Centre and the states. GST will not apply to the state of Jammu and Kashmir.



Customs Duty in India

The Custom Duty rates are decided and controlled by the Central Board of Excise and Customs (CBEC). Customs duty is levied on import of goods into India and is typically payable by the importer. The applicable customs duty varies from product to product based on the HS codes.

Components of Customs Duty:

- Basic customs duty (BCD)
- Additional customs duty (CVD) – in lieu of excise duty
- Education cess/secondary and higher education cess
- Special additional customs duty (SAD)
- CVD paid on the import of goods is allowed as credit against the output excise/ service tax liability, subject to conditions
- SAD paid on the import of goods is allowed as credit only to a manufacturer against the output excise duty and not to an output service provider or a trader of goods, subject to conditions

Customs Duty – Price Built Up (Example)

Part A: Estimation of Assessable Value for calculation of Custom Duty

Particulars	%	Amount
Free on Board (FOB*) Value of imported goods		100*
Add: Freight & Insurance charges incurred up to Indian Customs	If insurance amount is not known, it is taken as 1.125%	10
Add: Certain Items (if not included in invoice value)**		0
Cost including Insurance & Freight (CIF Value) '(A+B+C)'		110
Add: Landing Charges @ 1% of D	1%	1.1
Assessable Value for calculation of Customs Duty (D+E)		112.2

* FOB value taken as 100 for Sample calculation purpose

Part B: Sample calculation of Custom Duty

Product Category: Polypropylene Film HS Code: 3920 20 20*	Duty %	Duty Amount	Total Value
Assessable Value			100*
Basic Customs Duty (10% of 'A')	10.0%	10.00	10
Sub-Total for calculating Counter-Veiling Duty '(A+B)'			110
Counter-Veiling Duty (CVD) @ 12.5% of 'C'	12.5%	13.75	13.75
Sub-total for education cess on customs 'B+D'			23.75
Education Cess of Customs - 2% of 'E'	2.0%	0.47	0.47
Secondary Higher Education Cess of Customs - 1% of 'E'	1.0%	0.23	0.23
Sub-total for Special CVD 'C+D+F+G'			124.46
Special CVD - % of 'H'	4.0%	4.97	4.97
TOTAL LANDED COST		29.44	129.44

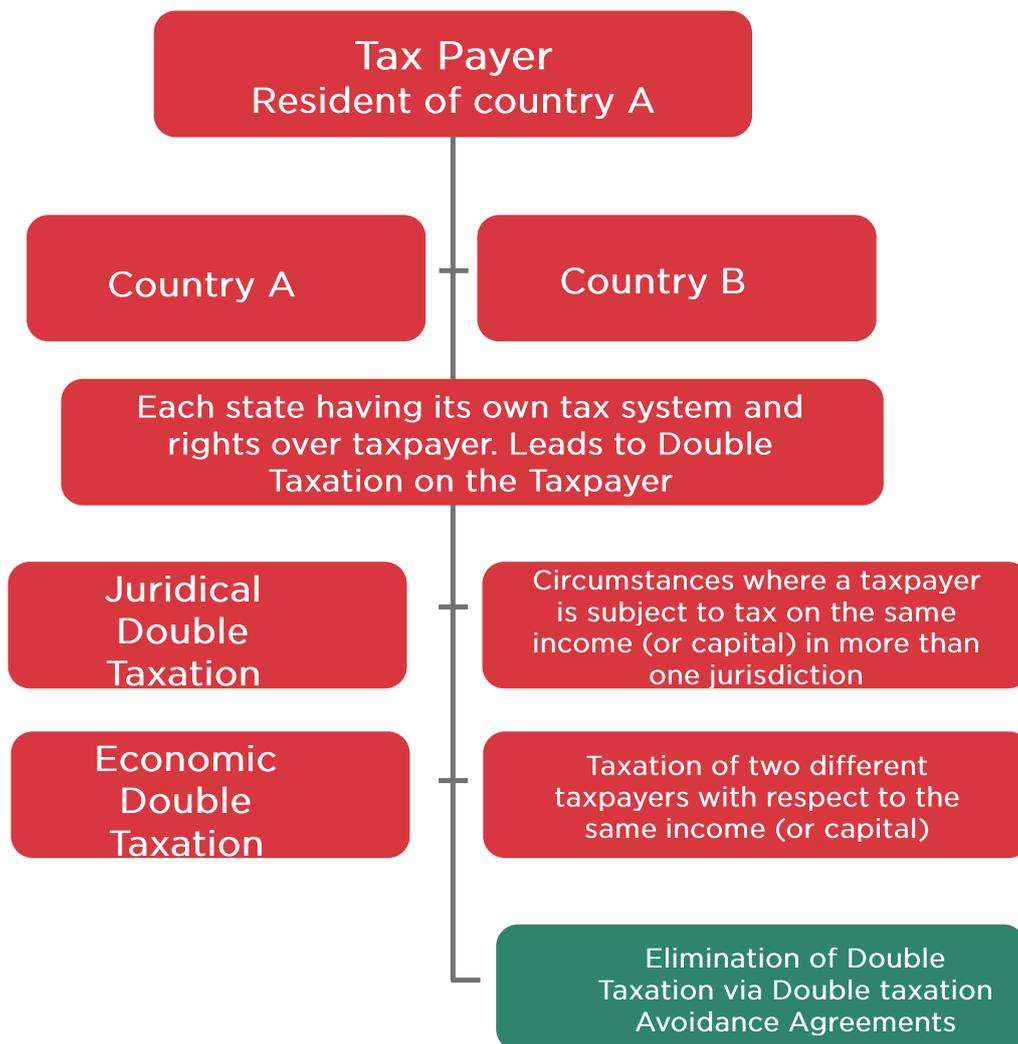
* Assessable value taken as 100 for Sample calculation purpose



Double Taxation Avoidance Agreement (DTAA)

Under the Double Taxation Avoidance Agreement (DTAA) the provisions of the IT Act or the DTAA, whichever is more beneficial will apply and, accordingly, the taxability is likely to be restricted or modified. However, in order to be eligible for DTAA benefits, a non- resident is required to obtain valid TRC containing prescribed details and also file a self-declaration in Form 10F, where required. (Form 10F can be found at <http://www.incometaxindia.gov.in/Forms>)

Relevance of DTAA





The agreement on Avoidance of Double Taxation and the Prevention of Fiscal Evasion between the Government of the Republic of India and the Government of the Republic of Italy entered into force in 1995. The taxes covered under the agreement are:

For India

- The Income-tax including any surcharge thereon ;
- the surtax

For Italy

- Personal income-tax ;
- Corporate income-tax ; and
- Local income-tax

Key Benefits of DTAA

The basic benefit includes not having to pay double taxes on the same income. Apart from this,

- o Lower Withholding Tax (Tax Deduction at Source or TDS)
- o Tax credits
- o Exemption from taxes
- o DTAA agreements with various countries are to minimize the opportunity for tax evasion for tax payers in either or both of the countries between which the bilateral/multilateral DTAA agreement have been signed.
- o Lower withholding tax is a plus for taxpayers as they can pay lower TDS on their interest, royalty or dividend incomes in India, while some agreements provide for tax credits in the source or country of operations so that taxpayers don't pay the same tax twice.

Every person receiving any sum or income or amount from which tax has been deducted, shall intimate his permanent account number to the person responsible for deducting such tax. If a person referred shall intimate the General Index Register Number till such time permanent account number is allotted to such person.

Tax Residency Certificate: Indian Government issues tax residency certificate guidelines for tax residents and non-residents. In the Finance Act 2012, the Indian Government made it mandatory for non-residents to produce a tax residency certificate (TRC) from the home country revenue authority when seeking to avail themselves of tax treaty benefits. The requirement is with respect to income arising from the Indian fiscal year ending on March 31, 2013 and subsequent years.

The format of the TRC was to be prescribed by the Indian Revenue. The Indian Government has now issued guidelines on the format of a TRC for non-residents. In addition, the Indian Government has also issued guidelines for a TRC if required by any Indian tax resident.

Significance of Tax Residence Certificate for claiming benefits under DTAA

- o Granting relief in respect of avoidance of double taxation
- o Exchange of Information
- o Recovery of Taxes



Relief under provision of DTAA

- Bilateral relief- Where countries have entered into Double Taxation avoidance Agreement with each other
 - o For granting of relief in respect of income on which tax is paid in both countries
 - o For avoidance of double taxation
 - o For exchange of information for the prevention of evasion of income tax
 - o For recovery of income tax
- Unilateral relief- If there is no agreement between countries, country of residence itself provides the relief.
 - o If a resident of India proves that his income accrued or arose outside India and he has paid tax on the same outside India and that country has no arrangement with India then he shall be entitled to deduction from Indian Income Tax payable by him of a sum calculated on such double taxed income at the Indian rate of tax or the rate of tax of the said country, whichever is lower.

Concept of Permanent Establishment: The primary use of the PE concept is to determine the right of a country to tax the profits of an enterprise of another country. In short, PE is a term defined in tax conventions to determine when a non-resident is taxable in a source country. It defines the requisite level of nexus in a country to support taxation of income at source.

With the globalization of world economies, the concept of Permanent Establishment (PE) has gained significant magnitude both in India and worldwide due to its direct impact on the tax revenue generated by a Country. The PE concept is a measuring tool to determine the right of a country to tax the profits of an enterprise which is a resident of another country and is generally used in parlance of cross border business and taxability of the income generated.

PE may be defined as a fixed place of business through which activities of an organization are wholly or partially carried on. This fixed place of business should be the place of business of the foreign entity itself (at the disposal of such foreign entity) and not the local entity. Thus the maintenance of fixed place of business only for preparatory and auxiliary activities has been specifically excluded from the definition of PE. However the definition of permanent establishment differs in each tax treaty.

Types of Permanent Establishment: Even though the basic concept of PE revolves around the fixed place of business, it may also extend to include an agent who is legally separate from an enterprise and also rendering of services in India by a foreign entity. The Double Taxation Avoidance Agreements entered into by India recognizes the following main types of PE for a foreign enterprise in India

- o Fixed Place PE
- o Agency PE
- o Service PE



In order to determine the type of permanent establishment, the transaction has to be classified within any of the below mentioned requisites:

1 Fixed Place PE

- Fixed place of business
- Business of the foreign enterprise is wholly or partly carried on through such place
- Degree of permanence

2 Agency PE

- Authority to conclude contracts on behalf of Foreign enterprises
- Secures orders wholly or almost wholly on behalf of foreign enterprise
- Regularly delivers goods from the stock of good maintained.

3 Service PE

- Foreign enterprise furnishes or performs services in India other than included services i.e. royalties and fees for technical services.
- Through employees or other personnel for specified period.

The term “Permanent Establishment” under India-Italy ‘Avoidance of Double Taxation and the Prevention of Fiscal Evasion’ includes:

- o a place of management; a branch; an office; a factory; a workshop; sales outlet;
- o warehouse in relation to a person providing storage facilities for others;
- o a farm, plantation or other place where agricultural, forestry, plantation or related activities are carried on;
- o a mine, an oil or gas well, a quarry or any other place of extraction of natural resources;
- o an installation or structure, or plant or equipment, used for the exploration for or exploitation of natural resources

Tax treatment of PEs: The significance PE lies in the fact that “business profits” of a foreign enterprise can be taxed in India only if it has a PE in India and the profits are attributable to the PE. Even the amount for “royalty” or “fee for technical services” received by foreign enterprises will be taxed in India as business profits if they are attributable to a PE in the country.

Some of the Income Tax benefits under India-Italy ‘Avoidance of Double Taxation and the Prevention of Fiscal Evasion’ include:

Income from Immovable Property: Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.



Business Profits: The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to

- o that permanent establishment;
- o sales in that other State of goods or merchandise of the same or similar kind as those sold through that permanent establishment;
- o other business activities carried on in that other State of the same or similar kind as those effected through that permanent establishment

Dividend: Dividends paid by a company which is resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends, the tax so charged shall not exceed:

- o 15 % of the gross amount of the dividends if the beneficial owner is a company which owns at least 10 per cent of the shares of the company paying the dividends;
- o 25% of the gross amount of the dividends in all other cases.

Interest: Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in both the Contracting States. The tax chargeable in a Contracting State or interest arising in that State and paid to a resident of the other Contracting State in respect of loans or debts shall not exceed 15% of the gross amount of such interest. Interest arising in a Contracting State shall be exempt from tax in that State if:

- o the payer of the interest is the Government of that Contracting State or a local authority thereof, or
- o the interest is paid to any agency or instrumentality (including a financial institution) which may be agreed upon in this behalf by the two Contracting States.

Royalties and Fees For Technical Services: Royalties and fees for technical services arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State. However, such royalties and fees for technical services may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, or fees for technical services, the tax so charged shall not exceed 20% of the gross amount of the royalties or fees for technical services.



Independent Personal Services: Income derived by a resident of a Contracting State in respect of professional services or other independent activities of a similar character may be taxed in that State. Such income may also be taxed in the other Contracting State if such services are performed in that other State and if:

- o he is present in that other State for a period or periods aggregating 183 days in the relevant fiscal year
- o he has a fixed base regularly available to him in that other State for the purpose of performing his activities but only so much of the income as is attributable to that fixed base.

The term “**professional services**” includes independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, surgeons, lawyers, engineers, architects, dentists and accountants.

Dependent Personal Services: Salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived there from may be taxed in that other State.

Remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

- o the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerning ;
- o the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State; and
- o the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

Remuneration in respect of an employment exercised aboard a ship or aircraft in international traffic, may be taxed in the Contracting State in which the place of effective management of the enterprise is situated.



Other Tax Regulation in India

Withholding Tax

Withholding Tax is an obligation on the payer to withhold tax at the time of making payment under specified head such as rent, commission, salary, professional services, contract etc. at the rates specified in the tax regime.

Indian companies and non-resident companies with India-sourced income (“payers”) must withhold taxes on any payment to another party that is subject to withholding tax in India. If the payer believes that only a portion of the amount is subject to tax, the payer can apply to the assessing officer of the Tax Authority to determine the appropriate portion that is subject to tax.

However, if the payer fails to comply with the withholding tax requirements, the payer may have to pay interest as per the rate levied (refer <http://www.incometaxindia.gov.in/Pages/international-taxation/withholding-tax.aspx>). The circumstances in which companies are required to withhold tax from payments to non-residents are:

- o Non-residents with a permanent establishment in India;
- o Non-residents wishing to claim a refund of tax withheld in India;
- o Non-resident investors (i.e., foreign institutional investors) earning India-source income such as interest and capital gains;
- o Non-residents receiving India-source royalties or fees for technical services;
- o Non-residents deriving capital gains from the sale or transfer of Indian assets;
- o Non-residents engaged in offshore transactions involving a transfer of shares in an Indian company;
- o Non-residents earning any kind of India-source income.

In each of these circumstances, companies making payments to non-residents must withhold income tax from the payment either at the time when the income is credited to the account of the payee or at the time of payment in cash, check, or bank draft, whichever is earlier. The Income Tax Act provides the rates of withholding.

- b. **General Anti-Avoidance Rule (GAAR):** Implementation of GAAR is now deferred to 1 April 2017 and will be aligned with OECD BEPS recommendations. Rules are expected to be amended to provide that investments made up to 31 March 2017 will be protected from GAAR.
- c. **Foreign tax relief:** Tax treaties entered into by India with several other countries govern foreign tax relief to avoid double taxation. If there is no such agreement, resident corporations can claim a foreign tax credit for the tax paid by them in other countries subject to meeting certain requirements. The credit amount is the lower of Indian rate of tax or the tax rate of the said country on the doubly taxed income. The CBDT is expected to notify Foreign Tax Credit Rules laying down the procedure for granting of FTC.



Permanent Account Number (PAN)

Application procedure for permanent account number (PAN) in India:

- Paperless online PAN application facility based on eSign (i.e. Aadhaar based e-Signature) and Digital Signature Certificate (DSC) has been provided to applicant enabling PAN applicants to furnish their application for PAN online, upload scanned images of supporting documents, photo & signature and digitally sign the application online.

(Online application for PAN can be done at-<https://www.onlineservices.nsd.com/paam/endUserRegisterContact.html>)

- No physical documents are required to be sent by the PAN applicants for eSign and Digital Signature (DSC) based PAN applications.
- Alternatively, applicant may opt to process online PAN application by forwarding application documents physically as given below:
- On successful submission of online application and payment (for online mode of payment), an acknowledgement receipt is generated. Save and take a print out of the acknowledgement receipt.
- The duly signed and photos affixed acknowledgement receipt along with prescribed supporting documents should be sent to 'INCOME TAXPAN SERVICES UNIT (Managed by NSDL e-Governance Infrastructure Limited)' at 5th Floor Mantri Sterling, Plot No. 341, Survey No. 997/8, Model Colony, Near Deep Bungalow Chowk, Pune-411 016
- The 15 digit acknowledgement no. appearing on the acknowledgement receipt can be used for tracking status of application. Use 15-digit acknowledgement number for tracking the status of the application.
- The application can also be submitted by filing the PAN Form physically along with supporting documents with TIN NSDL center/ Income Tax office.

Application Forms for obtaining PAN

- Indian Citizen: Application for allotment of PAN -Form 49A
- Foreign Citizen: Application for allotment of PAN -Form 49AA

Application Fees

Type of Dispatch	Amount (In INR)
For dispatch of PAN card within India	107 (Including Service Tax)
For dispatch of PAN card outside India	994 (Including Service Tax)

- Payment may be made online using Credit / Debit card and Net-banking facility
- Alternatively, the payment may be made by Demand draft drawn in favour of 'NSDL-PAN' payable at Mumbai

Supporting documents required for PAN

- Proof of Identity (POI), Proof of Address (POA) and Proof of Date of Birth (PODB)
- Proof of AADHAAR (Copy of AADHAAR Card), if AADHAAR is mentioned (not applicable in case of foreign national)



In case of foreign national is individual

Self signed, duly notarized, apostle/ consularise and English translated (if documents are not in English)

- Copy of Passport
- Copy of other national or citizenship Identification Number or Taxpayer Identification Number
- Copy of Bank account statement in the country of residence etc.

In case of foreign national is Body Corporate: Duly notarized, apostle/ consularise and English translated (if documents are not in English):

- Copy of Certificate of Registration issued in the country where the applicant is located
- Copy of registration certificate issued in India or of approval granted to set up office in India by Indian Authorities

Tax Information Network of Income Tax Department

Apply Online

Registered User

Application Type*

New PAN - Foreign Citizen (Form 49AA)

Category*

---Please Select---

---Please Select---

INDIVIDUAL

ASSOCIATION OF PERSONS

BODY OF INDIVIDUALS

COMPANY

TRUST

LIMITED LIABILITY PARTNERSHIP

Applicant information ⓘ

Title*

-----select-----

Last Name / Surname*

Middle Name

Date of Birth / Incorporation / Formation (DD/MM/YYYY)*

Email ID*

Mobile Number*

Captcha Code *

3J4Rx



Reset

Submit



Tax Information Network of Income Tax Department

Home / Login

Online PAN application

Apply Online

Registered User

Application Type*

- New PAN - Foreign Citizen (Form 43AA)
- Please Select—
- New PAN - Indian Citizen (Form 43A)
- New PAN - Foreign Citizen (Form 43AA)**
- Changes or Correction in existing PAN Data / Reprint of PAN Card (No changes in existing PAN Data)

Category*

- INDIVIDUAL
- Please Select—
- INDIVIDUAL**
- ASSOCIATION OF PERSONS
- BODY OF INDIVIDUALS
- COMPANY
- TRUST
- LIMITED LIABILITY PARTNERSHIP

Title*

Shri

Last Name / Surname*

YOUR SURNAME

First Name

YOUR NAME

Middle Name

Date of Birth / Incorporation / Formation (DDMMYYYY)*

02/03/2017

Email ID*

EMAIL@EMAIL.COM

Mobile Number*

XXXXXXXXXX

Captcha Code *

Y3LrB

Reset

Submit



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Banking System

Online PAN application

Application Type: New PAN - Foreign Citizen (Form 49AA)

Category: NCA/DUAL

Save Draft



Questions



Personal Details



Contact & other details



A/D Code



Document details

Full Name of the Applicant

Title*

Shri

Last Name / Surname*

rfa

First Name

rfa

Middle Name

Name that you would like printed on PAN card

rfa rfa

Date of Birth / Incorporation / Formation*

07/03/2017

Gender (Only for individual)*

Male

Registration Number

Have you ever been known by any other name?

Yes No

Details of Parents (Applicable only for individual applicants)

Parents name to be printed on the PAN Card

Father's Name Mother's Name

Father's Name (Even married women should fill in father's name only)

Last Name / Surname*

First Name

Middle Name

Mother's Name (Optional)

Last Name / Surname

First Name

Middle Name

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of Income Tax Department

AAAA

Temporary Token number: 0006076510

Online PAN application

Application Type: New PAN - Foreign Citizen (Form 49AA)

Category: NDM/DUAL

Save Draft



Guidelines



Personal Details



Contact & other details



AO Code



Document details

Source of Income*

Please tick as applicable

Salary

Income from Business / Profession

Select Business/Profession code

Income from House property

Income from Other sources

Capital Gains

No income

Address for communication*

Please tick as applicable

Residential

Office

Residence Address

Flat / Room / Door / Block No.

Name of Premises/Building/Village

Road/Street/Lane/Post Office

Area/Locality/Taluka/Sub-Division

Town/City/District

Country Name

----- Select -----

State/Union Territory

-----select-----

Pin Code

Zip Code

Office Address

Name of Office

Flat / Room / Door / Block No.

Name of Premises/Building/Village

Road/Street/Lane/Post Office

Area/Locality/Taluka/Sub-Division

Town/City/District

Country Name

----- Select -----



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Tax Information Network of Income Tax Department

ITA ITA
Temporary Token number: 0005645039

Home / Login

Online PAN application

Application Type: **New PAN - Foreign Citizen (Form 49AA)**
Category: **INDIVIDUAL**

Save Draft



Guidelines



Personal Details



Contact & other details



AQ Code



Document details

Source of Income*

Please tick as applicable

<input checked="" type="checkbox"/> Salary	<input type="checkbox"/> Income from Business / Profession	Select Business/Profession code
<input type="checkbox"/> Income from House property	<input type="checkbox"/> Income from Other sources	<input type="checkbox"/> Capital Gains
<input type="checkbox"/> No income		

Address for communication*

Please tick as applicable

Residential Office

Residence Address

Flat / Room / Door / Block No. <input type="text" value="ITA"/>	Name of Premises/Building/Village <input type="text"/>	Road/Street/Lane/Post Office <input type="text"/>
Area/Locality/Taluka/Sub-Division <input type="text"/>	Town/City/District <input type="text" value="DELHI"/>	Country Name <input type="text" value="INDIA"/>
State/Union Territory <input type="text" value="selected"/>	Pin Code <input type="text" value="110000"/>	Zip Code <input type="text"/>

Office Address

Name of Office <input type="text"/>		
Flat / Room / Door / Block No. <input type="text"/>	Name of Premises/Building/Village <input type="text"/>	Road/Street/Lane/Post Office <input type="text"/>
Area/Locality/Taluka/Sub-Division <input type="text"/>	Town/City/District <input type="text"/>	Country Name <input type="text" value="Selected"/>
State/Union Territory <input type="text" value="selected"/>	Pin Code <input type="text"/>	Zip Code <input type="text"/>

Telephone Number & Email ID details*

Country code (ISO code)* <input type="text" value="INDIA (91)"/>	Area / STD Code <input type="text"/>	Telephone / Mobile Number* <input type="text" value="9999999999"/>
Email ID* <input type="text" value="ITA@ITA.COM"/>		

Country of Citizenship *

Country of Citizenship <input type="text" value="Selected"/>	Country code (ISO code) <input type="text" value="-- Select --"/>
---	--

Representative Assessee

Appointing Representative Assessee?

Yes No

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AAAA

Temporary Token number: 0006076510



Guidelines



Personal Details



Contact & other details



AO Code



Document details

Area code*

AO type*

Range code*

AO No.*

For help on AO code, select from the following

Indian Citizens NRIs and Foreign Citizens Defence Employees Government Category

Choose AO Code

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Tax Information Network of Income Tax Department

AAAA

Temporary Token number: 0008076510



Guidelines



Personal Details



Contact & other details



AO Code



Document details

How do you want to submit your PAN application documents?*

Forward application documents physically Submit digitally through digital signature Submit digitally through e-Sign

Documents submitted as Proof of Identity (POI), Proof of Address (POA) and Proof of Date of Birth (DOB)*

I/We have enclosed

Proof of identity

----- Select -----

Proof of address

----- Select -----

Proof of date of birth

----- Select -----

Declaration*

Declaration

I/We , the applicant, in the capacity of

----- Select -----

do hereby declare that what is stated above is true to the best of my/our information and belief.

Place*

Date

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[Submit ✓](#)



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Taxation and Legal



Banking System

Tax Information Network of Income Tax Department

ITA/ITA
Temporary Token number: 000645039

Home / Login

Online PAN application

Application Type: **New PAN - Foreign Citizen (Form 6AA)**
Category: **INDIVIDUAL**

Save Draft



How do you want to submit your PAN application documents?*

Forward application documents physically ⁱ
 Submit digitally through digital signature ⁱ
 Submit digitally through e-Sign ⁱ Please Select

Documents submitted as Proof of Identity (POI), Proof of Address (POA) and Proof of Date of Birth (DOB)*

We have enclosed

Proof of identity

- Copy of person of Indian Origin (PIO) card issued by ...
- Select -----
- Copy of person of Indian Origin (PIO) card issued by Government of India
- Passport
- National /Citizenship /Taxpayer ID duly attested by Apostille or by Indian Embassy/High Commission or Consulate in the country where applicant is located or authorised officials of overseas branches of Scheduled Banks regd in India

Proof of address

- Copy of person of Indian Origin (PIO) card issued by ...
- Select -----
- Copy of person of Indian Origin (PIO) card issued by Government of India
- Bank Account Statement in the country of residence
- Passport
- Registration certificate issued by the Foreigner's Registration Office showing Indian Address. (applicable for Foreign citizens based in India only)

Proof of date of birth

----- Select -----

----- Select -----

31/03/2017

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Risks in International Trade

Below are some of the risks which are common in India

- **Buyer's Insolvency/Credit Risk:** Buyer's insolvency or credit risk refers to the inability of the buyer to honor full payment for goods or services rendered on due date. This is a risk on seller associated with selling or supplying a product or service without collecting full payment or experienced late payment.
- **Buyer's Acceptance Risk:** Buyer's acceptance risk refers to the buyer's non-acceptance of goods delivered or services rendered. Unaccepted goods or services may create difficulty for the seller to dispose the goods to another buyer or encounter working capital problem.
- **Knowledge Inadequacy:** A buyer or seller who intends to expand his business into another product/service/industry/country may not have adequate knowledge on the risk of the new product/service, local market situation or goods' fashion. The lack of knowledge increases the chances of business failure.
- **Seller's Performance Risk:** A seller may fail to carry out his obligations in a sales contract due to one or more reasons, and such non-performance by the seller may have adverse consequential impacts on the buyer's business. It could be expensive for the buyer to take legal actions against the seller in his country.
- **Documentation Risk:** Documentation risk is the risk of non-conformance to specific documentation requirements under a sales contract or documentary credit. Failure in fulfilling documentation requirements may result in seller's inability or delay in obtaining payment for goods delivered or service rendered.
- **Economic Risk:** Economic risk refers to unfavorable economic conditions in buyer or seller's country which may affect both parties in fulfilling their obligations. On the buyer side, economic risk may result in buyer's insolvency or inability to accept the goods or services. On the other hand, the seller may experience difficulty in producing or shipping the goods
- **Cultural Risk:** Different countries have their unique language and culture. The inability to appreciate/accept cultural differences and/or language barrier may result in conflicts and non-completion of the sales contract.
- **Legal Risk:** Legal risk is the potential for financial loss arising from uncertainty of legal proceeding or change in legislation, such as a foreign exchange control policy. A sales contract could be frustrated due to changes in laws and regulations.
- **Foreign Exchange Risk:** A buyer or seller may deal with foreign currencies in their daily course of business. This implies that they are exposed to fluctuations in foreign exchange market which may result in paying more (by the buyer) or receiving less (from the buyer) in terms of the local currency.
- **Interest Rate Risk:** Interest rate risk is the risk borne by an interest-bearing asset, such as a floating rate loan. An increase in interest rate will result in buyer or seller paying more interest for their floating rate loan.



- **Political/Sovereign Risk:** Political/sovereign risk refers to the complications that buyer or seller may expose due to unfavorable political decisions or political changes that may vary the expected outcome of an outstanding contract. Examples of political/sovereign risk are changes in fiscal/monetary policy, war, riots, terrorism, trade embargoes, etc.
- **Transit Risk:** Transit risk is the risk of goods being damaged during shipment from the place of origin to the place of destination. Failure in addressing transit risk may result in heavy replacement cost or performance risk.

Mitigating Risks in International Trade

For the Buyer

- Deal with seller with established track record
- Request for performance guarantee to avoid non-performance risk
- Agree on more secure methods of payment such as documentary credit or open account
- Acknowledge and respect cultural differences with the seller
- Buy and sell in same currency to minimize foreign exchange risk. Alternatively, the buyer can hedge against foreign exchange risk by entering a forward or option foreign exchange contract with a bank
- If financing is needed, enter into a fixed interest rate loan or interest rate swap agreement to mitigate against interest rate risk
- Ensure sufficient insurance coverage against transit risk
- Always have a contingency plan against unfavorable events

For the Seller

- Deal with buyer with established track records
- Engage a reputable credit agency or credit insurer to minimize buyer's insolvency or credit risk
- Engage on more secured methods of payment such as documentary credit or advance payment
- Avoid granting excessive credit period
- Ensure that the sales contract or documentary credit does not contain ambiguous terms and conditions that are subject to future disputes
- Acquire sufficient knowledge in document preparation to mitigate against documentation risk
- Acknowledge and respect cultural differences with the buyer
- Buy and sell in same currency to minimize foreign exchange risk. Alternatively, the buyer can hedge against foreign exchange risk by entering a forward or option foreign exchange contract with a bank
- If financing is needed, enter into a fixed interest rate loan or interest rate swap agreement
- Ensure sufficient insurance coverage against transit risk
- Engage a representative in the buyer's country to deal with the goods or relevant parties in case of non-payment or non-acceptance by the buyer and always have a contingency plan.



Indian Import Export Requirements

India's import and export system is governed by the Foreign Trade (Development & Regulation) Act of 1992 and India's Export Import (EXIM) Policy. Imports and exports of all goods are free, except for the items regulated by the EXIM policy or any other law currently in force. Registration with regional licensing authority is a prerequisite for the import and export of goods. The customs will not allow for clearance of goods unless the importer has obtained an Import Export Code (IEC) from the regional authority.

Importer Exporter Code (IEC): The Customs Authorities will not allow you to import or export goods into or from India unless you hold a valid IEC number. Any bonafide person/ company starting a venture for International trade require IEC. IEC forms a primary document for recognition by the Government of India as an Exporter/ Importer.

India's Import/ Export trade is regulated by the Directorate General of Foreign Trade (DGFT) and its regional offices, functioning under the Ministry of Commerce and Industry, Department of Commerce, Government of India. Policies and procedures required to be followed for imports /exports are announced by the DGFT, from time to time.

Exports

Most goods can be freely exported from India, except for prohibited items. India's key exports include gems and jewelry, petroleum, engineering goods, textiles and drugs and pharmaceuticals. The country accounts for around 3.3% of global export of commercial services.

Goods can be exported freely if they are not mentioned in the classification of ITC (HS The Indian Trade Classification (ITC)-Harmonized System (HS) classifies goods into three categories for export:

- Restricted
- Prohibited
- State Trading Enterprise

Restricted Goods

Before exporting any restricted goods, the exporter must first obtain a license explicitly permitting the exporter to do so. The restricted goods must be exported through a set of procedures/ conditions, which are detailed in the license.

Prohibited Goods

These are the items which cannot be exported at all. The vast majority of these include wild animals, and animal articles that may carry a risk of infection.



State Trading Enterprise (STE)

Certain items can be exported only through designated STEs. The export of such items is subject to the conditions specified in the EXIM policy.

Export Licensing for Restricted Goods

The restriction on exports is confined to the negative lists. Except 10 items totally prohibited for export, there are a few items for which licensing is prescribed. These are mainly items which are required for local consumption, raw materials required locally for the manufacture of value added items for export.

For items requiring license for export, an application in duplicate in the prescribed format has to be submitted to the Director General of Foreign Trade (D.G.F.T.) along with a copy of the export order. The export licensing committee at the office of D.G.F.T., New Delhi will consider each case on its merits for issue of an export license for items in the negative list.



List Export Prohibited/Restricted/Free Goods

Chapter	Item Description	Policy	Nature of Restriction
0106, 0208, 0210, 0300, 0407, 0408, 0410, 0502, 0504, 0505, 0506, 0507, 0508, 0509, 0510, 0511, 1504, 1506, 1516, 1517, 1518, 1600, 3000	All wild animals, animal articles including their products and derivatives excluding those for which ownership certificates have been granted and also those required for transactions for education, scientific research and management under Wild Life (Protection) Act, 1972 including their parts and products.	Prohibited	Not permitted to be exported
50, 51, 52, 54, 55, 60, 61, 62, 63	Dress materials/ readymade garments fabrics/textile items with imprints of excerpts or verses of the Holy Quran	Restricted	Exports permitted under license.
Any Chapter	Military stores as specified by Director General of Foreign Trade	Free	No Objection Certificate from the De-partment of Defence Production and Supplies, Ministry of Defence, New Del-hi, except the goods as specified at Ex-port Licensing Note 1 below which are freely exportable without the No Objec-tion Certificate.
28, 29, 30, 35, 36, 37, 38, 39, 40, 48, 49, 59, 69, 70, 71, 72 to 91,93	Special Chemicals, Organisms, Materials, Equipments & Technologies (SCOMET) goods	Prohibited/ Restricted/ Free	Exports governed as per the conditions indicated in for individ-ual item. Further where no specific condi-tions are enumerated, license shall be required
Any Chapter	Samples/ Exhibits of goods includ-ed in Schedule 2 of this book	Prohibited/ Restricted/ Free	Samples/exhibits of goods, except all prohibited items, and all items specified under (SCOMET) , restricted items, and items in Chapter 29, 93 and 97
Any Chapter	Any other item whose exports are regulated by Public Notice issued by the Director General of Foreign Trade in this behalf	Free	Subject to conditions as notified in the respective Public Notice
Any Chapter	Any other item whose exports are regulated by Public Notice issued by the Director General of Foreign Trade in this behalf	Prohibited/ Restricted/ Free	Export of goods including plant & plant products using wood packaging material such as pellets, dunnage, crating, pack-ing blocks, drums, cases load boards, pellet collars and skids etc. shall be al-lowed subject to compliance of ISPM-15.



Imports

The Indian Trade Classification (ITC)-Harmonized System (HS) classifies goods into three categories:

- Restricted
- Canalized
- Prohibited

Goods not specified in the above mentioned categories can be freely imported without any restriction, if the importer has obtained a valid IEC. There is no need to obtain any import license or permission to import such goods. Most of the goods can be freely imported in India.

Licensed (Restricted) Items

Restricted items can be imported only after obtaining an import license from the relevant regional licensing authority. The goods covered by the license shall be disposed of in the manner specified by the license authority, which should be clearly indicated in the license itself. The list of restricted goods is provided in ITC (HS). An import license is valid for 24 months for capital goods, and 18 months for all other goods.

Canalized Items

Canalized goods are items which may only be imported using specific procedures or methods of transport. The list of canalized goods can be found in the ITC (HS). Goods in this category can be imported only through canalizing agencies. The main canalized items are currently petroleum products, bulk agricultural products, such as grains and vegetable oils, and some pharmaceutical products.

Prohibited Items

These are the goods listed in ITC (HS) which are strictly prohibited on all import channels in India. These include wild animals, tallow fat and oils of animal origin, animal rennet, and unprocessed ivory.



List of Prohibited items for Import

Exim Code	Item Description	Conditions relating to the policy
0207 43 00	Fatty livers, fresh or chilled	Import of 'foie gras' is Prohibited.
0208 90 10	Other meat and edible meat offal, fresh, chilled or frozen of wild animals.	
0209 10 00	Of pigs	
0209 90 00	Other	
03057100	Shark fins	
0410 00 10	Edible products of animal origin, not elsewhere specified or included of Wild animals	
0504 00 31	Guts of other animals for natural food casings of wild animals	
0504 00 41	Guts other than for natural food castings of wild animals	
0504 00 51	Bladders & stomachs of Wild animals	
0505 10 10	Feathers of a kind used for stuffing; down of wild birds	
0505 90 21	Other feather (excluding for stuffing purpose): of wild birds	
0505 90 31	Powder and waste of feathers or parts of feathers: of wild birds	
0505 90 91	Skins and other parts : Of wild birds	
0506 10 11	Bones, including horn-cores, crushed: Of wild animals	Not permitted to be imported.
0506 10 21	Bone grist :Of wild animals	
0506 10 31	Ossein :Of wild animals	
0506 10 41	Bones, horn cones & parts thereof, not crushed: Of wild animals	
0506 90 11	Bone meal Of wild animals	
0506 90 91	Other :Of wild animals	
0507 10 10	Ivory	
0507 10 20	Ivory powder and waste	
0510 00 91	Ambergris, castoreum, civet and musk; cantharides; bile, wheth-er or not dried; glands of wild animals	
0511 91 10	Fish nails	
0511 91 20	Fish tails	
0511 91 30	Other fish waste	
0511 99 21	Sinews and tendons Of wild life	
0511 99 92	Bovine embryo - Of wild life	
1501 10 10	Lard	
1501 20 00	Other pig fat	
1501 90 00	Other	
1502 10 10	Mutton Tallow	
1502 10 90	Other	
1502 90 10	Unrendered fats	



Exim Code	Item Description	Conditions relating to the policy
1502 90 20	Rendered fats or solvent extraction facts	
1502 90 90	Other	
1502 00 30	Rendered or solvent extraction fats	
1502 00 90	Other Fats of Bovine animals, Sheep or Goats, other than those of Heading 1503	
1503 00 00	Lard Stearin, Lard Oil, Oleostearin, Oleo-Oil and Tallow Oil, not emulsified or mixed or otherwise prepared	
1504 10 99	Other Fats and Oils and their fractions, of fish or marine mam-mals, whether or not refined, but not chemically modified	
1504 20 30	Sperm Oil	
1504 20 90	Other fats and oils and their fractions of fish, other than liver oils	
1504 30 00	Fats and Oils and their fractions of marine mammals	
1506 00 10	Neats Foot Oil and fats from bone or waste	
1506 00 90	Other animal fats and oils and their fractions, whether or not refined, but not chemically modified	
1516 10 00	Animal fats and oils and their fractions	
1517 10 10	Margarine Of Animal Origin	
1517 90 30	Imitation lard of animal origin	
1518 00 40	Animal or Vegetable fats and oils and their fractions, boiled, oxi-dized, dehydrated, sulphurised, blown, polymerized by heat in Vacuum or in inert gas or otherwise chemically modified, exclud-ing those of heading 1516 : inedible mixtures or preparations of animal or vegetable fats or oils of this Chapter, not elsewhere specified or included -Other	Not permitted to be imported.
1522 00 10	Degras	
1522 00 20	Soap Stocks	
1522 00 90	Other	
3507 10 11	Microbial rennet: Animal rennet	
3507 10 19	Other enzymes; prepared enzymes not elsewhere specified or included	
3507 10 91	Animal rennet	
3507 10 99	Other animal rennet	
4302 19 40	Tiger-Cat skins	
4303 10 10	Articles of apparel and clothing accessories Of wild animals cov-ered under Wild Life Protection Act,1972	
4303 90 10	other articles of fur skin Of wild animals covered under Wild Life Protection Act,1972	



Exim Code	Item Description	Conditions relating to the policy
8517	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 8443, 8525, 8527 or 8528.	(i) Import of 'Mobile Handsets' (classified under ITC (HS) Code '8517') without International Mobile Equipment Identity (IMEI) No. or with all Zeroes IMEI is prohibited. (ii) Import of 'CDMA mobile phones' (classified under ITC (HS) Code '8517') without Electronic Serial Number (ESN) / Mobile Equipment Identifier (MEID) or with all Zeroes as ESN / MEID is prohibited.
9601 10 00	Worked ivory and articles of ivory	Not permitted to be imported

List of Items under STE for imports

ITC(HS) Code	Item Descriptions
1001 10 90	Durum wheat, Other
1001 90 20	Wheat (not seed) for human consumption
1006 10 90	Rice in husk (paddy or rough) other
1006 20 00	Husked (Brown) Rice
1006 30 10	Rice, parboiled
1006 30 20	Basmati rice
1006 30 90	Other semi milled or wholly milled rice, whether or not polished or glazed
1006 40 00	Broken rice
1203 00 00	Copra
1513 11 00	Coconut (copra) oil and its fractions, Crude oil
1513 19 00	Coconut (copra) oil and its fractions: Other
2710 11 11	Special boiling point spirits (other than Benzene Toluol) with nominal boiling point range 55-1150C
2710 11 12	Special boiling point spirits (other than Benzene, Benzol, Toluene and Toluol) with nominal boiling point range 63-700C
2710 11 13	Other special boiling point spirits (other than Benzene, Benzol, Toluene and Toluol)
2710 11 19	Other motor spirit
2710 11 20	Natural gasoline liquid(NGL)
2710 11 90	Other natural gasoline liquid
2710 19 10	Superior Kerosene Oil(SKO)
2710 19 20	Aviation turbine fuel(ATF)
2710 19 30	High speed diesel (HSD)
2710 19 40	Light diesel oil (LDO)
3102 10 00	Urea, whether or not in aqueous solution



Import licensing for restricted Goods

For import of 'Restricted Items', an application for grant of an Import Authorization can be made to the concerned Regional Authority(RA) of DGFT in Aayaat Niryaat Form 2B(ANF 2B) along with documents prescribed DGFT(Hqrs) at Udyog Bhawan, New Delhi.

The requests for such imports are considered by Inter Ministerial Committee meeting.

Mandatory documents required for import of goods into India

- Bill of Lading/Airway Bill
- Commercial Invoice cum Packing List*
- Bill of Entry

Import of Replacement Goods

Goods or parts thereof on being imported and found defective or otherwise unfit for use or which have been damaged after import, may be exported without an Authorization, and goods in replacement thereof may be supplied free of charge by foreign suppliers or imported against a marine insurance or marine-cum-erection insurance claim settled by an insurance company.

List of Items under Restricted Category for imports

0101 10 10	Horses	Restricted
0101 10 20	Asses	Restricted
0101 10 90	Other	Restricted
0101 90 10	Horses for Polo	Restricted
0101 90 20	Asses, Mules and hinnies livestock	Restricted
0101 90 90	Other	Restricted
0102 10 10	Bulls, adult	Restricted
0102 10 20	Cows, adult	Restricted
0102 10 30	Buffaloes, adult and calves	Restricted
0102 10 90	Other	Restricted
0102 90 10	Bulls, adult	Restricted
0102 90 20	Buffaloes, adults and calves	Restricted
0102 90 90	Other	Restricted
0103 10 00	Pure bred breeding animals	Restricted
0103 91 00	Weighing less than 50 Kg.	Restricted
0103 92 00	Weighing 50 Kg or more	Restricted
0104 10 10	Sheep including lamb for breeding purpose	Restricted
0104 10 90	Other	Restricted
0104 20 00	Goats	Restricted



List of Items under Restricted Category for imports

0105 11 00	Fowls of the species Gallus domesticus	Restricted	Grand parent stock of poultry is, however, freely importable.
0105 12 00	Turkeys	Restricted	Grand parent stock of poultry is, however, freely importable.
0105 19 00	Other	Restricted	Grand parent stock of poultry is, however, freely importable.
0105 94 00	Fowls of the species Gallus domesticus	Restricted	
0105 99 00	Other	Restricted	
0106 11 00	Primates	Restricted	Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act, 1972 is prohibited.
0106 12 00	Whales, dolphins and porpoises (mammals of the order cetacea); manatees and dugongs (mammals of the order Sirenia)	Restricted	Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act, 1972 is prohibited.
0106 19 00	Other	Restricted	Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act, 1972 is prohibited.
0106 20 00	Reptiles (including snakes and turtles)	Restricted	Subject to Import Licensing Note No. 6 of the chapter. Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act, 1972 is prohibited.
0106 31 00	Birds of prey	Restricted	Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act, 1972 is prohibited.
0106 32 00	Psittaciformes (including parrots, parakeets, macaws and cockatoos)	Restricted	Subject to Import Licensing Note No. 6 of the chapter. Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act, 1972 is prohibited.
0106 32 00	Psittaciformes (including parrots, parakeets, macaws and cockatoos)	Restricted	Subject to Import Licensing Note No. 6 of the chapter. Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act, 1972 is prohibited.
0106 39 00	Other	Restricted	Subject to Import Licensing Note No. 6 of the chapter. Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act, 1972 is prohibited.



List of Items under Restricted Category for imports

0106 90 10	Bees and other insects, not elsewhere included or specified	Restricted	Subject to Import Licensing Note No. 6 of the chapter. Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act, 1972 is prohibited.
0106 90 20	Pure-line Stock	Restricted	Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act
0106 90 90	Other	Restricted	Import of Wild Animals (including their parts and products) as defined in the Wild Life (Protection) Act
0201 10 00	Carcasses and half-carcasses (chilled)	Restricted	
0201 20 00	Other cuts with bone in (chilled)	Restricted	
0201 30 00	Boneless (chilled)	Restricted	
0202 10 00	Carcasses and half-carcasses (frozen)	Restricted	
0202 20 00	Other cuts with bone in (frozen)	Restricted	
0202 30 00	Boneless(frozen)	Restricted	
0206 10 00	Of bovine animals, fresh or chilled	Restricted	
0206 21 00	Tongues	Restricted	
0206 22 00	Livers	Restricted	
0206 29 00	Other	Restricted	
0206 30 00	Edible affal of swine, fresh or chilled	Restricted	
0210 20 00	Meat of bovine animals	Restricted	
0301 10 00	Ornamental Fish	Restricted	
0301 91 00	Trout (Salmo trutta, Oncorhynchus mykiss, Oncorhynchus clarki, Oncorhynchus aguabonita, Oncorhynchus gilae, Oncorhynchus apache and Oncorhynchus chrysogaster)	Restricted	
0301 92 00	Eels (Anguilla spp.)	Restricted	
0301 93 00	Carp	Restricted	
0301 94 00	Bluefin tunas (Thunnus thynnus)	Restricted	
0301 95 00	Southern bluefin tunas (Thunnus maccoyii)	Restricted	
0301 99 00	Other	Restricted	
0407 00 10	Birds eggs, in shell, fresh, preserved or cooked of the species gallus domesticus and ducks for hatching	Restricted	



List of Items under Restricted Category for imports

0407 00 20	Birds eggs, in shell, fresh, preserved or cooked of the species gallus and ducks other than for hatching	Restricted	
0407 00 90	Other	Restricted	
0410 00 20	Turtle eggs and salanganes' nests (birds' nests)	Restricted	
0410 00 90	Other	Restricted	
0504 00 10	Guts of cattle for natural food casings	Restricted	
0504 00 39	Other	Restricted	
0504 00 49	Other	Restricted	
0504 00 59	Other	Restricted	
0511 10 00	Bovine semen	Restricted	
0511 91 90	Other	Restricted	
0511 99 29	Other	Restricted	
0511 99 91	Frozen semen other than bovine embryo	Restricted	
0511 99 99	Other	Restricted	
0601 20 90	Chicory plants and roots Other	Restricted	Import permitted for sowing or planting without a licence in accordance with import permit granted under Plants, Quarantine (Regulation of Imports into India) Order, 2003.
0602 20 20	Cactus	Restricted	Import will be subject to the provisions of Convention of International Trade in Endangered Species of Wild Fauna & Flora (CITES).
0701 10 00	Potatoes, fresh or chilled Seed	Restricted	Import permitted for sowing or planting without a licence in accordance with a import permit granted under Plants, Quarantine (Regulation of Imports into India) Order, 2003.
0701 90 00	Other	Restricted	
0909 10 11	Seeds of anise	Restricted	Import permitted for sowing without a licence in accordance with import permit granted under Plants Quarantine (Regulation of Imports into India) Order, 2003.
0909 10 21	Seeds of badian	Restricted	Import permitted for sowing without a licence in accordance with import permit granted under Plants, Quarantine (Regulation of Imports into India) Order, 2003.



List of Items under Restricted Category for imports

0909 20 10	Seeds of coriander	Restricted	Import permitted for sowing without a licence in accordance with import permit granted under Plants, Quarantine (Regulation of Imports into India) Order, 2003.
0909 30 11	Seeds of Cumin, black	Restricted	Import permitted for sowing without a licence in accordance with import permit granted under Plants, Quarantine (Regulation of Imports into India) Order, 2003.
0909 30 21	Seeds of Cumin, other than black:	Restricted	Import permitted for sowing without a licence in accordance with import permit granted under Plants, Quarantine (Regulation of Imports into India) Order, 2003.
0909 40 10	Seeds of caraway	Restricted	Import permitted for sowing without a licence in accordance with import permit granted under Plants, Quarantine (Regulation of Imports into India) Order, 2003.
0909 50 11	Seeds of Fennel	Restricted	Import permitted for sowing without a licence in accordance with import permit granted under Plants, Quarantine (Regulation of Imports into India) Order, 2003.
0909 50 21	Seeds of Juniper berries	Restricted	Import permitted for sowing without a licence in accordance with import permit granted under Plants, Quarantine (Regulation of Imports into India) Order, 2003.
0910 10 10	Ginger: Fresh	Restricted	
0910 99 26	Poppy	Restricted	
1001 10 10	Durum wheat-of seed quality	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1001 90 10	Wheat of seed quality	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.



List of Items under Restricted Category for imports

1001 90 31	Meslin-of seed quality	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1002 00 10	Rye-of seed quality	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1003 00 10	Barley-of seed quality	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1003 00 10	Barley-of seed quality	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1004 00 10	Oats-of seed quality	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1005 10 00	Maize(corn)Seed	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.



List of Items under Restricted Category for imports

1006 10 10	Rice in husk Of seed quality	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1007 00 10	Grain Sorghum-of seed quality	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1008 10 10	Buckwheat-Of seed quality	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1008 20 11	Jawar-of seed quality	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1008 20 21	Bajra-of seed quality	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1008 20 31	Ragi (Finger Millet)-of seed quality	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.



List of Items under Restricted Category for imports

1008 90 10	Other cereals -of seed quality	Restricted	Import subject to conditions at Licensing note (2) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plants, Fruits and Seeds (Regulation of import into India) Order, 1989.
1106 20 10	Flour, meal, powder of sago	Restricted	
1106 20 90	Roots and tubers of dried leguminous vegetables	Restricted	
1201 00 10	Soyabeans-of seed quality	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003.
1202 10 10	HPS- of seed quality	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003.
1202 10 91	Groundnut-of seed quality	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003.
1204 00 10	Linseed-of seed quality	Restricted	Import subject to conditions at Licensing note (4) below. Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003.
1207 20 10	Cotton-of seed quality	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003.



List of Items under Restricted Category for imports

1207 40 10	Sesamum -Of seed quality	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003.
1207 50 10	Mustard-Of seed quality	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003.
1209 10 00	Sugar beet seed	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003.
1209 91 40	Seeds, fruit and spores -Of pea	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003.
1209 99 90	Other (Seeds, fruit and spores)	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003. However, import of Pomegranate seeds will be free.
1211 30 00	Coca leaf (pants & parts)	Restricted	
1211 40 00	Poppy straw	Restricted	
1211 90 15	Jojoba seed	Restricted	Import permitted for sowing without a licence subject to the new Policy on Seed Development, 1988 and in accordance with import permit granted under Plant Quarantine (Regulation of Imports into India) Order, 2003.
1211 90 19	Other	Restricted	
12119044	Serpentina Roots (Rauvolfia serpentina and other species of rauvolfia)	Restricted	Import will be subject to the provisions of Convention of International Trade in Endangered Species of Wild Fauna & Flora (CITES).



List of Items under Restricted Category for imports

12119046	Kuth Root	Restricted	Import will be subject to the provisions of Convention of International Trade in Endangered Species of Wild Fauna & Flora (CITES) and Wildlife (Protection) Act 1972.
12119080	Agarwood	Restricted	Import will be subject to the provisions of Convention of International Trade in Endangered Species of Wild Fauna & Flora (CITES).
1302 11 00	Opium	Restricted	
1504 20 10	Fish Body Oil (Crude)	Restricted	
1602 50 00	meat, meat offal or blood -Of bovine ani-mals	Restricted	
2514 00 00	Slate, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape	Restricted	
2515 11 00	Marble and travertine -Crude or roughly trimmed	Restricted	Import of marble will be subject to the conditions laid down in Policy Circular No.12 (RE-08)/2004-2009 date 27.06.2008, Policy Circular No.13 (RE-2008)/2004-09 dated 30.6.2008, Policy Circular No.20 (RE-2008)/2004-09 dated 16.07.2008, Policy Circular No.25 (RE-2008)/2004-09 dated 08.08.2008, Policy Circular No. 28 (RE-2008)/2004-09 dated 20.08.2008, Policy Circular No. 65 (RE-2008)/2004-09 dated 26.02.09 and Policy Circular No. 67 (RE-2008)/2004-09 dated 2.03.09
2515 12 10	Marble and travertine -Blocks	Restricted	Import of marble will be subject to the conditions laid down in Policy Circular No.12 (RE-08)/2004-2009 date 27.06.2008, Policy Circular No.13 (RE-2008)/2004-09 dated 30.6.2008, Policy Circular No.20 (RE-2008)/2004-09 dated 16.07.2008, Policy Circular No.25 (RE-2008)/2004-09 dated 08.08.2008, Policy Circular No. 28 (RE-2008)/2004-09 dated 20.08.2008, Policy Circular No. 65 (RE-2008)/2004-09 dated 26.02.09 and Policy Circular No. 67 (RE-2008)/2004-09 dated 2.03.09



List of Items under Restricted Category for imports

2515 12 20	Marble and travertine -Slabs	Restricted	Import of marble will be subject to the conditions laid down in Policy Circular No.12 (RE-08)/2004-2009 date 27.06.2008, Policy Circular No.13 (RE-2008)/2004-09 dated 30.6.2008, Policy Circular No.20 (RE-2008)/2004-09 dated 16.07.2008, Policy Circular No.25 (RE-2008)/2004-09 dated 08.08.2008, Policy Circular No. 28 (RE-2008)/2004-09 dated 20.08.2008, Policy Circular No. 65 (RE-2008)/2004-09 dated 26.02.09 and Policy Circular No. 67 (RE-2008)/2004-09 dated 2.03.09
2515 12 90	Marble and travertine -Other	Restricted	Import of marble will be subject to the conditions laid down in Policy Circular No.12 (RE-08)/2004-2009 date 27.06.2008, Policy Circular No.13 (RE-2008)/2004-09 dated 30.6.2008, Policy Circular No.20 (RE-2008)/2004-09 dated 16.07.2008, Policy Circular No.25 (RE-2008)/2004-09 dated 08.08.2008, Policy Circular No. 28 (RE-2008)/2004-09 dated 20.08.2008, Policy Circular No. 65 (RE-2008)/2004-09 dated 26.02.09 and Policy Circular No. 67 (RE-2008)/2004-09 dated 2.03.09
2515 20 90	Ecaussine and other calcareous monumental or building stone -Other	Restricted	
2516 11 00	Crude or roughly trimmed	Restricted	
2516 12 00	Merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape	Restricted	
2516 20 00	Sandstone	Restricted	
2516 90 10	Pakur stone	Restricted	
2516 90 20	Stone boulders	Restricted	
2516 90 90	Other	Restricted	
2517 41 00	Pebbles, gravel of marble	Restricted	
2517 49 00	Other	Restricted	
2524 90 14	Amosite (In rock form)	Restricted	Import is restricted in terms of Interim PIC Procedure of Rotterdam Convention on Prior Informed Consent procedure for hazardous chemicals and pesticides.



List of Items under Restricted Category for imports

2524 90 24	Amosite (Fibre raw, beaten or washed or graded to length)	Restricted	Import is restricted in terms of Interim PIC Procedure of Rotterdam Convention on Prior Informed Consent procedure for hazardous chemicals and pesticides.
2524 90 34	Amosite (flakes or Powder)	Restricted	Import is restricted in terms of Interim PIC Procedure of Rotterdam Convention on Prior Informed Consent procedure for hazardous chemicals and pesticides.
2612 10 00	Uranium ores and concentrates	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2612 20 00	Thorium ores and concentrates (like Monazite sand/ore)	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2615 90 20	Niobium tantalum ores and concentrates	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2619 00 10	Converted slag (scull) of blast furnace	Restricted	
2619 00 90	er(slag,dross)	Restricted	
2620 11 00	Hard zinc spelter	Restricted	
2620 19 00	Other (slag, ash, residues containing arsenic, metals or their compounds	Restricted	Import of zinc ash and zinc skimmings permitted.(Zinc skimmings containing zinc 65% and above, lead and cadmium less than 1.25% and 0.1% respectively).
2620 21 00	Leaded gasoline sludges and leaded anti-knock compound sludges	Restricted	
2620 29 00	Other (slag, ash residues containing lead mainly)	Restricted	
2620 30 10	Brass dross	Restricted	Import of ashes and residue containing mainly copper is permitted viz. Spent cleaned metal catalyst containing zinc.
2620 30 10	Other (slag, ash residues containing copper)	Restricted	Import of ashes and residue containing mainly copper is permitted viz. Spent cleaned metal catalyst containing zinc.
2620 40 10	Aluminum dross	Restricted	
2620 40 90	Other (slag, ash residues containing aluminium)	Restricted	
2620 60 00	Containing arsenic mercury, thallium or their mixture of a kind used for the extraction of arsenic or those metals or for the manufacture of their chemical compounds	Restricted	
2620 91 00	Containing antimony, beryllium, cadmium, chromium or their mixtures	Restricted	



List of Items under Restricted Category for imports

2620 99 00	Other	Restricted	Import of spent cleaned metal catalyst containing nickel is permitted without a licence to units registered with Ministry of Environment and Forest, Government of India.
2621 10 00	Ash and residues from the incineration of municipal waste	Restricted	
2621 90 00	Other	Restricted	
2710 91 00	Containing polychlorinated biphenyls (PCBs) polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	Restricted	Import is restricted in terms of Interim PIC Procedure of Rotterdam Convention on Prior Informed Consent procedure for hazardous chemicals and pesticides.
2710 99 00	Other	Restricted	
2716 00 00	Electrical Energy	Restricted	Import subject to license to be issued by DGFT in consultation with Ministry of External Affairs, Ministry of Power and Department of Commerce, Government of India. However, import from SEZ will be 'Free'.
2844 10 00	Natural uranium and its compounds; alloys, dispersions (including cermets), ceramic products and mixtures containing natural uranium or natural uranium compounds	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2844 20 00	Uranium enriched in U235 and its compounds; plutonium and its compounds; alloys, dispersions (including cermets), ceramic products and mixtures containing uranium enriched in U235, plutonium or compounds of these products	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2844 30 10	Uranium depleted in U235 and or thorium and their alloys, unwrought or wrought and compounds thereof Compounds of thorium or of uranium depleted in U235:	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2844 30 21	Thorium oxide	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2844 30 22	Thorium hydroxide	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2844 30 23	Thorium nitrate	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2844 30 29	Other	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2844 30 30	Waste and scrap of uranium depleted in U235 or of thorium	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.



List of Items under Restricted Category for imports

2844 30 90	Other	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2524 90 34	Amosite (flakes or Powder)	Restricted	Import is restricted in terms of Interim PIC Procedure of Rotterdam Convention on Prior Informed Consent procedure for hazardous chemicals and pesticides.
2844 40 00	Radioactive elements and isotopes and compounds other than those of sub-headings 2844 10, 2844 20 or 2844 30; alloys, dispersions (including cermets), ceramic products amixtures containing these elements, isotopes or compounds; radioactive residues	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2844 50 00	Spent (irradiated) fuel elements (cartridges) of nuclear reactors	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2845 10 00	Heavy water (deuterium oxide)	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2845 90 10	Nuclear fuels not elsewhere included or specified	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2845 90 90	Other	Restricted	Import subject to Atomic Energy Act, 1962 and Rules there under.
2903 14 00	Carbon tetrachloride (CCl ₄ - Tetrachloromethane)	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 19 20	Trichloroethane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.



List of Items under Restricted Category for imports

2903 41 00	Trichlorofluoro methane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 42 00	Dichlorodifluoro methane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 43 00	Trichlorotrifluoroethanes	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Monitor Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 44 10	1,2 Dichlorotetra-fluoroethane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.



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2903 44 90	Other	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 45 11	Chlorotrifluoro-methane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 45 12	Pentachloro fluoroethane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 45 13	Tetrachlorodi-fluoroethane Heptachlorodi-fluoropropane, Hexachlorodi-fluoropropane, Pentachlorotri-fluoropropane, Tetrachlorotetra-fluoropropane, Trichloropenta-fluoropropane, Dichlorohexa-fluoropropane, Chlorohepta-fluoropropane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.



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2903 45 21	Heptachlorodi-fluoropropane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 45 22	Hexachlorodi-fluoropropane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 45 23	Pentachlorotri-fluoropropane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 45 24	Tetrachlorotetra-fluoropropane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.



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2903 45 25	Trichloropenta-fluoropropane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 45 26	Dichlorohexa-fluoropropane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 45 27	Chlorohepta-fluoropropane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 45 27	Chlorohepta-fluoropropane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.



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2903 45 90	Other	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 46 10	Bromochlorodifluoro-Methane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 46 20	Bromotrifluoro-methane	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 46 30	Dibromotetra-fluoroethanes	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.



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2903 49 10	Halogenated derivatives of methane, ethane or propane halogenated only with fluorine and chlorine (HCFCs)	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 49 90	Other	Restricted	Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol will be notified by Director General of Foreign Trade from time to time. However import from countries, which are not parties to the Montreal Protocol is prohibited.
2903 62 21	DDT-Technical 75 WDP	Restricted	
2903 62 29	Other	Restricted	
2905 51 00	Ethchlorvynol (INN)	Restricted	
2905 59 00	Other	Restricted	
2915 24 00	Acetic anhydride	Restricted	
2921 46 00	Amphetamine (INN), benzphetamine-Dexamphetamine (INN), etilamphetamine(INN) Fencamfamin(INN), Lefetamine(INN), Levamphetamine (INN), mefenorex (INN) and phentermine(INN); salts thereof	Restricted	
2922 14 00	Dextropropoxyphene(INN) and its salts	Restricted	
2922 31 00	Amfepramone (INN), methadone (INN) and normethadone (INN); salts thereof	Restricted	



List of Items under Restricted Category for imports

2922 44 00	Tilidine (INN) and its salts	Restricted
2924 11 00	Meprobamate (INN)	Restricted
2924 24 00	Ethinamate (INN)	Restricted
2925 12 00	Glutethimide (INN)	Restricted
2926 30 00	Fenproporex (INN) and its salts methadone (INN) intermediate (4-cyano-2-Dimethylamino-4, 4-diphenylbutane)	Restricted
2930 90 80	Allyl isothiocyanate	Restricted
29310030	Tetra-ethyl Lead	Restricted
2932 95 00	Tetrahydrocannabinols (all isomers)	Restricted
2933 33 00	Alfentanil (INN), anileridine(INN), bezitramide (INN), bromazepam (INN), difenoxin(INN), diphenoxylate (INN), dipipanone(INN), fentanyl (INN), keto bemidone (INN), methylphenidate (INN), pentazocine (INN), pethidine(INN), pethidine intermediate A, phencyclidine (INN) (PCP), phenoperidine (INN), pipradrol (INN), piritramide (INN), propiram (INN) and trimeperidine (INN; salts thereof	Restricted
2933 41 00	Levorphanol (INN) and its salts	Restricted
2933 52 00	Malonylurea (barbituric acid) and its salts	Restricted
2933 53 00	Allobarbital (INN), amobarbital (INN), barbital (INN), butalbital (INN), butobarbital (INN), cyclobarbital (INN), methylphenobarbital (INN), pentobarbital (INN), secbutabarbital (INN), secobarbital (INN), and vinylbital (INN); salts thereof	Restricted
2933 55 00	Loprazolam (INN), mecloqualone (INN), methaqualone (INN) and zipeprol (INN); salts thereof	Restricted
2933 59 40	1-Amino-4-Methyl piperazine	Restricted
2933 72 00	Clobazam (INN) and methyprylon (INN)	Restricted



List of Items under Restricted Category for imports

2933 91 00	Alprazolam (INN), camazepam (INN) chloridiazepoxide (INN), clonazepam (INN), clorazepate, delorazepam (INN), diazepam (INN), estazolam (INN), ethyl loflazepate (INN), flurazepam (INN), halazepam (INN), lorazepam (INN), lorametazepam (INN) mazindol (INN), nimetazepam (INN), midazolam (INN), nimetazepam (INN), nitrazepam (INN), nordazepam (INN), oxazepam (INN), pinazepam (INN), prazepam (INN), pyrovalerone (INN), tamazepam (INN), tetrazepam (INN) and triazolam (INN); salts thereof	Restricted
2934 91 00	Aminorex (INN), brotizolam (INN), clotiazepam (INN), claxazolam (INN), dextromoramide (INN), haloxazolam (INN), ketazolam (INN), mesocarb (INN), oxazolam (INN), pemoline (INN), phendimetrazine (INN), phenmetrazine (INN) and sufentanil (INN); salts thereof	Restricted
2936 29 20	Nicotinic acid & nicotinamide (niacinamide/ niacine)	Restricted
2939 11 00	Concentrates of poppy straw; buprenorphine (INN), codeine, dihydrocodeine (INN), ethylmorphine, etorphine (INN), heroin, hydrocodone (INN), hydromorphone (INN), morphine, nicomorphine (INN), oxycodone (INN), oxymorphone (INN), pholcodine (INN), thebacon (INN) and thebaine; salts thereof	Restricted
2939 41 10	Ephedrine alkaloids	Restricted
2939 41 20	Ephedrine hydrochloride	Restricted
2939 42 00	Pseudoephedrine (INN) and its salts	Restricted
2939 43 00	Cathine (INN) and its salts	Restricted
2939 51 00	Fenetylline (INN) and its salts	Restricted



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2939 59 00	Other	Restricted	
2939 91 00	Cocaine, ecgonine, levometamfetamin, metamfetamine (INN), metamfetamine racemate; salts, esters and other derivatives thereof	Restricted	
3006 92 00	Waste Pharmaceuticals	Restricted	
3101 00 91	Animal dung	Restricted	
3101 00 92	Animal excreta	Restricted	
33013010	Agar oil	Restricted	Import will be subject to the provisions of Convention of International Trade in Endangered Species of Wild Fauna & Flora (CITES).
3404 90 31	Poly Brominated Biphenyls	Restricted	Import is restricted in terms of Interim PIC procedure of Rotterdam convention on Prior Informed Consent procedure for hazardous chemicals and pesticides..
3404 90 32	Poly Chlorinated Biphenyls	Restricted	Import is restricted in terms of Interim PIC procedure of Rotterdam convention on Prior Informed Consent procedure for hazardous chemicals and pesticides.
3404 90 33	Poly Chlorinated Terphenyls	Restricted	Import is restricted in terms of Interim PIC procedure of Rotterdam convention on Prior Informed Consent procedure for hazardous chemicals and pesticides.
3601 00 10	Blasting powder	Restricted	
3601 00 20	Gun powder	Restricted	
3601 00 90	Other	Restricted	
3602 00 10	Industrial explosives	Restricted	
3602 00 90	Other	Restricted	
3603 00 11	For Mine blasting	Restricted	
3603 00 19	Other	Restricted	
3603 00 20	Detonating fuses	Restricted	
3603 00 31	Non-ordnance	Restricted	
3603 00 39	Other	Restricted	
3603 00 41	Non-ordnance	Restricted	
3603 00 49	Other	Restricted	
3603 00 51	Containing explosives electrically ignited, non-ordnance	Restricted	
3603 00 59	Other	Restricted	



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3604 10 00	Fireworks	Restricted	
3604 90 10	Ship signals	Restricted	
3604 90 90	Other	Restricted	
3605 00 10	Safety matches	Restricted	
3605 00 90	Other	Restricted	
3606 90 10	Combustible preparations	Restricted	
3606 90 91	Ferro-cerium, in all forms	Restricted	
3606 90 92	Pyrophoric alloys, in all forms	Restricted	
3606 90 93	DNPT (Dinitroso penta-methylene tetramine)	Restricted	
3606 90 99	Others	Restricted	
3808 10 17	D.D.T. (excluding D D.T. of heading 29 03 62)	Restricted	
3808 20 50	Copper oxychloride	Restricted	
3824 71 10	Chemical products containing ozone depleting substances	Restricted	
3824 79 10	Chemical products containing ozone depleting substances	Restricted	
3824 90 35	Poly Brominated Biphenyls, Poly Chlorinated Biphenyls, Poly Chlorinated Terphenyls, Crocidolite	Restricted	Import is restricted in terms of Interim PIC Procedure of Rotterdam Convention on Prior Informed Consent procedure for hazardous chemicals and pesticides.
3824 90 36	Goods of a kind known as "Hazardous Wastes"	Restricted	
3825 10 00	Municipal waste	Restricted	
3825 20 00	Sewage sludge	Restricted	
3825 30 00	Clinical waste	Restricted	
3825 41 00	Halogenated	Restricted	
3825 49 00	Other	Restricted	
3825 50 00	Wastes of metal picking liquors, hydraulic fluids, brake fluids and anti-freeze fluids	Restricted	
3825 61 00	Mainly containing organic constituents	Restricted	
3825 69 00	Other	Restricted	
3825 90 00	Other	Restricted	
3915 10 00	Of polymers of ethylene	Restricted	
3915 20 00	Of polymers of styrene	Restricted	
3915 30 10	Of co-polymers of vinyl chloride	Restricted	
3915 30 90	Other	Restricted	
3915 90 10	Of polypropylene	Restricted	



List of Items under Restricted Category for imports

3915 90 21	Of co-polymers of vinyl acetate	Restricted	
3915 90 29	Other	Restricted	
3915 90 30	Of acrylic polymers and methacrylic co-polymers	Restricted	
3915 90 41	Of alkyds and polyesters	Restricted	
3915 90 49	Of epoxide resins	Restricted	
3915 90 50	Of Polyamides	Restricted	
3915 90 61	Of phenoplast	Restricted	
3915 90 62	Of aminoplast	Restricted	
3915 90 63	Of polyurethanes	Restricted	
3915 90 71	Of regenerated cellulose	Restricted	
3915 90 72	Cellulose plastic waste such as cellulose nitrates film scrap non-plasticised	Restricted	
3915 90 73	Cellulose plastic waste such as cellulose nitrates plasticised	Restricted	
3915 90 74	Cellulose plastic waste such as cellulose acetate film scrap non-plasticised	Restricted	
3915 90 75	Cellulose plastic waste film as such cellulose acetate plasticised	Restricted	
3915 90 90	Other	Restricted	
4004 00 00	Waste, parings and scrap of rubber (other than hard rubber) and powders and granules obtained there from.	Restricted	Import of used rubber tyres with one cut in bead wire and import of used rubber tubes cut in two pieces, however, is free.
4012 11 00	Of a kind used on Motor cars (including station wagons and racing cars)	Restricted	Import of retreaded tyres for buses, lorries and earth moving equipment including bigger size vehicles and light commercial vehicles is permitted freely if the per tyre c.i.f value is US \$175 and above. (ii) Import of retreaded tyres for passenger automobile vehicles including two wheelers, three wheelers and personal type vehicles is permitted freely if the per tyre c.i.f. value is US \$ 25 and above.



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4012 12 00	Of a kind used on buses or lorries	Restricted	Import of retreaded tyres for buses, lorries and earth moving equipment including bigger size vehicles and light commercial vehicles is permitted freely if the per tyre c.i.f value is US \$175 and above. (ii) Import of retreaded tyres for passenger automobile vehicles including two wheelers, three wheelers and personal type vehicles is permitted freely if the per tyre c.i.f. value is US \$ 25 and above.
4012 13 00	Of a kind used on aircraft	Restricted	
4012 19 10	For two wheeler	Restricted	
4012 19 90	Other	Restricted	
4012 20 10	For buses, lorries and earth moving equipment including bigger size vehicles and light commercial vehicles	Restricted	
4012 20 20	For passenger automobile vehicles, including two wheelers, three wheelers and personal type vehicles	Restricted	
4403 99 22	Sandal Wood	Restricted	Import of Sandal Wood will be subject to the conditions laid down in Policy Circular No. 1 (RE-06) / 2004-09 dated 7.4.2006 as amended from time to time.
4801 00 10	Newsprint, in rolls or sheets Glazed	Restricted	
4801 00 90	Newsprint, in rolls or sheets Other	Restricted	
4802 55 50	Bank, bond and cheque paper	Restricted	
4802 55 60	Currency note paper	Restricted	
4802 55 70	Paper for security printing, currency paper, stamp paper	Restricted	
4802 56 50	Bank, bond and cheque paper	Restricted	
4802 56 60	Currency note paper	Restricted	
4802 56 70	Paper for security printing, currency paper, stamp paper	Restricted	
4802 57 50	Bank, bond and cheque paper	Restricted	
4802 57 60	Currency note paper	Restricted	
4802 57 70	Paper for security printing, currency paper, stamp paper	Restricted	
4802 58 40	Bank, bond and cheque paper	Restricted	
4802 58 50	Paper for security printing, currency paper, stamp paper	Restricted	



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4802 62 60	Paper for security printing, currency paper, stamp paper	Restricted	
4802 69 60	Paper for security printing, currency paper, stamp paper	Restricted	
4802 69 90	Other	Restricted	
4907 00 10	Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognized face value	Restricted	
4907 00 20	Bank notes	Restricted	Import by banks and dealers authorised by RBI will not require a licence by DGFT. Other condition of RBI will apply.
4907 00 90	Other	Restricted	
6309 00 00	Worn Clothing and other worn articles	Restricted	Units in the Special Economic zone will be allowed to sell worn clothing in the Domestic Tariff Area to the extent of 15% of the cif value of imports made in the previous year.
6310 10 10	Woolen rags	Restricted	
6310 10 20	Cotton rags	Restricted	Permitted for import in completely mutilated form without a licence subject to the condition that mutilation must conform to the requirement specified by Customs Public Notice or Trade Notice.
6310 10 30	Gunny cuttings	Restricted	
6310 10 90	Other	Restricted	
6310 90 10	Woolen rags	Restricted	Permitted for import in completely mutilated form without a licence subject to the condition that mutilation must conform to the requirement specified by Customs Public Notice or Trade Notice.
6310 90 20	Cotton rags	Restricted	
6310 90 40	Synthetic rags	Restricted	Permitted for import in completely mutilated form without a licence subject to the condition that mutilation must conform to the requirement specified by Customs Public Notice or Trade Notice.
6310 90 90	Other	Restricted	
7108 20 00	Monetary	Restricted	
7204 21 10	Empty or discharged cartridges of all bores and sizes	Restricted	



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7204 29 10	Empty or discharged cartridges of all bores and sizes	Restricted	
7326 90 99	Other - articles of iron or steel Forged or stamped, but not further worked:	Restricted	
7404 00 11	Empty or discharged cartridges of all bores and sizes	Restricted	
7404 00 19	Other Of copper alloys:	Restricted	Import of the following types of copper scrap is permitted without a licence to units registered with Ministry of Environment and Forest, Government of India: Copper wire covered under ISRI code "Druid"; Jelly filled copper cables.
7404 00 21	Empty or discharged cartridges of all bores and sizes	Restricted	
7404 00 29	Other	Restricted	
7503 00 90	Other(Nickel waste and scrap)	Restricted	
7602 00 90	Other waste and scrap	Restricted	
7802 00 90	Other(lead waste and scrap)	Restricted	
7902 00 90	Other (zinc waste and scrap)	Restricted	Import of the following kinds of zinc skimmings is permitted without a licence to units registered with Ministry of Environment and Forest, Government of India, on actual user basis upto the annual quantity limits indicated in the registration certificate:
8002 00 90	Other (Tin)	Restricted	
8101 97 00	Waste and scrap (Tungsten)	Restricted	
8102 97 00	Waste and scrap (Molybdenum)	Restricted	
8103 30 00	Waste and scrap (Tantalum)	Restricted	
8104 20 90	Other (Magnesium)	Restricted	
8105 30 00	Waste and scrap (Cobalt)	Restricted	
8106 00 20	Waste and scrap of bismuth and bismuth alloys, including bismuth powder	Restricted	
8107 30 00	Waste and scrap (cadmium)	Restricted	
8108 30 00	Waste and scrap (Titanium)	Restricted	
8109 30 00	Waste and scrap (Zirconium)	Restricted	
8110 20 00	Waste and scrap (Antimony)	Restricted	
8111 00 20	Waste and scrap of manganese base alloys	Restricted	
8112 13 00	Waste and scrap (Beryllium)	Restricted	
8112 22 00	Waste and scrap (Chromium)	Restricted	



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8112 52 00	Waste and scrap (Thallium)	Restricted	
8112 92 00	Unwrought; waste and scrap; powders	Restricted	
8113 00 20	Waste and scrap of cermets	Restricted	
8401 10 00	Nuclear reactors	Restricted	
8401 20 00	Machinery and apparatus for isotopic separation, and parts thereof	Restricted	
8401 30 00	Fuel elements (cartridges), non-irradiated	Restricted	Radio-active materials is permitted to be imported on the recommendation of Department of Atomic Energy.
8401 40 00	Parts of Nuclear reactors	Restricted	
8525 50 10	Radio broadcast transmitter	Restricted	Not permitted to be imported except against a licence to be issued by the WPC wing of Ministry of Communication and Information Technology.
8525 50 20	TV broadcast transmitter	Restricted	Not permitted to be imported except against a licence to be issued by the WPC wing of Ministry of Communication and Information Technology.
8525 50 40	Communication equipments jamming	Restricted	Department of Central Government may be permitted to import against licence however, import by any other category of importers is prohibited.
8525 50 90	Other	Restricted	
8525 60 12	Marine radio communication equipment	Restricted	Not permitted to be imported except against a licence to be issued by the WPC wing of Ministry of Communication and Information Technology.
8525 60 92	Other satellite communication equipment	Restricted	Not permitted to be imported except against a licence to be issued by the WPC wing of Ministry of Communication and Information Technology.
8526 10 00	Radar apparatus	Restricted	
8526 91 10	Direction measuring equipment	Restricted	
8526 91 30	Direction finding equipment	Restricted	
8526 91 40	Non directional beacon	Restricted	
8526 91 50	VHF omni range equipment	Restricted	
8526 91 90	Other	Restricted	However, import of Global Positioning System (GPS) Receiver and Differential Global Positioning System (DGPS) Receiver is free.



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8526 92 00	Radio remote control apparatus	Restricted	
8529 10 11	For communication Jamming equipment(Dish Antenna)	Restricted	Department of Central Government may be permitted to import against licence however, import by any other category of importers is prohibited.
8529 10 22	For communication jamming equipment (Other Aerials/Antenna:)	Restricted	Department of Central Government may be permitted to import against licence however, import by any other category of importers is prohibited.
8529 10 92	For communication jamming equipment(Other)	Restricted	Department of Central Government may be permitted to import against licence however, import by any other category of importers is prohibited.
8529 90 20	For communication jamming equipment	Restricted	Department of Central Government may be permitted to import against licence however, import by any other category of importers is prohibited.
8543 89 91	RF (Radio Frequency) power amplifiers and noise generators for communication jamming equipment, static/mobile/manportable	Restricted	Department of Central Government may be permitted to import against licence however, import by any other category of importers is prohibited.
8548 10 10	Battery scrap, namely the following: Lead battery plates covered by ISRI, Code word Rails Battery lugs covered by ISRI,Code word Rakes	Restricted	
8548 10 20	Battert wastes, namely the following;Scrap drained/dry while intact, lead batteries covered by ISRI, Code word Rains,Scrap wet whole intact lead batteries covered by ISRI, Code word Rink, Scrap industrial intact lead cells covered by ISRI Code word Rono, Scrap whole intact industrial lead batteries covered by ISRI Code word Roper, Edison batteries covered by ISRI Code word Vaunt	Restricted	
8548 10 90	Other waste and scrap	Restricted	
8548 90 00	Other	Restricted	
8710 00 00	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicle	Restricted	
8801 00 10	Gliders and hang Gliders	Restricted	Goods classified as sports goods or equipment shall however be allowed to be imported freely.



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8801 00 20	Balloons	Restricted	Goods classified as sports goods or equipment shall however be allowed to be imported freely.
8801 00 90	Other	Restricted	Goods classified as sports goods or equipment shall however be allowed to be imported freely.
8802 11 00	Helicopters-of an unladen weight not exceeding 2000 kg	Restricted	
8802 12 00	Helicopters-Of an unladen weight exceeding 2000 kg	Restricted	
8802 20 00	Aeroplanes and other aircraft, of an unladen weight not exceeding 2000 kg	Restricted	
8802 30 00	Aeroplanes and other aircraft, of an unladen weight exceeding 2000 kg but not exceeding 15000 kg	Restricted	
8802 40 00	Aeroplanes and other aircraft, of an unladen weight exceeding 15000 kg	Restricted	
8802 60 00	Spacecraft (including satellites) and suborbital and spacecraft launch vehicles	Restricted	
8906 10 90	Warships	Restricted	
9004 90 10	Passive night vision goggles	Restricted	
9013 10 10	Telescopic sights for fitting to arms	Restricted	
9301 11 00	Self-propelled (Artillery weapons)	Restricted	
9301 19 00	Other	Restricted	
9301 20 00	Rocket launchers ; flame throwers; grenade launchers; torpedo tubes and similar projectors	Restricted	
9301 90 00	Other	Restricted	
9302 00 00	Revolvers and Pistols, other than those of heading 9303 OR 9304	Restricted	
9303 20 00	Other sporting hunting or target shooting shotguns, including combination shotgun-rifles	Restricted	
9303 30 00	Other sporting, hunting or target-shooting rifles	Restricted	
9303 90 00	Other	Restricted	



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9304 00 00	Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading 9307	Restricted	However, import of 0.177 bore air guns and air pistols registered with Rifle Clubs or District/State/ National Rifles Association. Free import of 0.177 bore air guns and air pistols will also be allowed to National Rifle Association of India (NRAI) for supplying the same to the eligible State Rifle Association / Clubs and to the eligible shooters. NRAI shall be required to keep appropriate account of the imported weapons.
9305 10 00	Of revolvers or pistols	Restricted	
9305 91 00	Of military weapons of heading 9301	Restricted	
9305 99 00	Other	Restricted	
9306 21 00	Cartridges	Restricted	
9306 29 00	Other	Restricted	
9306 30 00	Other Cartridges and parts thereof	Restricted	
9306 90 00	Other	Restricted	
9601 90 10	Worked tortoise-shell and articles thereof	Restricted	
9601 90 20	Worked mother of pearl and articles thereof	Restricted	
9601 90 30	Worked bone (excluding whale bone) and articles thereof	Restricted	
9601 90 40	Worked horn, coral and other animal carving material and articles thereof	Restricted	
9601 90 90	Other	Restricted	
9705 00 10	Stuffed animals and birds (taxidermy)	Restricted	Allowed for import under saving clause 3(1) of Foreign Trade (Exemption from Application of Rules in Certain Cases) Order, 1993, read with Customs Notification 157 dated 28.03.90.
9705 00 90	Other	Restricted	Allowed for import under saving clause 3(1) of Foreign Trade (Exemption from Application of Rules in Certain Cases) Order, 1993, read with Customs Notification 157 dated 28.03.90.
9803 00 00	All dutiable articles, imported by a passenger or a member of a crew in his baggage	Restricted	As provided under Customs and Baggage Rules by saving clause 3(1)(h) of Foreign Trade (Exemption from Application of Rules in Certain Cases) Order, 1993



Import of Replacement Goods

Goods or parts thereof on being imported and found defective or otherwise unfit for use or which have been damaged after import, may be exported without an Authorization, and goods in replacement thereof may be supplied free of charge by foreign suppliers or imported against a marine insurance or marine-cum-erection insurance claim settled by an insurance company.

Labelling Requirements

As per a Notification issued by the Ministry of Commerce on November 24, 2000, all pre-packaged commodities (intended for direct retail sale only) imported into India must carry the following declarations on the label:

- Name and address of the importer
- Country of Origin
- Generic or common name of the commodity packed;
- Net quantity in terms of standard unit of weights and measures. If the net quantity in the imported package is given in any other unit, its equivalent in terms of standard units shall be declared by the importer;
- Month and year of packing in which the commodity is manufactured or packed or imported
- Maximum retail sale price at which the commodity in packaged form may be sold to the ultimate consumer. This price shall include all taxes local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertising, delivery, packing, forwarding and the like, as the case may be
- Handling marks (international pictorial symbols)
- Cautionary markings, such as "This Side Up."
- Labels for hazardous materials

The compliance of these shall be ensured before the import consignment of such commodities is cleared by Customs for home consumption.

Labelling and Packaging for Food products

The Food Safety and Standards Authority of India (FSSAI) has been established under Food Safety and Standards, 2006 which consolidates various acts & orders that have hitherto handled food related issues in various Ministries and Departments.

FSSAI has been created for laying down the standards for articles of food and to regulate their manufacturing, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. It falls under the Health Ministry and ensures that companies selling food products in India, whether Indian or foreign, must comply with the law. In a nutshell, FSSAI guides and regulates persons engaged in manufacturing, marketing, processing, handling, transportation, import and sale of food items



FSSAI has laid down labeling requirement for import of Food products in India

Item Name	Remarks	Appropriate "title" as prefix for each, to be mentioned on the primary pack / label before each respective information
Name and address of manu-facturer Name of food List of ingredients Net weight / net quantity Nutritional information Country of origin Food additives (if applicable) Instructions for use (if appli-cable)	A1, 2, 3, 4, 5, 6, 7, 8 = Mandatory from origin, printed by the manufacturer on the primary pack or on one single original manufacturer's product label. A5 = Nutritional Info is op-tional & not required IF IT IS Bulk pack.	Name and Address of Manufacturer:... and/or "Name and Address of Packer..." OR "Manufactured By:...." and/or "Packed By:...." and "Exported By:...." Ingredients:... OR "List of Ingredients:..." Net Wt. / Qty: ___ gms/Kgs/ml/etc Nutritional Information per ___ OR "Nutritional facts per ___" Made in ___ OR "Product of ___" Contains Permitted Natural Colour(s) and Add-ed Flavour(s), etc Instructions for use:....
Batch / lot number Date of mfg Date of expiry / best before date	B6, 7 & 8 = Mandatory from origin, NOT allowed even on manufacturer's primary label, should be tamper-proof PRINTING from origin itself DIRECTLY on the primary pack such as on the glass bottle, can, etc	batch/lot no:.... mfg dt:.... dd/mm/yyyy OR dd/mm/yy OR mm/yyyy exp dt:.... OR "BBD ___" dd/mm/yyyy OR dd/mm/yy OR mm/yyyy
Veg / non-veg logo in pre-scribed format Name, address & contact of importer Fssai importer license no. In logo format Mrp	C9, 10 & 11 = Preferably should be printed on the manufacturer's primary pack/SINGLE label from origin. Else these are the ONLY 3 points that are al-owed on the Rectifiable Secondary Sticker	Green or Brown colour with square border Name and Address of Importer:.... As per logo format given in FSSAI Notification dated 07.06.2013 MRP: Rs. ___ (inclusive of all taxes)

Per FSSAI requirement, import of all edible/ food products are subject to the condition that at the time of importation, the products should have a valid shelf life of not less than 60% of the original shelf life

Shelf life of the product is to be calculated based on the declaration given on the label of the product, regarding its date of manufacture and the due date for expiry. Customs shall ensure that this condition is complied with before allowing clearance of such consignments

All consignments of edible oils and processed food products, imported in bulk, shall carry a declaration from the concerned exporter on the shipping documents that the consignment does not contain beef in any form. All consignments of edible products, imported in consumer packs, shall carry a declaration on the label of the package that the product does not contain beef in any form.



Shipping Regulations and terms of delivery

Under the initiative of 'Ease of Doing Business' they have been reduced mandatory documents required for import and export of goods to three documents each from the earlier requirement of 10 and 7 documents respectively:

Documents for Exports

- Bill of Lading/ Airway Bill
- Commercial Invoice cum Packing List
- Shipping Bill/ Bill of Export

Documents for Imports

- Bill of Lading/ Airway Bill
- Commercial Invoice cum Packing List
- Bill of Entry

Documents Packing List and Commercial Invoice required by Customs have been merged into one document. Foreign Exchange Control Forms - SDF for exports and A-1 for imports required by RBI and Terminal Handling Receipt required by Ministry of Shipping earlier have now been dispensed with.

Incoterms are the official rules for worldwide interpretation about the duties, obligations, etc. of the buyer and the seller for transportation of the goods from seller's country to buyer's country.

Labour Law

Legislative provision

The employment legislation normally addresses concerns of the blue collared staff. Employers are commonly required to provide employees with written terms and conditions of employment. The agreement should detail salary, hours of work, disciplinary rules and complaint procedures, the notice period for termination, holidays, the provident fund, pension, gratuities and other employee related details. Violation of labour law is viewed with strictness.

- The Factories Act, 1948
- The Minimum Wages Act, 1948
- The payment of wages act, 1936
- Workmen's compensation Act, 1923
- Payment of Bonus Act, 1965
- Maternity Benefit Act, 1961
- Shops and commercial establishment Act
- Professional Tax
- Contract Labor (Regulation and Abolition) Act, 1970
- Working Hours and Holidays



Working Hours and Holidays

State Government laws set minimum wages, hours of work, and safety and health standards. The Factories Act mandates an 8 hour workday, a 48 hour workweek and minimum standards of working conditions. These standards are generally enforced and accepted in the modern industrial sector, however not observed in economically lesser viable industries

Here an employee to work for more than 8 hours in a day or for more than 48 hours in any week, he is entitled to overtime wages at twice the basic rate (or 1.5 times his salary as per the business model). Overtime is generally paid to non managerial staff i.e. blue collared staff

Social Security

Employee provident fund and miscellaneous Provisions Act, 1952 is a retirement benefit akin to a pension plan, which requires monthly contribution to be made by employer with a matching contribution from an employee. At present the monthly contribution is 12% of basic salary. The enterprise can either register with the government provident fund department or form and manage its own trust. Monthly deposit of contribution and furnishing of returns are mandatory in either case.

This act applies should the number of employee exceed 20 at any point of time during the year. Employee with a basic salary in excess of INR 6500 per month can opt out of the scheme

Payment of Gratuity Act, 1972 provides for gratuity to employees in factories, plantations, shops, establishments and mines. Gratuity is payable in any of the following circumstances:

- On employee's retirement
- On his becoming incapacitated prior to such retirement
- On termination of his employment or
- or on employees death

Employee State Insurance Act, 1948(ESI scheme) provide protection to workers and their dependents in contingencies such as sickness, disablement due to employment, injury or occupational hazard.

Under the ESI scheme the employee contribution is 1.75% of the wages and that of employer is 4.75% of the wages. Employees earning a daily average of INR 50 are exempted from making any contribution. Employees whose gross salary /wages are in excess of 15000 per month can opt out of the scheme.



Particulars	Timelines/Conditions
Restriction on hours worked by employees	48 hours per week maximum
Number of Indian employees which trigger employer obligation to provide employees state insurance	10
Number of Indian employees which trigger employer obligation to provide provident fund scheme, bonus act	20
Number of years of continuous service which makes an employee eligible for gratuity	5
Minimum bonus to be paid to an employee drawing a basic wage of INR 10,000 or less	8.33 percent
Prohibited age of employing young children in factories	14 years
In case of retrenchment due to /or closure, number of employees which triggers employer obligation to seek prior government approval	100
On retrenchment /lay off/closure	Compensation is payable to employee

Industrial Disputes

In India, industrial disputes are governed by the Industrial Disputes Act, 1947 which is administered by the Ministry of Labour and Employment. According to this Act, the term ‘industrial dispute’ means “any dispute or difference between employers and employees, or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment, or the terms of employment or with the conditions of labour, of any person”.

The Act mentions the contingencies when a strike or lock-out can be lawfully resorted to, when they can be declared illegal or unlawful, conditions for laying off, retrenching, discharging or dismissing a workman, circumstances under which an industrial unit can be closed down and several other matters related to industrial employees and employers.

The basic objectives of the Industrial Disputes Act, 1947 are:-

- To provide a suitable machinery for the just, equitable and peaceful settlement of industrial disputes
- To promote measures for securing and preserving good relations between employers and employees
- To prevent illegal strikes and lockouts
- To provide relief to workers against layoffs, retrenchment, wrongful dismissal and victimisation
- To promote collective bargaining
- To ameliorate the conditions of workers
- To avoid unfair labour practices



Trade Unions

Trade union is defined as a voluntary organization of workers pertaining to a particular trade, industry or a company and formed to promote and protect their interests and welfare by collective action. They are the most suitable organisations for balancing and improving the relations between the employer and the employees. In India, the first organised trade union was formed in 1918 and since then they have spread in almost all the industrial centres of the country. The Indian Trade Unions Act, 1926 administered by the Ministry of Labour and Employment provides the legislation for regulating these trade unions. This act guides the regulations regarding the registration of trade unions, their rights, their liabilities and responsibilities as well as ensures that their funds are utilised properly. The act is applicable not only to the union of workers but also to the association of employers covering the whole of India.

It also provides legal and corporate status to the registered trade unions along with protecting them from civil or criminal prosecution so that they can carry on their legitimate activities for the benefit of the working class.

Employee Compensation

The Workmen's Compensation Act, 1923 was one of the earliest labour welfare and social security law enacted in India and extends to the whole of India. In 2009, under the WC amendment Act 2009, the word Workmen" was replaced with "Employee" and it is henceforth known as Employee Compensation Act, 1923 and regulated by Ministry of Labour and Employment.

The act provides for payment of compensation to workmen and their dependants in case of injury and accident (including certain occupational disease) arising out of and in the course of employment and resulting in disablement or death. It applies to railway servants, persons employed in factories, mines, plantations, mechanically propelled vehicles, construction works and certain other hazardous occupations.

The major objectives of the Employee Compensation Act, 1923 are:

- To Provide broad coverage of employees for job-related accidents and disease
- To provide substantial protection against the loss of income
- To provide sufficient medical care and rehabilitation services to injured workers.
- To encourage firms to reduce job-related accidents and to develop effective safety programs
- To reduce litigation as disabled workers are paid benefits promptly without requiring them to file cases in courts against their employers

The amount of compensation to be paid depends on the nature of the injury and the average monthly wages and age of workmen. The minimum and maximum rates of compensation payable for death (in such cases it is paid to the dependents of workmen) and for disability have been fixed and is subject to revision from time to time.



Maternity Benefits

The maternity benefit Act 1961 protects the employment of women during the time of their maternity along with provisions of their 'maternity benefit' which is defined as full paid absence from work to take care for their child. The act is applicable to all establishments employing 10 or more persons. The Maternity Benefit Act, 1961 was amended by the Maternity Benefit (Amendment) Bill, 2016. The amendments to Maternity Benefit Act, 1961 are as follows:

- Maternity Benefit increased from 12 weeks to 26 weeks for two surviving children and 12 weeks for more than two children
- Maternity Benefit to a 'Commissioning mother' and 'Adopting mother' for 12 weeks
- Providing 'Work from home' facility
- Mandatory provision of Creche for establishments having 50 or more employees

Courts and Dispute Settlement in India

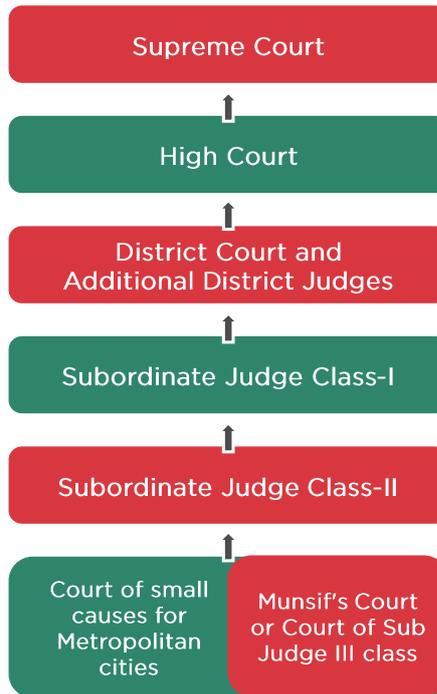
India has a well-defined judicial system in place for dispute resolution. The Constitution of India not only lays the framework of Indian judicial system, but has also laid out the powers, duties, procedures and structure of the various branches of the Government at the Union and State levels. Moreover, it also has defined the fundamental rights & duties of the people and the directive principles which are the duties of the State.

In spite of India adopting the features of a federal system of government, the Constitution has provided for the setting up of a single integrated system of courts to administer both Union and State laws.

An elaborate and extensive judicial and quasi-judicial system exists in India with courts being the judicial authority, and regulators like the National Company Law Tribunal (for the Indian Companies Act) being quasi-judicial authorities. A separate civil and criminal system exists in each state with the highest court for each state being the High Court. Appeals from the High Court's lie with the Supreme Court of India in appropriate cases, which is the apex judicial authority in India. Constitution of India also provides for special leave to appeal from the judgment of the High Court to the Supreme Court of India. However, the grant of the said leave is discretionary.



Hierarchy of Civil Justice System in India



Courts and Tribunals

The Indian judicial system is administered by a three-tiered judicial structure:

- Supreme Court (Apex Court)
- High Court (State Level)
- District Court (District Level)

The Supreme Court of India is the apex judicial authority in India. The Supreme Court generally receives appeals from the High Courts that occupy the tier below it. Beneath the High Courts are the subordinate civil and criminal courts that are classified according to whether they are located in rural or urban areas and by the value of disputes such courts have jurisdiction to adjudicate upon.

A quasi-judicial body can be formed on a matter pending in court, by order of the court if the court deems it necessary, the court solely reserves the right to appoint the members of such a body, and the quasi-judicial body thus formed will be like an arbitrator or a tribunal body generally of a public administrative agency having powers and procedures resembling those of the court of law, but only over the sub-judice matter.

Such bodies usually have powers of adjudication in matters as:

- Breach of discipline
- Conduct rules
- Trust in the matters of money or otherwise.



Tribunals have been formed to address certain important areas of law for speedy dissemination of justice by individuals qualified in the specific fields. Some of the tribunals include:

- National Company Law Tribunal
- Income Tax Appellate Tribunal
- Labour Appellate Tribunal
- Copyright Board
- Securities Appellate Tribunal
- Competition Appellate Tribunal
- National Green Tribunal

The jurisdiction of a court, tribunal or authority may depend upon fulfillment of certain conditions or upon the existence of a particular fact. If such a condition is satisfied, only then does the authority or Court, as the case may be, have the jurisdiction to entertain and try the matter. Jurisdiction of the courts may be classified under the following categories:

- Territorial or Local Jurisdiction: Every court has its own local or territorial limits beyond which it cannot exercise its jurisdiction.
- Pecuniary Jurisdiction: The Code of Civil Procedure provides that a court will have jurisdiction only over those suits the amount or value of the subject matter of which does not exceed the pecuniary limits of its jurisdiction. High Courts and District Courts in certain states have no pecuniary limitations.
- Jurisdiction as to Subject Matter: Different courts have been empowered to decide different types of suits. Certain courts are precluded from entertaining certain suits. For example, the Presidency Small Causes Courts have no jurisdiction to try suits for specific performance of contract or partition of immovable property. Similarly, matters pertaining to the laws relating to tenancy are assigned to the Presidency Small Causes Court and therefore, no other Court would have jurisdiction to entertain and try such matters.
- Original and Appellate Jurisdiction: The jurisdiction of a court may be classified as original and/or appellate. In the exercise of original jurisdiction, a court acts as the court of first instance and in exercise of its appellate jurisdiction; the court entertains and decides appeals from orders or judgments of the lower courts. Munsiff's Courts, Courts of Civil Judge and Small Cause Courts possess original jurisdiction only, while District Courts and High Courts have original as well as appellate jurisdictions, subject to certain exceptions.

In addition to the above, the High Courts and the Supreme Court also have writ jurisdiction

Indian courts generally have jurisdiction over a specific suit in the following circumstances:

- Where the whole or part of the cause of action (the facts on account of which a person gets a right to file a suit for a relief) arose in the territorial jurisdiction of the court.
- Where the defendant resides or carries on business for gain within the territorial jurisdiction of the court.
- Where the subject matter of the suit is an immovable property (real property and items permanently affixed thereto), where such immovable property is situated within the jurisdiction of the court.



Arbitration

Arbitration is recognized as an effective means of alternative dispute resolution. The Arbitration Ordinance 2015 (amended) incorporates the essence of major rulings passed in the last two decades, as well as most of the recommendations of 246th Law Commission Report, and has clarified the major controversies that arose in the recent years.

Some salient features of the Arbitration Amendment Act 2015 are as below:

- Provides strict timelines for completion of the arbitral proceedings and arbitration related court proceedings.
- Lays down the mechanism for fast track arbitration (to be completed within 180 days).
- Introduced certain amendments to the existing provisions with regard to the process of appointment of an arbitrator and clarified the grounds of challenge of an arbitrator for lack of independence and impartiality.
- Provides for an avenue for seeking interim relief and assistance from Indian courts in foreign-seated arbitrations.
- Introduction of the 'costs follow the event' regime to bring it in line with international standards.
- The process of enforcement and execution under the A&C Act 1996 has also been streamlined so that challenge petitions do not operate as an automatic stay on the execution process.

The arbitration ordinance governs the following types of arbitrations in India:

- Domestic arbitration
- International commercial arbitration
- Enforcement of foreign arbitral awards
- Conciliation

Alternative Dispute Resolution (ADR)

Alternative Dispute Resolution (ADR) mechanism is used all over the world which is more effective, faster and less expensive. Under the ADR mechanism, there are four methods:

- Negotiation
- Mediation
- Conciliation
- Arbitration

While the first two methods are not recognized by law, the methods of conciliation and arbitration are quasi-judicial methods to resolve a dispute with minimum outside help. The same is now recognized by the Arbitration and Conciliation Act, 1996 (ACT 26 of 1996). The courts have always assisted in proper conduct of the arbitration proceedings and enforcement of arbitration awards.



Acts addressing ADR in India

The law on arbitration in India was substantially contained in three enactments, namely:

- The Arbitration (Protocol & Convention) Act, 1937
- The Arbitration Act, 1940
- The Foreign Awards (Recognition and Enforcement) Act, 1961.

Arbitration

Arbitration includes all disputes of a civil nature or quasi-civil nature which can be decided by a civil court. Some of them are:

- Relating to property
- Right to hold an office
- Compensation for non-fulfillment of a clause in a contract
- Disputes in a partnership

Certain forms of disputes fall under a specific tribunal and are excluded from the Arbitration Act:

- Matters involving questions about validity of a will.
- Relating to appointment of a guardian.
- Pertaining to criminal proceedings
- Relating to Charitable Trusts
- Winding up of a company
- Matters of divorce or restitution of conjugal rights
- Lunacy proceedings
- Disputes arising from an illegal contract
- Insolvency matters, such as adjudication of a person as an insolvent.
- Matters falling within the purview of the Competition Act.

The Arbitration act is divided in to the following parts

- I. Domestic arbitration
- II. Enforcement of foreign awards
- III. Conciliation procedures
- IV. Supplementary provisions

Domestic Arbitration

Domestic Arbitration Agreement is an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not.

Interim Measures by Court

- Appointment of a guardian for a minor or person of unsound mind for the purposes of arbitral proceedings
- Protection in respect of preservation, interim custody or sale of any goods which are the subject-matter of the arbitration agreement
- Securing the amount in dispute
- The detention, preservation or inspection of any property or thing which is the subject-matter of the dispute
- Interim injunction or the appointment of a receiver;
- Any other interim measure of protection as may appear to the Court to be just and convenient



Appointment of Arbitrator

- Any person can be appointed as an arbitrator.
- Generally impartial and independent persons –
- Chartered accountant, engineers, retired judges, advocates and other professionals are preferred.
- Parties are free to determine the number of arbitrators
- Number shall not be an even number.
- The arbitrator shall disclose in writing to the parties anything that may give rise to justifiable doubts about his independence or impartiality.
- If the parties are unable to agree: Each party will appoint one arbitrator and the two appointed arbitrators will appoint the third arbitrator who will act as a presiding arbitrator.
- If not appointed within 30 days, the party can request the Chief Justice of the High Court to appoint an arbitrator.
- In case of international commercial dispute, the application for the appointment of arbitrator has to be made to the Chief Justice of India.

Termination of Arbitrator

Appointment of Arbitrator can be challenged only if:

- Circumstances exist that give rise to justifiable doubts as to his independence or impartiality
- He does not possess the qualifications agreed to by the parties.

The mandate of an arbitrator shall terminate if:

- Arbitrator becomes de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay;
- Arbitrator withdraws from his office or the parties agree to the termination of his mandate.
- Where arbitrator withdraws from office for any reason; or by or pursuant to agreement of the parties.
- Where the mandate of an arbitrator terminates, a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced.

Conduct of Arbitral Proceedings

The Arbitral Tribunal is not bound by Code of the Civil Procedure, 1908 or Indian Evidence Act, 1872.

- The parties to arbitration are free to agree on the procedure to be followed by the Arbitral Tribunal.
- The law of limitation (1963) is applicable
- Flexibility in respect of procedure, place & language.
- Submission of statement of claim & defense may be amended/ supplemented at any time
- Hearings & Written Proceedings – at the discretion of the tribunal
- Can be oral at the request of either party



Arbitral Award

- The decision of Arbitral Tribunal will be by majority
- The arbitral award shall be in writing and signed by the members of the tribunal.
- States the reasons for the award unless the parties have agreed that no reason for the award is to be given.
- The award should be dated and place where it is made should be mentioned.
- Copy of award given to each party.
- Tribunal can make interim award also.

Arbitral Award – Appeal

An arbitral award may be set aside by the Court only if:

- The party furnishes proof of some incapacity;
- The arbitration agreement is not valid under the law to which the parties have subjected it;
- The party was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or
- The arbitral award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matter beyond the scope of the submission to arbitration;
- The composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties;
- The arbitral award is in conflict with the public policy of India.

Cost of Arbitration

- Fees and expenses of arbitrators and witnesses, legal fees and expenses, administration fees of the institution supervising the arbitration and other expenses.
- Tribunal can decide the cost and share of each party.
- If parties refuse to pay the costs, the Arbitral Tribunal may refuse to deliver its award; thus any party can approach Court.
- The Court will ask for deposit from the parties and on such deposit, the award will be delivered by the Tribunal. Then Court will decide the costs of arbitration and shall pay the same to Arbitrators. Balance, if any, will be refunded to the party.



Intervention by Court

The earlier arbitration law was that the party could access court almost at any stage of arbitration. Now, approach to court has been drastically curtailed.

- If an objection is raised by the party, the decision on that objection can be given by Arbitral Tribunal itself & the arbitration proceedings are continued
- The aggrieved party can approach Court only after Arbitral Award is made.
- Appeal to court is now only on restricted grounds.
- Tribunal cannot be given unlimited and uncontrolled powers and supervision of Courts cannot be totally eliminated.
- Arbitration act has over-riding effect

Enforcement of Foreign Awards

Foreign award” means an arbitral award on differences relating to matters considered as commercial under the law in force in India. The foreign awards which can be enforced in India are as follows:

- **New York convention award** - made after 11th October, 1960
 - o New York convention awards are enforceable in India.
 - o New York convention was drafted and kept in United Nations for signature of member countries on 21st December, 1958.
- **Geneva Convention award** - made after 28th July, 1924.

To enforce a foreign award, a party has to:

- Produce the arbitral award agreement of arbitration to the district court having jurisdiction over the subject matter of the award.
- The enforcement of the award can be refused by court only in the cases specified in by law. Otherwise, the foreign award is enforceable through court as if it were a decree of the court.
- No further appeal can be made (except appeal to Supreme Court).
- Indian courts can be approached only at the time of implementation of award.
- The courts can refuse to implement the award only on limited grounds.



Conciliation

Conciliation is the amicable settlement of disputes between the parties, with the help of a conciliator. Matters that fall under conciliation consist of matters of:

- Civil nature
- Breach of contract
- Disputes of movable or immovable property

What cannot be referred to Conciliation includes matters of:

- Criminal nature
- Illegal transactions
- Matrimonial matters like divorce suit etc.

In conciliation proceedings:

- There is no agreement for arbitration.
- Conciliation can be done even if there is arbitration agreement.
- The conciliator only brings parties together and tries to solve the dispute using his good offices.
- The conciliator has no authority to give any award.
- Helps parties in arriving at a mutually accepted settlement.
- In such agreement they may draw and sign a written settlement agreement, duly signed by the conciliator.
- However after the settlement agreement is signed by both the parties and the conciliator, it has the same status and effect as if it is an arbitral award.
- The conciliation proceedings can start when one of the parties makes a written request to other to conciliate, briefly identifying the dispute.
- The conciliation can start only if other party accepts in writing the invitation to conciliate.
- Unless there is written acceptance, conciliation cannot commence. If the other party does not reply within 30 days, the offer for conciliation can be treated as rejected

Supplementary Provisions

- The High Court has the power to make rules under this act
- Removal of difficulties by Central Government through provisions made under the Act
- Rules made by Central Government subject to approval by parliament



UNCITRAL

The United Nations Commission on International Trade Law (UNCITRAL) came into existence in 1966 and operates in the field of international trade that cover dispute resolution, international contract practices, transport, insolvency, electronic commerce, international payments, secured transactions, procurement and sale of goods. Its members comprise of over 60 countries including India.

UNCITRAL's work is conducted at three levels.

- **Commission:** Works through an annual plenary session.
- **Working Groups:** Intergovernmental working groups undertake the development of the topics on UNCITRAL's work programme
- **Secretariat:** Assists the Commission and its working groups in the preparation and conduct of their work.

UNCITRAL develops different types of texts to modernize and harmonize the law of international trade. These include:

- **Model law:** a set of model legislative provisions that States can adopt by enacting it into national law.
- **Legislative guide:** a text that provides guidance for the development of laws, discussing relevant policy issues and choices and recommending appropriate legislative solutions.
- **Contractual rules:** standard clauses or rules designed to be included in commercial contracts.
- **Legal guide:** a text that provides guidance for the drafting of contracts, discussing relevant issues and recommending solutions appropriate to particular circumstances.

UNCITRAL's provides technical legislative assistance for modernization of trade laws and commercial practices. In addition to promoting the understanding of international trade law texts and the benefits they can bring to the expansion of international trade, UNCITRAL assists States to develop the laws required to implement these legislative texts and commercial associations to promote the use of non-legislative rules.

India's current Arbitration Rules are based on the Model Laws under Dispute resolution UNCITRAL Arbitration Rules (1976) for both domestic arbitration as well as international commercial arbitration, to provide uniformity and certainty to both categories of cases.



Major Objectives of CIPAM

- Creating public awareness about IPRs in India
- Facilitation of IPRs filings
- Providing platform to inventors to commercialize their IP assets
- Coordinating the implementation of the National IPR Policy in collaboration with Government Ministries/Departments and other stakeholders

Under CIPAM, the procedure for filing and processing of IP applications has been simplified through manual as well as E-filing facilities. Incentives for Small and Medium Enterprises (SMEs) and Startups are some of the other initiatives taken up for promoting intellectual property rights in India.

Intellectual Property Rights

India has a well established IPR framework with administrative, legal, and judicial systems that is fully compliant with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). India is also a part of international treaties and conventions on Intellectual Property Rights.

The National IPR Policy of India that is overseen by The Department of Industrial Policy and Promotion (DIPP). In May 2016, Cell for the IPR Promotion and Management (CIPAM) has been created with the slogan - “Creative India; Innovative India” aimed at promoting innovation and growth in India in line with the Make in India campaign.

Trade Related Aspects of Intellectual Property Rights (TRIPS)

India is a member of World Trade Organization (WTO) and hence a part of many agreements including TRIPS. TRIPS agreement lays down minimum standards for protection and enforcement of intellectual property rights in member countries. The agreement essentially helps promote effective and adequate protection of intellectual property rights along with reducing distortions and impediments to international trade globally. The TRIPS Agreement also relates to provision of minimum standard of protection within the member countries legal systems and practices.

Basis the the TRIPS Agreement, the the norms and standards in force in following areas of intellectual property:

- Copyrights
- Trade Marks
- Geographical Indications
- Industrial Designs
- Patents

India is also a member of World Intellectual Property Organization, a body responsible for the promotion of the protection of intellectual property rights throughout the world. India’s membership with other important WIPO-administered International Treaties and Conventions relating to IPRs include:

- Geneva Convention for the Protection of rights of Producers of Phonograms
- Universal Copyright Convention
- Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure
- Paris Convention for the Protection of Industrial Property
- Convention Establishing the World Intellectual Property Organization
- Berne Convention for the Protection of Literary and Artistic Works
- Patent Cooperation Treaty
- Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks- Madrid Protocol
- Washington Treaty on Intellectual Property in respect of



Integrated Circuits

- Nairobi Treaty on the Protection of the Olympic Symbol
- Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms
- Multilateral Convention for the Avoidance of Double Taxation of Copyright Royalties
- Marrakesh Treaty to Facilitate Access to Published Works by Visually Impaired Persons and Persons with Print Disabilities

Intellectual Property Appellate Board

Under the IPR framework, the Indian system provides for judicial review and appellate provisions. The Intellectual Property Appellate Board (IPAB) has been constituted in 2003 by the Central Government under the Ministry of Commerce and Industry. IPAB exercises jurisdiction over Trademarks, Patents and Geographical Indications and hears appeals arising from the decisions of Controllers of Patents, Registrars of Trade Marks and GIs.

Laws and Acts governing IPRs in India:

- Patents Act, 1970
- Trade Marks Act, 1999
- Designs Act, 2000
- Geographical Indications of Goods (Registration and Protection) Act, 1999
- Copyright Act, 1957
- Protection of Plant Varieties and Farmers' Rights Act, 2001
- Semiconductor Integrated Circuits Layout-Design Act, 2000

Department of Industrial Policy & Promotion (DIPP) under the Ministry of Commerce and Industry acts as the central coordinator for all activities related to IPR. The other ministries involved under the framework include:

- Department of Industrial Policy & Promotion
- Registrar of Copyrights
- Department of Information Technology
- Ministry of Commerce & Industry
- Ministry of Human Resource Development.
- Ministry of Agriculture
- Ministry of Environment and Forests



The office locations of the governing bodies are given below

Department	Offices	Contact	Website
Patents Office	Kolkata (HQ), Delhi, Chennai and Mumbai	Kolkata-patent@nic.in 033-23671987	http://www.ipindia.nic.in/patents.htm
Trade Marks Registry	Mumbai (HQ), Ahmedabad, Chennai, Kolkata and Delhi	Mumbai.tmr@nic.in 022-24137701 022-24140808	http://www.ipindia.nic.in/trade-marks.htm
GI Registry	Chennai	Gir-ipo@nic.in 044-22502091	http://www.ipindia.nic.in/gi.htm
Designs Office	Kolkata		http://www.ipindia.nic.in/designs.htm
Copyrights Office	New Delhi	copyright@nic.in 011-26100118,19	http://copyright.gov.in
International Searching Authority / international Preliminary Examination Authority (IPEA)	New Delhi	delhi-patent@nic.in 011-28032253 011-25300200	http://ipindiaseservices.gov.in/isaweb/
Intellectual Property Office Archives	Ahmedabad	Ahmedabad.tmr@nic.in 079-27601782 079-27601779	

Copyrights

Copyright in India is administered by Department of Industrial Policy & Promotion (Ministry of Commerce & Industry) and Registrar of Copyrights (Department of Higher Education) under the Copyright Act, 1957 (as amended).

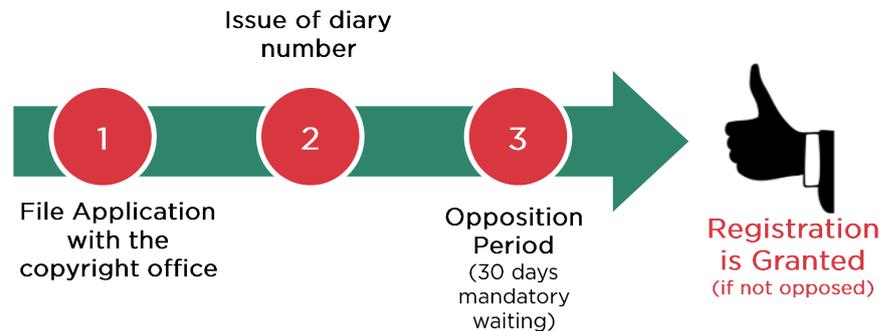
Copyright law in India is laid down in the Indian Copyright Act (1957) with most recent amendment in 2012. The amended copyright law is in line with the recent developments in digital technology, computer software and satellite broadcasting and has introduced provisions to protect performer's rights as envisaged in the Rome Convention.

The Copyright Rules provide for detailed procedure for relinquishment of Copyright, publishing or republishing works (in certain circumstances), producing and publishing a translation of a literary or dramatic work in any language, to grant compulsory licenses in the matter of work withheld from public, license for benefit of disabled, to grant statutory license for broadcasting literary and musical works and sound recordings, registration of copyright societies and copyright registration in India.

In recent years, Government of India has taken measures to strengthen and streamline the enforcement of copyrights that include training programs for enforcement officers, setting up of a Copyright Enforcement Advisory Council and special policy cells to deal with reported cases relating to infringement of copyrights.



Registration Process



Copyright Infringement

A copyright is infringed if a person without an appropriate license does anything that the owner of the Copyright has an exclusive right to do. The following are some of the commonly known acts involving infringement of copyright:

- Making infringing copies for sale or hire or selling or letting them for hire
- Permitting any place for the performance of works in public where such performance constitutes infringement of copyright
- Distributing infringing copies for the purpose of trade or to such an extent so as to affect prejudicially the interest of the owner of copyright
- Public exhibition of infringing copies by way of trade
- Importation of infringing copies into India

Rules and Acts related to Copyrights

- The Copyright (Amendment) Act, 2012
- Copyright, Act 1957
- Copyright Rules, 2013
- International Copyright Order, 1999
- Copyright Piracy in India

The Indian Copyright Act provides for both civil and criminal remedies for copyright infringement. The copyright owner is entitled to remedies by way of injunction, damages, and order for seizure and destruction of infringing articles. Any person who knowingly infringes or abets the infringement of the copyright in any work commits criminal offence under Section 63 of the Copyright Act. A proven act of copyright infringement may invite an imprisonment of six months to three years or of INR 50,000 to INR 200,000 or both.



Trademarks

Trademark in India is administered by Department of Industrial Policy & Promotion (Ministry of Commerce & Industry) and Controller General of Patents, Designs and Trade Marks under the Trade Marks Act 1999 (as amended in 2010)

Trademark is defined as any sign, or any combination of signs used or proposed to be used to differentiate the goods or services of one person from those of others in the course of trade. Such distinguishing marks constitute protectable subject matter under the provisions of the TRIPS Agreement. Although it is not compulsory to register a trademark, registration is a prima facie proof of the title and it provides the registered owner an exclusive right to use the trademark and take legal action in case of infringement. The first time registration is valid for 10 years duration which is further renewable for the period of every 10 years, for an indefinite period of time.

The Trade Marks Registry

The Trade Marks Registry was established in India in 1940 and presently it administers the Trade Marks Act, 1999 and the rules there under. It acts as a resource and information centre and is a facilitator in matters relating to trade marks in the country.

- The registry provides a facility of e-filing services is available for online filing of all Trade Mark related forms at the office website where entrepreneurs from all over the world can register their trademarks in India.
- Trade Marks System (TMS) is used to perform all the functions of the Trade Marks Registry (TMR). The Data Entry of all vital information of a trademark application or a registered trademark is done and all physical paper records are digitized and linked with the relevant application or registered trademarks, in the TMS.
- Accepted applications for registration of trademarks & other information are provided every Monday via the Trade Mark E-Journal.

Registration Process

Any person (the individual, partner of a firm, a company, any government department, a trust, or even in name of joint applicants) who claims to be the proprietor of a trademark used or proposed to be used can file an application for registration. Under Indian Copyright law both domestic and international applicants are treated equally. A company about to be incorporated or registered under the Companies Act, 1956 can also file an application for copyright. The applicant must have an address for service in India. Generally, application can be filed by a legal practitioner / registered agent. The initial registration is valid for a period of 10 years from the date of registration which is renewable for the period of every 10 years, for an indefinite period of time.



Selection of the mark

Mark should be distinctive and should not be in the prohibited category.

Search before application

Carry out a search at the trade marks registry, to find out if same or similar marks are either registered or pending registration. This is advisable although not compulsory.

Filing of the application

Mark should be distinctive and should not be in the prohibited category.

Numbering of the application

The application is dated and numbered, and a copy is returned to the applicant / attorney. Once the mark is registered, this number is deemed to be the registration number.

Clearing Official Examination

The TMR sends the "official examination report" asking for clarifications, if any, and also cites identical or deceptively similar marks already registered or pending registration. The applicant has to overcome the objections.

Advertising of the application

The application is thereafter published in the "trade marks journal," which is a government of india publication, published by the trade marks registry.

Acceptance of the application

After publication, if the application is not opposed within the specified opposition period (four months), then the registration is granted.

Opposition proceedings

After the objections are successfully met and answers are provided to the queries, the trade marks registry issues an official letter intimating their acceptance of the application.

Issue of certificate of registration

Registration of a trademark normally takes four to five years. However, when the registration certificate is issued, it is always effective from the date on which the application is filed



India has acceded to the Madrid Protocol which allows applicants to file applications in other countries that are members of the Protocol through a simple Form and by payment in one currency. Foreign applicants can also file indicating India as the designated country. This also enables time-bound processing of Trade Marks applications. Comprehensive e-filing services are available for online filing of all Trade Mark related forms at the office website.

Trade mark infringement

Infringement may occur when an infringer uses a trademark which is identical or confusingly similar to a trademark owned by authorized/ registered owner, in relation to products or services which are identical or similar to the products or services which the registration covers. A Suit for Infringement can be filed by the owner or the licensed user of the Trademark, before the District Court or the High Court within the territorial jurisdiction of the action.

Rules and Acts related to Trademarks

- Trade Marks (Amendment) Act, 2010
- New Elements in the Trade Marks Act, 1999
- Trade Marks Act, 1999

Trademarks law provides for both civil as well as criminal remedies for infringement or passing off. The Act provides for the imprisonment of six months to three years or fine of INR 50,000 to INR 200,000 or both.

Geographical Indication of Goods

Geographical Indications in India are administered by the Department of Industrial Policy & Promotion (Ministry of Commerce & Industry) and the Geographical Indications Registry under the Geographical Indications of Goods (Registration & Protection) Act

The Geographical Indications (GI) tag provides the right to those registered as authorized users (or those residing inside the geographic territory) to use the popular product name and none other than those authorized can use that name. Typically, such a name conveys an assurance of quality and distinctiveness which is essentially attributable to the fact that it originated in that defined geographical locality, region or country.

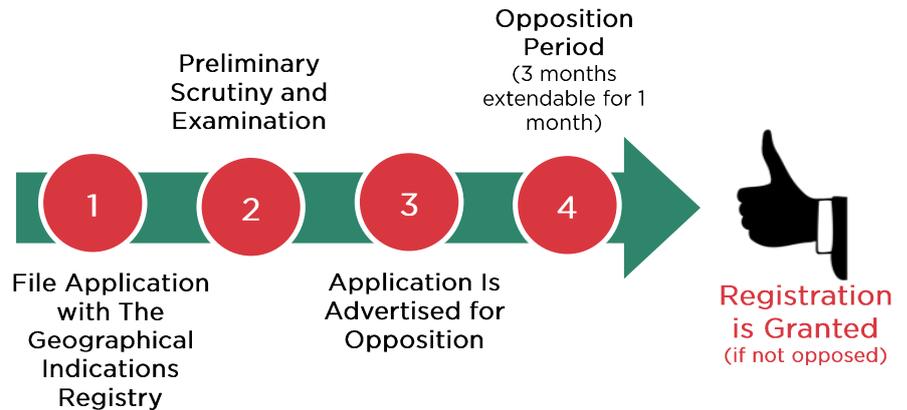
Registration process

Any person (the individual, partner of a firm, a company, any government department, a trust, or even in name of joint applicants) or the association of persons or producers or any organization or authority representing the interest of producers of the concerned goods can file for registering a GI and the procedure for registering oneself as an authorized user.

Applications for registration of Geographical Indications can also be filed by foreign entities for registration of their GI in India in accordance with the provisions of TRIPS. The applicant must have an address for service in India. Generally, application can be filed by a legal practitioner / registered agent.



Registration Process



Geographical Indications Infringement

A registered geographical indication is infringed by a person who, not being an authorized user thereof uses such geographical indication in a manner which misleads the persons as to the geographical origin of such goods. A suit for infringement of a registered Geographical Indications may be filed in a District Court having jurisdiction to try the suit.

Rules and Acts related to Geographical Indications

- Geographical Indications of Goods (Registration and the Protection) Act, 1999
- The Geographical Indications of Goods (Registration & Protection) Rules, 2002

The penalty for Geographical Indications infringement provided in the act invite for an imprisonment which may be the six months to three years or a fine of INR 50,000 to INR 200,000 or both.

Industrial Designs

Industrial Design in India is administered by the Department of Industrial Policy & Promotion (Ministry of Commerce & Industry) and the Controller General of Patents, Designs and Trade Marks under the Designs Act 2000.

As per the Designs Act, a Design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, whether in two or three dimensional (or both) forms. This may be applied by any industrial process or means (manual, mechanical or chemical) separately or by a combined process, which in the finished article appeals to and judged solely by the eye. Design does not include any mode or principle of construction or anything which is a mere mechanical



device. It also does not include any trade mark or any artistic work. The registration of a design confers upon the registered proprietor the exclusive right to apply a design to the article in the class in which the design has been registered. Industrial designs are an element of intellectual property. TRIPS Agreement provides for minimum standards of protection of industrial designs which India already provides through its amended national legislation.

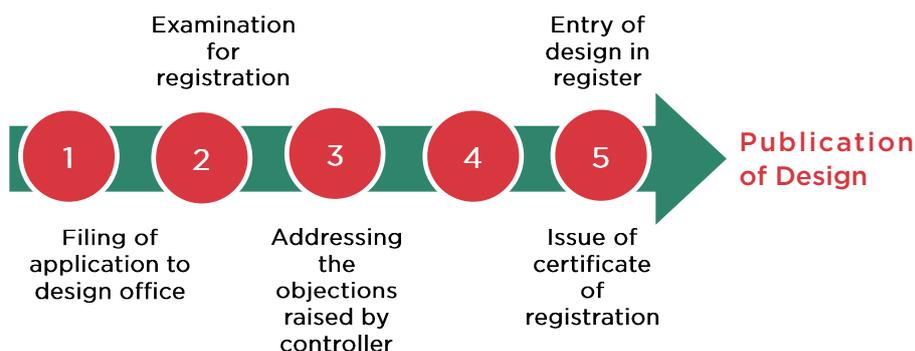
The major objective of the design law is to promote and protect the design element of industrial production along with promoting innovative activity in the field of industries.

The right to design is initially granted for ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. This initial period of registration extendable to further period of 5 years if applied to the Controller before the expiry of the initial period of ten years. However the total term for registration cannot exceed 15 years.

Registration Process

Any person or the legal representative or the assignee can apply separately or jointly for the registration of a design. The term “person” includes firm, partnership, small entity and a body corporate. An application may also be filed through an agent in which case a power of attorney is required to be filed. Design applications can be filed by foreign applicants taking priority of their foreign applications. Design registration is granted within 6 months of the filing of an application if all requirements are met.

The process of registration of a design under the Designs Act requires the following steps:





Every design to be registerable must pass the universal test of novelty. A design cannot be registered if it is not new or original or has been disclosed to the public in India or anywhere in the world by publication. The design should also be significantly distinguishable from known designs or combination of known designs and not comprise or contain scandalous or obscene matter. The design should also not be prejudicial to the security of India.

Photographs of the articles/ design from all angles and statement of novelty is also filed along with the application. When registered, a design is deemed to have been registered as of the date of the application for registration.

If the Controller rejects the application, the aggrieved person can appeal to the High Court.

Industrial Design Infringement

If a person, not licensed by the registered proprietor of the Design, manufactures or sells the registered design or any similar design or any activity involving that Design constitutes a design right infringement.

Rules and Acts related to Designs

- Designs Act , 2000
- Designs (Amendment) Rules 2014

The Designs Act provides for civil remedies in cases of infringement of copyright in a design, but does not provide for criminal actions. The civil remedies available in such cases are injunctions, damages, compensation, or surrendering of the infringing articles.

Patents

Patents in India are administered by the Department of Industrial Policy & Promotion (Ministry of Commerce & Industry) and the Controller General of Patents, Designs and Trade Marks under the Patents Act, 1970 (as amended in 2005).

Patent is a monopoly right granted to a person who has invented a new and useful article, or an improvement of existing article, or a new process of making an article. It provides an exclusive right to manufacture the new invented article or manufacturing an article as per the invented process for a limited period which is 20 years. Two types of patents are granted:

- **Product Patent** – Inventing a new product is called product invention and the patent thus granted is referred to as ‘product patent’.
- **Process Patent** – Inventing process or processes of making a known or new product is a process invention and patent granted over it is called a ‘process patent’.

In India, the Patents Act (as amended) governs the Patents law and is in line with the TRIPS Agreement. India, being a member country to Paris Convention and Patent Cooperation Treaty, provides all filing facilities as mandated under these arrangements to applicants for filing convention and national phase patent applications

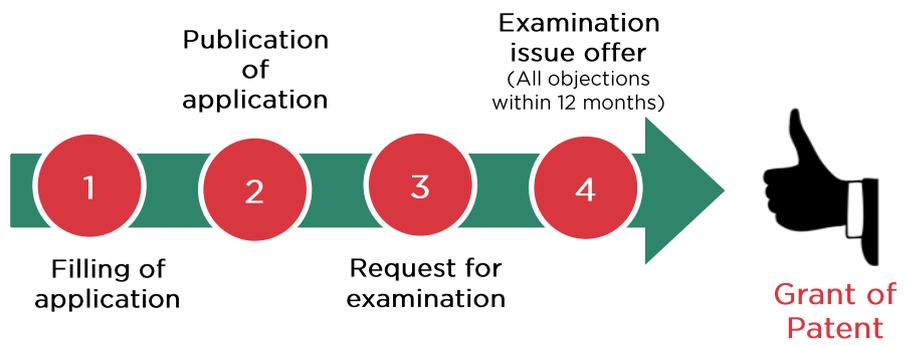


Registration Process

An Application for a Patent for an invention may be made by any of the following persons (company or association or body of individuals, whether incorporated or not) either alone or jointly with any other person:

- True and first inventor
- True and first inventor's assignee
- Legal representative of deceased true and first inventor or his/her assignee

Application for Patent shall be filed with the Patent Office having the appropriate jurisdiction. A foreign applicant is required to give an address for service in India and the jurisdiction will be accordingly decided.



Number of Patents and Trademarks filed in India in last few years

Year	Patents			Trademarks		
	Filed	Granted	Rejected	Filed	Granted	Rejected
2012-13	43674	4126	353	194216	44361	16447
2013-14	42950	4225	774	200005	67873	5154
2014-15	42774	5978	1380	210501	41583	8305
2015-16 (As on 31.10.2015)	27933	3581	605	150814	37799	6543

Source: DIPP, Ministry of Commerce & Industry



The patent office also offers a 10% reduction in fees for e-filing of all forms and documents relating to patents, at all stages of processing of an application, right from the stage of filing to the grant of the patent and post-grant processes. It also offers concession for applicants belonging to the category of micro, small and medium enterprises (SMEs) with an objective to encourage the MSMEs to protect their knowledge assets. They are required to pay only 50% of the fee payable by other legal entities namely companies etc. This facility is available equally to foreign applicants. The applications filled by Startups are provided a concession of 80 % in fee for filling and other procedures as compared to the fee for legal entities.

Patent Infringement

Patent infringement is the act of utilizing a patented invention without permission from the patent holder. Persons involved in making, using, selling, distributing, importing or offering to do so may be held liable for infringement.

Rules and Acts related to Patents

- Patents Act, 1970
- Patents (Amendment) Act, 2005
- Patents (Amendment) Rules 2016

A Suit for Infringement of Patent has to be filed before the District Court or the High Court (depending on the pecuniary jurisdiction) within whose territorial jurisdiction the cause of action has arisen. The reliefs that a court may grant in a patent infringement suit, would include an injunction and damages or an account of profits.

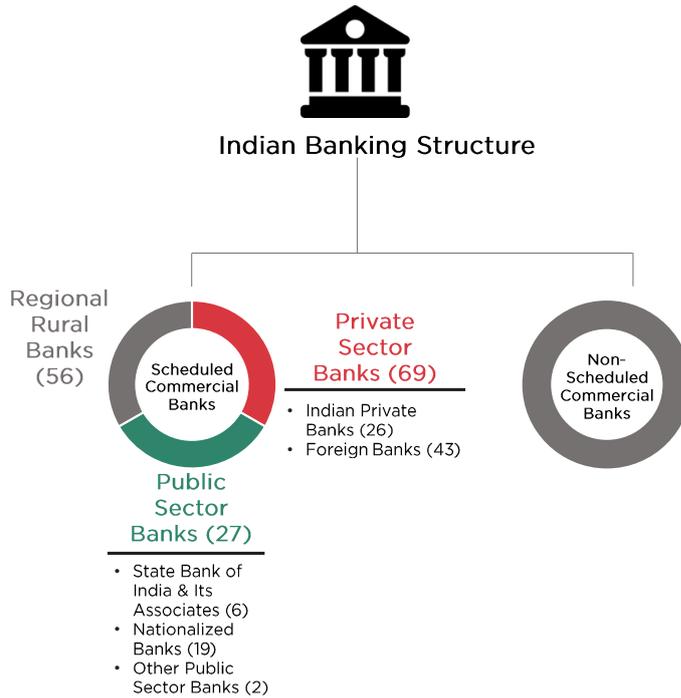
Banking is a highly regulated and administered sector given its ability to withstand stress is critical for overall financial stability. Banking sector reforms have encouraged new market entry of private players and foreign banks, making the banking sector a more market-driven one with increased efficiency and productivity



Banking System in India



Indian Banking Structure



Indian Banking Structure

The Indian Banking industry is governed by the Banking Regulation Act of India, 1949 which provides a framework under which commercial banking in India is supervised and regulated.

Banks can be broadly classified into two major categories,:

Scheduled Commercial Banks (SCB): comprising of commercial banks and the co-operative banks. Scheduled Banks are listed in the Second Schedule of the Reserve Bank of India Act, 1934. The Banks satisfying the following conditions are only included in the Second Schedule.

- That the Bank's paid up capital plus free reserves are not less than INR 500 Thousand
- That the affairs of the Bank are not conducted to the detrimental interest of the depositors.
- The Reserve Bank also has powers to de-schedule a bank, when the above mentioned conditions are not satisfied. RBI has prescribed a minimum capital of INR 1Billion for starting a new commercial bank.

In terms of ownership, commercial banks can be further grouped into nationalized banks, the State Bank of India and its group banks, regional rural banks and private sector banks (the old/ new domestic and foreign). The Indian banking system consists of 26 public sector banks, 26 private sector banks, 43 foreign banks, 56 regional rural banks

Non- Scheduled Banks: The banks not listed in the Second Schedule of the Reserve Bank of India Act, 1934 are considered as non-scheduled banks.



Banking Supervisory Authority

The Reserve Bank of India is the apex monetary Institution of India. It is also known as the central bank of the country.

The RBI was established on April 1, 1935 under the provisions of the Reserve Bank of India Act, 1934. The Central Office of the Reserve Bank which was initially established in Calcutta, is located at Mumbai since 1937. The Central Office is where the Governor of RBI sits and policies are formulated. Though originally privately owned, since nationalization in 1949, the Reserve Bank is fully owned by the Government of India.

The Reserve Bank of India (RBI) regulates and supervises a significant part of the financial sector including the banking sector. The Reserve Bank's regulatory and supervisory domain extends not only to the Indian banking system but also to the development financial institutions (DFIs), non-banking financial companies (NBFCs), primary dealers, credit information companies and select segments of the financial markets.

- The Department of Banking Operations and Development (DBOD) frames regulations for commercial banks.
- The Department of Banking Supervision (DBS) undertakes supervision of commercial banks, including the local area banks and all-India financial institutions.
- The Department of Non-Banking Supervision (DNBS) regulates and supervises the Non-Banking Financial Companies (NBFCs)
- Urban Banks Department (UBD) regulates and supervises the Urban Cooperative Banks (UCBs)
- Rural Planning and Credit Department (RPCD) regulates the Regional Rural Banks (RRBs) and the Rural Cooperative Banks, whereas their supervision has been entrusted to NABARD.

Major functions of RBI

Monetary Authority

- Formulates, implements and monitors the monetary policy.
- Objective: To maintain price stability and ensure adequate flow of credit to productive sectors.

Regulation and supervision of the financial system

- Prescribes broad parameters of banking operations for smooth functioning of country's banking and financial system
- Objective: To maintain public confidence in the system, protect depositors' interest and provide cost-effective banking services to the public.

Foreign Exchange Management

- Manages the Foreign Exchange Management Act, 1999.
- Objective: to facilitate external trade and payment and promote orderly development and maintenance of the foreign exchange market in India.

**Currency Issuer**

- Issues and exchanges or destroys currency and coins not fit for circulation.
- Objective: To maintain adequate quantity of supplies of currency notes and coins in good quality.

Developmental Role

- Performing a wide range of promotional/awareness functions to support national objectives.

Related Functions

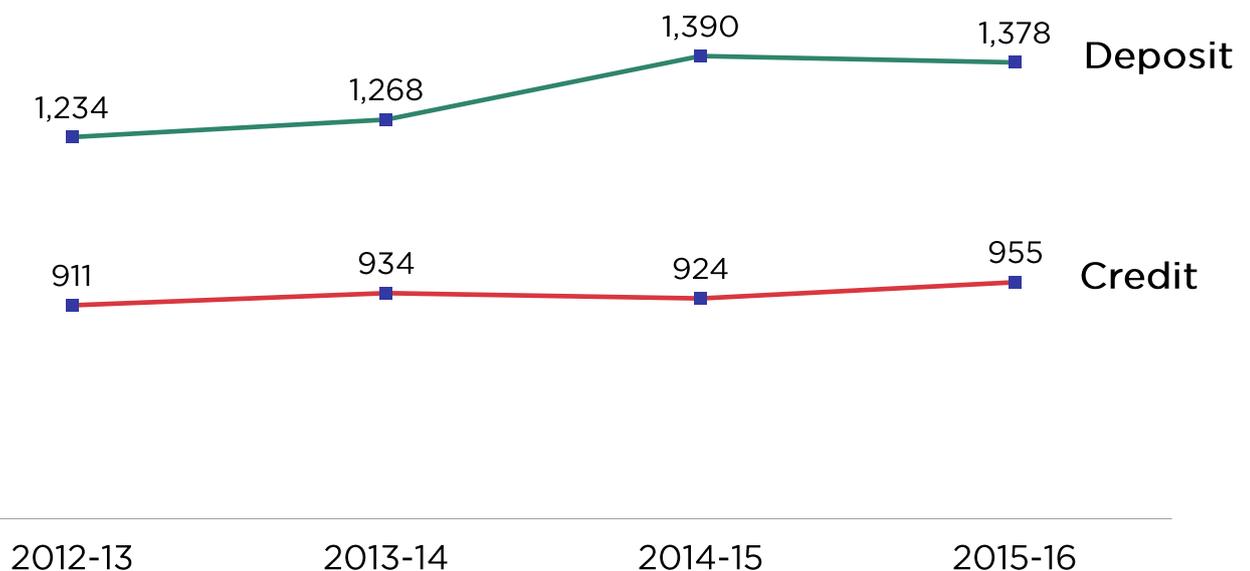
- Banker to the Government: performs merchant banking function for the central and the state governments; also acts as their banker.
- Banker to banks: maintaining banking accounts of all scheduled banks in India

Branch Offices

- RBI has 19 regional offices, most of them located in state capitals and 9 Sub-offices.

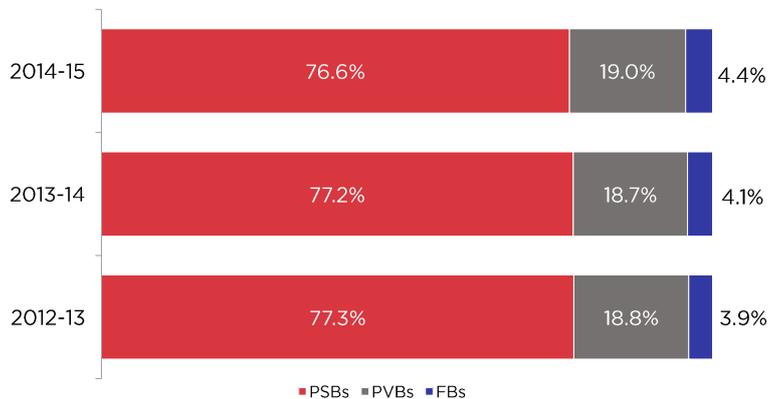
Fully Owned Subsidiaries

- Deposit Insurance and Credit Guarantee Corporation of India(DICGC)
- Bharatiya Reserve Bank Note Mudran Private Limited(BRBNMPL)
- National Housing Bank(NHB)

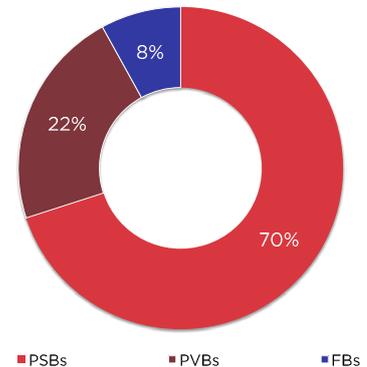
Overall Bank Credit & Deposits (€ Billion) in India



Market Share of Banks by Deposits



Asset Distribution 2015-16



The Scheduled Commercial banking sector comprises of 148 banks with 136412 branches spread across the country.

The overall banking deposits have been growing in the country owing to the increasing young skilled population, job creation, growth in savings amid rising disposable income levels. In FY 2015-16, the total deposits accounted to ~€ 1370 Billion with a Credit to Deposit ratio of 78%

The public sector banks account for about 70% of total credit and more than 80% share of the number of branches. Foreign banks branch offices in India are mostly in urban areas and their share in total credit is less than 5%.

The total Assets of the SCB is estimated at ~€ 1900 Billion. The Public Sector Banks (PSBs) held a major share of ~70% of total assets in 2016, which was marginally down than it held in 2015. Private banks (PVBs) had a share of ~ 22% of total assets whereas Foreign Banks (FBs) had only close of 8% share in 2016.

Types of Scheduled commercial Banks

- **Public Sector Bank (PSB):** These are the banks having majority share in them held by the government. The major focus area of these banks is serving the people of India rather earn profits.
- **Private Bank (PVB):** These are owned and operated by private institutes as the majority share is held by the private players. They have a free hand in their operations and are generally controlled by market forces.
- **Foreign Bank (FB):** These banks are based in a foreign country but have branches in India.
- **Regional Rural Bank (RRB):** These banks were setup with a primary objective of providing credit to the rural and agricultural regions. These banks are restricted for operations only in the areas specified by the Government of India. These banks are owned by State Government and a sponsor public bank.



The public sector banks of India are considered as the common man's bank and have the maximum share in deposits. However, to maintain their position, evolve with the changing times and be able to compete with growing influence and outreach of Private sector and foreign banks, PSB's are improving their technology infrastructure to enhance customer experience & gain competitive advantage.

Introduction of new yet safe technological tools through internet and mobile banking is gaining a strong foothold with the youth and has led banks to focus on Customer Relationship Management (CRM), data warehousing, and SMAC (Social, Mobile, Analytics & Cloud) techniques to reach new customers

Initiatives by the Government such as Pradhan Mantri Jan Dhan Yojana (PMJDY) has led to increased accessibility of financial services such as bank accounts, insurance, pension, credit facilities, etc. mostly to the low income groups. Under the Jan Dhan Yojana, 255.1 million new accounts were opened with a deposit of ~ USD 6,971 million till Nov 2016 in the banks.

Major Banks Operating in India

Public Sector Banks	Private Banks	Foreign Banks
Bank of Baroda	Axis bank Ltd.	Citibank N.A.
Bank of Maharashtra	HDFC Bank Ltd.	Deutsche Bank
Oriental Bank of Commerce (OBC)	ICICI Bank Ltd.	HSBC Ltd
Punjab National Bank (PNB)	Indusind Bank Ltd.	Standard Chartered Bank
State Bank of India (SBI)	Kotak Mahindra Bank Ltd.	The Royal Bank of Scotland N.V.

Co-operative Banking

A cooperative bank is an institution owned by its members. They are formed by efforts of people of the same profession or other community which have common and shared interests, aspirations & problems. They cater to services similar to commercial banks like loans, banking, deposits etc. but at the same time differ in their values and governance structures. These institutions are usually democratic set-ups where the board members are generally elected democratically with each member entitled to one vote each.

They are under the supervision and control of the official banking authorities and thus have to follow the banking regulations setup of the country.

The co-operative banks are involved in providing assistance in number of activities including credit, banking, production, processing, distribution/marketing, housing, warehousing, irrigation, transport, textiles, dairy, sugar etc. to households.

India's co-operative banking sectors comprised of 1,574 urban cooperative banks (UCBs) and 93,913 rural co-operative credit institutions.

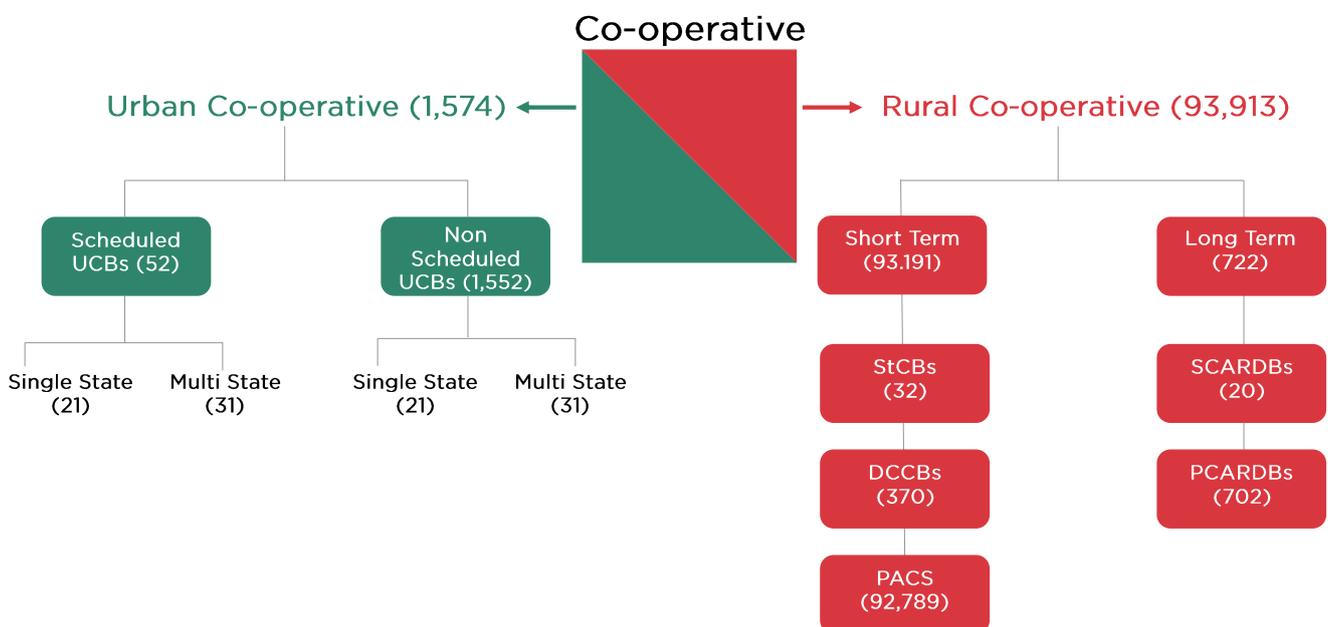


Urban Co-operative Banks (UCBs): They function at single-state and multi-state levels. The number of UCBs came down from 1,579 in 2015 to 1,574 in 2016.

- Banking activities of UCBs are monitored by RBI.
- Registration and Management activities are managed by Registrar of Cooperative Societies (RCS).

Rural Cooperatives: These are rural cooperatives functioning at State, District and Village levels.

- All banking activities are regulated by a shared arrangement between RBI and NABARD
- All management and registration activities are managed by the Registrar of Cooperative Societies RCS



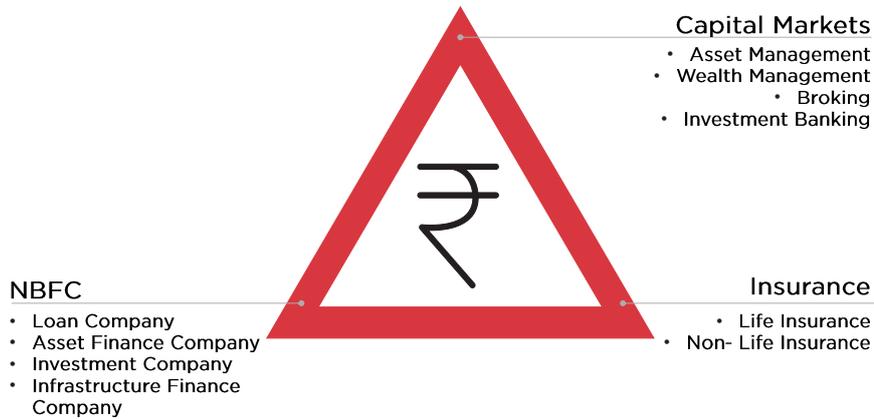
Italian Bank's presence in India

- Branch Office - Nil
- Representative Office: Six Italian banks have representatives offices in New Delhi and Mumbai

Banks	Office Location
Intesa Sanpaolo S.P.A	Mumbai
Uni Credit S.P.A	Mumbai
Banca Popolare Sco.Coop	Mumbai
UBI Banca - Unione di Banche Italiane	Mumbai
Monte Dei Paschi Di Sienna	Mumbai
Banca Popolare di Vicenza	New Delhi

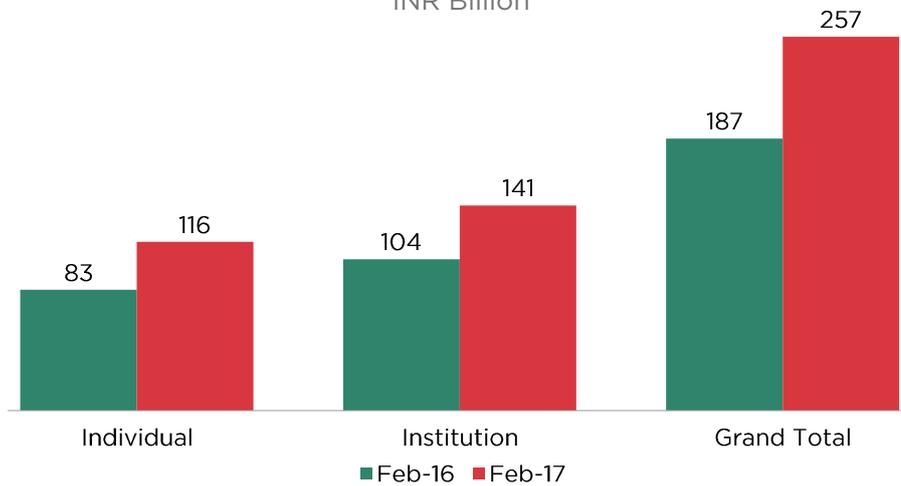


Financial Services



Growth in Assets

INR Billion



Asset Management

India currently has more than 13 million Mutual fund Systematic Investment Plan (SIP) accounts.

Assets under management (AUM) by the Indian mutual fund industry have grown by ~ 37% to reach to Rs. 18.48 trillion in February 2017 from Rs. 13.48 trillion in February 2016.

Out of the total industry assets 45% are held by individual investors whereas institutional investors account for 55% of the total industry assets within which corporates hold a majority share of 85.30%.

Stock Exchanges and Brokers: India has more than 20 stock exchanges. The NSE and the BSE are the main exchanges, with the NSE contributing over 70 per cent of the turnover. There are more than 8,000 brokers in addition to about 45,000 sub-brokers registered with SEBI.

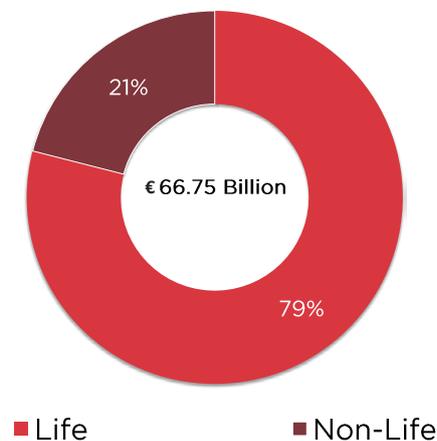


Insurance

The life insurance sector of India has shown a significant growth in recent years. In life insurance business, India is ranked 10th among the 88 countries, for which the data was published by Swiss Re. India's share in global life insurance market was 2.24% during 2015. In terms of non-life insurance premium, India's share in global non-life insurance premium was at 0.75% and India ranks 18th among the 88 countries.

The insurance penetration in India is still very low however there was a slight increase in 2015 to reach 3.44% compared to 3.3 percent in 2014.

Insurance Premium



Registered insurers in India

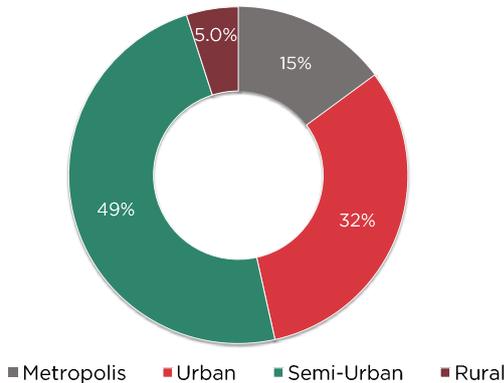
By the end of 2015-2016, there were 54 insurers operating in India. Out of these 24 are life insurers, 24 are general insurers and 5 are health insurers exclusively doing health insurance business. In addition to the above the General Insurance Company (GIC) is the sole national reinsurer.

In terms of ownership, out of the 54 insurers presently in operation, eight are in the public sector and the remaining forty six are in the private sector.

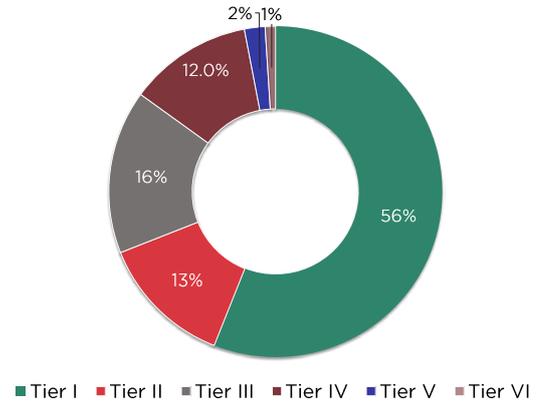
- **Public sector:** Two specialized insurers, namely ECGC and AIC, one life insurer namely LIC of India (LIC), four in general insurance and one in Reinsurance namely GIC are in the public sector.
- **Private Sector:** 23 life insurers, 18 general insurers and 5 standalone health insurers



Geographical Distribution of Life Insurance Offices



Tier Wise Offices of Non-Life Insurance



Non-Banking Financial Companies (NBFC)

Non-Banking Financial Companies (NBFC) are rapidly gaining importance as intermediaries in the retail finance space. They are companies registered under the Companies Act, 1956. NBFCs are engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities, leasing, hire-purchase, insurance business, chit business.

It is a non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, it is also a non-banking financial company.

- NBFC cannot accept demand deposits;
- NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself;
- Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

Major functions of NBFC

- It Provides finance for development of sectors like infrastructure and transport
- Financing projects of small-scale companies for the growth in rural areas.
- Providing small-ticket loans for affordable housing projects
- Contributing to the economy by lending for infrastructural projects, which are very important for developing country like India
- Providing loans to wholesale traders and retailers, small scale industries and employed people
- Indirectly helps in substantial employment generation
- Supplement to bank credit in rural segments with major thrust on rural, semi urban area and first time users



Micro Finance Institutions (MFI)

A microfinance institution is an organization that offers financial services to low income population. All of them extend loans to their members, and many offer insurance, deposit and other services.

Microfinance is considered as one of the most effective tools for poverty reduction in India as they play a significant role in bridging the gap between the formal financial institutions and the rural poor. The Micro Finance Institutions (MFIs) have access to financial resources of the banks and other mainstream financial institutions present in India and provide various financial and support services to the poor classes in rural India.

Major functions of MFIs are

- Mobilizing the deposits to expand outreach
- Contribution in solving the problem of inadequate housing and urban services in rural areas
- They provide multi-purpose loans for housing improvement, consumption support and income generation
- Conducting research on saving behaviour and demand for finance among borrowers to determine the best mix of multipurpose loans
- Improving the creditworthiness of the poor so that they qualify to get long-term credit from the formal sector
- Educating and imparting financial discipline to borrowers about repayment requirements
- Helping to create opportunities for self-employment for the underprivileged

Some MFIs that qualify certain criteria can get themselves registered with RBI and such MFIs are regulated by RBI and known as NBFC-MFIs or Non-Banking Financial Company-Microfinance Institutions. An NBFC-MFI is required to fulfil the following conditions:

- I. Minimum Net Owned Funds of Rs.5 crore. (For NBFC-MFIs registered in the North Eastern Region of the country, the minimum Net Owned Funds requirement shall stand at Rs. 2 crore).
- II. Not less than 85% of its net assets are in the nature of “qualifying assets.” (Only the assets originated on or after January 1, 2012 will have to comply with the Qualifying Assets criteria)

SEBI – Securities and Exchange Board of India

SEBI also plays a vital role as the financial regulator body of India which is associated with regulation of security markets in Indian Territory. The Securities and Exchange Board of India was established on April 12, 1992 under the provisions of the Securities and Exchange Board of India Act, 1992.

The basic functions of SEBI under the Preamble of the Securities and Exchange Board of India is described as “...to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto”



Offices: SEBI head office is located at Mumbai along with 19 regional offices across the country.

There are three groups, which fall under which category, and those are the investors, the security issuers and market intermediaries.

- **PFRDA - Pension Fund Regulatory and Development Authority:** Pension Fund regulatory is a pension related authority established in 2003 by the Government of India. With its head office at New Delhi, PFRDA functions under the Preamble of the Pension Fund Regulatory & Development Authority Act, 2013 which describes its basic functions as - "... to promote old age income security by establishing, developing and regulating pension funds, to protect the interests of subscribers to schemes of pension funds and for matters connected therewith or incidental thereto."

PFRDA is authorized by the Finance Ministry, and it helps in promoting income security of old age by regulating and also developing pension funds. The Authority consists of a Chairperson and not more than five members, of whom at least three are Whole-Time members appointed by the Central Government.

- **IRDA - Insurance Regulatory and Development Authority:** Insurance Regulatory and Development Authority (IRDA) is an apex statutory body in financial services regulating, promoting and ensuring orderly growth of insurance industry. It comprised of the Indian Parliamentary act and was passed duly by the Indian Government. Headquarter of this group is in Hyderabad, and it was shifted from Delhi to Hyderabad.

Major functions of the Authority

- o Issue, renew, modify, withdraw, suspend or cancel registration certificate
- o Protection of the interests of the policy holders in accordance to terms and conditions of contracts of insurance
- o Setting standards regarding qualifications, code of conduct and practical training for intermediary or insurance intermediaries, agents, surveyors and loss assessors
- o Promotion and regulation of professional organisations connected with the insurance and re-insurance business
- o Information retrieval from, conducting enquiries and investigations including audit of, undertaking inspection of the insurers, intermediaries, insurance intermediaries and other organisations connected with the insurance business
- o Specifying the standards in which books of account shall be maintained and statement of accounts shall be rendered by insurers and other insurance intermediaries
- o Regulating investment of funds by insurance companies and maintenance of margin of solvency
- o Adjudication of disputes between insurers and intermediaries or insurance intermediaries
- o Supervision of the functioning of the Tariff Advisory Committee;
- o Specifying the percentage of life insurance business and general insurance business to be undertaken by the insurer in the rural or social sector



- **National Bank for Agriculture and Rural Development (NABARD)**
NABARD is an apex Development Bank responsible for facilitating credit flow for promotion and development of agriculture, cottage and village industries, small-scale industries, handicrafts and other rural crafts.

It also supports all other allied economic activities in rural areas, promote integrated and sustainable rural development and secure prosperity of rural areas.

Major functions of NABARD include

- o Providing refinance facilities to lending institutions in rural areas
- o Promoting institutional development and
- o Evaluation, monitoring and inspection of the client banks
- o Acting as a coordinator in the operations of rural credit institutions
- o Extending assistance to the government, the Reserve Bank of India and other organizations in matters relating to rural development
- o Training and research facilities for banks, cooperatives and other organizations working in the field of rural development
- o Acting as a regulator for cooperative banks and RRBs



Recent Developments and Initiatives

Pradhan Mantri Jan-Dhan Yojana (PMJDY)

PMJDY is a Mission at national level for Financial Inclusion launched by the Government of India across the nation simultaneously on 28 August, 2014. The mission is aimed at ensuring access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in a convenient and affordable manner to every household in the country.

The scheme provides a facility to open an account with Zero balance in any bank branch or Business Correspondent (Bank Mitr - acts like an agent in facilitating bank and banking related services, especially in unbanked areas of the country.) outlet. However, if the account-holders wish to avail additional facilities like cheque book, then they are required to fulfil minimum balance criteria set by the banks.

Special Benefits under PMJDY Scheme

- Depositor earns Interest on deposits
- Accidental insurance cover of Rs. 1 lac
- No minimum balance required for basic accounts
- Life insurance cover of Rs. 30,000/- payable on death of the beneficiary, subject to fulfillment of the eligibility condition
- Easy transfer of money across the country
- Direct Benefit Transfer facility for Beneficiaries of Government Schemes in these accounts
- Overdraft facility on satisfactory operation of the account for minimum 6 months
- Overdraft facility up to Rs. 5,000/- is available in only one account per household, preferably lady of the household
- One stop access to Pension, insurance products

Milestone Achieved (as of 15th March 2017): A total of more than 280 million accounts have been opened under the scheme with a cumulative balance in the accounts rising over ₹ 8.8 billion.



Bank Name	Rural	Urban	Total	No of Rupay	Aadhaar Cards	Balance in Accounts (€)	% of Zero Balance Accounts
Public Sector Banks	123	101.8	224.8	175.5	147	6918.8	23.96
Regional Rural Banks	39.7	6.6	46.3	35.1	26.9	1644.5	20.72
Private Banks	5.5	3.6	9.1	8.4	4.3	302.8	35.56
Total	168.2	112	280.2	219	178.2	8866.2	23.8

*All Figures in €



Payment Banks

Structured Financial System awareness is very low and this coupled with unregulated or dis organized Rural Banking System has prevented most rural population from depositing their savings in banks. The introduction of Payment Banks, popularly known as “**Mobile Payment Banks**”, in the rural, semi urban, and interior pockets will change this scenario. The access to the system and ease of usage will help people understand it’s functioning thereby channelizing their savings. It will also provide government access to funds for development activities.

The Government of India and the RBI have been trying to implement various Business Models to achieve the financial inclusion such as, No-frills Accounts, Business Correspondents, Business Facilitators, Local Area Banks, Regional Rural Banks, and setting up of Rural Branches of Commercial Banks. But they have shown a negligible contribution towards the goal.

Payment Banks are expected to show better results to achieve financial inclusion, as their strength lies in the use of Technology and the Low Operational Cost it would entail in contrast with the Bricks-and-Mortar Banking Model.

In August 2015, the Reserve Bank of India granted “in-principle” approval to the following 11 applicants to set up payments banks under the guidelines issued by RBI for Licensing of Payments Banks

- Aditya Birla Nuvo Limited
- Airtel M Commerce Services Limited
- Cholamandalam Distribution Services Limited
- Department of Posts
- Fino PayTech Limited
- National Securities Depository Limited
- Reliance Industries Limited
- Shri Dilip Shantilal Shanghvi
- Shri Vijay Shekhar Sharma
- Tech Mahindra Limited
- Vodafone m-pesa Limited

In-Principle License

Approval granted to Payment Banks will be valid for a period of 18 months. During this period the applicants have to comply with the guidelines by RBI for Licensing of Payments Banks along with fulfilling the other conditions stipulated in licence.

The RBI would consider granting a licence for commencement of banking business if it is satisfied that the applicants have complied with the requisite conditions laid down by it as part of “**in-principle**” approval. Until a regular licence is issued, the applicants is not authorized to undertake any banking business in India.



Advantages of Payment Banks

- Currency circulation reduction in rural and semi-urban areas
- A Narrow Banking Model by investing in safe government securities only so no credit risk involved as minimum Asset Liabilities Management (ALM) mismatch
- Complete(100%) security as deposit limit capped at Rs.1,00,000 which is same as guaranteed by Deposit Insurance and Credit Guarantee Corporation (DICGC)
- High spread due to low operating cost and use of latest technology by mobile service providers who have been allotted licenses to start Payment Banks
- Low cost of operations as service provided by Business Correspondents or Franchise Banking System and not conventional Brick and Mortar banking model
- KYC already complied as most of the license holders for payment banks are mobile service provider who would have obtained data for the Mobile Phone, DTH or Landline Service

India Post Payments Bank (IPPB)

IPPB is a Public Limited Company functioning as a Payment Bank in India and regulated by RBI under the Guidelines for Licensing of Payments Banks. The Department of Posts was among the 11 applicants who obtained the “**in-principle approval**” of the RBI 2015 to set up the Payment Bank. In June 2016, the Department of Posts got approval for setting up the India Post Payments Bank (IPPB) as a Public Limited Company with 100% Government of India (GOI) equity.

The India Post Payments Bank (IPPB) will leverage the Postal Department’s network, reach, and resources to make quality, simple, low-cost financial services easily accessible to customers all over the country. It is anticipated that all citizens, especially 40% of the country’s population that is deprived of formal banking in the country will benefit from this project. The project will be rolled out in a phased manner across the country with an estimated expenditure of ~ ₹ 110 million.

On 31 January 2017, the operations of the India Post Payments Bank (IPPB) were formally launched with two pilot branches at Raipur and Ranchi. The number of branches is expected to reach 650 by the end of September 2017. Proposed 650 branches will be located at district the headquarters and all 1.55 lacs post offices which include 1.39 lacs of the rural post offices will be mapped to the IPPB branch at the district headquarter and they would function as access points for IPPB.

IPPB will have state of the art internet and mobile banking platforms, digital wallets and use innovative and emerging technologies to help in transition of cash dominant to a less cash economy.



Commercial Bank Account Opening Procedure

Particulars of Documents/ Information	Key Instruction
Resolution for account opening with the Bank and deciding upon the name of the authorized signatory along with transaction limits and mode of operation for bank account.	This needs to be approved in the meetings Board of Directors of Indian entity wherein name of the authorized signatory along with transaction limits and mode of operation for bank account
Organizational chart of Indian Company	In this detailed shareholding pattern of parent company and their holding company details required to be specified who so ever is holding 10% or more stakes in each group Companies till.
Statutory Document	
Certificate of Incorporation of Indian Entity Memorandum & Article of Association of the Company PAN card of the Company	These are the documents required to signed by respective authorized signatory
Any other Statutory registration certificate if obtained	This includes any approval obtained in the name of Company
Address proof of the Company	It consists of leave and license agreement, latest utility bill or No objection certificate for use of premises or ownership.
Latest (not older than two months) Identity & Address Proof of the Directors & Authorized Signatories) along with photographs	All pages of Identity & Address Proof documents should be self-certified and needs to be Notarized and apostilled from home Country. Note: If the Identity & Address Proof is not in English language then the same needs to be translated in English before Notary and apostille.
List of Directors	This needs to be printed on the letterhead of the Company and the same need to signed by authorized signatory
Beneficial Ownership(BO) Form & KYC documents (not older than two months) KYC docs will be required for shareholders with BO Declaration Form when shareholder is/are holding share more than 10% stake.	In this KYC documents is needed (ID and address proof) for the ultimate beneficial owners which is holding 10% or more stake.
Account opening form	This needs to be signed by authorized signatory and directors as well as from directors of the Company
FATCA Declaration	FATCA declaration form is for declaration that Company and its Promoter company and individuals related to the Company is not associated or linked with any kind of organization or business established in U.S.A. The attached Form needs to be signed by authorized signatory
Other misc. forms required for internet banking facilities and other services	This needs to be signed by authorized signatories as end where required.

This is the generic/ standardized list of documents/ information required for opening a bank account.

There could be a possibility that banker may ask for some set of forms and key requirement for account opening based on the structuring of the Company.



Procedure/ Checklist For Account Opening

Particulars of documents/ information	Key Instruction
Resolution for account opening with the Bank and deciding upon the name of the authorized signatory along with transaction limits and mode of operation for bank account.	This needs to be approved in the meetings Board of Directors of Indian entity wherein name of the authorized signatory along with transaction limits and mode of operation for bank account
Organizational chart of Indian Company	In this detailed shareholding pattern of parent company and their holding company details required to be speci-fied who so ever is holding 10% or more stakes in each group Companies till.
Statutory Document	
Certificate of Incorporation of Indian Entity Memorandum & Article of Association of the Company PAN card of the Company	These are the documents required to signed by respective authorized signatory
Any other Statutory registration certificate if obtained	This includes any approval obtained in the name of Company
Address proof of the Company	It consists of leave and license agreement, latest utility bill or No objection certificate for use of premises or ownership.
Latest (not older than two months) Identity & Address Proof of the Directors & Authorized Signatories) along with photographs	All pages of Identity & Address Proof documents should be self-certified and needs to be Notarized and apos-tilled from home Country. Note: If the Identity & Address Proof is not in English language then the same needs to be translated in English before Notary and apostille.
List of Directors	This needs to be printed on the letterhead of the Com-pany and the same need to signed by authorized signa-tory
Beneficial Ownership(BO) Form & KYC documents (not older than two months) KYC docs will be required for shareholders with BO Declaration Form when shareholder is/are holding share more than 10% stake.	In this KYC documents is needed (ID and address proof) for the ultimate beneficial owners which is holding 10% or more stake.
Account opening form	This needs to be signed by authorized signatory and directors as well as from directors of the Company
FATCA Declaration	FATCA declaration form is for declaration that Company and its Promoter company and individuals related to the Company is not associated or linked with any kind of organization or business established in U.S.A. The at-tached Form needs to be signed by authorized signatory
Other misc. forms required for internet bank-ing facilities and other services	This needs to be signed by authorized signatories as wherein required.

This is the generic/ standardized list of documents/ information required for opening a bank account. There could be a possibility that banker may ask for some set of forms and key requirement for account opening based on the structuring of the Company.



Deposit Insurance

The Deposit Insurance and Credit Guarantee Corporation (DICGC) is a subsidiary of Reserve Bank of India formed under Deposit Insurance and Credit Guarantee Corporation Act, 1961 for the purpose of providing insurance of deposits and guaranteeing of credit facilities. DICGC insures all bank deposits, such as saving, fixed, current, recurring deposits for up to the limit of Rs. 100,000 of each deposit in a bank.

Banks covered by Deposit Insurance Scheme

- All commercial banks including the branches of foreign banks functioning in India, Local Area Banks and Regional Rural Banks.
- Co-operative Banks - All eligible co-operative banks are covered by the Deposit Insurance Scheme. The Union Territories of Lakshadweep and Dadra and Nagar Haveli do not have Co-operative Banks.

Insurance Coverage

Under the DICGC Act, the current insurance cover is limited to 100,000/- only per depositor(s) for deposits held by him (them) in the “same right and in the same capacity” in all the branches of the bank taken together.

DICGC insures all bank deposits, such as saving, fixed, current, and recurring, etc. except the following types of deposits.

- Deposits of foreign Governments
- Deposits of Central/State Governments
- Inter-bank deposits
- Deposits of the State Land Development Banks with the State co-operative banks
- Any amount due on account of and deposit received outside India
- Any amount which has been specifically exempted by the corporation with the previous approval of the RBI.



Francesco Pensabene

Trade Commissioner

Director, Trade Promotion Office of the Italian Embassy

Coordinator of Italian Trade Commission offices for India, Nepal, Bhutan, Sri Lanka, Maldives, Bangladesh

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About ITA

The ICE - Italian Trade Agency is the government organization which promotes the internationalization of the Italian companies, in line with the strategies of the Ministry for Economic Development and Ministry of Foreign Affairs. ICE provides information, support and advice to Italian and foreign companies. In addition to its Rome headquarters, ICE operates worldwide from a large network of Trade Promotion Offices linked to Italian embassies and consulates and working closely with local authorities and businesses.

The principal function of our offices is to foster bilateral trade relations by providing Indian entrepreneurs and companies with information on Italian products, companies & market updates. We also provide assistance in establishing contacts with Italian companies by participating in exhibitions, promoting Italian products, organizing training courses, technological conferences, workshops, seminars, arranging media-advertising campaigns, etc. In addition, we organize a variety of industry-specific promotional events such as trade missions of Indian businessmen to Italy visiting major exhibitions, bringing delegations of Italian businessmen in India and arranging bilateral meetings for mutual benefits. The Italian Trade Agency in India was established in 1969 and we are present with two offices in New Delhi and Mumbai.



Summary tables of promotional activities carried out and programmed 2016-2017

Initiative	Date	Month/Year	City	Sector	Details
Activities by Italian Trade Commission New Delhi					
Business delegation to Pitti Uomo	From 12 to 15	January/ 2016	Florence	Leather tanning and processing machinery	India delegation- journalists 2
Business delegation to HOMI	From 29 to 1	January- February/ 2016	Milan	Home-Decor- Interiors	India delegation - 18 participants in collaboration with Italian Trade Commission Mumbai
Participation in IILF 2016 Chennai	From 1 to 3	February/2016	Chennai	Leather tanning and processing machinery	Italian desk in IILF to help participating firms
Invest Karnataka	From 3 to 5	February/2016	Bangalore	Attract FDIs	Italian delegation to the event to attract FDIs in India
Collective participation in STONA	From 3 to 6	February/2016	Bangalore	Stone working machinery	Collective participation in the fair - 16 companies, 486 sq.mtr
Promotion Simac Tanning - Tech		January- February 2016	India	Leather tanning and processing machinery	Promotional mail to more than 2000 companies of the sector in India
Business delegation to SIMAC- Tanning Tech	From 23 to 25	February/2016	Milan	Leather tanning and processing machinery	2 delegations of Indian companies 20+6 delegates
Collective participation in INDIAWOOD	From 25 to 29	February/2016	Bangalore	Wood working machinery	Collective participation in the fair- 16 companies, about 480 sq.mtr
Collective participation in INDIAN CERAMICS	From 2 to 4	March/2016	Ahmedabad	Machinery for ceramics	Collective participation in the fair - 12 companies, around 300 sq.mtr
Press conference launch PPS	8	March/2016	Delhi	Multisectoral	PPS
La Dolce Vita	From 10 to 12	March/2016	Delhi	Fashion, Design, Decor, automobiles, luxury	3 days dedicated to various sectors of Made in Italy par excellence PPS
Collective participation in SPS AUTOMATION	From 7 to 9	February/2016	Ahmedabad	Industrial automation	Collective participation in the fair - 8 companies



Summary tables of promotional activities carried out and programmed 2016-2017

Initiative	Date	Month/Year	City	Sector	Details
Activities by Italian Trade Commission New Delhi					
The Sweet Taste	27	April /2016	Delhi	Agro food	Seminar with demonstration and tasting, 200 participants - PPS
Business delegation to Proposte	From 27 to 29	April /2016	Como	Décor textile	Business delegation
Business delegation to Lamiera	From 11 to 14	May/2016	Bologna	Metal working machinery	Indian delegation - 6 participants
Business delegation to Xylexpo	From 24 to 28	May/2016	Milan	Wood working machinery	Indian delegation - 6 participants
Delegation ICE/ACIMIT B2B Sri Lanka	From 12 to 19	June/2016	Milan and nearby	Textile machinery	Srilankan Delegation - 13 participants
Business delegation to Cersaie	From 25 to 29	September/ 2016	Bologna	Interiors and ceramics	Delegation of journalists to CERSAIE - 2 participants
Business delegation to Tecnargilla	From 25 to 27	September/ 2016	Rimini	Machinery for ceramics	Indian delegation - 23 participants
Business delegation to MARMOMACC	From 28 to 3	September - October/ 2016	Verona	Machinery for marble	Indian delegation - 5 participants
Project ITMA Asia + CITME		September - October/ 2016	India	Textile machinery	Communication campaign in support of Italian participation in ITMA Asia
Business delegation to BIMU	From 4 to 8	October/2016	Mila	Machine tools	Indian delegation - 11 companies
Wire India	From 5 to 7	October/2016	Mumbai	Metal mechanics	Collective participation in the fair - 14 companies, 288 sq.mtr
Italian presence in India Fashion Week	From 12 to 16	October/2016	Delhi	Fashion	Fashion show, expo and seminar- PPS
Business delegation to EICMA	From 7 to 10	November/ 2016	Milan	Motorbike and motorcycle	Indian delegation- 5 participants
Delegation to EIMA International	From 9 to 13	November/ 2016	Bologna	Agricultural machinery	Indian delegation- 16 participants



Summary tables of promotional activities carried out and programmed 2016-2017

Initiative	Date	Month/Year	City	Sector	Details
Activities by Italian Trade Commission New Delhi					
Delegation to Interpoma (Bolzano)	From 24 to 26	November/ 2016	Bolzano	Agro food	Indian delegation- 6 participants
Participation in IILF 2017 (Chennai)	From 1 to 3	February/ 2017	Chennai	Leather tanning and processing machinery	Italian desk in IILF to help participating firms
Participation in IILF 2017 (Chennai)					
Participation Italian Industrial Design in the India Design Week	From 15 to 19	February/ 2017	Delhi	Decor - Design	Italian participation with seminar and side events- PPS
Delegation to SIMAC/ Tanning Tech	From 20 to 24	February/ 2017	Milano	Leather processing machinery	Indian delegation - 3 participants
Delegation to FILO	From 22 to 23	February/ 2017	Milano	Textile-garments	Indian delegation - 2 participants
Collective participation in Indian Ceramics 2017 (Ahmedabad)	From 1 to 3	March/ 2017	Ahmedabad	Machinery for ceramics	Collective participation in the fair
Collective participation in Delhiwood 2017 (Delhi)	From 1 to 4	March/ 2017	Delhi	Wood working machinery	Collective participation in the fair
Design Day	Date	March/2017	City	Industrial Design	Exposition in the Embassy
Delegation to Bologna Children Book Fair	From 3 to 7	April/2017	Bologna	Publishing	Nepalese Delegation - 1 delegate
Delegation to CIBUSTEC - Vinitaly	From 9 to 13	April/2017	Parma and Verona	Agro food	Indian delegation - 3/7 participants
Delegation to MACFRUT 2017	From 10 to 12	May/2017	Cesena or Rimini (?)	Agro food	Indian delegation - total 12 participants (with Italian trade commission Mumbai)
Delegation to Lamiera 2017	From 17 to 20	May/2017	Milan	Metal working machinery	Delegation



Summary tables of promotional activities carried out and programmed 2016-2017

Initiative	Date	Month/Year	City	Sector	Details
Activities by Italian Trade Commission New Delhi					
Delegation to METEF 2017	From 21 to 24	June/2017	Verona	Foundry machines	Delegation
Indian textile delegation		June/2017	Various Italy	Textile machinery	Delegation
Bangladesh textile delegation		June - July 2017	Various Italy	Textile machinery	Delegation
Italian presence in Index Furniture Fair, Bombay (Seminar-Italian design etc.) under verification	Date	June - October 2017	Mumbai	Furniture and Design	Italian participation with seminar and side events - PPS
Delegation to HOST 2017	From 22 to 24	October/2017	Milan	Agro food	Indian and Srilankan delegations - 10 participants (total 15 with Italian Trade Commission Mumbai, see below)
Seminar plastic processing machines				Plastic processing machine	Technology seminar in India
Activities by Italian Trade Commission Mumbai					
Business delegation to HOMI	From 29 to 1	January-February 2016	Milan	Home-Decor-Interiors	Indian delegation-18 participants in collaboration with Italian Trade Commission New Delhi
GJEPC	From 5 to 8	February 2016	Mumbai	Goldsmith machinery	Institutional stand for Italian delegation of 25 companies
BIAT	From 10 to 11	February 2016	Bari	Start-up	Indian delegation with 7 participants
Cosmoprof	From 16 to 21	March 2016	Bologna	Cosmesi	Indian delegation with 16 participants
Seatec	From 6 to 8	April 2016	Bologna	Nautica	Indian delegation with 2 participants
Pharmintech	From 13 to 15	April 2016	Bologna	Packaging	Indian delegation with 7 participants
Oroarezzo	From 7 to 11	May 2016	Arezzo	Goldsmith	Indian delegation with 2 participants



Summary tables of promotional activities carried out and programmed 2016-2017

Initiative	Date	Month/Year	City	Sector	Details
Activities by Italian Trade Commission Mumbai					
Export South scheme - Incoming of buyers in Campania	From 3 to 7	July 2016		Food	Indian delegation with 2 participants
Exploratory mission in Jaipur and Bhopal	From 16 to 23	Month Year	Jaipur Bhopal	Smart city	Delegation of 4 experts PPO
Macfrut 2016	From 14 to 16	September 2016	Rimini	Food processing machinery	Indian delegation with 13 participants
WATEC 2016	From 21 to 23	Month Year	Venice	Water treatment	Indian delegation with 5 participants
ICT Sardegna	From 6 to 7	October 2016	Cagliari	IT	Indian delegation
Business delegation to SAIE	From 19 to 22	Month Year	Bologna	Building/ Construction	Indian delegation - PPS
Italia Restartup	From 25 to 26	October 2016	Milano	Start up	Indian delegation with 2 participants
Delegation to Vicenza Oro	19/22	January 2017	Vicenza	Gold working	PPO (10 participants)
Collective participation IGJME	6/9	February 2017	Mumbai	Goldsmith machinery	PPO (21 participants)
Delegation to SAMOTER	22/25	February 2017	Verona	Earth moving machinery	PPO (3 participants)
Workshop Mumbai and New Delhi		April 2017	Mumbai and New Delhi	Smart cities	PPS
Delegation to BIAT	2/3	March 2017	Catania	Innovation	PPO (6 participants)
Workshop on materials and technologies - New Delhi		April 2017	New Delhi	Infrastructure	PPS
Delegation to Macfrut 2017	10/12	May 2017	Cesena	Fruit & Vegetables	PRO
Delegation to SMAU Bologna		June 2017	Bologna	Smart cities	Indian delegation - PPS



Summary tables of promotional activities carried out and programmed 2016-2017

Initiative	Date	Month/Year	City	Sector	Details
Activities by Italian Trade Commission Mumbai					
Workshop Jaipur and Bhopal			Jaipur and Bhopal	Smart cities	PRO
Convention/workshop on industrial parks in Kolkata (West Bengal)	Date	September-December 2017	Kolkata	Food processing	PPS
Convention/workshop on industrial parks in Chandigarh (Punjab) e Indore (Madhya Pradesh)	Date	September-December 2017	Chandigarh and Indore	Food processing	PPS
Delegation to HOST 2017	From 22 to 24	October 2017	Milan	Agro food	Indian delegation - 5 participants (total 15 with Italian Trade Commission Delhi, see above)
Indian delegation of Industrial parks in Italy (Lombardy and Umbria)	Date	October - December 2017	Italy	Food processing	PPS
Workshop on materials and technologies - Chennai	Date	October 2017	Chennai	Infrastructure	PPS



LIST OF ABBREVIATIONS

ACD	Additional Customs Duty	DFC	Dedicated Freight Corridor
ADRs	American Depository Receipts	DFIs	Development Financial Institutions
APEDA	Agricultural and Processed Food Products Export Development Authority	DGCA	Directorate General of Civil Aviation
API	Active Pharmaceutical	DGFT	Director General of Foreign Trade
ARC	Asset Reconstruction Company	DICGC	Deposit Insurance and Credit Guarantee Corporation
ASSOCHAM	The Associated Chamber of Commerce & Industry of India	DIN	Director Identification Number
ASTeC	Automation Systems Technology Centre	DIPP	Department of Industrial Policy & Promotion
ATUFS	Amended Technology Upgradation Fund Scheme	DNBS	Department of Non-Banking Supervision
AUM	Assets Under Management	DSC	Digital Signature Certificate
BCD	Basic Customs Duty	DTAA	Double Tax Avoidance Agreement
BO	Branch Office	ECB	External Commercial Borrowing
BOT	Build Operate Transfer	EDI	Electronic Data Interchange
BRBNMPL	Bharatiya Reserve Bank Note Mudran Private Limited	EPCG	Export Promotion Capital Goods
BSE	Bombay Stock Exchange	ESI	Employee State Insurance
CBDT	Central Board of Direct Taxes	ESN	Electronic Serial Number
CBEC	Central Board of Excise and Customs	ESOP	Employee Stock Ownership Plan
CGST	Central Goods and Services Tax	Euro	1 Euro taken at INR 72
CIF	Cost, Insurance and Freight	FAME	Faster Adoption and Manufacturing of Hybrid and Electric Vehicles
CII	Confederation of Indian Industry	FB	Foreign Bank
CIPAM	Cell for IPR Promotion and Management	FBT	Fringe Benefit Tax
CLCSS	Credit Linked Capital Subsidy Scheme	FCCBs	Foreign Currency Convertible Bonds
CPA	Certified Public Accountant	FCEB	Foreign Currency Exchangeable Bonds
CPCB	Central Pollution control Board	FCNR	Foreign Currency Non Resident
CRM	Customer Relationship Management	FDIs	Foreign Direct Investments
CSP	Common Service Provider	FEMA	Foreign Exchange Management Act
CSP	Concentrated Solar Power	FICCI	Federation of Indian Chamber of Commerce and Industry
CST	Central Sales Tax	FIEO	Federation of Indian Export Organizations
CVD	Countervailing Duty	FIGSI	Federation of Indian Granite & Stone Industry
CY	Calendar Year	FII/FPI	Foreign Institutional Investor/ Foreign Portfolio Investor
DBOD	Department of Banking Operations and Development	FIPB	Foreign Investment Promotion Board
DBS	Department of Banking Supervision	FRO/FRRO	Foreigners Registration Officer/ Foreigners Regional Registration Officer
DCCBs	District Central Cooperative Banks		
DDT	Dividend Distribution Tax		
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana		



LIST OF ABBREVIATIONS

FSSAI	Food Safety and Standards Authority of India	ISA	International Solar Alliance
FTP	Foreign Trade Policy	ISP	Internet Service Provider
FTR	Foreign Tax Relief	IT-BPM	Information Technology-Business Process Management
FVCI	Foreign Venture Capital Investors	ITC (HS)	Indian Trade Classification-Harmonized System
FY	Financial Year	ITI	Industrial Training Institutes
GAAR	General Anti-Avoidance Rule	ITPO	India Trade Promotion Organization
GDP	Gross Domestic Product	IVCU	Indian Venture Capital Undertaking
GDRs	Global Depository Receipts	JV	Joint Venture
GI	Geographical Indication	KYC	Know Your Customer
GOI	Government of India	LLP	Limited Liability Partnership
GSC	Global Service Centre	LO	Liaison Office
G-Sec	Government Security	M&A	Merger and Acquisitions
GST	Goods and Services Tax	MAT	Minimum Alternate Tax
HQ	Headquarters	MCA	Ministry of Corporate Affairs
IBA	Indian Banks Association	MEID	Mobile Equipment Identifier
ICT	Information and Communication Technology	MeiTY	Ministry of Electronics and Information Technology
IDF	Infrastructure Debt Fund	MFIs	Micro Finance Institutions
IDLS	Integrated Development of Leather Sector	MIP	Minimum Import Price
IEC	Importer Exporter Code	MLA	Members of Legislative Assembly
IFC	Investor Facilitation Cell	MLC	Mega Leather Cluster
IGST	Integrated Goods and Services Tax	MLD	Million Liters per Day
IICCI	Indo-Italian Chamber of Commerce and Industry	MOA/AOA	Memorandum of Association/ Article of Association
IILF	India International Leather Fair	MoEF	Ministry of Environment and Forest
IIoT	Industrial Internet of Things	MoU	Memorandum of Understanding
IISc	Indian Institute of Science	MoUD	Ministry of Urban Development
IIT	Indian Institute of Technology	MP	Member of Parliament
Ingredients		MPEDA	Marine Products Export Development Authority
INR	Indian Rupee	MRO	Maintenance & Repair Operations
IoT	Inter net of Things	MSEs	Micro and Small Enterprises
IPAB	Intellectual Property Appellate Board	NABARD	National Bank for Agriculture and Rural Development
IPDS	Integrated Power Development Scheme	NASSCOM	National Association of Software and Services Companies
IPDS	Integrated Processing Development Scheme	NBFC	Non-Banking Finance Company
IPPB	India Post Payments Bank	NCD	Non Convertible Debentures
IPR	Intellectual Property Rights	NCT	National Capital Territory
IRDA	Insurance Regulatory and Development Authority	NCTI	National Centre for Trade Information



LIST OF ABBREVIATIONS

NEMMP	National Electric Mobility Mission	SBI	State Bank of India
NHDP	National Highway Development Project	SCARDBs	State Cooperative Agriculture & Rural Development Banks
NHM	National Housing Bank	SCB	Scheduled Commercial Bank
NIMZ	National Investment and Manufacturing Zone	SCOMET	Special Chemicals, Organisms, Materials, Equipment and Technologies
NMCG	National Mission for Clean Ganga	SEBI	Securities and Exchange Board of India
NOFN	National Optic Fiber Network	SETU	Self Employment and Talent Utilization
NRE	Non Resident external	SEZs	Special Economic Zones
NRI	Non-Resident Indian	SGST	State Goods and Services Tax
NSDC	National Skill Development Corporation	SIAM	Society of Indian Automobiles Manufacturers
NSDL	National Securities Depository Limited	SIP	Systematic Investment Plan
NSDM	National Skill Development Mission	SITP	Scheme for Integrated Textile Parks
NSE	National Stock Exchange	SMAC	Social, Mobile, Analytics And Cloud
OCI	Overseas Citizen of India	SMEs	Small and Medium-sized Enterprises
PACS	Primary Agricultural Credit Society	STE	State Trading Enterprise
PAN	Permanent Account Number	STP/ETP	Sewage Treatment Plant / Effluent Treatment Plant
PCARDBs	Primary Cooperative Agriculture and Rural Development Banks	TDRs	Transferable Development Rights
PE	Permanent Establishment	TDS	Tax Deduction at Source
PFRDA	Pension Fund Regulatory and Development Authority	TMR	Trade Marks Registry
PIO	Person of Indian Origin	TMS	Trade Marks System
PMJDY	Pradhan Mantri Jan Dhan Yojana	TRC	Tax Residency Certificate
PMKVY	Pradhan Mantri Kaushal Vikas Yojana	TRIPS	Trade-Related Aspects of Intellectual Property Rights
PO	Project Office	UBD	Urban Banks Department
POA	Proof of Address	UCBs	Urban Cooperative Banks
PODB	Proof of Date of Birth	UIDAI	Unique Identification Authority of India
POI	Proof of Identity	UNCITRAL	United Nations Commission on International Trade Law
PPP	Public Private Partnership	USD	1 USD taken at INR 67
PSB	Public Sector Bank	VAT	Value Added Tax
PSU	Public Sector Undertaking	VC	Venture Capital
PVB	Private Bank	VGf	Viability Gap Funding
QFI	Qualified Foreign Investor	WIPO	World Intellectual Property Organization
RBI	Reserve Bank of India	WOS	Wholly Owned Subsidiary
RCS	Registrar of Cooperative Societies	WTO	World Trade Organization
RFPI	Registered Foreign Portfolio Investor	ZD/ZLD	Zero Discharge / Zero Liquid Discharge
RPCD	Rural Planning and Credit Department		
RRBs	Regional Rural Bank		
SAD	Special Additional customs Duty		

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