





Astute Consulting







## CHAPTER 2 : INDIAN BUSINESS AND INVESTMENT ENVIRONMENT

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Investments by Foreign Venture Capital Investors















Association for Regional Cooperation (SAARC). India is a member of Multilateral Investment Guarantee Agency (MIGA). MIGA serves as an insurer of investments made in member countries against stipulated







sustained demand from major trading partners. India's foreign exchange reserves stabilized at US\$ 185.1 billion as on 9 February 2007.

competition, to protect consumers and investors from restrictive and

## 4.2 Price Controls

## 4.3 Registration of Intellectual Property

### 4.3.1 Trademarks







#### 4.4 Competition Policy

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#### 4.5 Environmental Regulation

### 5.0 FINANCIAL SECTOR

#### 5.1 Banking System

##### 5.1.1 Reserve Bank of India (RBI)

##### 5.1.2 Commercial Banks

categories:

1. The State Bank of India and its associate banks
2. Other nationalized banks
3. Private sector banks
- 4.

investment in this sector is discussed separately. There are more than 10 companies in life insurance business including government corporation i.re moe



in stock options of certain companies from 9 July 2001.



## 5.9 Credit Rating Agencies





eligible to credit 100% of their eligible export receipts of foreign exchange to their Exchange Earners' Foreign Currency (EEFC) account. These tax incentives are discussed in details in chapter on Taxation System.

EOUs/EPZs have to achieve specified value addition norms. Apart from

products and tea.

The government as well as the industry conducts their activities in English, India has the second largest English speaking population after the United States.

India has one of the largest pool of trained, sc00000 0.0000 0Dic







## 1.4 Project Office

## 1.5 Partnerships

1.6 Trusts

2.0 SETTING UP A COMPANY

2.1





is essential for a private company to have its own AoA, whereas there is no

















Remarks

Balance Sheet, P & L A/c.,  
Directors' Report, Part IV of Sch.  
VI, Auditors' Report laid at AGM  
If NOT



The basic regulations covering mergers are governed by the Companies



acquirer at a price not lower than the specified minimum offer price, to acquire an aggregate minimum 20% of the voting capital. Acquirers



## CHAPTER 4 : HUMAN RESOURCES

### 1.0 BACKGROUND

The working population of India consists of three categories: organized work force, unorganized work force and self-employed individuals. The organized sector accounts for only one-tenth of India's labour force but

### 2.0 LEGISLATIVE PROVISIONS



## 2.1 Mandatory Employee Benefits







Note - The term wages is defined differently for calculation of above

















India under this scheme should be received either by way of inward





linked instruments/ debt/ debt instruments, debentures of a registered























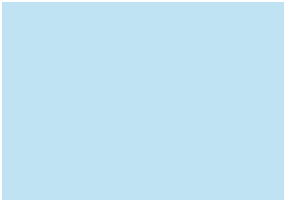






















in India or a unit of an equity oriented scheme of a specified mutual fund are exempt from tax provided that sale of such shares or units are chargeable to Securities Transaction Tax (discussed separately)

Long-term capital gains in respect of depreciable assets shall be taxed as short-term capital gain.

Short term capital gain arising from transfer of shares of a company on a recognized stock exchange in India or a unit of an equity oriented scheme of a specified mutual fund are taxable at 10% (plus surcharge plus education cess) provided that sale of such shares or units are chargeable to Securities Transaction Tax. Other short-term capital gains are chargeable at normal income tax rates plus surcharge and education cess at applicable rates.

Every employer as defined in provisions relating to FBT is liable to pay tax



property is not chargeable to tax.

Assessee is allowed statutory deduction at the rate of 30% of such annual value of the property irrespective of the actual amount spent. In addition to

benefit of indexation is not available to the non-residents.

Long-term capital gains arising from transfer of equity shares of a company on a recognized stock exchange in India or a unit of an equity



## 2.4.1 Tax Benefits

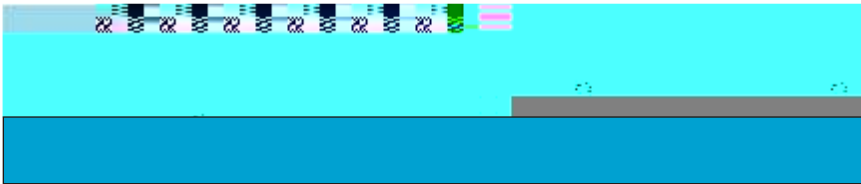






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2.4.2

sections 92 to 92F in the Income-tax Act, 1961 to facilitate determination of the proper taxation methodology of the international transactions



In case of non-payment of specified percentages of advance tax by



### 3.1.2 Other Non-corporate Entities

## 3.2 Rates of Tax







## 3.5 Capital Gains Tax

## 3.6 Deductions and









application can be made to the tax authorities for permission to deduct



7.1.2

From 1 October 1998, the concept of advance ruling is extended to a resident in India falling within such class or category of persons as the

### 8.1.1 Nature and Quantum of Expenditure Liabile for FBT

The following fringe benefits provided or deemed to have been provided by an employer to his employees during the year at the following specified rates shall be liable for FBT.

Sr. No.
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The due dates for filing FBT returns are same as for filing Income-tax



















Country

Interest



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