

Bee Management Consultancy Pvt. Ltd.

Your gateway to business with India. Experience the difference we make.
India Entry, Investment & Trade Strategy Advisory and Business Development Services.

SUMMARY OF REGULATORY REQUIREMENTS FOR INDIA ENTRY COMPLIANCE SERVICES FORMATION, REGISTRATION & ANNUAL IMPLICATIONS. (Provided by our partner compliance services firms and specialist Lawyers & Chartered Accountants).

Under certain circumstances, depending on the intended nature of business operations in India, prior approval of the Foreign Investment Promotion Board (FIPB) would be necessary. If, on obtaining more details, it becomes apparent that such an approval is necessary, we would need anything from a few days to about two weeks to find out whether it is worth making an attempt at it in Delhi. It may be emphasized that, even if we do obtain positive feedback, approval would be at the discretion of the FIPB.

In all cases, that is, where FIPB approval is required and obtained as well as in circumstances where such an approval is not required, a subsidiary company would need to be incorporated, shares issued to the Singapore holding company and relevant filings made with the Reserve Bank of India (RBI). The end results of these processes would be the registration and incorporation of an Indian company and a foreign collaboration registration number from the RBI.

FORMATION AND REGISTRATION SERVICES FOR WHICH FEES WOULD BE CHARGED

- Company incorporation including assistance with preparing formation documents
- Mandatory filing with the Reserve Bank of India on the issue of shares to a foreign investor
- Application to the FIPB*

*** Regardless of whether FIPB approval is obtained or not. Whereas we will advise on the feasibility of making such an application on receiving further details, it may be noted that ultimately, this is a discretionary approval, which is sometimes not forthcoming.**

The Client / Indian Company would have to bear formation costs such as stamp duty and Registrar of Companies Fees. Out of pocket expenses will also be charged at actuals. Needless to say, these will be kept at the barest minimum. Service tax will be payable on our fees, at 10.2% of the gross fees.

RECURRING ANNUAL COMPLIANCE SERVICES FOR WHICH ANNUAL FEES WOULD BE CHARGED

Once the Company is formed, we shall be in a position to offer professional services, which cover the following functions:

Statutory Audit and Indian Tax Audit - The fees would be based on the volume of transactions per annum.

In addition to the statutory/Indian GAAP audit, the Company auditor will be required to furnish a "Tax Audit Report" under the Income Tax Act, if the turnover exceeds a specified amount. This Report mainly consists of certification of various tax allowances and certain expenditure, which is allowed as per the prescribed limits under the said Act.

- Indian GAAP Audit
- Indian Tax Audit
- Additional Indian GAAP audit, if required to complete Indian Tax Audit, on account of main Indian GAAP audit being for a year ending other than 31 March

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Company Law Compliance

The Company may outsource the corporate secretarial function at an initial stage, but would need to employ a qualified Company Secretary within a few years of starting-up. This is usually done for a period of about a year from the incorporation of a new company.

Corporate Taxation

- Advisory services regarding planning opportunities for corporate taxation to minimise the burden of tax, appropriate commercial and accounting treatment to ensure that tax benefits are sustainable, assistance with related procedural paperwork up to the stage of filing the corporate return of income.
- Advice on the maintenance of the required documents and records, where applicable, as also advice and appropriate tax planning, as regards transfer pricing, where applicable

Fees for representing the Company at the assessment and appeal stages would be in addition to the above and would depend on the time involved.

We are in a position to provide the Company with advice regarding the appropriate method for remunerating employees and the correct computation of withholding tax from their remuneration payments. The company is also required to file annual tax returns for such withholding tax and we will provide assistance in respect of those.

We shall also provide assistance in matters connected with the Profession Tax Act, Shops & Establishment Act, Provident Fund Act, Payment of Gratuity Act and Payment of Bonus Act. These services are of an advisory capacity and would depend on the time involved. In any event, the fees for such services will not be material in nature, and these would be provided as part of our Corporate Taxation Services. Additionally, we can also advise corporate management on structuring the remuneration package for the employees of the Company, so as to make it both, tax efficient as also relevant, to the type of employees required.

Our fees are based on the time expended and have regard to the level of experience of partners and staff concerned. An effort has been made to keep our fees at a level consistent with our commitment to maintain the highest professional standards. In addition to the fees quoted above, out of pocket expenses, such as stamp duty and travel and communication costs will be charged, at actuals. Needless to say, they will be kept at the barest minimum. Service tax will be payable on our fees, at 10.2% of the gross fees.

Please brief us in detail to enable us to provide an estimate of fees and costs.

Our standard disclaimer applies here. www.beemanagement.com/disclaimer.asp