



INDIA

India, officially the Republic of India, is a country in South Asia with a population of more than 1.4 billion. It is one of the most populous countries in the world, the seventh-largest country by area, and the world's third-largest economy in purchasing power parity terms as of 2023.

The three broad sectors in India's workforce are: the agriculture and allied sector, industry, and the services sector. (SOURCE: STATISTA)

A MEMBER OF
WORLD TRADE ORGANISATION (WTO)

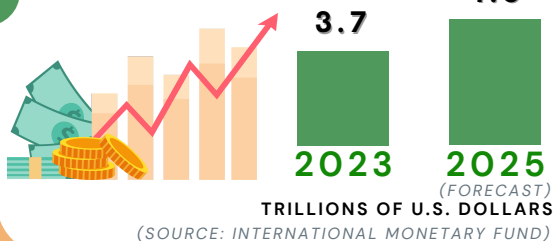
ASEAN - India Free Trade Area (AIFTA)

The agreement eliminates tariffs for 75% of goods traded between ASEAN and India. Key benefits include back-to-back shipment of good within member countries, third-party invoicing, and Regional Cumulation. Click [here](#) to find out more.

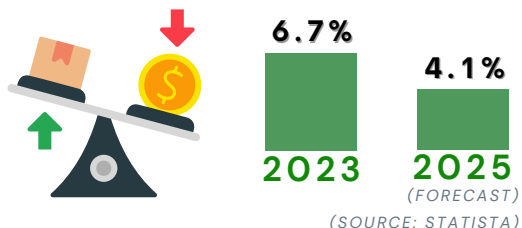
India - Singapore Comprehensive Economic Cooperation Agreement (CECA)

In force on 1 August 2005, the agreement eliminates tariffs for 81% of Singapore's exports to India. Click [here](#) to find out more.

1 GDP

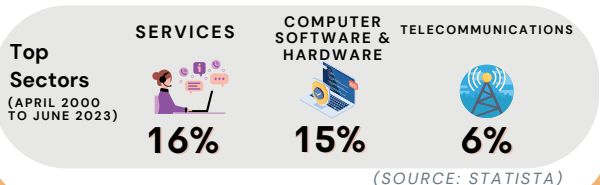
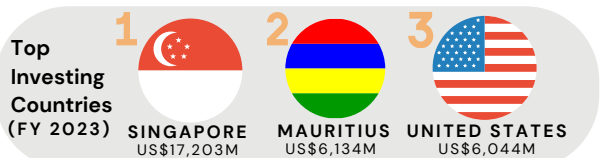


2 INFLATION RATE



3 INWARD DIRECT INVESTMENT

US\$70.9 (FORECAST)
BILLIONS, 2023

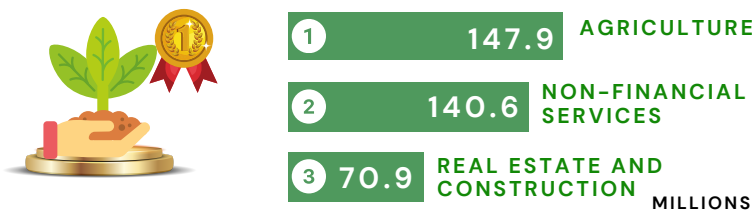


LABOUR FORCE

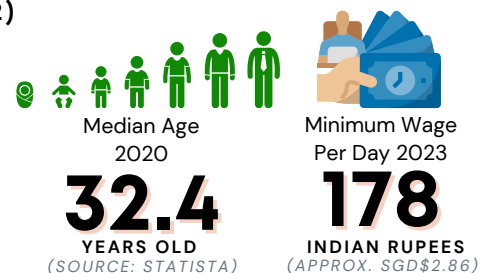
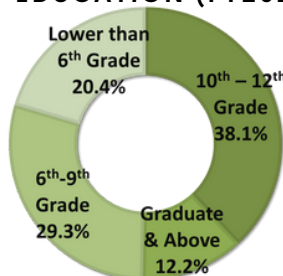
(SOURCE: STATISTA)



TOP SECTORS WITH MOST PEOPLE EMPLOYED (2023)



EDUCATION (FY2022)



RESEARCH & DEVELOPMENT

(SOURCE: STATISTA)

EXPENDITURE ON R&D

US\$65.2 (FORECAST)
BILLIONS, 2022

0.65% (FORECAST)
OF GDP, 2022



7TH

Leading Country by Gross R&D Expenditure Worldwide 2022

Year	GII	Innovation Input	Innovation Output
2022	40 th	42 nd	39 th
2021	46 th	57 th	45 th
2020	48 th	57 th	45 th



GLOBAL INNOVATION INDEX (GII) RANKING 2022 (SOURCE: WIPO)

- 40th among the 132 economies featured.
- 1st among the 36 lower-middle-income group economies and among the 10 economies in Central and Southern Asia.

GUJARAT AND TAMIL NADU IN FOCUS



FIND OUT MORE ABOUT THE CULTURAL VARIATIONS ACROSS REGIONS BELOW!

(SOURCE: PRSINDIA.ORG, ECONOMICTIMES.INDIATIMES.COM, EYEONASIA.SG, INVESTINGTAMILNADU.COM, IBEF.ORG)

Gujarat

- The capital city is Gandhinagar.
- Fourth largest economy in India.
- GDP is US\$259.3 billion (approx. 8% of India's GDP)
- One of the most industrialised states (18% of India's industrial output)
- Fifth largest state by area (6%).
- Manufacturing (45%) is the top sector, followed by Services (35%) and Agriculture (20%) in 2021-22.
- Has 21 operational Special economic zones (SEZs).
- Known as a leader in chemicals, petrochemicals, dairy, drugs and pharmaceuticals, cement and ceramics, gems and jewellery, and textiles and engineering.



Northern Area:

- Strong on business acumen and relationship management.
- Status is of great importance and outward display of wealth is common.

Western and Eastern Area:

- Strong merchant community in the West.
- West Bengal is the hub of industry and economic activities in the East.

Southern Area:

- People tend to be modest and underplay wealth.

Tamil Nadu

- India's second largest state economy.
- A global hub for agri-commodities, metals and minerals.
- All districts are covered under industrial corridor projects.
- Increased priority towards renewables with 33 GW of electricity generation capacity to be added by 2030.
- Highest renewable capacity in India at 16 GW.
- Most number of factories and industrial workers in India.

KEY SECTORS IN INDIA

(SOURCE: BRITISH COUNCIL, INDIA-BRIEFING.COM, AMMONIAENERGY.ORG, INVEST.GOV.IN, IBEF.ORG, ASSETS.KPMG.COM, MAKEININDIA.COM, ALMAMUNRAYHAN.COM, OECD.AI, BUSINESSINSIDER.IN, IBEF.ORG)

RENEWABLE ENERGY

- India is committed to increase its non-fossil capacity to 500 gigawatts by 2030 and net-zero carbon emissions by 2070 with around US\$200 billion expected to be invested.
- India produces 8% of global ammonia production.
- Ammonia is a key feature in its new green hydrogen policy.
- Lowest installed solar PV cost globally and excellent solar irradiance for solar PV deployment.



IT & SERVICES

- Forecast to generate US\$350 billion in revenue by 2030 and contributes to 8% GDP.
- "Digital India" and "Startup India" are government initiatives for technology adoption and entrepreneurship.
- Digital economy is expected to reach US\$1 trillion by 2025.
- Large pool of skilled IT workforce and professionals.
- India's Global Capability Centres (GCCs) are expected to grow from 1,580 as of 2023, to cross 1,900 by 2025 and reach 2,400 by 2030.



ARTIFICIAL INTELLIGENCE

- Artificial Intelligence market is expected to reach US\$7.8 billion in India by 2025.
- In 2021, India came up top globally for Talent Concentration, Relative AI Skill Penetration and AI Hiring Index.



FINANCIAL TECHNOLOGY (FINTECH)

- Market size is expected to reach US\$1.3 trillion by 2025.
- More than 2,000 fintech start-ups in India.
- 3rd largest fintech ecosystem globally.
- India accounted for 46% of all global real-time transactions (2022).
- An international fintech City 'GIFT City' was recently established in Gujarat.
- Key sectors for investments are InsureTech, Neobanking, Fintech SaaS.



FAST-MOVING CONSUMER GOODS (FMCG)

- Personal care and household products form 50% of revenue for FMCG.
- Easy access, lifestyle changes and growing awareness are factors that drive growth in this sector.
- Increased digital connectivity has promoted sales through e-commerce portals.



CHEMICAL AND PETROCHEMICALS

- Contributes to 6% of India's GDP.
- Notable names in the chemicals and petrochemicals sector are Reliance Industries, Indian Petrochemicals Corporation Limited (IPCL), Gas Authority of India Limited (GAIL) and Haldia Petrochemicals Limited (HPL).



PHARMACEUTICAL

- Known as 'Pharmacy of the world' for its high quality and affordable medicine.
- India's pharmaceutical industry is third in the world for production by volume and ranked 14th by value.
- The market size is forecast to reach US\$65 billion by 2024 and around US\$130 billion by 2030.



MARKET ENTRY OPTIONS FOR FOREIGNERS

(SOURCE: STARTUPINDIA, CAGMC, LINKEDIN, INVESTINDIA, ENTRYINDIA)

1

OPERATING AS A FOREIGN COMPANY

One can establish its presence in India as a foreign company (unincorporated entities) in these ways:

LIAISON OFFICE

- A Liaison Office (LO) acts as a place of business and a channel of communication between a company's head office, or principal place of business, and its entities in India.
- It can do marketing and branding activities and cannot undertake commercial, trading or industrial activities that generate revenue.
- Indian government does not tax LOs as they are not meant to earn income.

BRANCH OFFICE

- A Branch Office (BO) can represent its parent company to undertake commercial business.
- It can do all activities of the parent company, except for retail trading of any type and manufacturing and processing activities unless in Special Economic Zones (SEZ).
- Tax as Foreign Company@40% plus surcharge.

PROJECT OFFICE

- A Project Office (PO) is established to execute awarded projects in India.
- It cannot engage in any activities apart from those related to the project.
- An Authorised Dealer Bank automatically approves the registration of a project office.
- Tax as Foreign Company@40% plus surcharge.

2

REGISTRATION OF COMPANY

One can operate as a completely Indian (incorporated) entity by registering a company in these ways:

JOINT VENTURES

- A joint venture involves partnership between at least two companies or individuals (maximum of 100 partners) who agree to pool capital or goods into a project.
- This format is popular in sectors without 100% FDI.
- Subject to corporate tax of 30% plus surcharge.

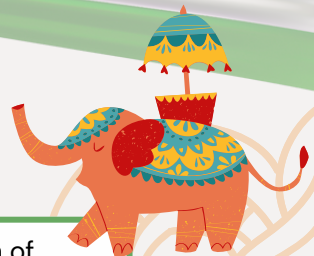
LIMITED LIABILITY COMPANIES (LLC)

- An LLC is held solely by a foreign entity and is legally separated from its shareholders and members. The parent company can hold up to 99.9% of shares.
- An LLC can own property, hire employees, borrow funds, and sue and be sued.
- Investments by foreigners do not need approval by Reserve Bank of India (RBI)
- Subject to 25% corporate tax (for turnover up to Rs. 2.5 billion) and 30% (for turnover exceeding Rs. 2.5 billion), and 15% Dividend Distribution Tax with surcharge.

LIMITED LIABILITY PARTNERSHIP (LLP)

- LLP provides the benefits of limited liability of a company while still enabling members to organise the internal management as in the case of a joint venture.
- It can only be established by a foreign company in sectors where 100% FDI are permitted by Reserve Bank of India (RBI).
- Subject to 30% tax with surcharge

Click [here](#) for more information on setting up a business in India.



BUSINESS REGISTRATION PROCESS

(SOURCE: INVESTINDIA.GOV.IN, MINISTRY OF CORPORATE AFFAIRS (MCA) GOVERNMENT OF INDIA)

DID YOU KNOW?

AS A COMPANY

Reserve Unique Entity Name (RUN)

- **Check availability of your company name** on the [MCA portal](#).
- **Reserve company name through RUN (Reserve Unique Name)** or Simplified Performa for Incorporating Companies Electronically Plus (**SPICe+**) webform on MCA portal

Obtain Pre-Registration Documents

- **Register Digital Signature Certificate (DSC)** of the authorised representative of foreign company via MCA portal.
- **Apply for Director Identification Number (DIN)** for proposed Directors through SPICe+.

File for Incorporation

- **Submit completed Form INC 32 (SPICe+)** with eMoA (INC-33) and eAOA (INC-34) via SPICe+ to Registrar of Companies (RoC).
- Attach physical MOM and AoA for foreigner subscribers.

Receive Certification of Incorporation (Col)

- **Col will be issued after verification** of documents and forms Incorporation by Central Registration Centre (CRC)

Declaration of Commencement of Business

- Before commencing business, **file a declaration** of receipt of subscription amount and verification of registered office within 182 days of incorporation.

State Registration Process as applicable



The registration steps and services outlined below can be completed conveniently on India's **Ministry of Corporate Affairs (MCA) portal!**

AS A LLP

INCLUDES LIMITED LIABILITY PARTNERSHIP (LPP) & FOREIGN LLP (FLLP)

Obtain Digital Signature Certificate (DSC)

- **Obtain class 2 or class 3 DSC** for designated partners of LLP.

Availability check for Limited Liability Partnership (LLP) name

Reservation and Approval of name

- Complete via **RUN-LLP** (Reserve Unique Name LLP) or through form **FiLLiP** on MCA portal.

File for Incorporation and obtain Certificate of Incorporation (Col)

- For Limited Limited Liability Partnership (LLP): **Submit FiLLiP form to RoC**
- For Foreign Limited Limited Liability Partnership (FLLP): **Digitally signed Form 27** on MCA portal is to be filed in.

Limited Liability Partnership (LPP) Agreement

- Fill in **Form 3** on MCA portal within 30 days of incorporation of LLP.

State Registration Process as applicable

GOOD TO KNOW ABOUT INDIAN BUSINESS CULTURE

(SOURCE: INDIA-BRIEFING.COM, STATISTA, BUSINESSCULTURE.ORG, GLOBALBUSINESSCULTURE.COM, CULTURAL ATLAS)



Communication Norms

- When conducting business, Indians prefer to communicate in an indirect style, in person, and making small talk.
- Use non-verbal communication, such as using gestures.
- English is the preferred corporate language.
- Bargain, as it is an integral part of the Indian culture.
- Family-related topics can often arise during meetings as India is a relationship oriented society and such topics may help to build trust.



Business Meeting Procedures & Etiquettes

- Planning of meetings can be less structured.
- It maybe common for meetings to start and end late.
- Avoid gifting leathers as cows are sacred for Hindus.
- A handshake or Namaste (palm to palm gesture) is commonly used for business greetings.
- Hierarchy is highly important, especially in the public sector.
- Greet Indians by their formal titles.



Importance of Business Network & Relationships

- Networking is of paramount importance, especially in the public sector.
- Success in business can be highly based on building trust and positive long-term relationships with counterparts.
- Personal relationships play a significant role in business.
- Third-party introductions can play an important role as Indians prefer to work with people whom they know and trust.
- Networks may often comprise of relatives and peers as it help to increase trust.



Manpower

- Working hours should not exceed 9 hours a day and 48 hours a week.
- India's salary structure consists of basic salary, allowances, social security contributions, and reimbursements.
- India's minimum wage and salary structure can differ based on state, area within the state based on development level (zone), industry, occupation, and skill-level.
- For reference, the minimum monthly wages in Delhi (as of Oct 1 2023) can range from US\$210.2 for unskilled workers to US\$277.3 for graduates and above.

FREQUENTLY ASKED QUESTIONS

CLICK HERE

for more frequently asked questions!



What are the requirements to start a business?

- Choose a legally acceptable business name
- Choose a company/ business structure
- Creation of the founder's agreement
- Legally register the business
- Apply for other relevant licenses and permits

General licences can include:

- GST Registration
- Permanent Account Number (PAN)
- Tax Account Number (TAN)
- Bank Account
- Shop and Establishment Act License

Specialised Licenses and Registrations can include:

- GIEC Code (Import-Export License)
- FSSAI License (businesses dealing in food and food items)
- Kosher Registration (To deal with kosher goods)
- Halal Registration (To deal with Halal goods)
- Other licenses as per a business type

- Be familiar with the relevant tax regime and accounting norms
- Intellectual property registration
- Adhere to India's labour laws

(SOURCE: AHLAWATASSOCIATES.COM, BNBLEGAL.COM,, INDIA-BRIEFING.COM)

Click [here](#) to find out more.



To open a bank account for company

- Foreign investors can establish accounts in India through international banks with a local presence, or through a local Indian banking institution.
- Takes approximately 8 - 10 working days.

Click [here](#) to find out more



More about FDIs in India

There are 3 broad principles of FDIs into India:

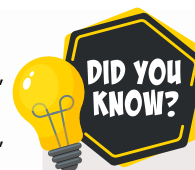
- **Sectors prohibited from receiving FDIs** - Include atomic energy, real estate business, lottery business, manufacturing tobacco products, gambling and betting;
- **Automatic route** - no prior approval required from the government. Includes airports, construction, industrial parks, mining, manufacturing and IT;
- **Government approval route** - prior approval required from the government for receiving FDI. Includes air transport services, satellites, print media and public sector banks.

Based on sensitivity of the sector, FDI thresholds may vary:

(Further imposition of sector-specific FDI thresholds based on the sensitivity of the sector, regardless of whether the sector falls under the automatic route or the government approval route)

- up to 100% FDI allowed (includes manufacturing, construction and IT);
- up to 74% FDI allowed (includes pharmaceuticals and defence);
- up to 49% FDI allowed (includes air transport services and private sector banking); and
- up to 26% FDI allowed (print media).

(SOURCE: FORBESINDIA.COM, GLOBALTRADEALERT.ORG, PINSENT MASON'S)



For unregulated financial service, the minimum FDI capital are:

- USD 20 million for 'fund-based' activities.
- USD 2 million for 'non-fund based' activities.

Click [here](#) to find out more.



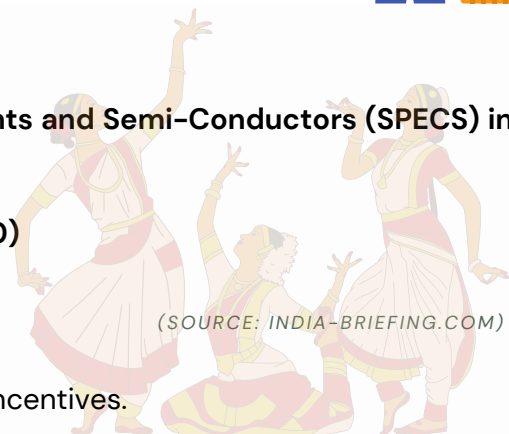
What are the various types of tax incentives available?

Some of the tax incentives include:

- Production-linked incentives (PLI)
- Scheme for Promotion of Manufacturing of Electric Components and Semi-Conductors (SPECs) in India (2020)
- PLI for Large Scale Electronics Manufacturing in India (2020)
- Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)
- Incentives for Startups
- Incentives for Special Economic Zones (SEZs)

(SOURCE: INDIA-BRIEFING.COM)

Click [here](#) to find out more about other incentives.





FOR MORE INFORMATION

SUPPORT SCHEMES & PROGRAMMES

- Singapore Global Enterprises initiative
- Market Readiness Assistance Grant
- Enterprise Development Grant
- Enterprise Financing Scheme

Initiatives such as **GlobalConnect@SBF**, **Scale-up SG** and **iTalent Solutions Map** enable companies in their journey towards internationalisation.

Visit [SBF Singapore Business Institute \(SBI\)](#) for the list of available training for your respective areas of interest.

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