

How Foreign Companies Can Enter in India! - PruVisor Management Consulting

PruVisor Management Consulting specializes in enabling the successful entry of foreign firms into India



New York, New York City, Mar 2, 2021 (Issuewire.com) - India has always been an attractive market for foreign firms because of its high growth potential. However, most foreign firms have not gone ahead with investments because of perceived difficulties in registering a company in India. A [business management consulting company](#) like **PruVisor Management Consulting** can help foreign firms navigate the legal landscape in India. The ease of doing business in India is consistently improving. This is the right time to set up an office in the country. The government's pro-business steps have started to pay off in terms of increased jobs and a better standard of living for its citizens. PruVisor Management Consulting specializes in enabling the successful entry of foreign firms into India. In this article, we look at some of the methods & structures available for foreign firms planning to enter India.

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- Liaison office

A Liaison office, also known as a Representative office, is a simpler way to establish a presence in India. The Liaison office can be used to promote the company and build networks. It can act as a channel of communication between the Head office and the local entity. However, a liaison office cannot directly enter into an industrial activity. It can be sustained by inward remittances from the parent company. As a Premier [Consulting Firm in India](#), we work with clients to understand their business strategy and suggest the right structure for them.

For starting a Liaison office, approval is required from RBI and MCA. The time for approval is 45 days, and renewal is done every 3 years. The permitted activities include representing the parent company, promoting export-import activities in India, etc. The advantage with LO is that it is a cheaper option to start operations in India.

- **Branch office**

A branch office is similar to the Liaison office as it is not an incorporated company. It is considered part of the parent entity. Branch offices are allowed to engage in commercial business representing the parent company. With a Branch office, a company can do market research, import and export goods, provide IT services and consultancy to Indian firms, and technical support for the parent company's operations. This option is better for foreign firms who want to take advantage of the country's talent pool. PruVisor **Management Consulting** services help firms identify the right location to set up a branch office with minimal hassles in paperwork. For starting a Liaison office, approval is required from RBI and MCA. The time for approval is 45 days, and renewal is not required. In addition to export-import, the branch office can do research activities, professional consulting, providing IT and technical support to products supplied by the parent company. A branch office is also required to pay taxes at 40% with a surcharge of 2% for revenues above 1 crore. It is also required to file an income tax return in India.

Operating as an Indian company

For a foreign firm to do business in India, the options include creating a limited liability partnership, joint venture, or a wholly-owned subsidiary. In the case of a wholly-owned subsidiary company, a new company is incorporated that is held solely by the foreign firm or purchases shares from an existing Indian entity. In a joint venture, the foreign firm signs an agreement with an Indian partner for a specific duration or perpetual existence. The firm needs to comply with several regulatory requirements, including opening bank accounts, paying fees, etc. PruVisor is one of the best [India Market Entry Consulting Firms](#) that can help foreign firms adhere to FDI norms prescribed by the Reserve bank of India.

- **Limited Liability Company**

A limited liability company is a corporate entity that is legally separate from its members and

shareholders. It requires a minimum of two shareholders and can have 99.9% foreign ownership. The company can hire employees, own property, and conduct business. The company also has perpetual existence, and it does not depend on its member's or shareholders' status. The main advantage of creating a limited liability company is that it gives the foreign firm a strong presence and control over its operations. This is a simple and quickest mode for setting up a business in India. They can also take advantage of the exemptions provided to private companies. We provide **India Market Entry Strategy** to foreign companies who want to create a fully owned subsidiary.

The limited liability company can send remittances to the parent organization by means of royalty, dividends, patent fees, etc. For starting an LLC, approval is required from RBI and MCA. The time for approval is 15 days, and a minimum of two directors and two shareholders are required. It does not require paid-up capital as per Indian law.

- **Limited Liability Partnership**

A limited liability partnership has the advantage of a limited company and a partnership firm. It is a separate legal entity from its members. It can produce revenue, own and buy property and materials. A major advantage with this type of company is that there are minimal record-keeping and paperwork. Foreign firms need **Business Research** before deciding on the mode of operation in which PruVisor Management Consulting excels. There are a number of sectors in which RBI allows 100% FDI. The Indian government is also supportive of foreign direct investments, which is beneficial to these firms.

- **Joint Ventures**

Joint ventures are partnerships between two or more companies that plan to pool resources to a single project. This is the best option in sectors where 100% FDI is not allowed. It is necessary to identify the right JV partner to realize the business potential in India. PruVisor Management Consulting assists firms in **Investment Research**, reducing their risk. We conduct due diligence studies on the Indian partners and suggest the right ones. Foreign firms can reduce their risk by performing due diligence when selecting an Indian partner. JV's advantage is that it allows the firm to use the existing network of partner firms. The earnings after tax can also be remitted outside India. JVs are required to pay 30% as income tax plus cess and surcharge.

Making the right choice

[Business Management Consulting](#) firms can help foreign companies set up offices or companies based

on their ambitions and desired growth in the Indian market. Smaller companies can start a Liaison office to explore prospects in India. For companies wanting to expand aggressively within the Asian markets, incorporating an LLC or Joint venture would make sense. **Business Consulting Firms in India** like PruVisor can help firms review the latest regulations, perform due diligence in finding the right partners, creating business strategy plan, and deal with operational issues such as labor laws, connectivity, and state-specific regulations

For more details visit our website: <https://www.pruvisorconsulting.com>

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