

### **Opening Branch office in India, legal provision as per RBI and Companies Act, 2013**

A foreign company or individual planning to set up business operations in India can do so through a Branch office/Liaison Office / Representative Office, Project Office.

The Foreign Exchange Management (Establishment in India of Branch or Office or other place of business) Regulations, 2000 govern the opening and operation of such offices.

Accordingly, Companies incorporated outside India, desirous of opening a Liaison/Branch office in India have to make an application to Reserve Bank of India(RBI) seeking approval for opening such office in India. It may be noted that RBI has authorized AD Category I bank to forward application along with the necessary enclosures along with the comments and recommendations.

After getting approval from RBI, every foreign company shall, within thirty days of the establishment of its place of business in India, deliver to the Registrar of Companies for registration of such Branch office along with the necessary documents.

### **Following are the procedure for opening Branch office in India:**

#### **RBI COMPLIANCE'S**

1. Application need to be made to obtain permission from the Reserve Bank of India in Form FNC by the body corporate incorporated outside India.

2. The application will be considered under two route i.e, Reserve Bank Route where 100% FDI allowed and Government Routewhere 100% FDI is not allowed.

3. The application form shall be completed and submitted to the AD Category - I bank designated by the applicant.

**Following documents are required with form FNC**

1. Copy of the Certificate of Incorporation / Registration attested by the Notary Public in the country of registration [If the original Certificate 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/ Consulate in the home country].

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. Bankers' 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.

**Following Information are required with form FNC (List is inclusive and not exhaustive)**

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)

f) Name and address of the banker of the applicant in the home country

g) Telephone & Fax Number of the banker  
h) E-mail ID of the banker

**REGISTRAR OF COMPANIES COMPLIANCE'S:**

The foreign company shall **within thirty days** of the establishment of its place of business in India, deliver to the Registrar for registration along with the following documents:

(a) A certified copy of the charter, statutes or memorandum and articles, of the company or other instrument constituting or defining the constitution of the company and, if the instrument is not in the English language, a certified translation thereof in the English language;

(b) The full address of the registered or principal office of the company;

(c) A list of the directors and secretary of the company containing such particulars as may be prescribed;

(d) The name and address or the names and addresses of one or more persons resident in India authorized to accept on behalf of the company service of process and any notices or other documents required to be served on the company; The Authorized person resident in India must have PAN No.

- (e) Power of attorney or board resolution in favor of the authorized representative(s);
- (f) The full address of the office of the company in India which is deemed to be its principal place of business in India;
- (g) Particulars of opening and closing of a place of business in India on earlier occasion or occasions;
- (h) Details of subsidiary, holding or associate companies in India of the foreign company or of any subsidiary or holding company of such foreign company or of any firm in India in which such foreign company or its holding or subsidiary company is a partner.
- (i) Whether such foreign company is held by one or more citizens of India or by one or more companies or bodies corporate incorporated in India, or by one or more citizens of India and one or more companies or bodies corporate incorporated in India holding not less than fifty per cent. of the paid-up share capital, whether equity or preference or partly equity and partly preference.
- (j) Declaration that none of the directors of the company or the authorized representative in India has ever been convicted or debarred from formation of companies and management in India or abroad; and
- (k) An attested copy of approval from Reserve Bank of India.

**Disclaimer:** Statements and opinions expressed in articles are those of the author's personal views. While every care has been taken in the compilation of this information and every attempt made to present up-to-date and accurate information, we cannot guarantee that inaccuracies

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