CONTENTS

Foreword Dr. Pramod Sawant *iii*
Foreword Baroness Verma *iv*
Foreword Kalraj Mishra *v*
Foreword Anandiben Patel *vi*
Foreword Vijay Goel *vii*
Messages *ix*
Acknowledgment *xi*
Preface *xiii*

Chapter 1

ABOUT BHARAT

Constitution of India 1
Fundamental Rights 2
General Profile 3
Political Profile 5
Economic Profile 6
Socio-Economic Structure 8
India's Ranking (2025-26) 9
Unraveling GDP Growth and Easing Business Dynamics in India and the Global Economy 10
Real GDP Growth Projections for 2026: The World's 50 Largest Economies 11
Summary 12

Chapter 2

WHY INDIA: ADVANTAGES AND INCENTIVES FOR BUSINESS

1. India and Its Competitors at a Glance 14
2. A Large and Fast-Growing Domestic Market 16
3. People and Skills 17
   A large workforce with room to grow 17
   Training at scale: ITIs and apprenticeships 17
   The Labour Codes: what changes for employers 18

4. Operating Costs 19
Wages at Japanese manufacturers 19
Minimum wages 20
Industrial land 21
5. Incentives for Manufacturers 21
Production Linked Incentive (PLI) schemes 22
Semiconductors: Semicon India and Semicon 2.0 23
Mobile Phone Manufacturing Scheme 23
Electronics Components Manufacturing Scheme (ECMS) 24
SEZs, bonded manufacturing and duty deferral 25
Export support 25
Credit, risk capital and jobs 25
6. Corporate Taxes and Incentives Compared 26
India's tax system 27
Tax holidays and the global minimum tax 28
7. Infrastructure, Logistics and Power 29
Public investment and planning 29
8. Digital Public Infrastructure and Easier Compliance 30
Digital public infrastructure 30
Easier compliance 30
9. Access to World Markets 31
What the new agreements offer 32
How the comparators' access differs 33
10. India in the Global Economy: Takeaways from the G20 34
India's proposals at Johannesburg 34
India's positions on the wider agenda 35
What this means for businesses 36
11. Macroeconomic Stability and Institutions 36
A stable macroeconomic base 36
Institutions for investors 37
12. Investors Are Choosing India 37
FDI in FY 2025-26 37
New export industries 38
What Japanese companies say 39
13. India Compared, Country by Country 39

14. Points for Investors to Plan For 41
Summary 43

Chapter 3

BUSINESS OPPORTUNITIES IN INDIA

Detailed Overview of potential Sectors 45
Agriculture and Allied 45
Market Size of Agriculture Sector 46
Auto Components, Automobile Industry and the EV Sector 50
Market Size 51
Government Policy and Initiative for Auto Components & Automobile Industry 52
Aviation Industry 54
Market Size of Aviation Sector 55
Banking Sector of India 57
Market Size of Banking Sector 58
Government Policy and Initiatives for Banking Sector 59
Biotechnology Sector 60
Defence Manufacturing 64
Market Size 64
Government Policy and Initiatives 65
E-commerce Industry 67
Market Size of E-commerce Industry 68
Government Policy and Initiatives for E-commerce Industry 68
Electronic System Design and Manufacturing (ESDM) 70
Semiconductor Industry 74
Market Size of Semiconductor Sector 75
Government Policy and Initiatives for Semiconductor Sector 76
Data Centre/Data Warehouse Industry 78
Market Size of Data Centre/Data Warehouse Sector 78
Government Policy and Initiatives for Data Centre/Data Warehouse Industry 79
Engineering Sector 80
Market Size of Engineering Sector 81
Government Policy and Initiatives for Engineering Sector 82
FMCG Industry 83

Government Policy and Initiatives for FMCG Industry 84
Healthcare Industry 86
Market Size of the Healthcare Industry 87
Government Policies and Initiatives for Healthcare Industry 88
Infrastructure Sector 89
Market Size of Infrastructure Sector 91
Government Initiatives and Development in Infrastructure Sector 94
IT and BPM Industry 96
Market Size of IT and BPM Industry 97
Government Policy and Initiatives 97
Manufacturing Sector 99
Market Size in Manufacturing Sector 100
Some major achievements of manufacturing sector – (2026) 101
Medical Devices Industry 106
National Medical Devices Policy, 2023 107
The National Medical Devices Policy, 2023 has several salient features 108
Strategies to Promote the Medical Device Sector 108
Market Size of Medical Device Industry 109
Government Policy and Initiatives 110
Metals and Mining Industry Sector 112
Government Policy and Initiatives in Metals and Mining Sector 115
Oil and Gas Industry 117
Market Size of Oil and Gas Industry 117
Pharmaceuticals Sector 119
Market Size of Pharmaceuticals Sector 120
Shipping Industry and Ports in India 124
Market Size of Shipping Industry and Ports 125
Government Policy and Initiatives 126
Railways Sector 130
Market Size of Railway Sector 132
Government Policy and Initiatives of Railway Sector 133
Renewable Energy Industry 136
Market Size for the Renewable Energy Sector 136
Government Policy and Initiatives for the Renewable Energy Sector 137
Science and Technology Industry 139
Market Size of the Science and Technology Industry 139

Telecommunications Industry 143
Market Size of the Telecommunications Industry 144
Tourism and Hospitality Industry 146
Market Size of the Tourism and Hospitality Industry 147
Government Policy and Initiative of the Tourism and Hospitality Industry 147
Summary 149

Chapter 4

SETTING UP A BUSINESS OR FACTORY IN INDIA: STEP BY STEP

Before You Start: Choosing the Entry Route and the Business Vehicle 159
Step 1: Incorporating the Company 161
Step 2: Bringing In the Investment and Reporting It 162
Step 3: Tax and Trade Registrations 163
Step 4: Finding Land and a Site 165
Step 5: Approvals to Build and Run a Factory 167
Step 6: Hiring People and Labour Compliance 169
Step 7: Claiming Incentives 172
State Incentives: Examples from Leading States 175
Indicative Timeline 177
A Checklist for Investors 179
Summary 180

Chapter 5

EASE OF DOING BUSINESS AND STARTUP ECOSYSTEM IN INDIA

What is Ease of Doing Business & How it is Measured? 183
Measures to Promote Ease of Doing Business (EoDB) 184
Starting a Business 184
Registering Property 185
Dealing in Construction Permits 185
Obtaining Electricity 185
Resolving Insolvency 186
Paying Taxes 186
Trading Across Borders 187
Protecting Minority Investors 188

Enforcing Contracts 188
Business Reforms Action Plan 2024 189
Startup Ecosystem in India 189
Unicorns in India 191
Programs Implemented under Startup India initiative 191
Summary 194

Chapter 6

FOREIGN INVESTMENT POLICIES

Foreign Direct Investment in India 198
Share of Top 10 Investing Countries in FDI Equity Inflows, FY 2024-25 and FY 2025-26 (Amt. in USD Million) 200
State-wise Inflow of FDI 200
Sector-wise Inflow of FDI in India 200
Foreign Investment Facilitation Portal (FIFP) 201
Competent Authorities for Approval/Rejection of Foreign Investment 202
Census on Foreign Liabilities and Assets of Indian Direct Investment Entities for 2024-25 205
Procedure for Receiving Foreign Direct Investment 206
Sectors under which Prior Approval of Government is Required 216
Eligible investors for FDI investment in India as per the Consolidated FDI Policy (effective from October 15, 2020, as amended up to Press Note 3 (2026 Series)) 217
Entities Eligible for FDI Investment in India 218
Sectors Prohibited From FDI 222
Permitted Sectors to receive FDI in India 222
Reporting Process 231
OVERSEAS DIRECT INVESTMENT 233
1. Overseas Investment by Resident Individuals 233
2. Overseas Investment by a Person Resident in India, Other than an 235
3. Overseas Investment in an IFSC in India By an Indian Resident 236
Overseas Direct Investment and Indian Economy 238
Summary 239

Chapter 7

RELEVANT EXTRACTS FROM THE FOREIGN TRADE POLICY

Important Extracts of FTP 2023: Reproduced for Ready Reference 245
1. Legal Framework and Trade Facilitation 245
2. General Provisions Regarding Imports and Exports 252
3. Developing Districts as Export Hubs 266
4. Duty Exemption/Remission Schemes 268
9. Promoting Cross Border Trade in Digital Economy 283
Summary 286

Chapter 8

MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

MSME New Registration Process is as follows 288
MSME Sector - Classification 290
Union Budget and Related Measures to Promote MSME Sector 293
Credit Guarantee to MSMEs 293
MSMEs and Professionals 294
Start-up 294
Entity DigiLocker 294
Major Government Initiatives and Schemes to Promote MSME Sector 294
1. Micro, Small and Medium Enterprises Development (MSMED) 294
Act, 2006 294
2. Schemes of the Ministry of MSME 295
How has Make in India proven to be a Game Changer for MSME Sector in India? 307
Fundamental Announcements & Achievements 308
Key MSME Initiatives and Developments 310
1. Udyami Bharat 310
2. Public Procurement Policy for Micro and Small Enterprises 311
3. Procurement and Marketing Support (PMS) Scheme 311
4. International Cooperation Scheme 311
5. Technology Centres 312
6. Skilling 312
7. Promotion of MSMEs among SC/STs & in NER 312
8. MSME SAMADHAAN: To Address Delayed Payment to MSEs 314
9. MSME Sampark 314

10. Digital Payments 314
11. Special Measures under Aatmanirbhar Bharat Abhiyaan 315
12. ₹ 50,000 crores Equity Infusion for MSMEs through Self Reliant India Fund (Fund of Funds) 315
13. MSME Sambandh Portal 315
14. PM Vishwakarma Scheme 316
Activities Conducted For North-Eastern Region, Women, Person with Disability, and International Cooperation 317
A. Promotion of MSMEs in North Eastern Region and Sikkim – 317
Central Government Scheme 317
B. Development of New and Existing Industrial Estates 318
C. Activities for Women-led MSMEs 318
D. Activities for Persons with Disabilities (PwD) 318
International Cooperation 319
GeM (Government e-Marketplace) Portal 319
Summary 321

Chapter 9

ENTRY OPTIONS IN INDIA

Types of Business Entities in India 329
Sole Proprietorship 329
One Person Company (OPC) 331
Partnership 333
Limited Liability Partnership (LLP) 335
Company 337
Joint Venture (JV) 340
Wholly Owned Subsidiary (WOS) 341
Branch or Liaison or Project Offices 343
Establishment of Branch Office (BO)/Liaison Office (LO)/Project Office (PO) or any other place of business in India by foreign entities 344
Summary 354

Chapter 10

FUNDING OPTIONS IN INDIA

Ways Through which Capital Instruments are Permitted in India 359
1. Equity Shares 359
2. Preference Shares 359
3. Debentures 361
4. External Commercial Borrowings (ECBs) 365
5. Foreign Currency Convertible Bonds (FCCBs) 370
Cost of acquisition on conversion of FCCBs 372
Taxation on Foreign Currency Convertible Bonds 373
6. Foreign Currency Exchangeable Bonds (FCEB) 373
Benefits of Foreign Currency Exchangeable Bonds (FCEBs) 373
Issue of Foreign Currency Exchangeable Bonds Scheme, 2008 374
Pricing and Maturity 375
Foreign Funding Sources in India 377
Foreign Portfolio Investors (formerly Foreign Institutional Investors) 377
Foreign Portfolio Investment (FPI) 377
Foreign Venture Capital Investor (FVCI) 378
Traditional Funding Sources in India 378
1. Bank Loans 378
2. Government Grants 380
3. Loans from Financial Institutions 381
Summary 382

Chapter 11

BUSINESS LAWS AND REGULATORS

Major Business Regulators in India 388
Reserve Bank of India (RBI) 388
The Securities and Exchange Board of India (SEBI) 389
Powers and Functions of the Board 389
Ministry of Corporate Affairs (MCA) 391
Ministry of Finance 391
Ministry of Electronics and Information Technology (MeitY) 392
Food Safety and Standards Authority of India (FSSAI) 393

Insurance Regulatory and Development Authority of India (IRDAI) 394
Telecom Regulatory Authority of India (TRAI) 395
Central Electricity Regulatory Commission (CERC) 396
Petroleum and Natural Gas Regulatory Board (PNGRB) 396
National Highways Authority of India (NHAI) 397
Khadi and Village Industries Commission (KVIC) 397
Directorate General of Civil Aviation (DGCA) 398
Directorate General of Foreign Trade (DGFT) 398
Directorate General of Hydrocarbons (DGH) 399
Competition Commission of India (CCI) 399
Central Drugs Standard Control Organization (CDSCO) 400
National Bank for Agriculture and Rural Development 400
Bureau of Indian Standards (BIS) 400
National Green Tribunal 401
Small Industries Development Bank of India (SIDBI) 401
Overview of the Corporate Law Regime in India and Proposed Legal Changes 401
Law and Adaptation to Changing Circumstances 402
Growth of the Corporate Regulatory Framework 403
Corporate Laws 403
The Companies Act, 2013 403
The Companies (Amendment) Act, 2020 (extract: sections 1 to 51) CSR Implementation 404
The Indian Partnership Act, 1932 419
The Limited Liability Partnership Act, 2008 420
New Labour Codes (in force from 21st November, 2025) 431
The Prevention of Money-laundering Act, 2002 435
Special Economic Zones Act, 2005 437
The Competition Act and The Competition (Amendment) Act, 2023 440
The Insolvency and Bankruptcy Code 440
Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 441
Cyber Laws in India 441

Intellectual Property Laws 443
The Patents Act, 1970 444
The Patents (Amendment) Rules, 2021 444
The Designs Act, 2000 and The Designs (Amendment) Rules, 2021 444
The Trade Marks Act, 1999 445
The Copyright Act, 1957 446
The Geographical Indications of Goods (Registration and Protection) Act, 1999 447
Other Important Acts 448
Taxation in India 449
GST: Major Tax Reform in India 450
Income Tax in India 451
Income Tax Exemption for Startups 451
Summary 452
Other Important Acts 455