

Chapter - 10

* Setting up of Branch office *

* Permitted activity : —

- Branch office is not allowed to undertake any retail trading activities, manufacturing or processing activities undertaken directly or indirectly.
- RBI has given general permission to foreign companies to set a branch office in SEZ. Subject to following conditions :-

(i) Branch Office are functioning in those sector where 100% FDI is allowed. Such Branch office comply with chapter of Companies act.

(ii) They function on stand alone basis.

Every branch office has to deliver office documents as specified in section 380 within 30 days of establishment.

CASE LAW

* Liaison Office : —

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Supreme Court in Case of Bar Council of India Vs. A.K. Balaji ruled that —

- Only Advocates enrolled under Advocates Act, 1961 can practice law in India.
- Foreign law firms or lawyers are prohibited from : —
 - (i) Practicing law in India.
 - (ii) Setting up any branch, liaison or project office for legal practice.
- RBI and Banks were directed not to grant approvals for foreign firms to establish offices for practicing law under FEMA.