

**Comparison between a Company and a branch office.**

<b>Particulars</b>	<b>Company</b>	<b>Branch office</b>
Identity	Separate legal entity	Part of foreign company & do not have separate legal existence
Permission involved for establishment	Registrar of Companies	Dual Permissions required – <ul style="list-style-type: none"> <li>- Reserve Bank of India</li> <li>- Registrar of Companies</li> </ul>
Business	Manufacturing as well as trading	Only Trading activity
Activities	<p>Can undertake activities different from its parent company and can undertake various activities barring below mentioned categories-</p> <p>(i) Retail Trading (except single brand product retailing)                      (ii) Atomic Energy                      (iii) Lottery Business                      (iv) Gambling and Betting                      (v) Agriculture</p>	<p>Export / Import of goods (trading only – no mfg. or processing).</p> <p>Rendering professional or consultancy services.</p> <p>Carrying out research work, in which the parent company is engaged.</p> <p>Promoting technical or financial collaboration between Indian companies and parent or overseas group company.</p> <p>Representing the parent company in India and acting as buying / selling agent in India.</p> <p>Rendering services in Information Technology and Development of software in India.</p> <p>Rendering technical support to the products supplied by parent / group companies.</p> <p>Foreign airline / shipping</p>

<b>Particulars</b>	<b>Company</b>	<b>Branch office</b>
		company.
Invoicing	In the name of Indian Company	In the name of foreign company only
Filing of Annual returns	With Registrar of Companies Only	With Reserve Bank of India and Registrar of Companies
Registration such as PAN, service tax, Import-Export code	Required to be obtained	Required to be obtained
Transfer pricing	Transactions with parent company have to be at arm's length. Transfer pricing rules are applicable.	Transactions with Head Office have to be at arm's length. Transfer pricing rules are applicable.
Taxation aspects	Income is taxable in India. If transfer pricing rules are followed, very less possibility of holding company getting exposed to Indian taxation.	Income is taxable in India. If transfer pricing rules are followed, generally Head Office is not exposed to Indian taxation. However, more information about Head Office is accessible to Indian taxation authorities.
Repatriation of profits	Company will pay the profit to parent in the form of dividend	Branch may repatriate the profits directly to parent, no approval required.
Accepting of deposits	Company, depending of whether Private or Public company, may accept deposits from certain people subject to provisions of law.	Branch office cannot accept deposits in any case