

COST OF DOING BUSINESS IN INDIA

A. Basic yearly salaries and wages (8 hours per day at 26 days per month per year)

(US\$)

| | High | Low |
|---|---------|--------|
| Managerial Position | | |
| ■ Senior level | 50,000 | 25,000 |
| ■ Middle level | 19,000 | 9,000 |
| ■ Junior level | 8,000 | 6,500 |
| Factory Workers | | |
| ■ Supervisor/ Foreman | 3,000 | 1,500 |
| ■ Skilled workers | 1,400 | 1,200 |
| ■ Non skilled workers | 1,200 | 1,050 |
| Marketing and Sales (plus commission) | | |
| ■ Senior level | 101,000 | 63,000 |
| ■ Middle level | 63,000 | 25,500 |
| ■ Junior level | 25,000 | 6,500 |
| Other Office and Administrative Staff | | |
| ■ Executive secretary | 18,000 | 10,000 |
| ■ Secretarial staff or clerk | 10,000 | 6,000 |
| ■ Accountant/ Bookkeeper | 12,700 | 7,500 |
| ■ Driver and delivery personnel | 3,050 | 1,900 |
| ■ Service technician with engineering experience | 9,100 | 4,600 |
| Household help (all with free board and lodging) | | |
| ■ Family driver | 3,000 | 1,500 |
| ■ Cook | 1,500 | 1,200 |
| ■ Maid | 1,500 | 450 |

The figures represent estimated basic yearly pays for the industry in general, and not specific to any sector. There are other labour related costs such as social security premiums, holiday pay, service incentive leave pay, maternity and paternity leaves etc. To obtain effective yearly wage, multiply the yearly pay by 120 per cent more or less. Managers can speak and write fluent English, while staff positions are accustomed to at least conversational English.

B. Rental or lease rates

(US\$ per square feet per month)

| | High | Low |
|---------------------------|------|------|
| Office Space | | |
| ■ Delhi- NCR | 8.50 | 0.75 |
| ■ Mumbai | 7.50 | 1.00 |
| ■ Bangalore | 1.50 | 0.50 |
| ■ Chennai | 1.50 | 0.75 |
| ■ Non metro areas | 3.00 | 0.50 |
| ■ Export processing Zones | 1.50 | 0.20 |
| Residential space | | |
| ■ Delhi | 4.50 | 0.50 |
| ■ Mumbai | 4.50 | 1.60 |
| ■ Bangalore | 1.50 | 0.30 |
| ■ Chennai | 1.50 | 0.25 |
| ■ Non metro areas | 3.00 | 0.05 |

Contd...

C. Cost of utilities (more or less common for all metro cities of India)

(US\$)

| Installation Cost (for big industries, depending on projected consumption) | | |
|--|--|---------------------|
| Electricity | | |
| ■ Installation cost (for commercial and office, depending on projected consumption) | 300 to 900 | |
| ■ Installation cost | 95 to 200 | |
| ■ Consumption rate (industrial) | 0.10 to 0.13 per kwh | |
| ■ Consumption rate (commercial) | 0.10 to 0.15 per kwh | |
| ■ Consumption rate (residential) | 0.06 to 0.12 per kwh | |
| Water | | |
| ■ Installation cost (depending on consumption) | 15 to 800 | |
| ■ Consumption rate (industrial) | Consumption Slabs per Month | Rate per KL* |
| | 0 - 25 KL | 0.38 |
| | 25 - 50 KL | 0.63 |
| | 50 - 100 KL | 0.90 |
| | Above 100 KL | 1.30 |
| ■ Consumption rate (commercial) | Consumption Slabs per Month | Rate per KL* |
| | 0 - 25 KL | 0.25 |
| | 25 - 50 KL | 0.50 |
| | Above 50 KL | 0.75 |
| ■ Consumption rate (residential) | Consumption Slabs per Month | Rate per KL* |
| | 0 - 6 KL | 0 |
| | 6 - 20 KL | 0.05 |
| | 20 - 30 KL | 0.17 |
| | > 30 KL | 0.25 |
| Landline Telephone | | |
| ■ Installation cost | 40 to 400 | |
| ■ Monthly billing (commercial / residential) | Monthly rental may range from 2.50 to 50.50 Call charges may range from 0.01 to 0.04, depending upon the rental plan taken | |
| ■ National direct dialing calls (average) | 0.05 and above depending upon the distance and network | |
| ■ International direct dialing calls | 0.15 and above depending upon the distance and network | |
| Internet Connection | | |
| ■ Installation fee | 25 to 50 | |
| ■ Internet subscription (Subscription rates vary depending on the type of plan and number of hours consumed by the user) | 12.50 and above, depending upon the usage. Can go upto 1,250 or more | |

* Add 50 per cent Sewage Maintenance charges

D. Monthly retainer's fee of certain professionals and service contractors

(US\$)

| | High | Low |
|--|---|-------|
| Chartered Accountant or Management Consultant (includes taxation, advisory, assurance & compliance services) Extensive consultations customary time charges are billed from US\$ 40 to US\$ 250 per hour (based on the seniority of the staff, firm size & client) | 1,300 | 750 |
| Lawyer (includes normal consultation, minor representation before Government offices, and notarial services) Extensive consultations, litigation etc. customary time charges are billed ranging from US\$ 50 to US\$ 350 per hour (based on the seniority of lawyer or staff, firm size & client) | 7,500 | 1,000 |
| Medical Doctor or Dentist (may be required by labor regulations depending on nature of work and size of employment, calculated at 2 to 3 visits per week) | 250 and above | 75 |
| Customs broker (companies with high level of import activities often hire in house brokers on retainer basis) | 2 to 5 per cent, depending upon the consignment | |
| Engineering contractor, mechanics, computer technician etc, (per person per month) | 300 | 200 |
| Security guard services and utility personnel (per person per 8 hour per day per month) | 180 | 90 |