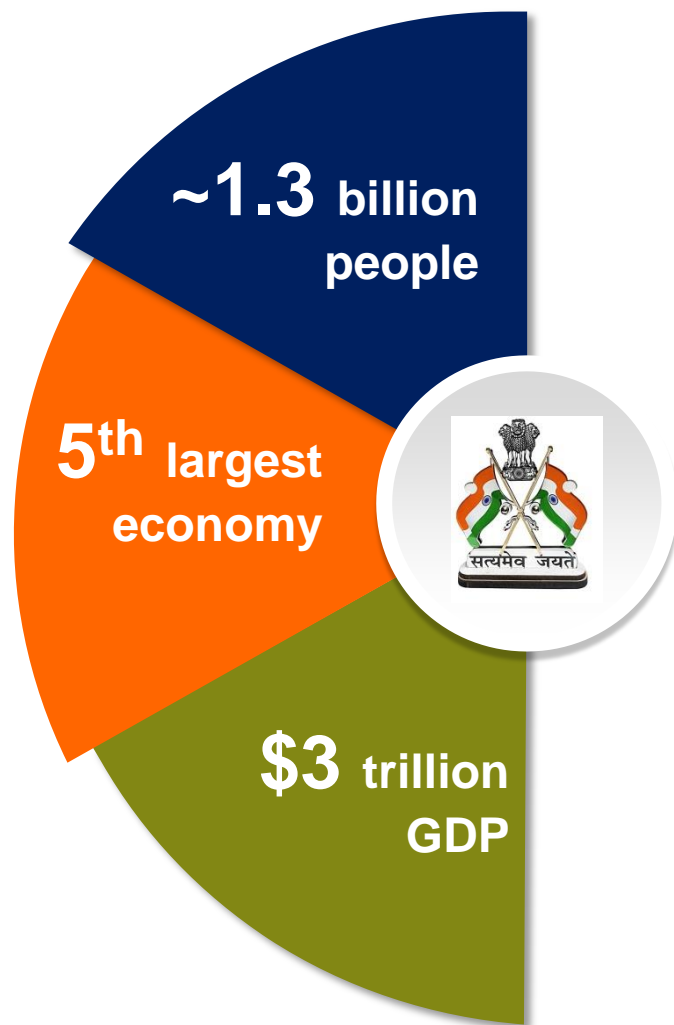


India – A Global Investment and Manufacturing Hub

Landscape of Doing Business in India

FY 2021 Update

India - Diversified Markets and Growth Opportunities



- Rising income levels and affluence
- Driving consumption patterns

Per capita income increased 2.5x in 10 years

World Bank



- Growing youth population
- Increasing urbanization

over the next three decades, more than
~400m Indians will move into cities

United Nations Organization



- Planned investments to facilitate infrastructure growth

over the next five years more than \$1.4t
expenditure required

Press Information Bureau, Gol

Recent
Multi-Billion
Investments



Note: The above estimates are prior to the outbreak of COVID-19, and could be subject to fluctuation considering the recent economic scenario

India Advantage - Lucrative Business Destination for Global Players



**Subsidies and
Tax Incentives**



**Robust Governed
Intellectual
Property Rights
(IPR)**



Rapid Digitization



Strong FDI Flow

Performing Well in Key Competitive Parameters Amongst Regional Peers

Ease of Doing Business (63 rd Rank)	Global Competitive Index
<ul style="list-style-type: none">• Development• Skilled Employees• Infrastructure• Power• Deemed Universities	<ul style="list-style-type: none">• Market Size• Corporate Governance• Future Orientation• Research and Development• Transport Infrastructure

***180+ innovation centres of
Fortune 500 companies***

***8 Global Unicorns with centers in
India***

Ease of Regulations

Ease of Regulations (1/2)

GST

- One nation one tax rolled out in 2017
- Several different indirect taxes subsumed
- Gives organizations the ease of paying one form of indirect tax throughout country

Insolvency

- Bankruptcy and insolvency code launched in 2016
- Limit for defaults raised to avoid triggers for MSMEs
- Special insolvency resolution framework for MSMEs

Company Laws

- Decriminalization of company law defaults (shift to in-house adjudication / penalties)
- Integrated Web based incorporation form (timeline reduced)

MSMEs

- Redefining limits of Micro, Small and Medium Enterprises – now covers 99% firms based on 2018-19 taxpayer's data
- Separation between manufacturing and service sector removed
- Fiscal benefits, financing support and more

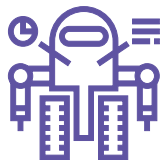
Labour law

- Centre planning rationalization of labour laws into four codes
- Looking at developing National level uniform minimum wages to provide social security
- Several States (UP, MP and Gujarat) introduced path breaking reforms – single window, online registration, etc.

Others

- Privatization of all sectors, public sector enterprise only in Strategic sectors
- Government is working on a joint charter of single window clearance for mega permissions / industrial clearance (six states aligned)

Ease of Regulations on few Sectors (2/2)



Defence

- FDI limit raised to 74% under automatic approval for defense manufacturing



Coal

- Opens for commercial mining for private players
- Revenue sharing model, liberalisation of entry norms



Retail

- Single brand retailing being allowed (including e-commerce before brick mortar stores with conditions)
- Local sourcing norms eased out



Railways

- Private partnerships allowed in railways with procurement also allowed for private players



Others

- Entry barriers have been reduced for civil aviation, banking and financial services, opening the sectors for global players

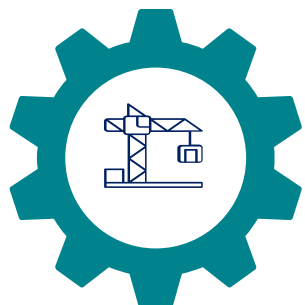
Initiatives and Incentives

Key Initiatives by the Government

The Government has been proactive and has announced key reforms and landmark initiatives to bolster the business environment in India.



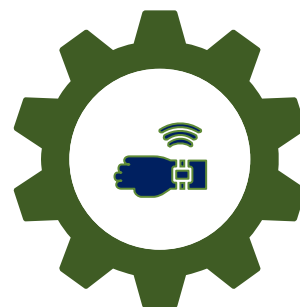
'Aatma – Nirbhar' Bharat initiative to augment India's prowess as a global hub for manufacturing and new business



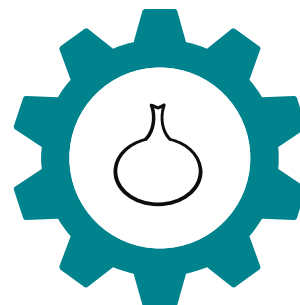
Infrastructure funds for constructing roads, railways, airports and highways worth USD 24.27 billion



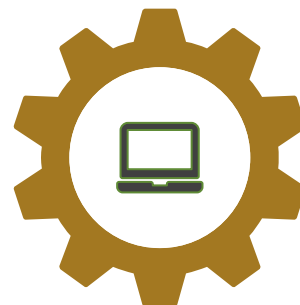
'Mega Permission' charter in which an investor is required to submit only one application form, to obtain over 20 different State-specific approvals



Ayushman Bharat – India's first public healthcare scheme. National Digital Health Blueprint revolutionizing the digital ecosystem in the healthcare sector

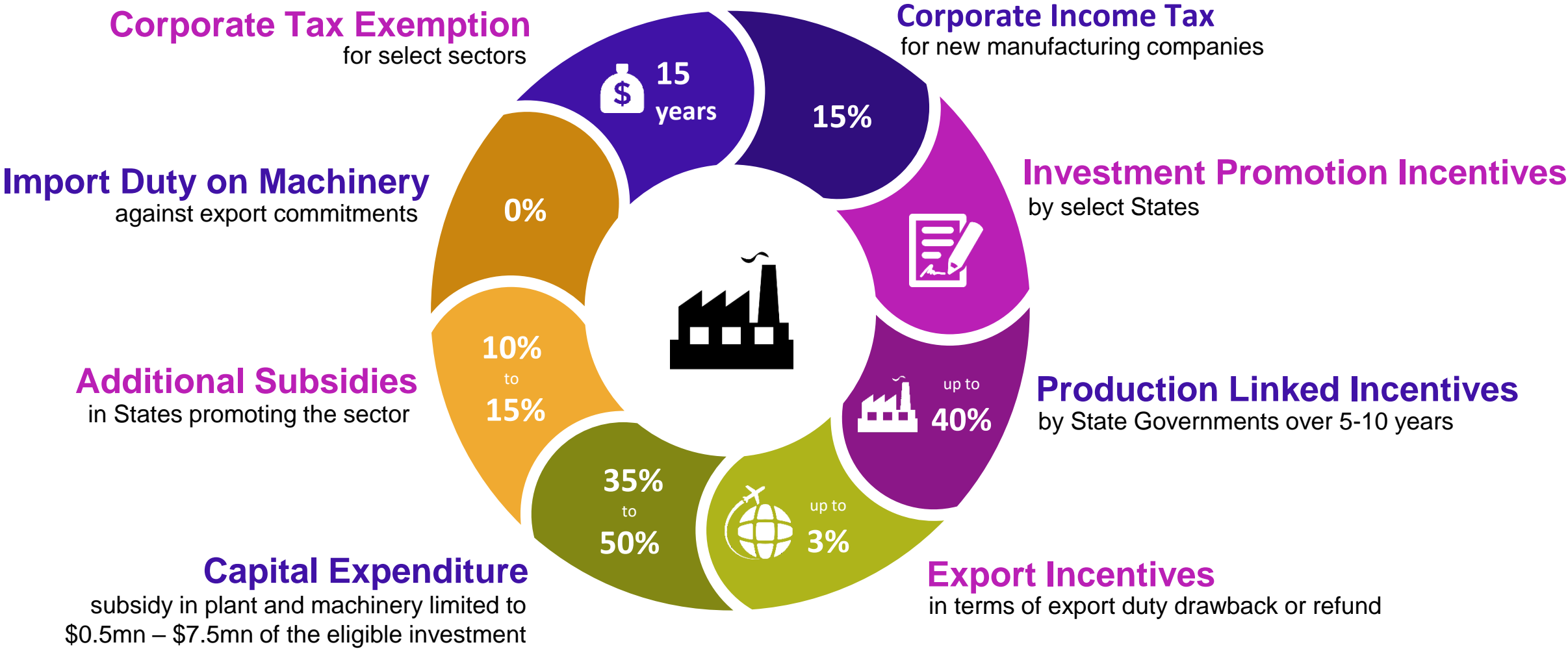


Opening up Agriculture and farming sector via farm bills with incentives worth USD 1.3 billion



Announcing a Production linked policy for Electronics sector worth USD 6.4 billion

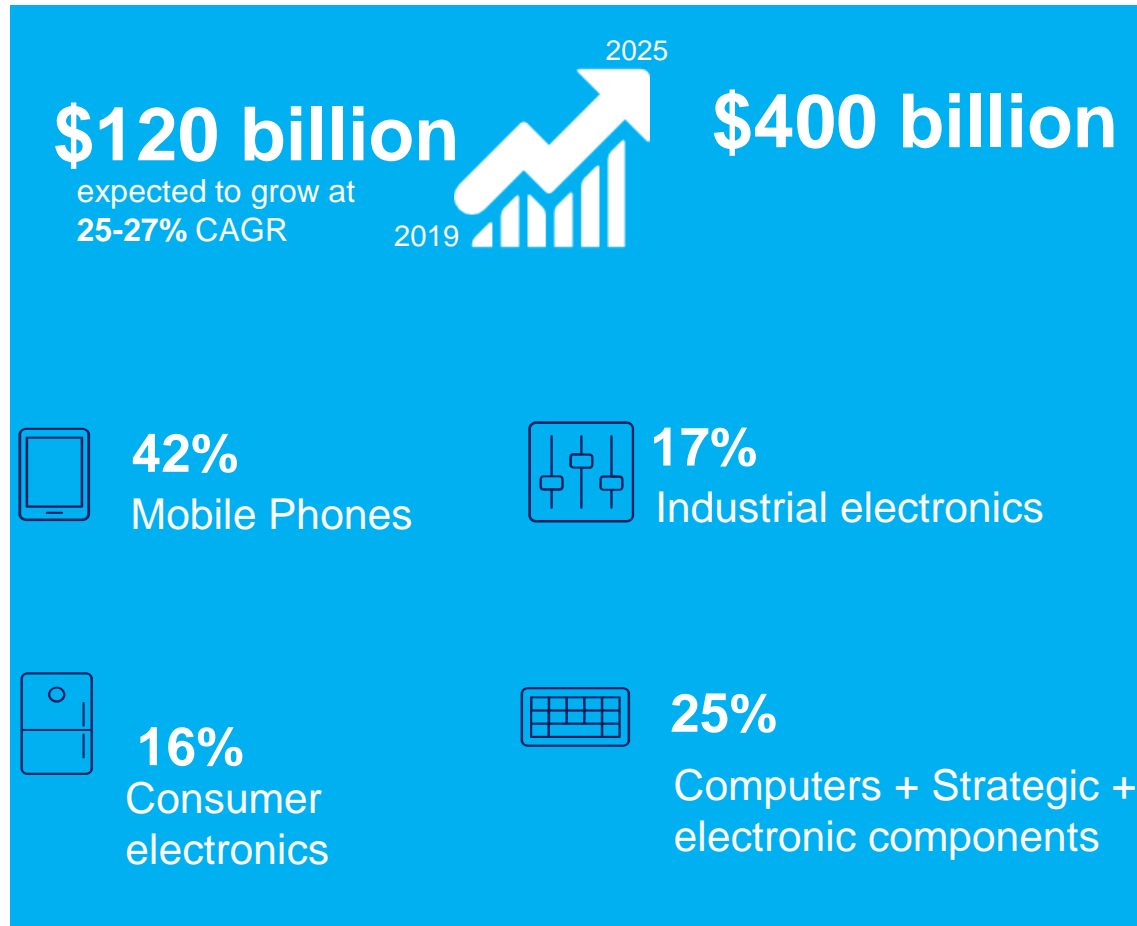
Overview of Government Incentives



A large, stylized globe graphic on the left side of the slide. The globe is rendered in shades of blue and cyan, with a grid of latitude and longitude lines. It is positioned within a circular frame that has a blue and white border. The background of the slide features abstract, flowing blue and white lines that create a sense of movement and depth.

Select Sunrise Sector Updates

Electronics manufacturing share of India, globally grew from 1.3% in 2012 to over 3% in 2020



USD 6.4 Bn - Centrally announced incentives for production, manufacturing and exporting

2025 Target

- Mobile Device - USD 100 Bn
- Total Electronics Production

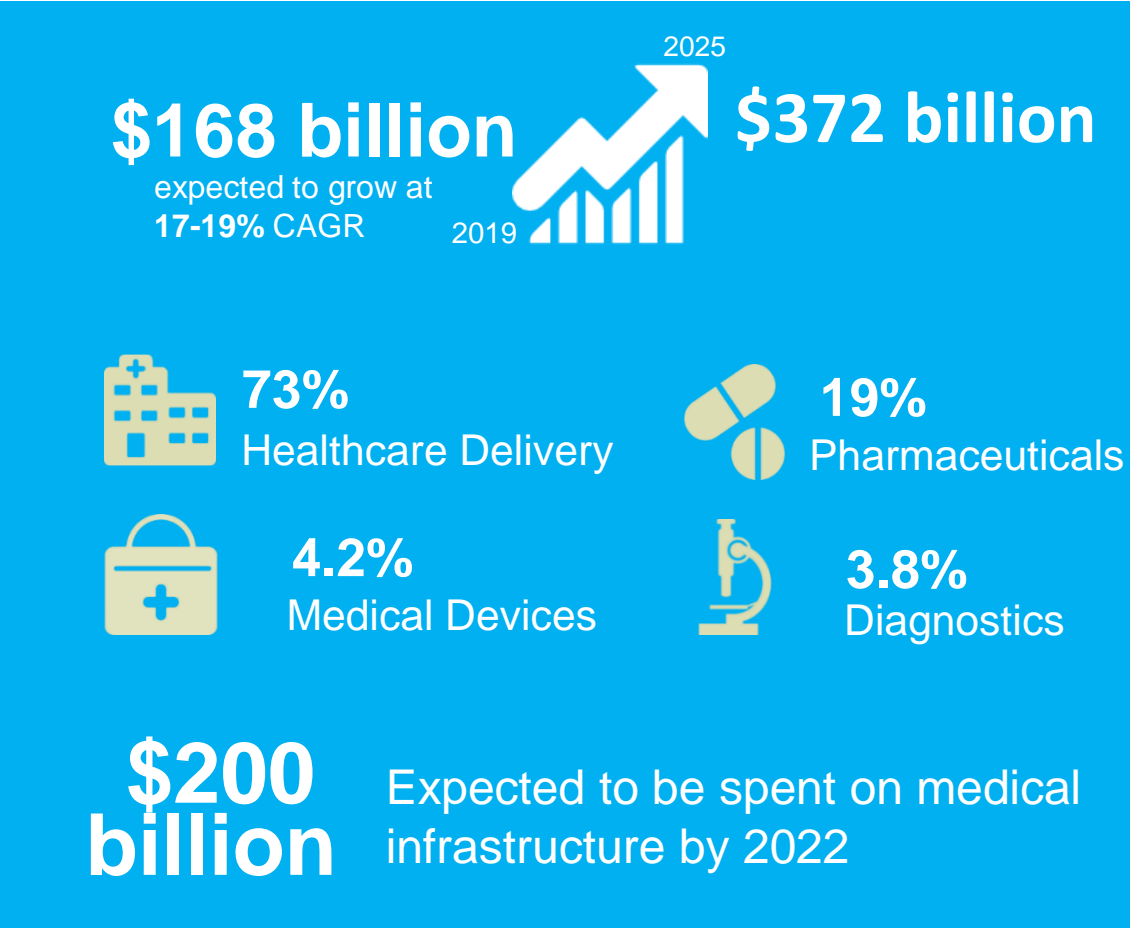
11 categories of electronics under public procurement order

20 out of 28 states to have greenfield Electronic Manufacturing Clusters (EMCs)

Electronics Development Fund for IP protection and new ventures

Above projection estimations are subject to the impact of COVID – 19

Healthcare is expected to be revolutionized in India in the next 5 years



USD 1.8 Bn - Largest public healthcare scheme in the world – Ayushman Bharat scheme till date outlay

2022 Target

- 1 Million Skilled healthcare workers
- NDHB - Enabling e-health and telemedicine to over 50% of India

30% Indians expected to opt for health insurance in the coming years

28 out of 28 states empanelled under public healthcare with over 23,000 hospitals

NDHB expected to unlock economic value of over USD 210 billion

Food Processing Sector: India is expected to triple it's food consumption in the next 5 years

\$543 billion
expected to grow at
9% CAGR



\$1.2 trillion

1st

in milk production in
the world

2nd

in fruits & vegetable
production in the world

2nd

in world fish production
as well as in aquaculture

1st

in spice production in the
world

Up to **10% of**
Food produced is processed

**USD 900 Mn - Allocation to PM's scheme (Federal) for FPS by
Ministry of Food Processing Industries**

Mega Food Parks

- 18 Operational
- 19 Under Implementation

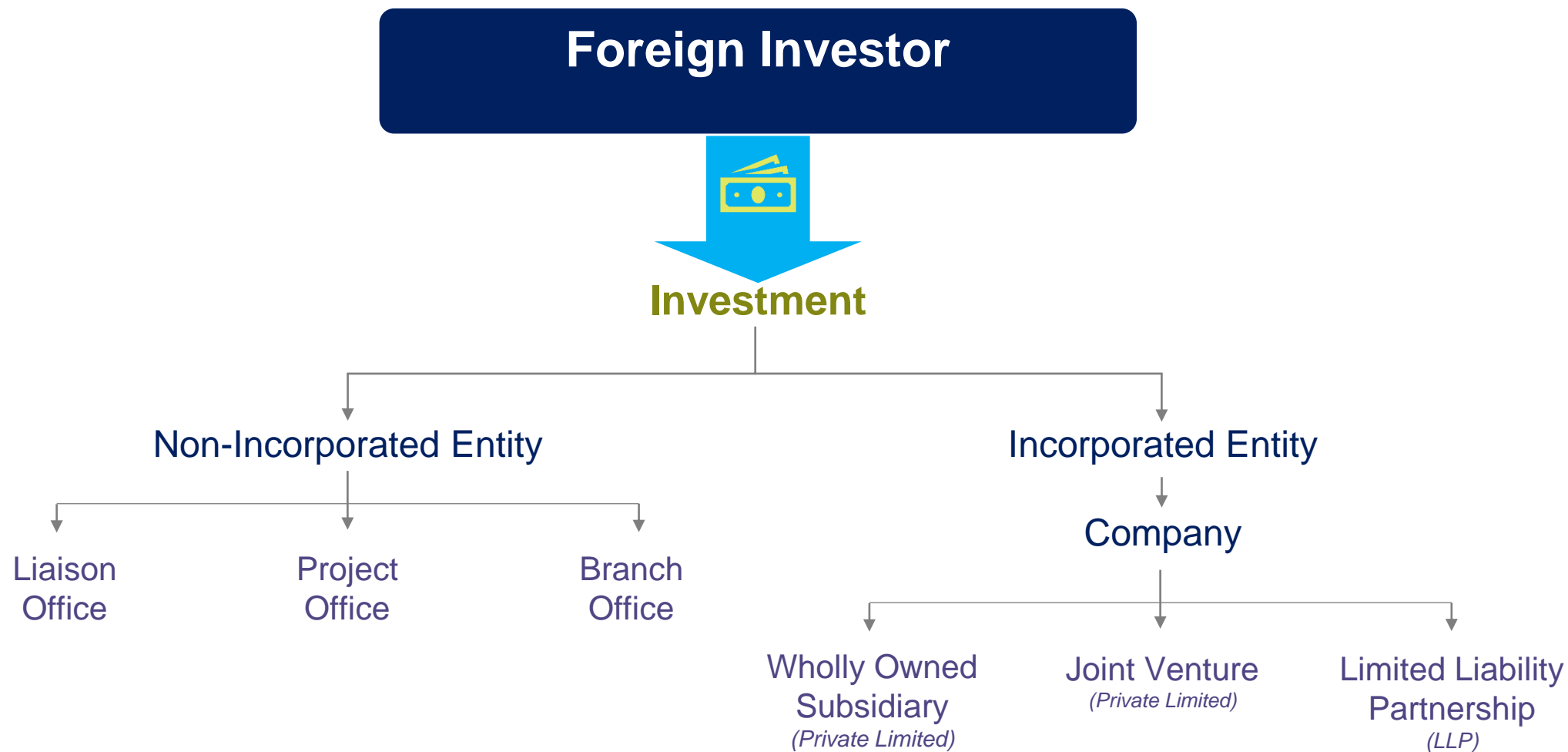
**23 out of 28 states to
have mega food parks**

- 298 Cold Chain projects
- 192 Operational

e-NAM

**Unified national market for
agricultural commodities**

Forms of Entity



Forms of Entity Overview

Private Limited Company	Limited Liability Partnership	Liaison Office	Branch Office
<ul style="list-style-type: none">• Governed by Companies Act 2013• Two Shareholders• Foreign Investment permitted in all sectors except few restricted ones• Corporate Tax at 15% / 22% / 25% / 30% plus surcharge and cess• Minimum Alternate Tax applicable• No Dividend Distribution Tax (recent update)	<ul style="list-style-type: none">• Flexible operating vehicle and lesser compliance• 2 partners required• Taxed at 30% plus surcharge and cess• Alternate Minimum Tax applicable• Funded through partners' capital contribution – Cannot be funded through ECB (External Commercial Borrowing – Loan)	<ul style="list-style-type: none">• Communication channel representing parent entity, promoting import/export, collaborations, etc.• Funded by Head Office• Cannot earn any income• Profit making track record during the immediately preceding 3 financial years in the home country• Net worth of Parent Company not less than USD 50,000 or its equivalent	<ul style="list-style-type: none">• Export/import of goods; rendering services; research work, promoting technical or financial collaborations and acting as buying/selling agents• Taxed at 40% plus surcharge and cess• Funded by Head Office - Unlimited Liability of HO• Profit making track record during the immediately preceding 5 financial years in the home country• Net worth of Parent Company not less than USD 100,000 or its equivalent

Tax Regime Overview

Direct Tax Regime – Corporate Tax Rate

Taxes	Domestic Companies (availing Incentive / exemptions)	Domestic companies (not availing Incentive / exemptions)**	Foreign companies (BO / PO)
Corporate Tax	30% - Income > INR 4 bn / ~USD 57 mn 25% - Income < INR 4 bn / ~USD 57 mn	22% - for existing co. 15% - New Greenfield	40% or concessional
Minimum Alternate Tax	15%	None	None
Dividend Distribution Tax	None (Recent Union Budget 2020 amendment)		None
Surcharge	7% - Income > INR 10 mn / ~USD 142k 12% - Income > INR 100 mn / ~USD 1.4 mn	10%	2% - Income > INR 10 mn / ~USD 142k 5% - Income > INR 100 mn / ~USD 1.4 mn
Cess	4% for all companies		

Important Points for Corporates

- **Tax year** – 1 April to 31 March
- **E-filing of annual tax returns**
 - 30th September (If non-related party transactions)
 - 30th November (if related party transactions)
- Separate Income Tax Audit (by a Chartered Accountant) if turnover > INR 50 million / ~USD 710k
- Quarterly Advance Tax payments

**Once the concessional tax rate is opted the same will have to be followed from year on year basis. Also, certain basic condition needs to be satisfied to claim concessional tax rates.

Indirect Tax Regime



Goods and Services Tax (GST)
on goods and services (5% to 28%)

Customs Duty
on import of goods (Basic custom duty + GST + Social Welfare Surcharge = 5% to 40%)

Others
Indirect Tax on petroleum products, liquor, stamp duty on immovable property, etc.

With the implementation of GST from 1 July 2017, India has turned into a One Nation-One Tax market resulting in significant ease in doing business.

A large, stylized globe graphic on the left side of the slide. The globe is semi-transparent with a blue and white color scheme, showing the outlines of continents. It is set against a background of abstract blue and white geometric shapes and lines.

India – Overseas Bilateral Trade by Select Countries

India - Overseas Bilateral Trade by Select Countries

Export		USD Million			
Sr. No.	Country	2019-2020	% Share	2020-2021 (Apr-Dec)	% Share
1	US	53,088.77	16.94	36,211.81	17.99
2	France	5,097.81	1.63	3,139.75	1.56
3	Germany	8,290.90	2.65	5,633.18	2.80
4	China	16,612.75	5.30	15,261.78	7.58

Top Export Commodities of India		
Sr. No.	Commodity	Value (2019-2020)
1	Mineral fuels including oil	\$44.1 billion (13.7% of total exports)
2	Gems, precious metals	\$36.7 billion (11.4%)
3	Machinery including computers	\$21.2 billion (6.6%)
4	Organic chemicals	\$18.3 billion (5.7%)
5	Vehicles	\$17.2 billion (5.3%)
6	Pharmaceuticals	\$16.1 billion (5%)
7	Electrical machinery, equipment	\$14.7 billion (4.5%)
8	Iron, steel	\$9.7 billion (3%)
9	Clothing, accessories (not knit or crochet)	\$8.6 billion (2.7%)
10	Knit or crochet clothing, accessories	\$7.9 billion (2.5%)

Import		USD Million			
Sr. No.	Country	2019-2020	% Share	2020-2021 (Apr-Dec)	% Share
1	US	35,819.87	7.55	18,791.77	7.19
2	France	6,168.82	1.30	2,685.25	1.03
3	Germany	13,691.11	2.88	9,239.87	3.53
4	China	65,260.75	13.75	45,361.86	17.35

Major Export Companies - India	
Sr. No.	Company
1	Reliance Industries
2	Tata Steel
3	Sun Pharma Industries
4	Rajesh Exports
5	Tata Motors
6	Vardhaman Textiles
7	International Lace Trade Center
8	Bajaj International Private Limited
9	Arvind Mills
10	Kiran Gems Private Limited

A large, stylized globe graphic in shades of blue and white, positioned on the left side of the slide. The globe shows the continents and is surrounded by abstract geometric lines and shapes in blue and white, creating a modern, tech-oriented background.

About Pukka Partners

Pukka Partners provide customized intelligence solutions to C-suite executives and functional growth leaders, with sound expertise in business research, strategy consulting, advisory, business intelligence, and data analytics.

We offer advisory and actionable insights around public policies, investment tracking along with the obstacles faced by investors, innovation and strategy impact monitoring, identification of industry potential, and technology mapping through comprehensive and standardized research methodology and tools.

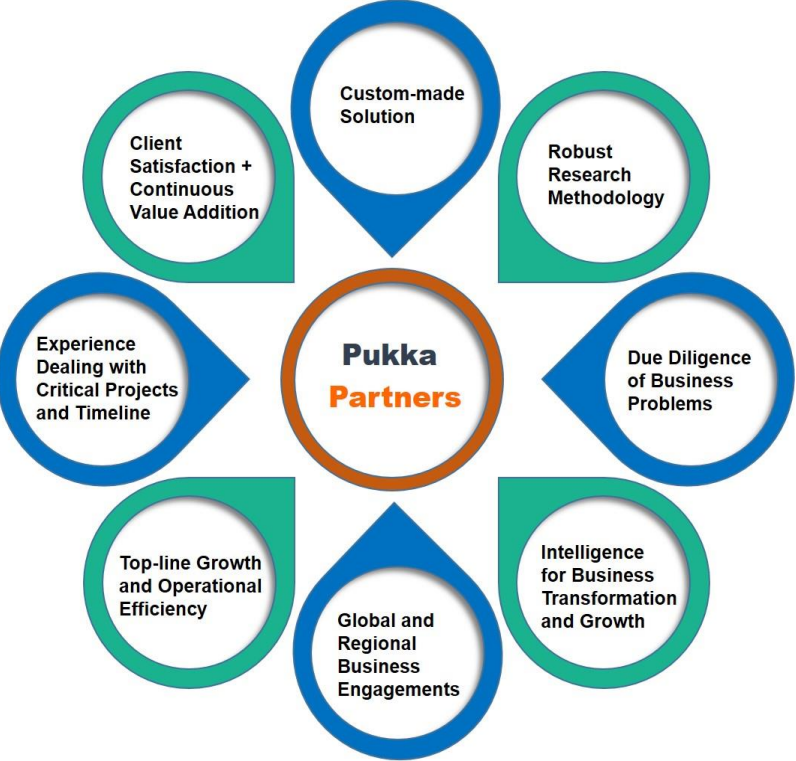
We deploy our solutions to solve prioritized and critical business challenges by leveraging our in-house expertise as well as continuous engagement with industry thought leaders in the business ecosystem.

In a short span of time, our consultants have had the opportunity to engage and deliver domain & sector specific tailor-made strategic projects to top executives and functional growth leaders, empowering them to make informed business decisions.

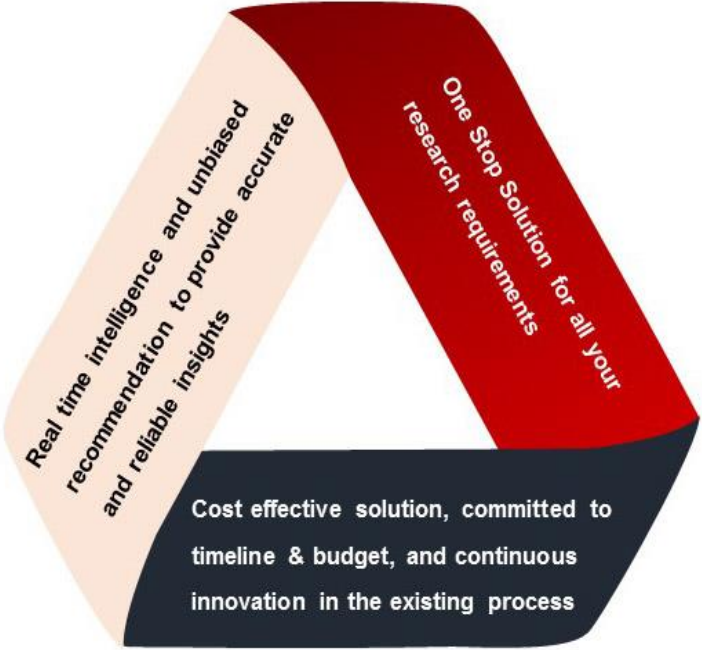
Our success is directly linked to our client's growth and we ensure to exceed it every time we engage with our existing clients and future prospects. We aim to be a knowledge partner for our customers and gradually become their trusted intelligence provider.

Business Overview

Who We Are



Our Value Proposition



Who Do We Work With



We deliver result driven actionable intelligence to C-suite executives and functional growth leaders to empower crucial business decisions

Research, Analytics, and Strategy Formulation Services

Market and Competitive Intelligence

- Market and Business Research
- Product Positioning
- Competitive Benchmarking
- Market Sizing and Forecast
- Industry Consolidation Intelligence
- Investment Tracking
- Innovation and Strategy Impact Monitoring
- Technology Mapping
- Market Dynamics Insights
- Consumer Behavior Study / Market Survey
- Market Segmentation and Forecast
- Insights on Government Policies
- Industry and Country Level Reports
- R&D and Patent Analysis

Strategy Consulting

- Corporate, Business, and Functional Strategy
- Pre-Investment Advisory Services
- Market Opportunity Assessment
- GTM Strategy / Market Entry Strategy
- Feasibility Study / Product Viability Study
- Mergers & Acquisition / JV's
- Commercial Due Diligence
- Business Transformation / Digital Strategy
- Product / Technology Commercialization
- Greenfield and Location Analysis
- B2B Matchmaking / Vendor Management

Quarterly Business Review (QBR)

Procurement and Supply Chain Intelligence

- Commodity / Category Intelligence
- Strategic Sourcing
- Spend Analysis
- Supplier Risk Management
- Transportation / Logistics & Pricing Intelligence
- Planning and Forecasting
- Inventory and Logistics Management

Analytics + BI and Visualization

- Data Analytics / Data Modeling
- Business Intelligence Reporting
- Data Visualization
- Interactive Dashboards

THANK YOU

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