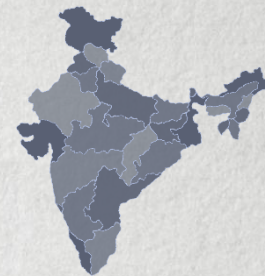




Awareness Program on “Make in India”

Presenter: CA Vinay Sancheti

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FOUR PILLARS OF 'MAKE IN INDIA'



New
processes

New
infrastructure

New
sectors

New
mindset

MAKE IN INDIA



A major new national program designed to transform India into a **global manufacturing hub**

Focus on 25 sectors

Launched in September 2014

Target: Increase manufacturing contribution in GDP from 16% to 25% by 2022

FOUR PILLARS OF 'MAKE IN INDIA'



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NEW PROCESSES



EASE OF DOING BUSINESS

- ✓ FICCI, DIPP
- ✓ Invest India
- ✓ Investor Facilitation Cell
- ✓ Digital India – eBiz platform
- ✓ INC-29, a 5-in-1 form

COMPANIES ACT, 2013

- X Minimum paid up capital
- X Common seal
- X Filing declaration of commencement of business for companies



FOUR PILLARS OF 'MAKE IN INDIA'



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NEW INFRASTRUCTURE



INDUSTRIAL CORRIDORS

- Delhi Mumbai
- Bengaluru Mumbai
- Chennai Bengaluru
- Vishakhapatnam Chennai
- Amritsar Kolkata

INDUSTRIAL CLUSTERS

- Sectoral and geographical concentration
- 400 modern SSEs
- 2000 rural and artisan clusters
- Contribute up to 60% of India's manufacturing exports

SMART CITIES

- 100 cities to provide core infrastructure, clean and sustainable environment
- 98 cities shortlisted

FOUR PILLARS OF 'MAKE IN INDIA'



New
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NEW SECTORS



Automatic route,
Approval route and
Government route

Updated every 6
months to be at par
with regulatory changes

KEY AMENDMENTS

- 100% in **railway** infrastructure under the automatic route
- 100% for manufacturing **medical devices** under the automatic route
- Cap increased in **insurance** and sub-activities from 26% to 49% under the Government route
- 49% on approval route in **defence** under the Government route

FOUR PILLARS OF 'MAKE IN INDIA'



New
processes

New
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New
sectors

New
mindset

NEW MINDSET



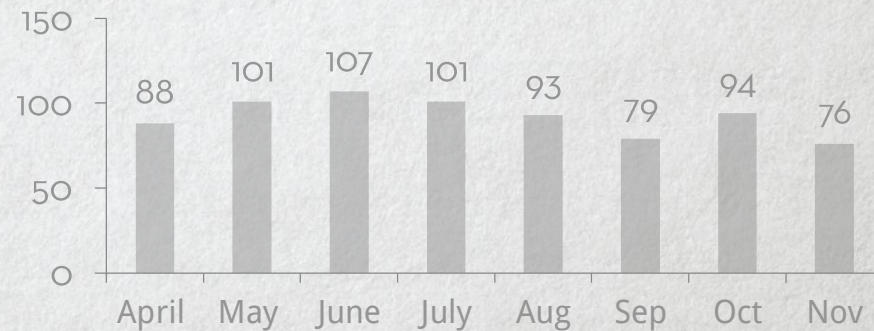
FDI inflows in India in 2013
was USD 28 billion increased
to USD 34 billion in 2014

- UNCTAD Report

FDI up by 40% - **Narendra Modi**

Close to 800 foreign companies registered in India during
the current FY (since April 2015)

- **Ministry of Corporate Affairs**



COMMITMENTS MADE

Japan has committed to invest about USD 35 billion in five years

South Korea has planned investments worth USD 10 billion by 2020

China has assured USD 20 billion in the next five years

France has announced USD 2.26 billion euros (EUR 2 billion)

UAE has committed to India's USD 75 billion infrastructure fund

UK has also launched a programme for investments ahead of PM Modi's planned trip in November

Germany expected to make announcements related to the Make in India initiative during Angela Merkel's visit to New Delhi in the first week of October

India received \$19.78 billion in FDI in 2014-15 from countries that PM Narendra Modi visited
— **Economic Times, September 2015**



IMPLEMENTATION ACROSS STATES



SPECIFIC REFORMS	STATES
eFiling of VAT and CST returns	30
Online VAT and CST payment	30
Clear timeline for construction permit	28
Online payment and returns for Service Tax	PAN
Online payment and returns for Excise	PAN
Clear timeline for electricity connection	26
Defined timeline for VAT registration	25
Dedicated single window	23



- ✓ To improve India's regulatory framework for business, States agreed to a 98-point action plan in December 2014
- ✓ States have made good progress in terms of tax reforms made online

STATE GOVERNMENT INITIATIVES



Banking and Financial Services

- Online portal for residential and industrial building permits

Construction and Real Estate

- Real time allotment of TIN and VAT registration

IT/ITeS

- Streamlined process for grant of electric connection – 3 procedures and 15 days



STATE GOVERNMENT INITIATIVES



Agro, Minerals, IT and ITeS, Biotechnology and Cement

- Under ease of doing business initiative, the Rajasthan government signed a pact with JETRO to attract Japanese investors



STATE GOVERNMENT INITIATIVES



Agro, Food Processing, Petrochemicals, Plastic, Gems and Jewellery

- 7th Vibrant Gujarat biennial summit signed bringing together the stakeholders to explore business opportunities
- GIS-based land identification system implemented



STATE GOVERNMENT INITIATIVES



Textiles, Cement, Agro and Forest-based, Manufacturing and Tourism

- Online intimation to Revenue Authorities required for industrial use
- Exemption from unified returns and registers under 13 labour laws



STATE GOVERNMENT INITIATIVES



Biotechnology, Electronics, Engineering, Automotive, Petrochemicals, Oil and Gas, IT and ITeS

- Number of government permissions reduced from 75 to 37
- Unified registration process introduced for VAT and PT
- Streamlined process for grant of electric connection – 4 procedures and 46 days



STATE GOVERNMENT INITIATIVES



IT and ITeS, Engineering, Automotive, Textiles, Aerospace, Renewable Energy

- Checklist for Government-related services and delivery timeline across 25 departments made available on an online portal

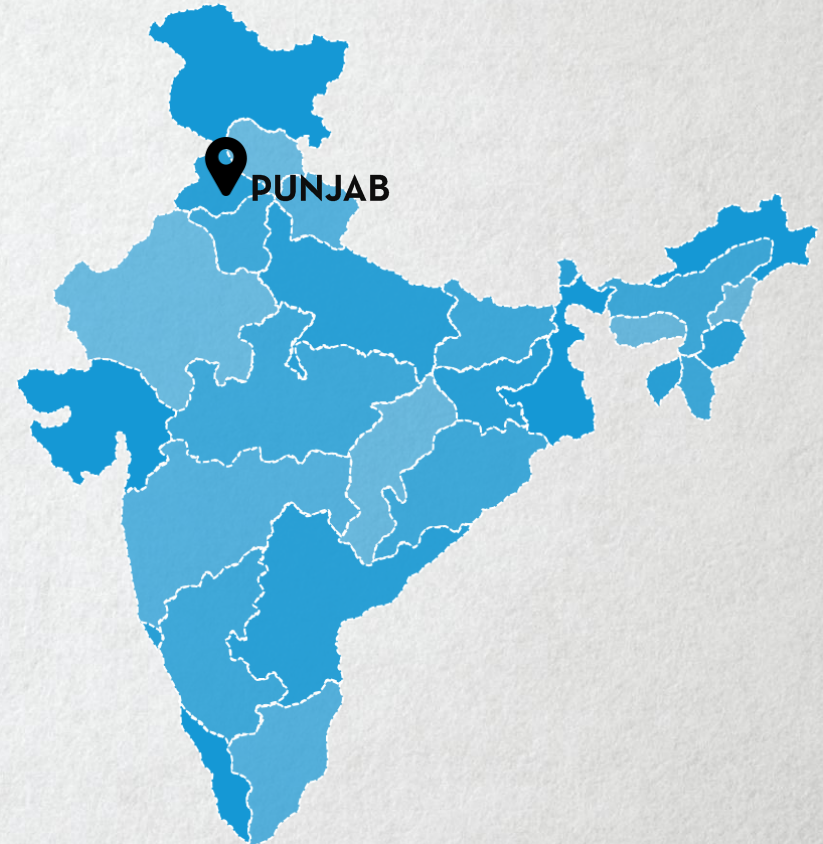


STATE GOVERNMENT INITIATIVES



Tractors, Agro-based industries, Food Products and Textiles

- Creation of 'Invest Punjab' as a one stop clearance system for investment projects



STATE GOVERNMENT INITIATIVES



Biotechnology, IT and ITeS, Textile and Leather, Tourism, Automotive, Gems and Jewellery

- Industrial Commissioner has been appointed who would serve as a single window interface for new investors, providing all necessary support

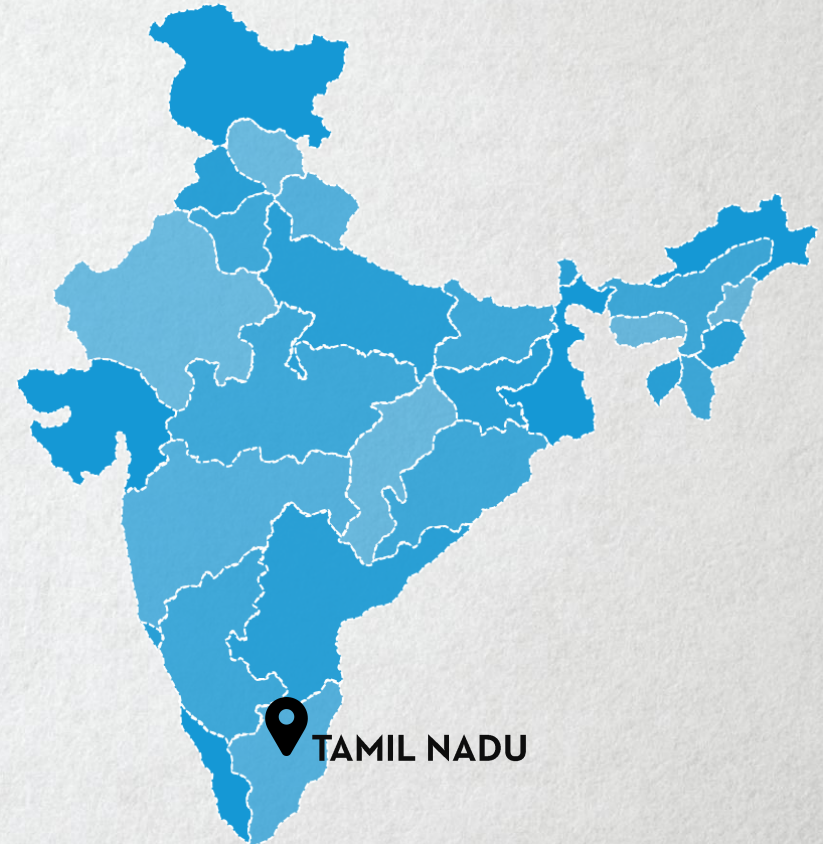


STATE GOVERNMENT INITIATIVES



Textiles, Engineering, IT and ITeS, Cement, Banking and Financial

- GIS-based identification system for 12 major irrigation projects and states' canal network



RECENT COMMITMENTS



spice

SAMSUNG

HITACHI
Inspire the Next



Aviation



FOXCONN
The Art of More

lenovo. FOR
THOSE
WHO DO.

VOLTECH
EXCELLENCE IN ENGINEERING PRODUCTS & SERVICES



Google

BOSCH
Invented for life

SoftBank
JAPAN

CARLYLE
GROUP

万达集团
WANDA GROUP

\$ 20 billion: SoftBank
\$ 10 billion: Wanda Group
\$ 5 billion: Foxconn, Maharashtra
\$ 698.85 million: Volvo
\$ 500 million: Carlyle Group
\$ 170 million: Huawei, Bengaluru
\$ 101 million: Bosch
\$ 100 million: Hitachi, Gujarat
\$ 7.59 million: Spice, Uttar Pradesh

WHAT IT MEANS FOR US..



- **Professional** Growth
- **Global** Exposure
- **Better** Business



PARADIGM SHIFT FOR PROFESSION

- From Accountants/Consultants to Business Partners/Catalysts

GLOBAL BUSINESSES

- In-bound
- Out-bound
- Global Associations, Client Referrals

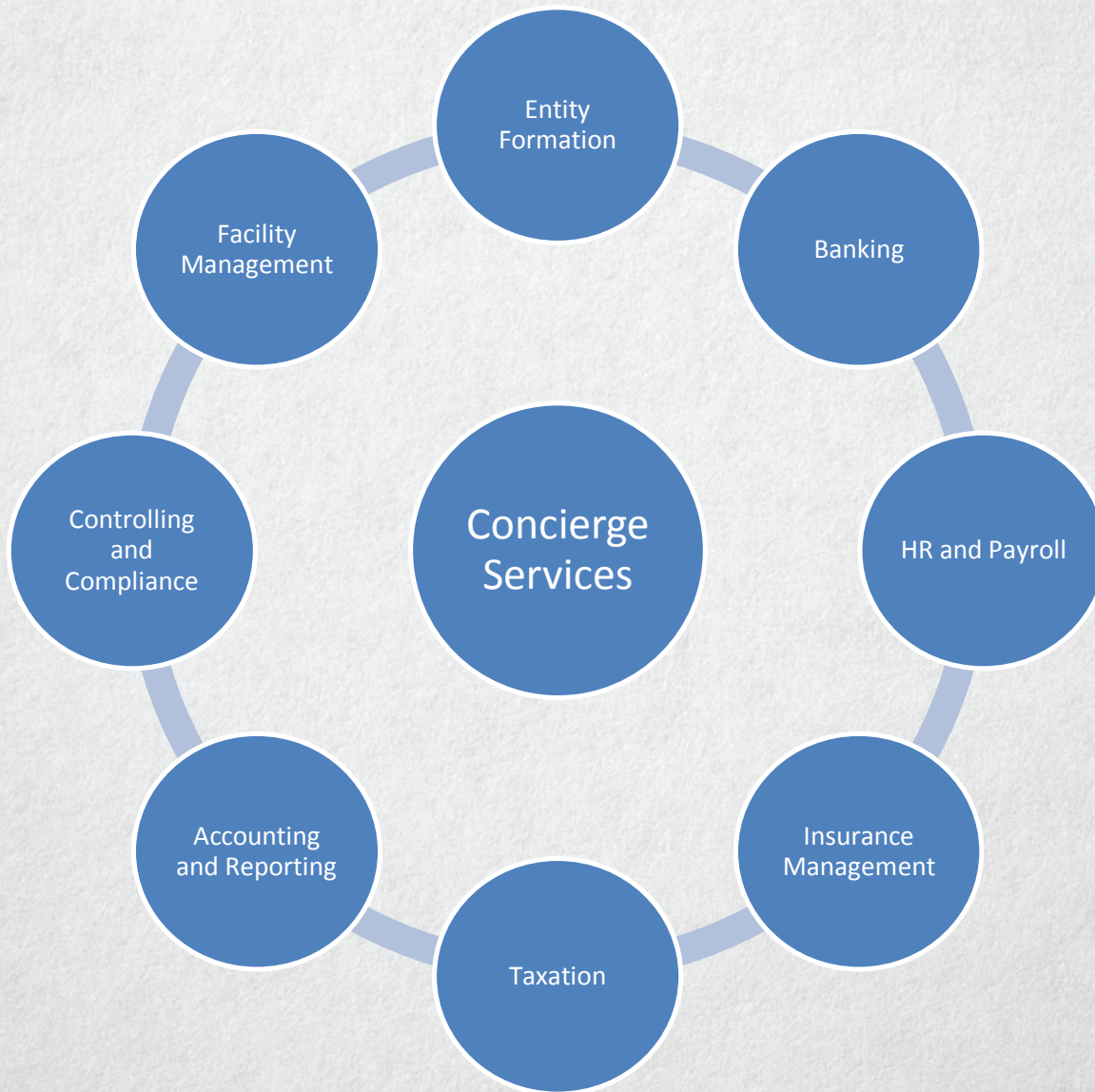
CONCIERGE SERVICE OFFERINGS

- Pre-Investment Advisory
- End-to-end setup
- Business Expansion
- Supporting Government's Red Carpet instead of Red Tapism

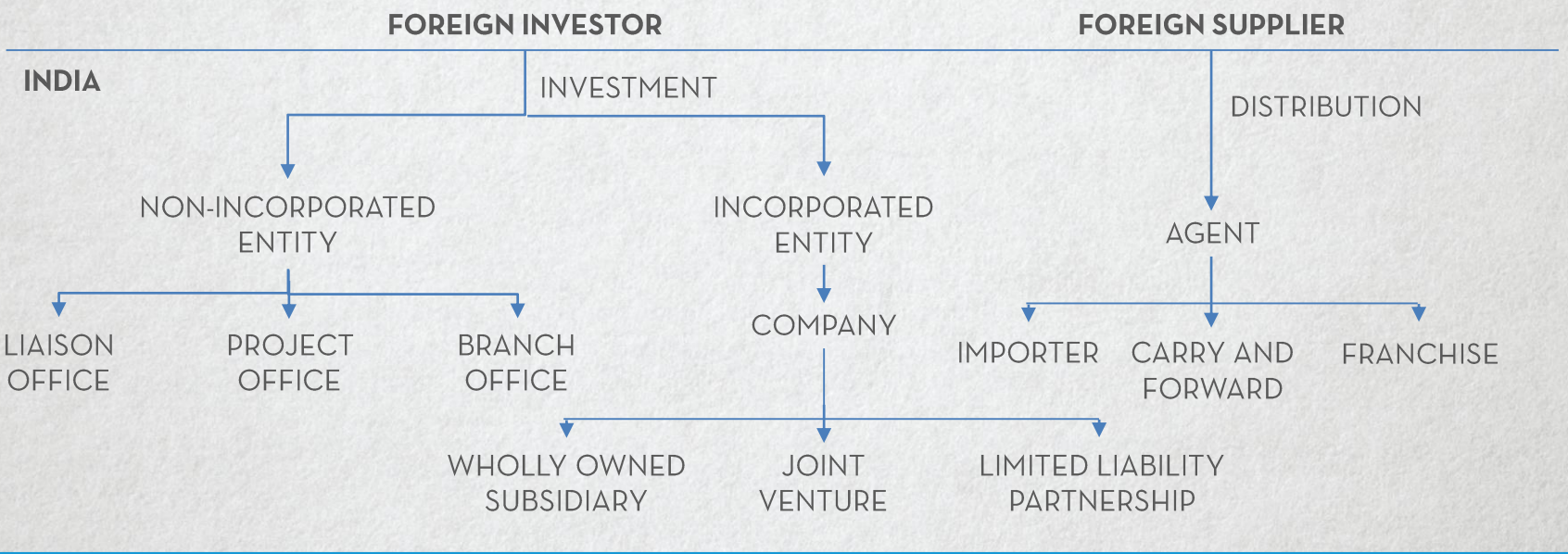
ASSURANCE, TAX AND ADVISORY SERVICES

- Global Mandate – local exceptions

CONCIERGE SERVICES..



ENTRY VEHICLES FOR AN FDI ENTITY





- **Professional** Growth
- **Global** Exposure
- **Better** Business



LANDING ISSUES

- Type of Entity
- Funding – Project Plan/ Tight Budget/ Project Accounting
- Shareholding structure
- Banking
- Location planning

TEETHING PROBLEMS IN START UP PHASE

- Paperwork
- HR and Visa issues
- PE risks
- Recharges of Corporate expenses
- Reporting and Systems Setup

OVERBURDENED BY COMPLIANCES AND PAPERWORK

- Number of compliances
- Signatory issues

LEGISLATIVE/STATUTORY SURPRISES

- Common in developing countries
- Mental preparation

BRIDGING THE CULTURAL GAP

- Examples

OTHER OPPORTUNITIES



- **Professional** Growth
- **Global** Exposure
- **Better** Business



UNCONVENTIONAL AREAS FOR PROFESSION

- On-boarding Services – Smooth Landing
- Project Management
- US GAAP, IFRS, Other GAAP
- FATCA
- SOX compliance

OTHER REFORMS - SERVICES

- RBI/Fema Advisory for various matters
- GST
- ICDS
- IFC/ICFR
- Transfer Pricing, BEPS
- POEM

SHARED SERVICES

INDIRECT TAX



SHORTCOMINGS IN CURRENT INDIRECT TAX STRUCTURE

- ☹️ **Too many taxes** – multiple levy of taxes on same transactions
- ☹️ **Transaction-based**, exemption-based levy
- ☹️ **Non-assessee friendly approach of authorities** – different revenue authorities for different levies
- ☹️ **Cascading effect of taxes** – credit of one indirect tax not available against another
- ☹️ **Multiple compliances** – huge compliance burden on assesses under different indirect tax levy

INDIRECT TAX



Ease of Doing Business
- INDIRECT TAXES

Make In
India

Digital
India

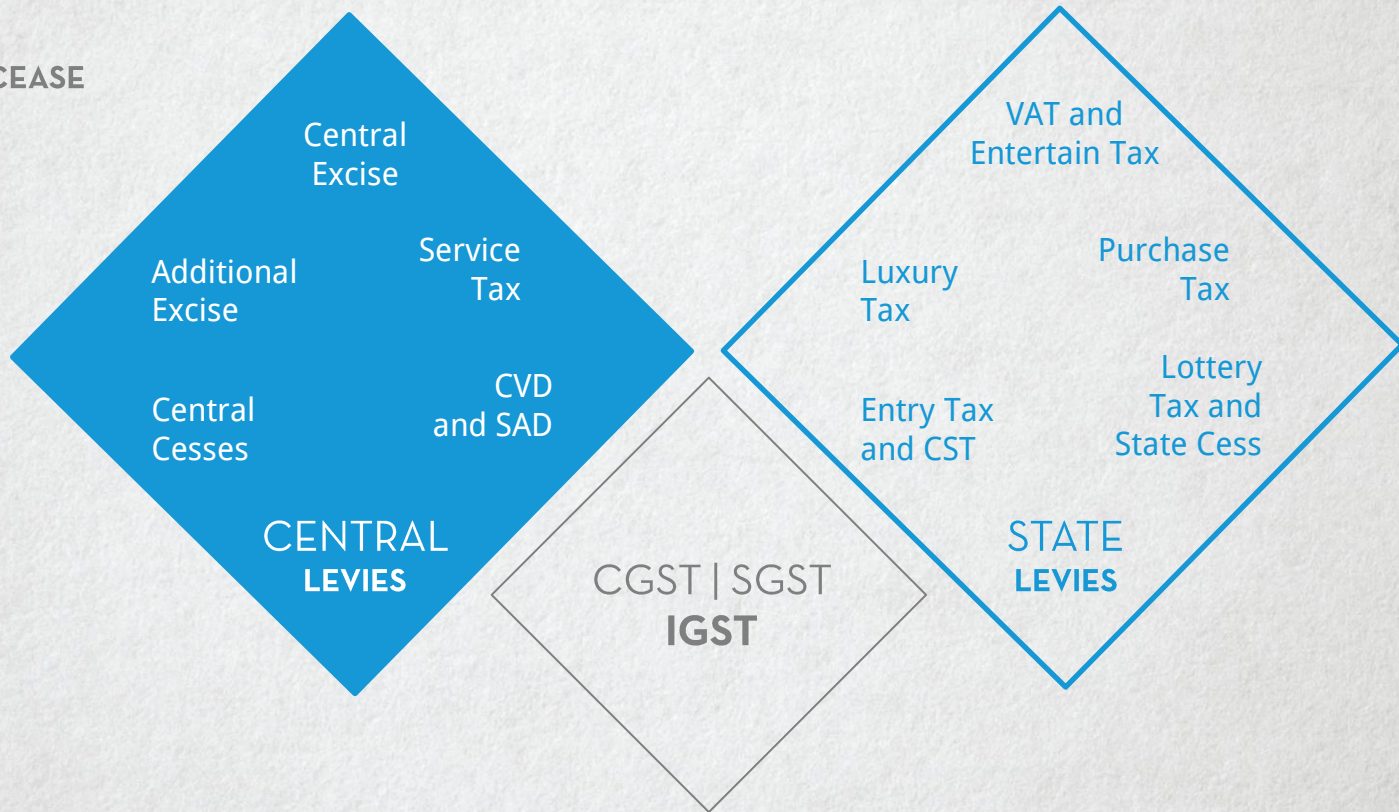
Red
Carpet

Globally
Aligned
Taxation
Regime

INDIRECT TAX



TAXES THAT MAY CEASE



All aforesaid taxes to be subsumed in proposed GST



CHALLENGE OR AN OPPORTUNITY

Not a tax change but a business change

Assimilation of multiple indirect tax systems to a single unified tax system

Wide ramification across the organisation

Finance and record keeping, product pricing and sales promotion, business procurement and supply chain management, information technology, human resources and contract/agreement

Survival dependent on how an organisation prepares itself for the new tax regime

Indian companies should start informing their parent entities outside India about the impact of GST on their operations in India



Service Identification:

- Pre-Setup Phase: LANDING SERVICES
- Setup Phase: LAUNCHPAD SERVICES
- Post-Setup Phase: TAKE-OFF SERVICES

Focussed Approach – Country/Sector/Size

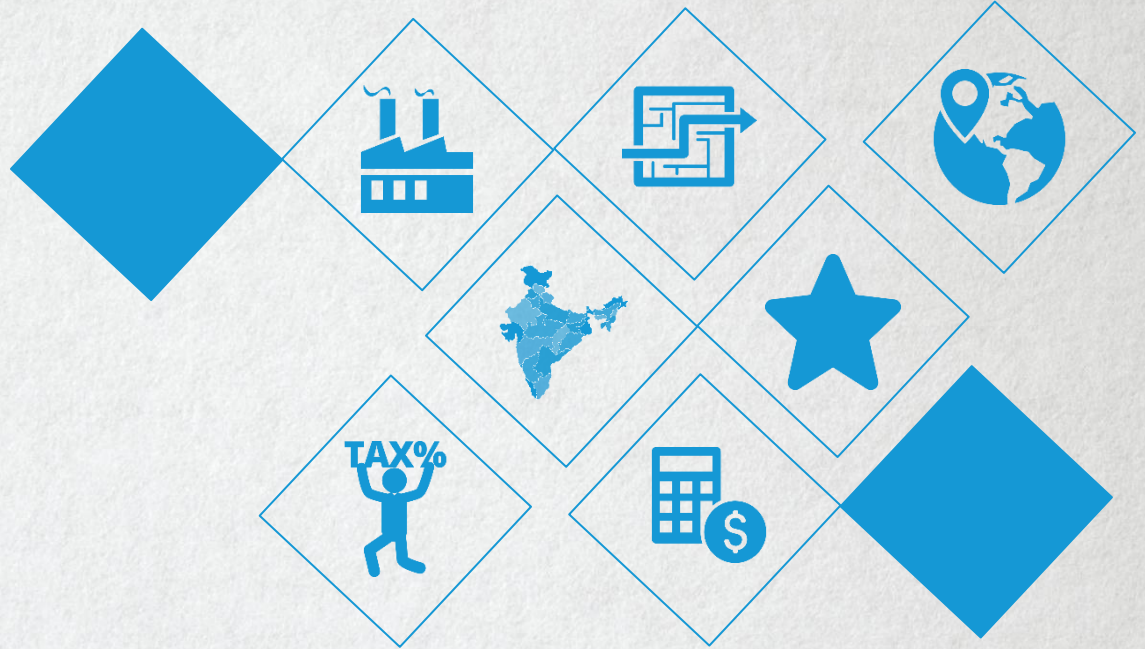
Building the Right Skillset

Change of Thought Process

Steady Implementation

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Thank You..

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