



# Doing Business in India

## India : At a Glance



- ✓ India, a South Asian nation , is the seventh-largest country by area, the second-most populous country with about 1.40 billion people, consisting of thousands of ethnic groups and likely hundreds of languages.
- ✓ Capital and largest urban area of India is (New) Delhi; the second largest city is Mumbai and also known as Financial hub of India.
- ✓ Political System and Government: The world's largest democracy implemented its Constitution in 1950 that provided for a parliamentary system of Government.
- ✓ The country has a federal structure with elected Governments in States.
- ✓ Head Of Government: Prime Minister: Narendra Modi (since May 2014)
- ✓ Chief Of Country: President: Ram Nath Kovind (Since July 2017)
- ✓ Border Countries :Afghanistan and Pakistan to the north-west; China, Bhutan and Nepal to the north; Myanmar to the east; and Bangladesh to the east of West Bengal. Sri Lanka is separated from India by a narrow channel of sea, formed by Palk Strait and the Gulf of Mannar.

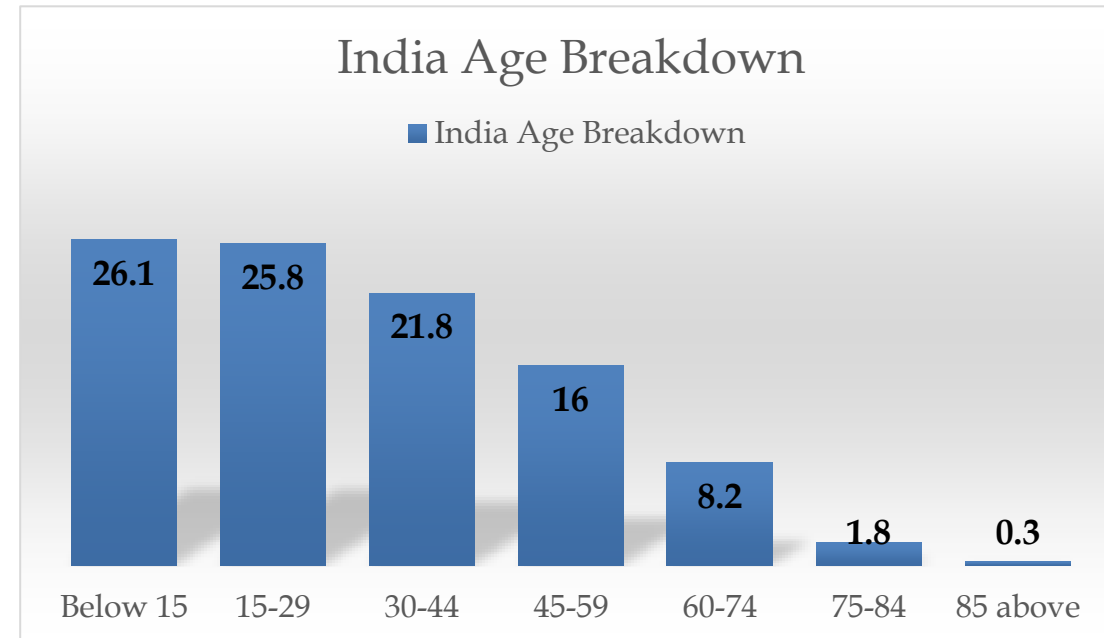


# India : At a Glance



## ➤ India Demographics

- ✓ India's population is young. Its birth and death rates are both near the global average. More than half the population is under age 30 and less than one-fourth is age 45 or older. Life expectancy is about 68 for men and 70 for women
- ✓ The **Indian Education** System is one of the largest in the world with more than 1.5 million schools, 8.5 million teachers and 250 million children.
- ✓ **Literacy rate** of India 2021 is **74.04%**. The Male literacy rate is 82.14% and Female literacy rate is 65.46% according to Census 2021. In the 2011 census the country's literacy rate stood at 74.04% percent.
- ✓ **Labour force**, in India was reported at 458 million in 2020, according to the World Bank

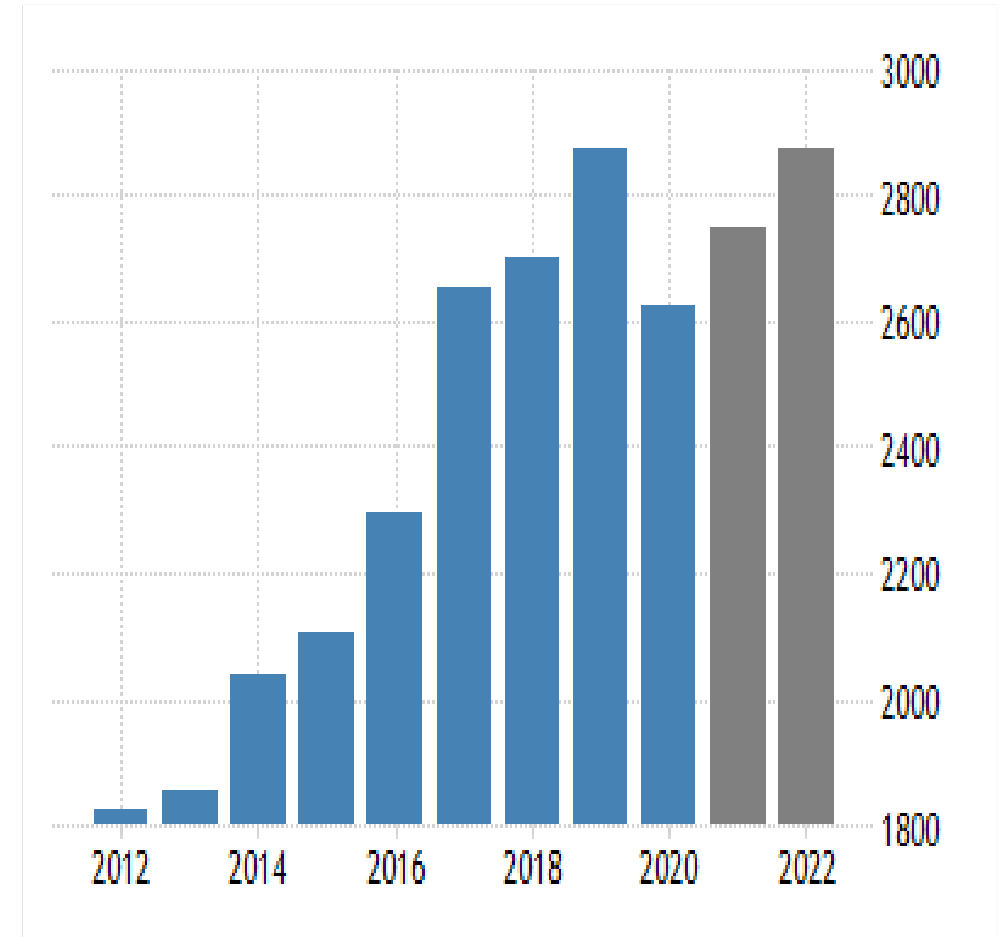


## India : At a Glance



### ➤ Economic Profile and Financial Market

- ✓ India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.
- ✓ Gross value added growth for FY22 is now pegged at 8.3% compared to 8.6% earlier. Nominal GDP for FY22 is estimated a growth of 19.4% over the previous year.
- ✓ India is having vision of US\$ 5 trillion economy by 2025.
- ✓ India is the third-largest unicorn base in the world with over 83 unicorns collectively valued at US\$ 277.77 billion, as per the Economic Survey.
- ✓ Capital Market Regulator - Securities and Exchange Board of India, established in 1992
- ✓ Major stock exchanges – Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)



## India : Annual Inflation Rate



## India : At a Glance



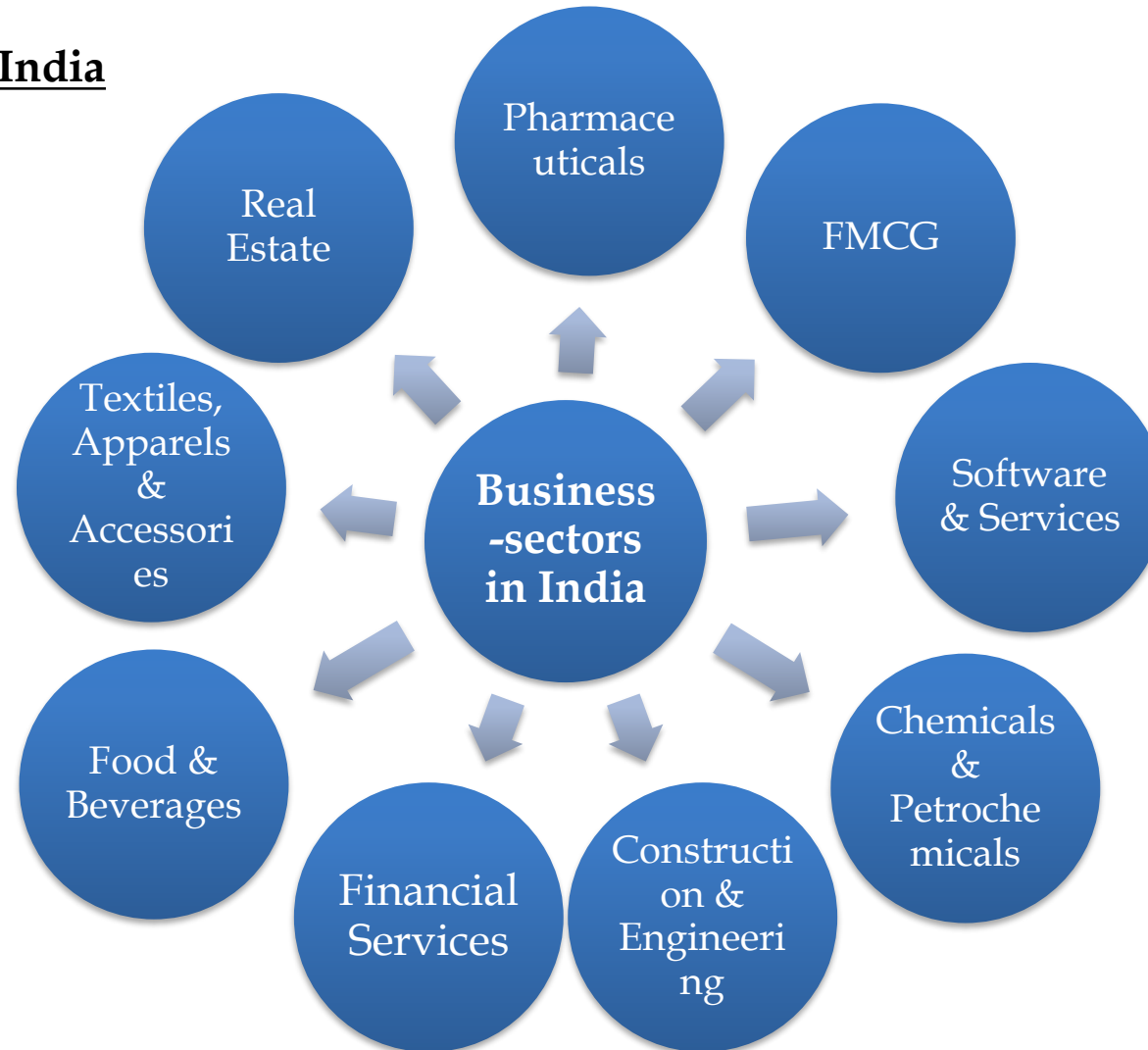
- ✓ India's per capita net national income or NNI was around Rs. 150,000 (about Euro 1900) in financial year 2022.
- ✓ Family of four estimated monthly costs are ₹ 1,00,000 (EURO 1250) per month
- ✓ Doing Business in Index has ranked India at 63<sup>rd</sup> position as against previous position for 77<sup>th</sup> which is continuously improving.
- ✓ There are free Imports and Exports, very limited products are monitored for Import and Exports which are mostly related to Pharma, Agriculture and Defence.
- ✓ The Indian government has recently launched a separate portal for investors, called Navesh Bandhu that integrates all the central and state governments incentives and policies for all the stakeholders operating in the industry.



## India : At a Glance



### ➤ Business Sector in India

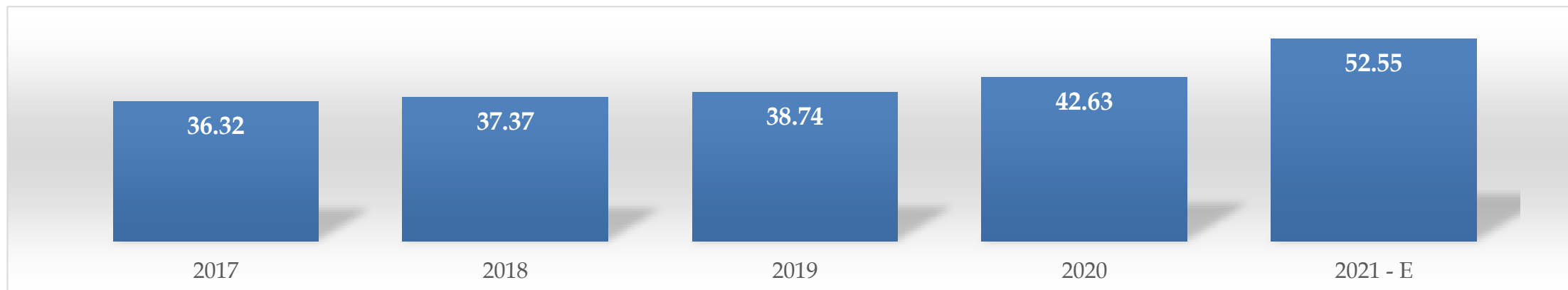


## India : At a Glance



### ➤ Foreign Direct Investment (FDI)

- ✓ FDI has been a major non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of relatively lower wages, special investment privileges like tax exemptions, etc.
- ✓ The Indian Government's favorable policy regime and robust business environment has ensured that foreign capital keeps flowing into the country. The Government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defense, PSU oil refineries, telecom, power exchanges, and stock exchanges, among others.



*FDI Flows in India (US\$ billion)*



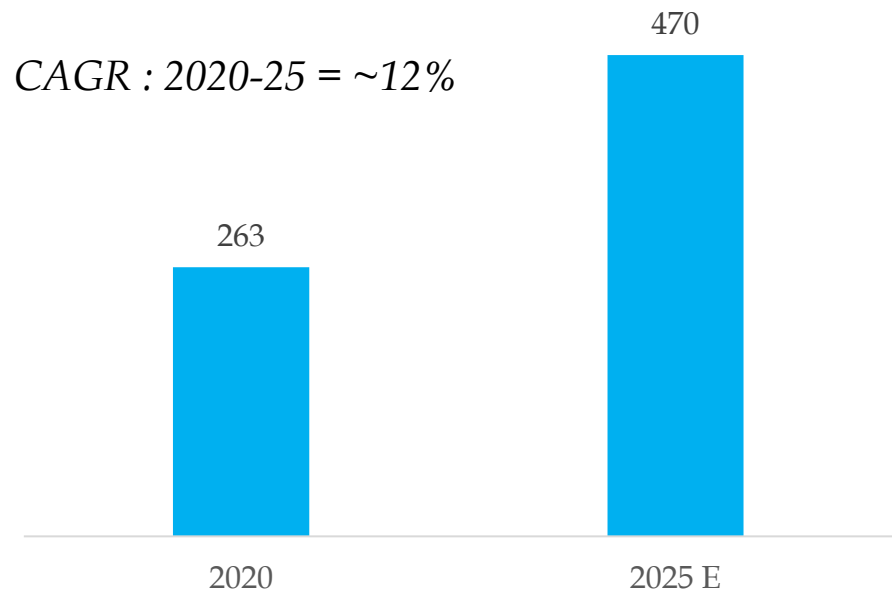
# FOOD PROCESSING INDUSTRY



Food Processing Industry is one of the largest industries in India and is ranked 5th in terms of production, consumption, export and expected growth.

The Food Processing Industry in India is segmented as; Dairy, Fruits & Vegetables, Fisheries & Marine, Poultry & Meat, RTE / RTC and Others

## FOOD PROCESSING MARKET SIZE IN INDIA (US\$ BILLION)



- India's food processing market may touch \$470 billion by 2025 from USD 263 billion in 2019-20. Tier-II and Tier-III cities could mirror the trend visible in metropolitan areas, by consuming more processed food in the coming years.
- Hotel/restaurant/cafe (HoReCa) segment will play a critical role as it recovers from the aftermaths of Covid-19.
- India's consumer spending to grow to \$6 trillion by 2030.
- **Competitive Landscape**: Though the food processing industry in India is classified as highly fragmented, some of the major domestic players in the market are; Dabur India, ITC, Adani Wilmar, Gujarat Cooperative Milk Marketing Federation, MTR Food, Parle Products, and Olam Agro India. Some major International players are; Coca-Cola, Pepsi, Unilever, P&G, Nestle, Del Monte, Danone, Cargill, Hershey and Kellogg's.

# FOOD PROCESSING INDUSTRY



India's food ecosystem offers huge opportunities for investments with stimulating growth in the food retail sector, favorable economic policies, and attractive fiscal incentives.

- Through the Ministry of Food Processing Industries (MoFPI), the Government of India is taking all necessary steps to boost investments in the food processing industry in India.
- The government has sanctioned 41 food parks funded under the Mega Food Parks Scheme of which 38 have final approval. In 2014, there were only 2 Mega Food Parks in the country. As of 1 August 2021, there are 22 Mega Food Parks functioning in the country. Now the target is to take their number to more than 40.
- 100% FDI is permitted under the automatic route in food processing industries in India.
- 100% FDI is allowed through the government approval route for trading, including through e-commerce in respect of food products manufactured or produced in India.
- Government approved Production Linked Incentive (PLI) scheme for food processing industries.

Unlike the other industries in the country, the food processing industry was least impacted by the pandemic and since people are becoming aware of personal hygiene, they are moving towards branded foods. By improving the necessary infrastructure facilities, providing incentives to boost R&D activities and implementing strict health & safety policy, India can transform into a Kitchen of the world.

- Innovative products focused on wellness, health and nutrition are likely to see a huge opportunity in the domestic market
- There is a huge potential for complimentary industries such as ingredients, food processing equipment, food logistics and food packaging
- There is a direct need for increasing cold storage capacity in the absence of which scalability of perishable products has been challenged. Digitalized supply chain, smart warehousing and logistics using industry 4.0 technologies can help India reduce wastage during storage and transit.

## ENGINEERING AND CAPITAL GOODS



- ✓ Engineering is one of the largest industrial sectors in India. It accounts for 27% of the total factories in the industrial sectors and represents 63% of the foreign collaborations.
- ✓ Increasing industrialization and economic development drives growth in the capital goods market. Turnover of the capital goods industry was estimated at US\$ 92 billion in 2019 and shall reach US\$ 115 billion by 2025.
- ✓ Engineering exports include transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners.
- ✓ Between FY16 and FY21, engineering exports from India expanded at a CAGR of 5.51%.
- ✓ Export of engineering goods is expected to reach US\$ 200bn by 2030.

Heavy Engineering			Light Engineering
Heavy machinery/Equipment	Heavy Electrical	Automotive	
<ul style="list-style-type: none"> <li>→ Machine Tools (US\$ 2 bn)</li> <li>→ Textile Machinery (US \$5 bn)</li> <li>→ Cement Machinery</li> <li>→ Material Handling Equipment (around 50 units in the organised sector)</li> <li>→ Plastic Machinery (11 major and nearly 200 SME players in India)</li> <li>→ Process Plant Equipment (~200 Manufacturers, 65% SME)</li> <li>→ Construction and Mining Equipment (US \$5 bn)</li> </ul>	<ul style="list-style-type: none"> <li>→ Boilers (US \$13 bn)</li> <li>→ Turbine and Generator sets</li> <li>→ Transformers</li> <li>→ Switchgear and Control gear (US \$680 Mn)</li> </ul>	<ul style="list-style-type: none"> <li>→ Passenger and utility vehicles</li> <li>→ Auto Components (US \$49 bn)</li> <li>→ Agriculture Machinery</li> </ul>	<ul style="list-style-type: none"> <li>→ Casting (Production – 12.05 MT) and forging (US\$ 5 bn)</li> <li>→ Industrial fasteners</li> <li>→ Medical and surgical equipment</li> </ul>




## ELECTRIC VEHICLE



The automotive sector in India is dominated by two-wheelers (scooters, motorbikes) and three wheelers (autos and rickshaws) that play a significant role in last mile mobility in the country.

- At 22 cars per 1000 people, car ownership is low,
- while two-wheeler ownership is among the highest in the world
- While electric vehicles (EVs) currently account for less than 1% of total vehicle sales in India the market is growing rapidly and expected to be worth around at least US\$ 7 billion by 2025.
- Two-wheelers account for the largest share of this market at 62%, followed by three-wheelers at 37%.

EV penetration in India by segment

	 Two- wheelers	 Three- wheelers	 Passenger Vehicles
FY20	<b>0.9%</b> 152,000 units	<b>14.1%</b> 90,000 units	<b>0.12%</b> 3,400 units
FY19	<b>0.6%</b> 126,000 units	<b>14.3%</b> 100,000 units	<b>0.11%</b> 3,600 units

- The Indian EV market varies significantly by state, depending on factors including demographics, income levels, regulatory landscape and urbanization. The state of Uttar Pradesh, for instance, with one of the lowest urbanisation rates, has seen significant uptake of electric two-wheelers.
- Maharashtra, on the other hand, with a higher urbanization rate, has the highest penetration of electric three-wheelers and passenger cars.
- Delhi is home to the largest electric commercial vehicle fleet due to a higher demand for electric buses and trucks.

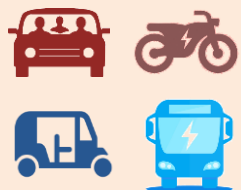


# EV ECOSYSTEM AND OPPORTUNITIES

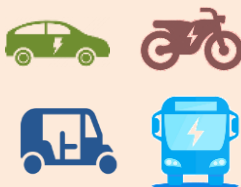


## EV Users

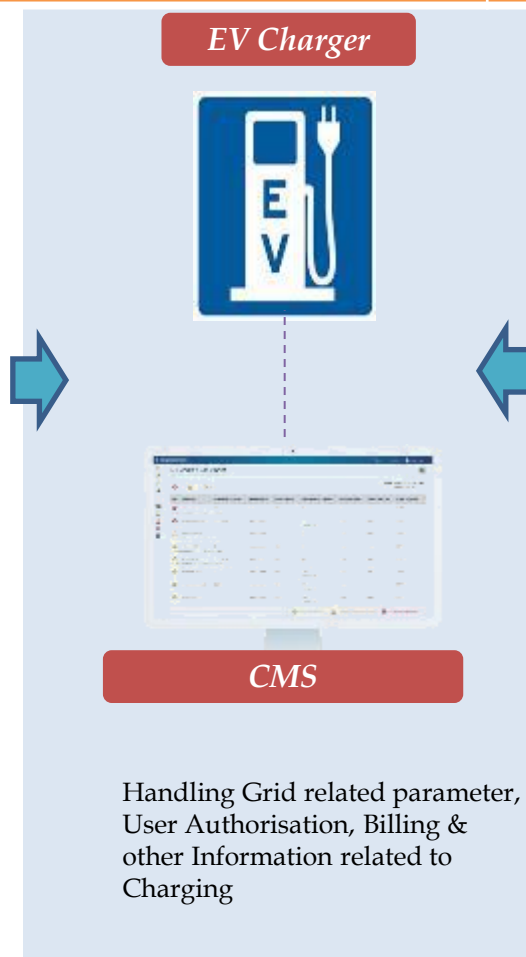
### ➤ EV Fleets



### ➤ Private user ➤ Public user



## EV Charging



## Stakeholders in EV Charging Ecosystem

EV OEMs	Charger Suppliers	Charge Point Operator / Integrators	Investors or Hosts	Regulators
Set up own charging stations or work with Charge Point Operator (CPO)	Install chargers, Engage with OEM and CPO	Engage with OEM, EV Equipment Supplier, Investor and Regulator	Engage with regulators, OEMs and CPOs	Facilitate investors, OEMs and CPOs
<b>Passenger Vehicle</b> <ul style="list-style-type: none"> <li>Tata Motors</li> <li>MG India</li> <li>Hyundai</li> <li>Mahindra</li> </ul> <b>Buses</b> <ul style="list-style-type: none"> <li>Olectra-BYD</li> <li>TATA</li> <li>Ashok Leyland</li> <li>Foton PMI</li> <li>JBM</li> <li>VECV</li> </ul> 2W – Ather, Hero Electric, Ampere etc. 3W – Mahindra, Smart E, Kinetic Green etc.	Delta Exicom Mass Tech Panasonic ABB Volttic Magenta Okaya Tritium Sterling Wilson Sinexcel Etc.	Fortum Volttic Plug & GO Charge Zone Mass Tech Exicom Magenta Power Charge Point Sun Mobility Etc.	<b>Public Sector</b> <ul style="list-style-type: none"> <li>EESL</li> <li>REIL</li> <li>NTPC</li> <li>HPCL</li> <li>IOCL</li> <li>BHEL</li> <li>BSES</li> <li>Union Housing Ministry</li> <li>State DISCOMs</li> <li>Bus Transport Departments</li> </ul> <b>Private Sector</b> <ul style="list-style-type: none"> <li>Tata Power</li> <li>Fortum</li> <li>Ather Energy</li> <li>Magenta Power</li> <li>Ride sharing, food delivery and e-commerce companies</li> </ul>	NITI Ayog Ministry of Heavy Industries Ministry of Road Transport and Highways Ministry of Power & Renewable Energy

## Italian Companies In India



- *Italy is currently among India's top five trading partners in the European Union. It is also the 12th largest investor in India.*

Here are some Italian companies which have their operations in India:

- ✓ Ferraro SpA
- ✓ Bauli SpA
- ✓ Fiat India Automobiles Limited
- ✓ Piaggio & C. SpA
- ✓ Alitalia - Compagnia Aerea Italiana S.p.A
- ✓ Bisazza India Private Limited
- ✓ Gucci Group N.V
- ✓ Banca Popolare Di Vicenza
- ✓ Graziano Trasmissioni



## Modes in which Business can be done in India



Particulars	Private Company	Public Company	Limited Liability Partnership	Joint Venture
Minimum(Min.) and Maximum(Max.) Members	Min. members: 2 Max. members : 200	Min. members : 7 Max. members : unlimited	Min. 2 partners	Minimum two or more companies/parties
Minimum(Min.) and Maximum(Max.) Directors	Min. directors : 2 Max. directors : 15	Min. directors : 3 Max. directors : 15	Min. 2 Designated Partners Max. - NA	NA
Subscription of Shares	Public subscription not allowed.	Public subscription allowed .	Public subscription not allowed.	Public subscription not allowed.
Issue of Prospectus	Not Mandatory	Mandatory	Not Mandatory	Not Mandatory

# Funding of Business in India



## ➤ Options to Raise Funds for Business in India

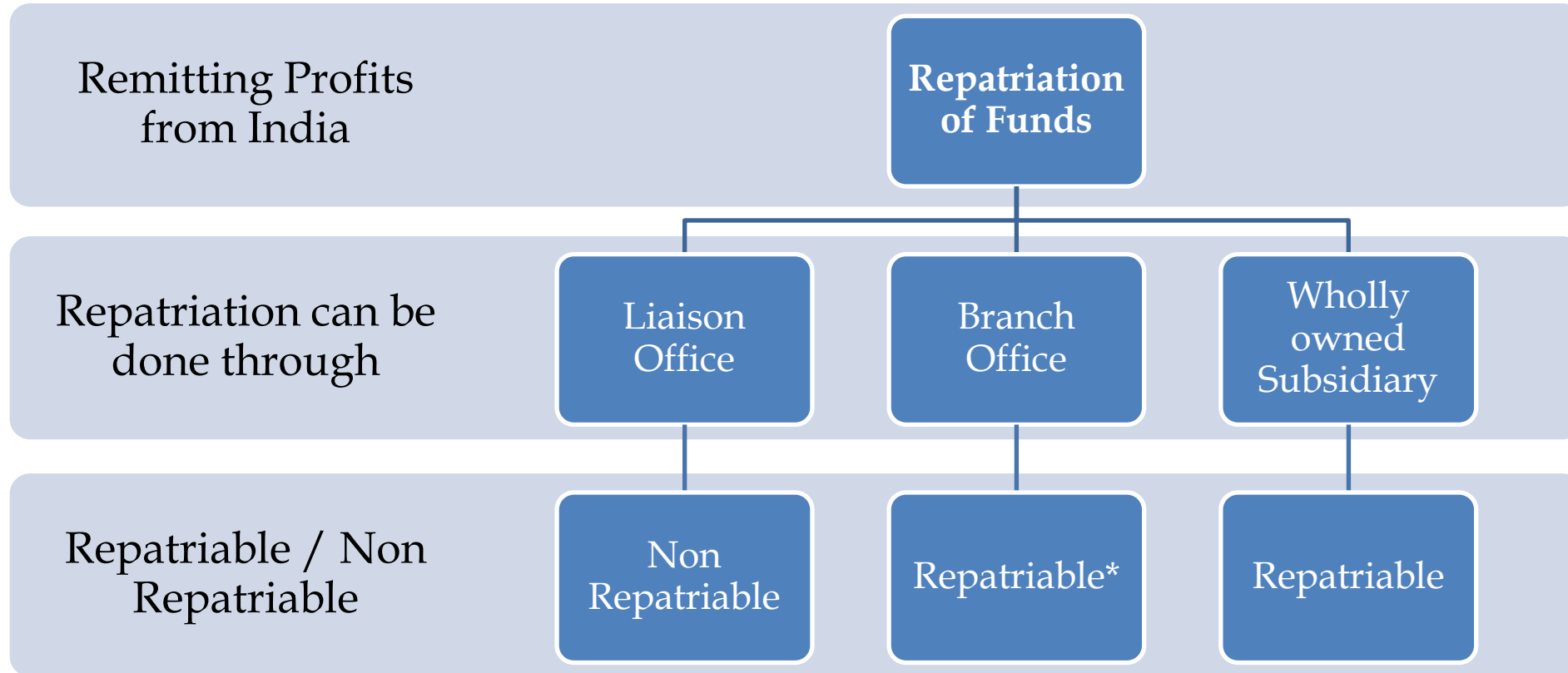
- ✓ Angel Investors
- ✓ Bank Loan / Overdraft.
- ✓ External Commercial Borrowings (ECBs)
- ✓ Equity Shares
- ✓ Listed debentures/bonds
- ✓ Preference Share Capital

## ➤ Funding for LLP

- ✓ Investment in an LLP is through capital contribution of partners and is subject to conditions under the FDI policy.



# Repatriation of Funds



*\* - While remitting the profits of Branch Office of foreign companies, they must file the application with required documents to an Authorized Dealer prescribed by RBI.*

## Tax Structure in India – Direct Tax



### ➤ Taxation Rates for Corporates – Domestic Company

Nature	* Effective Tax Rates w/ o options	Option for reduced tax rates
▪ Total turnover or gross receipts < INR 4 billion during FY 2017-18		
Income < INR 10 million	25% (26% ETR)	22% (25.17% ETR)
Income > INR 10 million but < INR 100 million	25% (27.82% ETR)	22% (25.17% ETR)
Income < INR 100 million	25% (29.12% ETR)	22% (25.17% ETR)
• Optional tax rate for new manufacturing companies incorporated on or after 1/10/19 and operational before 31.03.2023		
<b>Income Slabs as above</b>	<b>- Same as above -</b>	<b>15%(17.16%)</b>
• Other Domestic Company (LLP)		
Income < INR 10 million	30% (31.2% ETR)	22%(25.17% ETR)
Income > INR 10 million but < INR 100 million	30% (33.38% ETR)	22%(25.17% ETR)
Income < INR 100 million	30% (34.94% ETR)	22%(25.17% ETR)

\* Effective tax rates (ETR) includes surcharge @ 7%/12% and Cess @ 4%

## Tax Structure in India – Direct Tax



### ➤ Income Taxable?

Income	NR	RNOR	ROR
Indian Income	Yes	Yes	Yes
Foreign Income	No	Yes ( If Business is in India)	No

### ➤ Taxation Rates for Individuals (R, NR, RNOR and ROR)

#### ✓ Old Slab Rates

Tax Rate	Income (INR)
Exempt	Rs. 0 – Rs 0.25 Million
5%	Rs.0.25 Million – Rs 0.5 Million
20%	Rs. 0.5 Million – Rs 1 Million
30%	Above Rs. 1 Million

*Note :- Individual has option to choose between new and old tax regime every year, subject to certain prescribed conditions.*

*The above rates are excluding surcharge and Cess.*

#### ✓ New Slab Rates u/s 115BAC

Tax Rate	Income (INR)
Exempt	Rs. 0 – Rs 0.25 Million
5%	Rs. 0.25 Million– Rs 0.5 Million
10%	Rs. 0.5 Million – Rs 0.75 Million
15%	Rs. 0.75 Million – Rs 1 Million
20%	Rs. 1 Million – Rs 1.25 Million
25%	Rs. 1.25 Million– Rs 1.5 Million
30%	Above Rs 1.5 Million

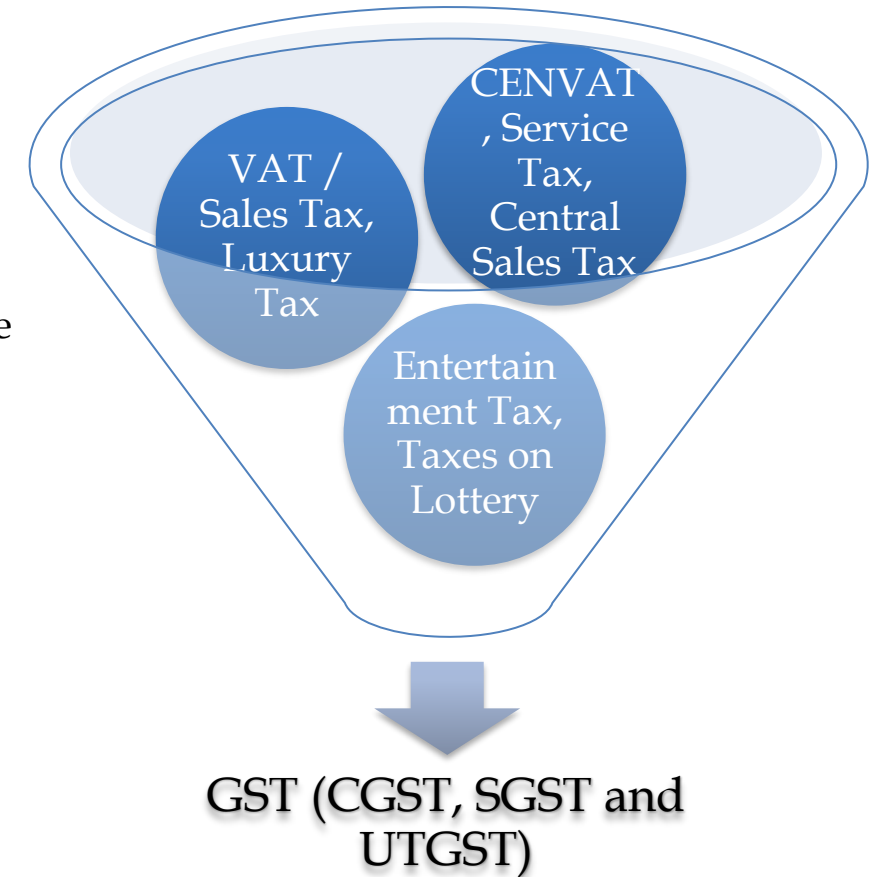


## Tax Structure in India – Indirect Tax



### ➤ Goods and Service Tax (GST)

- ✓ Goods and Services Tax (GST) is a unified indirect tax across the country on products and services. It is levied on manufacture, sale and consumption. It is a destination based consumption tax.
- ✓ The GST, dual in nature is comprehensive, multi stage tax, levied by both the Centre and State. The Central GST (CGST) is levied on intra state supply of goods and/ or services by the Central Government and State GST (SGST) is levied by State governments.
- ✓ Integrated GST (IGST) is levied and administered by the Centre on every inter-state supply of goods and services.
- ✓ Import of goods or services is treated as inter-state supplies and is subject to IGST in addition to Basic Custom duty.
- ✓ CGST, SGST and IGST is levied at uniform rates, mutually agreed upon by the Centre and the States under the aegis of the GST Council (GSTC).
- ✓ All goods and services are covered under GST except alcohol for human consumption and specified petroleum products.



# Tax Structure in India – Indirect Tax



## ➤ Rate Classification – For Goods

Rate	Goods
Exempt	Electrical energy, newspapers, milk, credit scrips, food grains
5%	Apparels valued less than INR 1000, Fly ash, fishing net and fishing hooks, aircraft engines, biogas
12%	Articles of apparels exceeding INR1,000, biodiesel, printing ink, specified parts of sewing machine, furniture wholly made of bamboo or cane
18%	Forklift, lifting and handling equipment, electrical apparatus for radio and television broadcasting, chocolates, slabs of marbles and granite, transmission apparatus for radio broadcasting
28%	Air-conditioners, dish washing machines, digital cameras, monitors and projectors, motor car
28% + Cess	Cars, pan masala, cigars

## ➤ Rate Classification – For Services

Rate	Services
Exempt	Education, HealthCare, Residential accommodation
5%	Goods Transport, Rail Tickets (other than sleeper class), Economy class air tickets
12-18%	Works contract, Business class air travel, Telecom services, financial services, Hotel / Lodges
28%	Betting, Gambling

## Tax Structure in India – Indirect Tax



### ➤ Custom Duty

Customs duty is levied on the import of goods and export from India. The rate of customs duty applicable to a product to be imported/exported depends upon its classification under the Customs Tariff Act. With regard to exports from India, duty is levied only on a very limited list of goods. Customs duty is levied on the transaction value of the imported or exported goods.

### ➤ Other Indirect Tax

Other than GST, the central government levies indirect taxes comprising of customs duty, stamp duty, profession tax and property tax. Post the implementation of GST, the states continue to levy profession tax and state Value Added Tax only on selected items like petroleum products alcohol, etc. Various other taxes that were levied by the states like entry tax, octroi, etc. have been subsumed with GST.



## Tax Incentives Scheme



- Special Economic Zone (SEZ) Scheme
- Make in India Scheme
- Nivesh Bandhu special Window for Foreign Investor
- Investment Linked Incentives
- Production Linked Incentive
- Export linked Incentives



## Protection of Intellectual Property Rights

- The Copyright Act, 1957
- The Trade Marks Act, 1999
- The Indian Patents Act, 1970
- The Geographical Indications of Goods Act, 1999
- The Designs Act, 2000

## Labor Laws

- The Payment of Gratuity Act, 1972
- The Minimum Wages Act, 1948
- The Employee Provident Fund and Miscellaneous Provisions Act, 1952
- The Employee State Insurance Act, 1948

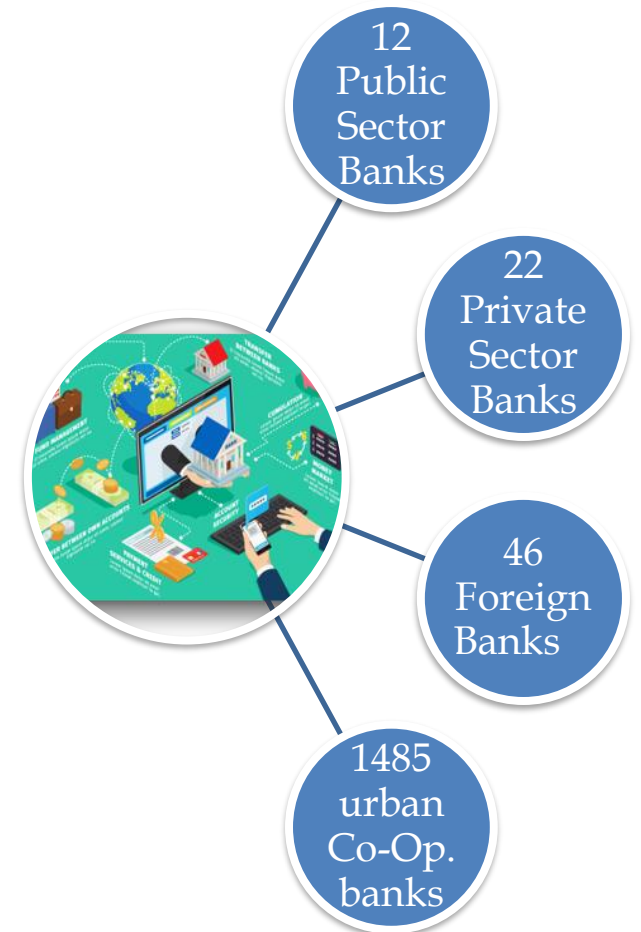
## Economic Laws

- The Competition Act, 2002
- The Consumer Protection Act, 1986
- The Sale of Goods Act, 1930
- The Arbitration and Conciliation Act, 1996
- The Indian Contract Act, 1872

## Banking in India



- India's banking system is among the strongest in the world and it has strict banking secrecy laws. “**Reserve Bank of India**” is the regulator of Indian financial services in India.
- There are generally no restrictions imposed on both resident and non-resident companies in holding bank accounts.
- Investors with good credit standing should generally be able to avail themselves a numerous range of credit facilities in India.
- The Bank accounts maintained by foreigner in India are :
  - ✓ Non – Resident External Rupee Account (NRE)
  - ✓ Non- Resident Ordinarily Account (NRO)
  - ✓ Foreign Currency Non-resident (Banks)
  - ✓ Resident Foreign Currency (RFC) Account





## Cultural Aspects In India



- ❖ È importante illustrare *con esattezza* l'obiettivo da raggiungere
- ❖ Dedicare molto tempo ai dettagli, soprattutto nella fase di avvio
- ❖ Mantenere la pazienza, anche se un certo livello di condiscendenza è necessario
- ❖ Controllare settimanalmente l'avanzamento delle operazioni
- ❖ Discutere costantemente le procedure operative
- ❖ Verificare che il servizio, o la fornitura, rispettino le modalità inizialmente pattuite

### Conflitto Corporate-Burocrazia

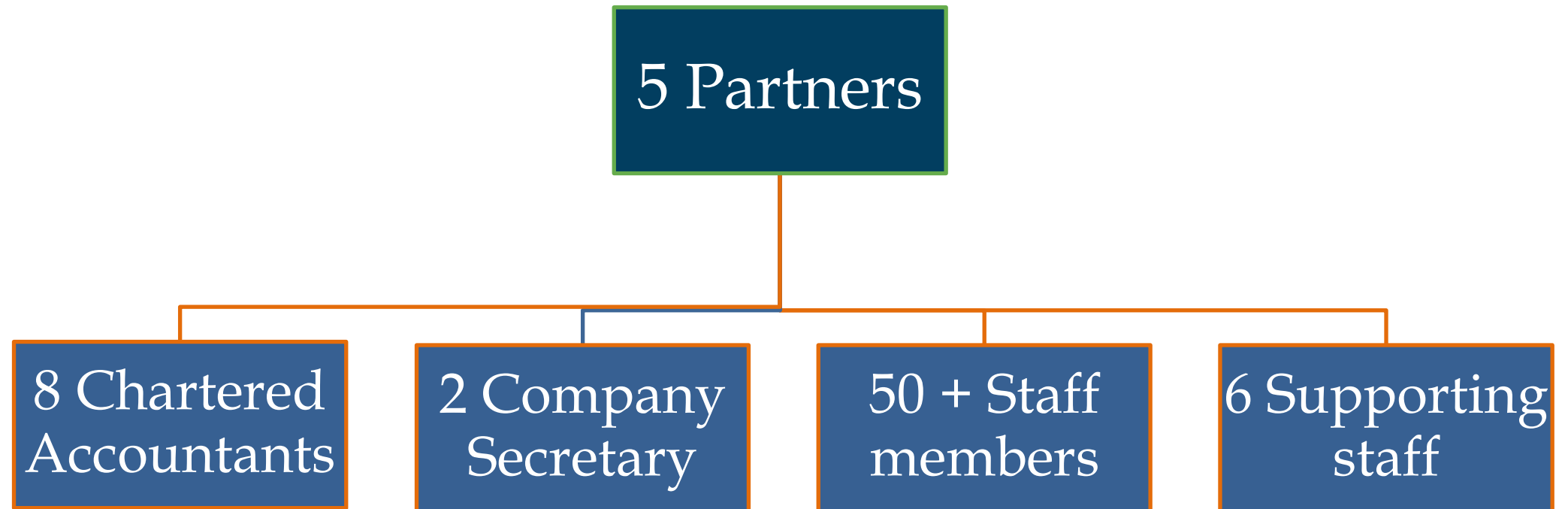
- Manager affidabili insensibili alle proposte di corruzione
- Troppi dipartimenti e numerose autorizzazioni da richiedere
- Lunghi tempi di attesa, licenze/permessi correlate uno all'altro
- Affidamento ad agenzie specializzate per l'ottenimento di licenze/permessi
- Supporto legale/commercialisti (scelta basata non solo marchio ma anche sulla spesa)





# Our Team

Meet the people who are serving to our clients



**We have our Knowledge partner BDB India Pvt. Ltd who is Market Research organisation helping various clients to do the market research activities for various Industries in India.**



# Our Clients

Meet the people to whom we have already served

# Our Clientele



We are proud to gain the trust of our clients from a spectrum of industries.

## Information Technology/Software



- Quick Heal technologies Limited (Indian antivirus market leader)
- Data Direct Network India Private Limited (Subsidiary of US based Company)
- Synerzip Softtech India Private Limited (Subsidiary of US and Indian Promoters),
- Application Software Technologies Private Limited (Subsidiary of US based Company)
- Sumo Video Games India Private Limited (Subsidiary of UK based Company)
- Fresh Gravity India Private Limited (Subsidiary of US based Company)
- Innoplexus Consulting Services Pvt Ltd (Subsidiary of German based Company)
- Devant Communications and Technologies Pvt Ltd (Subsidiary of Norway based Company)
- Radamatic Solutions Private Limited (Associate of US based Company)



# Our Clientele



## Automotive and Auto ancillary

- Advanced Digital Technology India Pvt Ltd (Korean subsidiary)
- Iljin Global India Private Limited (Korean subsidiary)
- Magna Seating Systems Pvt Ltd (Joint Venture of Magna Group, Germany)
- Geissel India Pvt Ltd (German subsidiary)

## Food Manufacturing and FMCG



- Ferrero India Private Limited, Baramati and Pune (Renowned Italian Chocolate manufacturer),
- Bauli India Bakes and Sweets Private Ltd (Italian mega unit in Food industry)
- Global Consumer Products Private Limited (FMCG with Japanese equity)
- Dorsogna Sweet Ingredients Private Limited (Italian start up in Food industry)
- Barry-Callebaut India Private Limited (Renowned Chocolate Manufacture in Food industry)
- Pepsico India Holdings Private Limited (Renowned brand in Food industry)

The logo for Ferrero, featuring the word 'FERRERO' in a bold, orange, serif font with a slight shadow effect.



The logo for Barry Callebaut, featuring the words 'BARRY' and 'CALLEBAUT' in white, sans-serif font on a red rectangular background, separated by a stylized chocolate bar icon.



The logo for Iljin, featuring the word 'ILJIN' in a bold, blue, sans-serif font.

The logo for Global, featuring the word 'GLOBAL' in a bold, blue, sans-serif font.

# Our Clientele



## Other Manufacturing

- L'oreal India Private Limited (Renowned french cosmetics and beauty products manufacturer)
- Elica PB India Private Limited (Italian kitchen appliances manufacturer and market leader)
- Radin Italia LLP (Dubai based furniture manufacturer and importer)

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INDIA

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# Thank you

Get in touch with us to let us help you drive your business forward

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