

DOING BUSINESS IN INDIA – PACKAGING SECTOR

Legal & Tax update

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AGENDA

- 1 Legal opportunities in packaging sector
- 2 Tax update
- 3 Questions?



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1. LEGAL OPPORTUNITIES IN PACKAGING SECTOR IN INDIA

- Packaging Industry in India- recognised as 5th largest sector of the Indian economy according to the Packaging Industry Association of India – continued innovations in food packaging sector.

- Opportunities for foreign entities in Indian market: relevant to explore suitable entry model to India- liaison office/ branch office/ project office/ private limited company/ joint venture company.

- Entry models stipulate permitted scope(s)
 - ❖ Scope of permitted activities and incomes
 - ❖ Remittances outside India
 - ❖ Establishment procedure
 - ❖ Reporting compliances.

- Critical to understand proper transaction structuring. As per recent changes in foreign direct investment norms, all foreign investments from countries which share border with India, require prior government approval. The ambit of the regulations may extend to examining ultimate beneficial owner (individual).

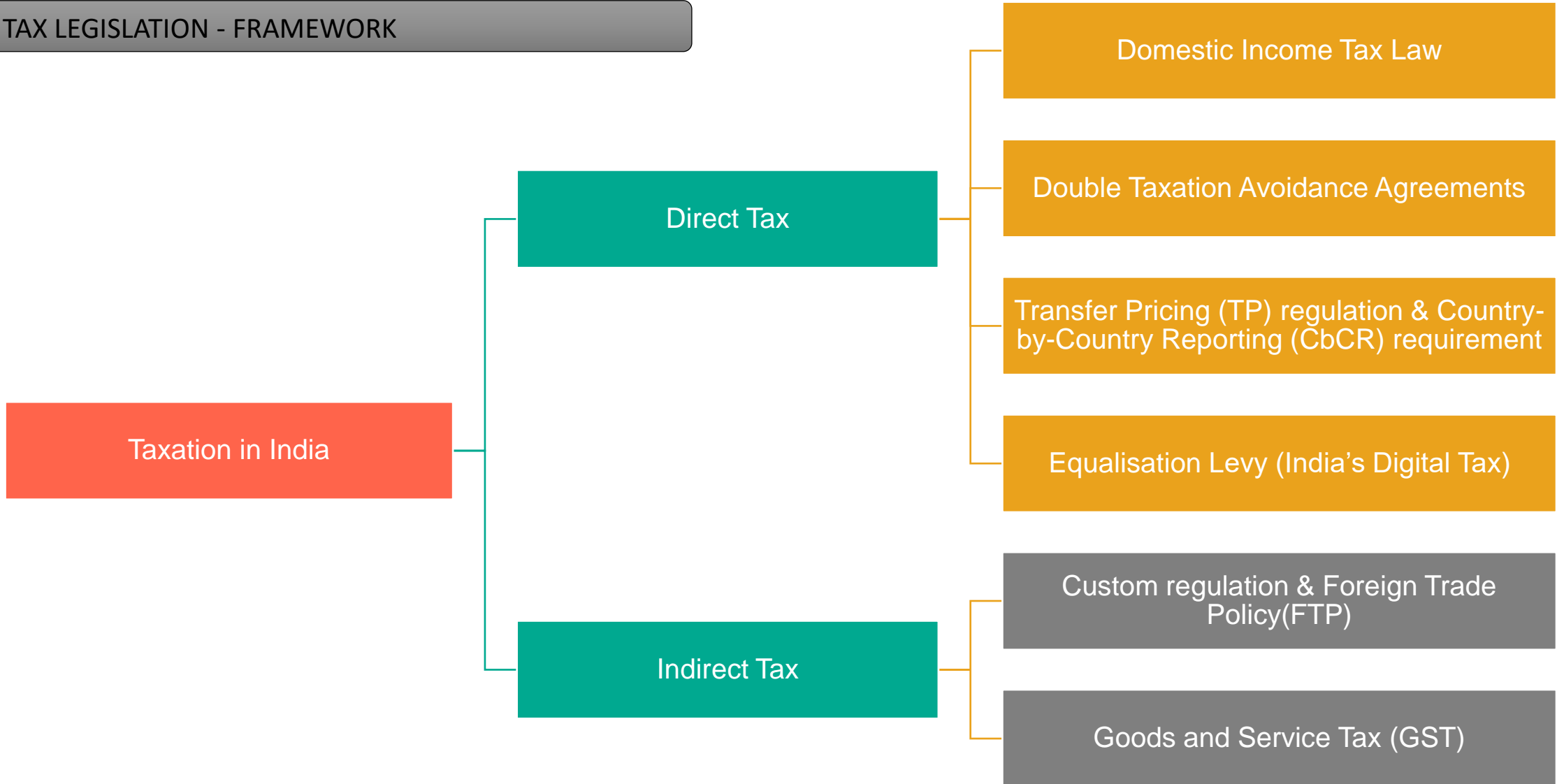
1. LEGAL OPPORTUNITIES IN PACKAGING SECTOR IN INDIA

- Key laws governing packaging of products in India
 - ❖ **Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011-** Enforces standards of weights and measures, regulates trade of goods sold by measure/ weight and prescribes, *inter-alia*, essential labelling standards and mandatory declarations on all packages.
 - ❖ **Bureau of Indian Standards Act, 2016 read with the relevant rules :** Standards prescribed by Bureau to ensure process of standardisation, marking and quality certification of goods. Certain items fall under compulsory certification and therefore critical to analyse this legislation.
 - ❖ **Food Safety and Standards Act, 2006 and the Food Safety and Standards (Packaging) Regulations, 2018:** prescribes content of packaging material to be used for food products and other specifications.
 - ❖ State specific legislations.

- Opportunities for foreign entities:
 - ❖ COVID 19: Increased emphasis on proper packaging.
 - ❖ Rise in demand of sales via e-commerce sector: resultant increase in demand of packaging material.

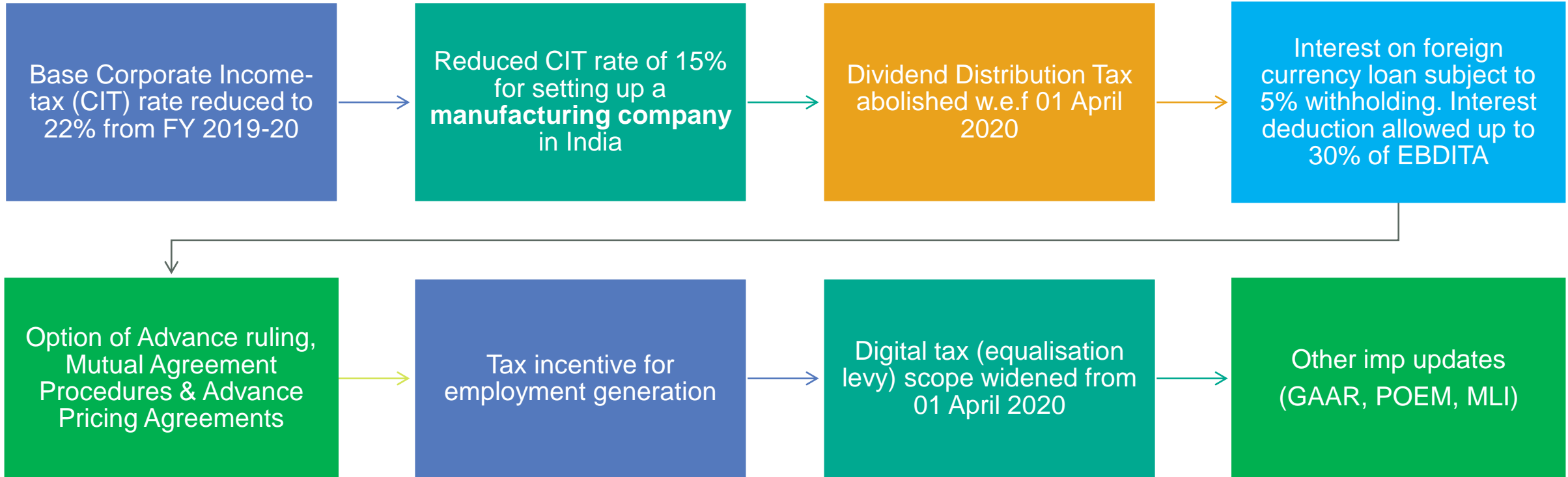
2. TAX UPDATE

2.1 TAX LEGISLATION - FRAMEWORK



2. TAX UPDATE

2.2 DIRECT TAX UPDATES



2. TAX UPDATE

2.3 INDIRECT TAX UPDATES

Goods & Service Tax
facilitated simplification
and ease of
compliances

E-way bill - facilitates
ease of movement of
goods across state
borders

FTP - Remission of
Duties and Taxes on
Exported Products
(RoDTEP)

Advance ruling
mechanism for GST
issues