

DOING BUSINESS IN INDIA – INDIAN NUTRACEUTICALS AND WELLNESS SECTORS

Legal & Tax update

May 27, 2020



AGENDA

- 1 Legal update
- 2 Tax update
- 3 Questions?



OUR TEAM TODAY



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1. LEGAL UPDATE

- Subject to FDI conditions:
 - ❖ 100% FDI in manufacturing sector under automatic route. Manufacturer permitted to sell products through whole sale, retail, e-commerce route,
 - ❖ 100% FDI in pharmaceutical entities under greenfield investments
 - ❖ 74% FDI in brownfield investments, with government approval required beyond 74%.
 - ❖ 100 % FDI through government approval is allowed in food retailing with respect to food products manufactured in India.

- 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).

For any legal or compliance query, please feel free to write to ritika.arora@roedl.com

1. LEGAL UPDATE

➤ Over view of Regulatory Framework with Sector Specific Laws

- ❖ Continued measures to improve ease of doing business- standardisation of corporate compliances, simplification of labour law compliances.
- ❖ **Food Safety and Standards Act, 2006 read with relevant rules, specifically Food Safety and Standards (Food or Health Supplements, Nutraceuticals, Foods for Special Dietary Uses, Foods for Special Medical Purposes, Functional Foods and Novel Food) Regulations, 2016:** *categorisation of food based on contents and use, details on ingredients which can be used, quality requirements, labelling and packaging requirements.*
- ❖ **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.
- ❖ **Accreditation from National Accreditation Board for Hospitals and Healthcare Providers:** set of standards for evaluation and certification of wellness centres- several benefits attached to this accreditation.

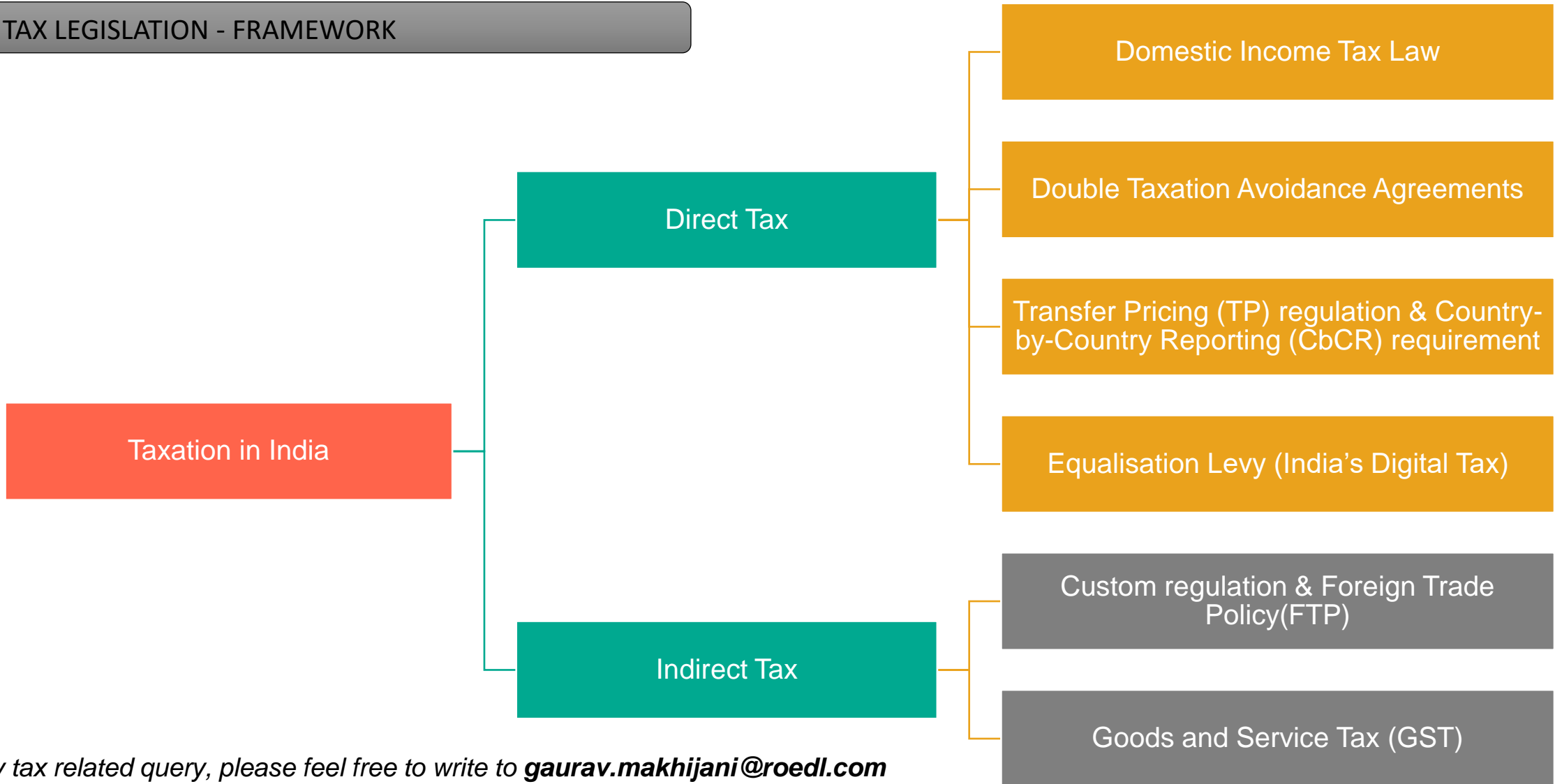
➤ Opportunities

- ❖ Change in trends: mental well being acknowledged, inclusions in insurance policies.
- ❖ Increased demand due to increased awareness, changing lifestyle, increase in disposable income.

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2. TAX UPDATE

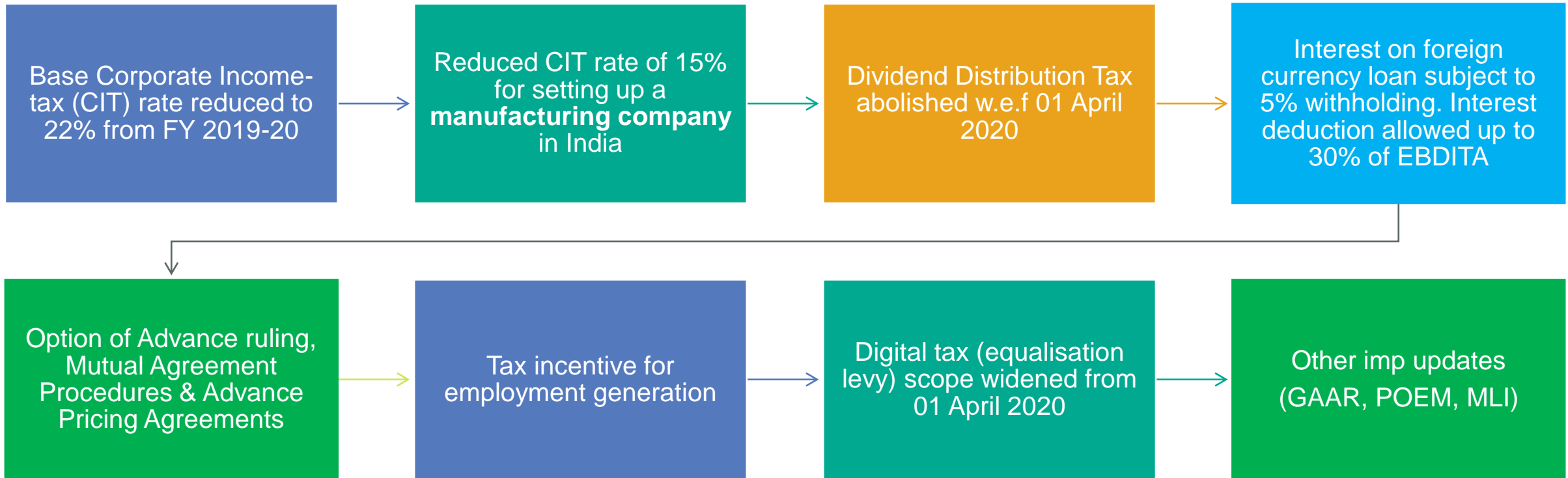
2.1 TAX LEGISLATION - FRAMEWORK



For any tax related query, please feel free to write to gaurav.makhijani@roedl.com

2. TAX UPDATE

2.2 DIRECT TAX UPDATES



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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

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