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MAHESWARI & CO



Advocates & Legal Consultants



NEWSLETTER

## **“ONE COUNTRY ONE TAX”**

India's indirect tax structure has encountered its biggest tax reform since independence on



Wednesday the 3<sup>rd</sup> day of August, 2016 when the Constitution (122<sup>nd</sup> Amendment) Bill, a.k.a GST Bill was passed in Rajya Sabha with a unanimous vote. GST will have dynamic impact on the Indian Economy by developing a common Indian market and

reducing the cascading effect of tax on the cost of goods and services. GST may be an addition towards the government's scheme of 'Ease of doing business in India'

Goods and Service Tax (GST) is a double edged sword; as due to the GST rate some companies may have to less more than the current tax rate and others may have to pay more than present effective rate. Although, the rate of GST is yet to be fixed, the industry observers have assumed an 18% rate to be recommended by government panel in making their impact calculations. The overall impact of GST on all the different sectors can be understood by following picture:

**Impact On Different Sectors**

	Impact of Tax Rate	Inventory Management	Logistics	For Organised Players	Overall Impact
Cement	😊	😊	😊	😊	😊
Consumer Durables	😊	😊	😊	😊	😊
FMCG	😊	😊	😊	😊	😊
Pharmaceuticals	😊	😊	😊	😞	😊
Automobile	😊	😊	😊	😊	😊
Cap Goods	😊	😞	😊	😞	😊
IT/Ites	😊	😞	😊	😞	😊
Media	😞	😞	😞	😞	😞
BFSI	😊	😞	😞	😞	😊
Textile	😞	😊	😊	😊	😞
Building /Home Material	😊	😊	😊	😊	😞
Telecommunications	😞	😞	😞	😞	😞
Metals	😞	😞	😊	😞	😊
Multiplex	😊	😞	😞	😞	😊

😊 Positive      😞 Neutral      😞 Negative

## **GOVERNMENT PLANS NEW CATEGORY OF VISA TO ATTRACT FOREIGNERS, BOOST TRADE**

Government of India may merge tourist, business, and medical and conference visa into one to attract more visitors to boost trade. The visitor on such a visa will not be allowed to work or stay permanently.



A foreigner who is granted long-term, multiple entry non-working visa or non-permanent stay visa and his or her stay is restricted to 60 days on a visit, then the government may waive the visa fee as well. However, the visitor will have to disclose biometric details and fulfill certain security obligation. The Ministry is working to implement the scheme soon.

## **GOVERNMENT TO FURTHER REFORM E-VISA REGIME**

The government tends to reform the e - visa regime to boost tourism sector in the country. Initially the scheme was made available for the citizens of 113 countries. It was further extended to the nationals of 37 more countries this year, taking the total number to 150. Government tries to extend it to medical tourism and business tourists. The Tourism Ministry has proposed to extend the facility to the citizens of 36 more countries, including Turkey, Italy, Saudi Arabia and Morocco. The government has also decided to set up a task force under the tourism secretary chairmanship to improvise the connectivity aspects of tourist destinations. The task force would also have the representatives from National Highways, Civil Aviation.



The Home  
Ministry in

collaboration with Department of Industrial Policy and Promotion (DIPP) has planned to set up an investment desk to facilitate investors. The time is right for investors to invest in India as the government is promoting ease of doing business, proactive bureaucracy and introduction of single window clearance in several states.

## FLIPKART HAD ACQUIRED JABONG

Flipkart, a leading e – commerce company has made one more addition in India’s booming e-commerce industry by acquiring Jabong for an unrevealed amount. One of the biggest drivers of e - commerce growth in India is Fashion and Lifestyle.



The market position of the Flipkart Group’s, as the undisputed leader in Fashion and Lifestyle segment in India has been immensely enhanced through this acquisition and it has also contributed towards the transformation of e – commerce in India. This acquisition would lead to significant synergies between the two companies especially on brand relationships and consumer experience.

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