



For immediate release

IDSA expects new policies to encourage more foreign entrepreneurs to invest in the Indian economy

- Provision more investments under the 'Make-in-India' initiative, in order to create a nationwide incubation and acceleration infrastructure for start-ups and SMEs.
- Roll-out of Good and Services Tax (GST) on deadline set by the Government as 1st April 2016, to phase-out the layers in the current taxation system.
- Direct tax exemptions during first 3 years of operations for micro, small and medium enterprises.
- Reduction in Indirect Taxes to increase the purchasing power of the consumers.

New Delhi, February 8, 2016

With the government slated to present the next Union Budget for the fiscal 2016-17, Indian Direct Selling Association (IDSA), self-regulatory industry body for the Direct Selling Industry, urges the government to bring new policies that encourage more foreign entrepreneurs to invest in our economy, for boosting up the growth of Indian Economy.

According to Mr. Rajat Banerji, Chairman, Indian Direct Selling Association, the Direct Selling Industry is hoping for full or partial exemption in excise duty on commodities such as cosmetics, nutrition and skin care products.

The IDSA member companies pay varying level of taxes, including corporate tax, sales/value added tax, custom and excise duty, octopi etc, inter-state manufacturing and selling of products, resulting in contribution to the exchequer. The industry also recommends an increase in allocation for various rural development programs in a bid to enhance rural income and tax slabs in order to boost discretionary consumption, emphasized **Mr. Banerji**.

Further, he added, Hon'ble Finance Minister should announce measures like removal of anomalies in customs duty, reduction in CST rate, rationalization of CENVAT credit scheme, among others in the forthcoming Budget. Reduction in Indirect Taxes will also increase the purchasing power of the consumers.

Ms. Vivek Katoch, Treasurer, IDSA, said "we urge the government to implement GST (Goods and Services Tax) as it will boost 2.5 percent to our growth rate. Moreover, a nationwide tax will cut business costs as well. Implementation of GST will lead to decline in prices of consumer goods and thereby boost volumes.

Direct Selling FMCG Industry has a visible imprint in country's social and economic lives. Direct Selling Entities have contributed approximately INR 636 million of their gross sales in CSR activities. There are

various areas that have been supported by Direct Selling Entities; from health and human services, Education to women empowerment.

“We expect our Finance Minister, Mr. Arun Jaitley to make a pitch for progressive tax reforms which can improve productivity of all the sectors which contribute to the FMCG Direct Selling Industry. This will prepare India as a destination which apart from sustaining its own population in urban and rural India can also look towards becoming a source of consumer goods produce for other countries, said **Mr. Vivek Katoch**.

“There should be also a provision of more investments under the ‘Make-in-India’ initiative, in order to create a nationwide incubation and acceleration of infrastructure for start-ups and SMEs. This should include easier access to funding, operational incentives, and a stable compliance framework, said **Mr. Jitendra Jagota, Vice-Chairman, IDSA**.

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