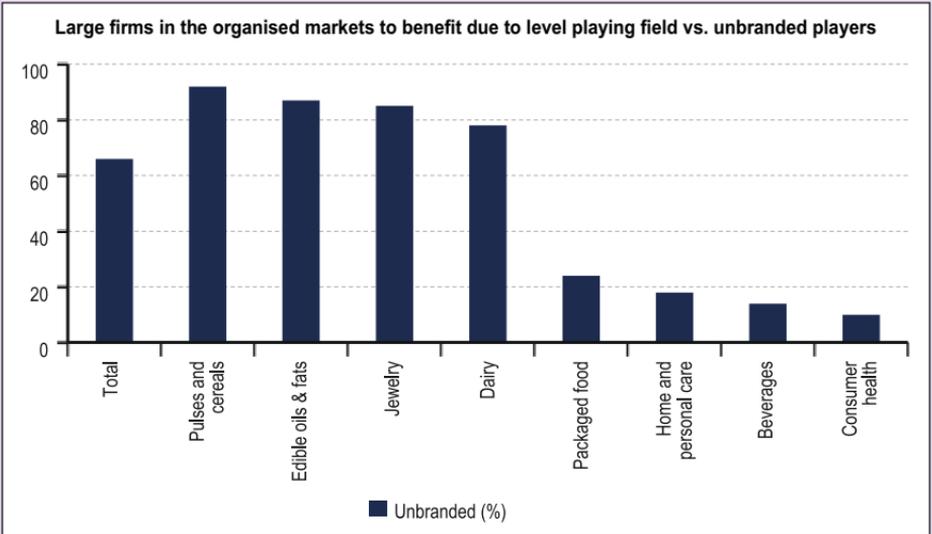


# Economy Macro Tailwind : GST: Shift from the Un-Organized to the Organized

Indian FMCG market is estimated to be USD185bn in size at 2015 end and nearly 66% of this is unbranded & highly fragment in nature leaving many unorganised firm out of indirect tax net currently.

GST implementation is expected to narrow the large indirect tax differential between the organized and unorganized players

- a) reducing the threshold limit for exemption from indirect taxes (to INR2.5m under GST from the current INR15m under excise),
- b) tracking the flow of GST credit in the entire value chain using technology platforms,
- c) ensuring availability of seamless input credit, and
- d) reducing the overall effective tax rates.



Source: Bank of America Merrill Lynch Report, dated 12th April, 2016

We are invested in this expected migration from the Un-organized sector to the organized sector through the following companies:

- Building materials** – Century Plyboards Ltd, Cera Sanitaryware Ltd, Pidilite Ltd, Kajaria Ceramics
- Batteries:** Amara Raja Batteries, Exide Industries
- Paints:** Asian Paints, Berger Paints
- Electricals:** Havells India Ltd.

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