WEDNESDAY, 20 FEBRUARY 2019
28 pages in 3 sections
MUMBAI (CITY)
₹8.00
VOLUME XXIII NUMBER 135

www.business-standard.com
Business Standard

THE MARKETS ON TUESDAY		Chg#
Sensex	35,352.6▼	145.8
Nifty	10,604.4▼	36.6
Nifty futures*	10,617.2▲	12.8
Dollar	MARKET CLOSED	₹71.4**
Euro	MARKET CLOSED	₹80.8**
Brent crude ($/bbl)##	65.8##	66.0**
Gold (10 gm)###	₹33,555.0▲	₹190.0

*(Feb.) Premium on Nifty Spot; **Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBJA

ECONOMY P4
WTO WARNS OF TRADE SLOWDOWN AS INDICATOR HITS 9-YEAR LOW

COMPANIES P2
TWO YEARS OF CHANDRA: TCS REMAINS CROWN JEWEL

PUBLISHED SIMULTANEOUSLY FROM AHMEDABAD, BENGALURU, BHUBANESWAR, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI (ALSO PRINTED IN BHOPAL), NEW DELHI AND PUNE

SACHIN BANSAL MAY JOIN OLA BOARD AFTER ₹650-CR INVESTMENT

Ride-hailing firm Ola on Tuesday confirmed an investment of ₹650 crore by Flipkart co-founder Sachin Bansal. This investment, which has been made by Bansal in his personal capacity, is part of Ola's Series J funding round and values the Bengaluru firm at $6.5 billion, according to sources. 2 ▶

BACK PAGE P16
Govt opens up oil & gas production further

The Union government on Tuesday decided to offer the private sector bigger oil and gas areas belonging to its companies, Oil and Natural Gas Corporation and Oil India, on relaxed conditions.

OTHER CABINET DECISIONS P16

'JSW Cement IPO in 2021 to mop up ₹3,500 crore'

PARTH JINDAL, managing director at JSW Cement, talks to **Amritha Pillay** about how the firm is busy chalking out plans to add another eight million tonnes in time for its initial public offering, planned for 2021.

Q&A PAGE 2

TO OUR READERS

The eight-page commercial feature on Aero India and four-page on International Advertising Association, being carried as separate sections, are equivalent to paid-for advertisements. No *Business Standard* journalist was involved in producing them. Readers are advised to treat them as advertisements.

Angel tax norms for start-ups relaxed

Investment limit for tax exemption raised to ₹25 crore

SUBHAYAN CHAKRABORTY & KARAN CHOUDHURY
New Delhi, 19 February

Bowing to sustained pressure from start-ups and venture capital funds over the so-called angel tax, the government on Tuesday eased tax norms for new businesses in a bid to boost investment and job creation.

The angel tax is levied on start-ups that have received equity infusion in excess of the fair valuation, with the premium being paid by investors as their income. It was introduced in the 2012-13 Budget by the then finance minister Pranab Mukherjee to curb money laundering .

The government has allowed start-ups that have raised capital up to ₹25 crore to claim tax benefits, as against ₹10 crore earlier. It has also announced a slew of waivers and a definition tweak in line with demands from the sector. Exemptions have been allowed for investments by non-resident Indians and alternative investment funds (AIFs) as well as for the infusion of capital into start-ups in the form of equity stake in a listed company, according to the latest norms issued by the Department for Promotion of Industry and Internal Trade (DPIIT).

An entity will now be considered a start-up for 10 years from its date of incorporation and registration as compared to seven years earlier, which will allow it to avail tax benefits for a longer period. The change in definition will also see firms with up to ₹100-crore annual turnover to be considered a start-up as compared to ₹25 crore earlier.

Industry experts claimed that considering the uproar from the start-up community on the alleged levy of angel tax by the Central Board of Direct Taxes (CBDT) on certain start-ups, the recent reforms were announced by the DPIIT to enable start-ups to get exemptions on investments under Section 56(2)(viib) of the Income Tax Act, 1961.

"At present, an investor needs to have an average returned income of ₹50 lakh for the financial year preceding the date of tax filings for availing the benefits of angel tax exemptions. This may be raised further," a DPIIT official said.

Turn to Page 15 ▶

THE FINE PRINT

No tax exemption for start-ups if investments made in:

- **Building or land** other than what is used by them
- **Loans and advances** other than those extended in the ordinary course of business
- **Capital contributions** made to other entities
- **Motor vehicle, aircraft, yacht, costing more than ₹10 lakh,** other than that used for business

10 Number of years from incorporation and registration a firm will be considered a start-up, up from seven years

₹100 cr Annual turnover limit of a firm to be recognised as a start-up, up from ₹25 crore earlier

GIC, Mitsubishi may pick 25-30% in GMR Airports

Deal may fetch ₹7,000-8,000 crore

SURAJEET DAS GUPTA
New Delhi, 19 February

GMR Airports, a subsidiary of GMR Infrastructure through which it has stakes in Delhi, Hyderabad and Cebu (the Philippines) airports, among others, is in the final stage of discussion to sell 25 to 30 per cent of its holdings to Singapore's GIC and Mitsubishi Corporation of Japan. The deal is expected to be announced very soon, according to merchant bankers.

The GMR group's airport assets are valued at around ₹25,000 crore. The proposed equity sale, they said, could generate ₹7,000-8,000 crore, which would help the group reduce overall debt from ₹19,850 crore to around ₹12,500 crore.

GMR Infrastructure, which also has energy and highways businesses, has a 91.95 per cent stake in GMR Airports (the rest is held by private equity investors), which will now be demerged into a separate entity. A spokesperson for the group did not comment on the details of the deal, but said: "There are a number of investors who show interest in our airports and we continue to engage with them to evaluate."

Turn to Page 15 ▶

KEY NUMBERS

₹25,000 crore Estimated value of GMR group's airport assets

19,850 crore Group's total debt

₹12,500 cr Debt after stake sale

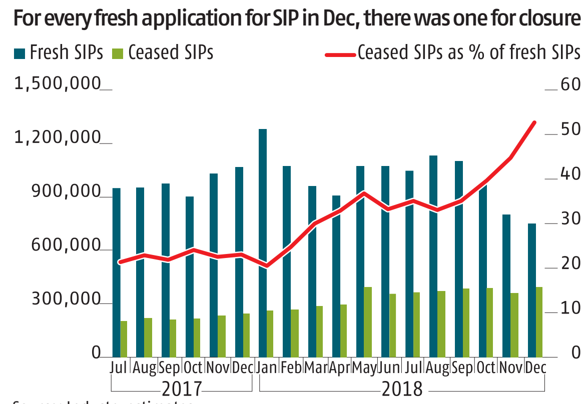
87 million passengers: Annual operational capacity of GMR-run airports

76 million passengers: Additional capacity under development

SIP closure ratio at 18-month high

LOSING SHEEN

For every fresh application for SIP in Dec, there was one for closure



Source: Industry estimates

JASH KRIPLANI
Mumbai, 19 February

The mutual fund (MF) industry's systematic investment plan (SIP), a monthly investment scheme, seems to be losing favour among retail investors. The applications for fresh SIPs in December slipped to 750,000, down by a third as compared to August.

The trend could spell trouble for the ₹24-trillion MF industry, whose reliance on SIP flows has risen in the past four years. The industry is seeing a sharp fall in fresh SIP applications as well as requests for closures are growing. Turn to Page 15 ▶

THE SMART INVESTOR P11

YOUR MONEY: Investing in MFs? Avoid these common mistakes