

CBDT Chairman Assures Quick Solution to Startups' Tax Issues

Says any startup recognised by DPIIT exempt from Sec 56 (2), tax notices sent have been stayed

Our Bureau

New Delhi: The government may soon find a solution to address the tax concerns of startups, Central Board of Direct Taxes (CBDT) chairman Sushil Chandra said.

"Very shortly, we will find out a solution on the basis of the suggestions we have received. We will have to decide which startups are real startups and how they can be exempted from Section 56 (2) of the Income Tax Act," he said at an ASSOCHAM function here on Thursday.

Various startups had raised concerns over the notices sent to them under this section to pay tax on angel investments. The CBDT chief said any startup recognised by the Department for Promotion of Industry and Internal Trade is exempt from Section 56 (2) and the tax notices sent to startups have been stayed.



TAX TALK

We will have to decide which startups are real and how they can be exempted from Section 56 (2) of Income Tax Act

SUSHIL CHANDRA
CBDT Chairman

Last week, officials from the department, along with tax department officials, met startup industry representatives to hear their suggestions.

Section 56 (2) provides that the amount raised by a startup in excess of its fair market value would be deemed income from other sources and taxed at 30%. It's also been dubbed the angel tax.

LINKING PAN AND AADHAAR

Chandra said the income-tax department has so far issued 420 million permanent account numbers (PAN), of which 230 million have been linked with Aadhaar, the biometric data-based identity number.

"By linking with Aadhaar, we will know whether there are any duplicate PANs or not. And there are certain duplicate PANs. If it is not linked, we may cancel the PAN also," he said, adding that once Aadhaar is linked with PAN

and PAN is linked with bank accounts, the IT department can find out the spending patterns and other details of assesseees.

With Aadhaar, it would be easier to gauge whether the benefits of welfare schemes are reaching those who are eligible for them, said Chandra.

Chandra said that so far this year, 9.5 million new taxpayers have been added.

"It is not absolutely true that if we reduce tax rates, compliance goes up. During this year we have followed the policy of finding non-filers... We have got third-party information and we are checking whether persons are filing returns or not, whether adequate income is being shown," he added.

Chandra said the IT department is getting information about foreign assets held by people that have not been disclosed in their income tax returns.

27-YEAR-OLD RULE CHANGED

Disclosure Limit on MF, Stock Investment Up for Bureaucrats

Declaration limit raised 5-6 times of current ₹50,000 a year

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New Delhi: The government on Thursday revised a 27-year-old cap on investment in the stock markets by bureaucrats to six months of basic pay.

Under the 1992 rule, Group A and B officials had to intimate the government in a form if the total transaction in shares, debentures or mutual funds exceeded ₹50,000 in a financial year. The limit has now been raised to over five times, considering the salary structure of government executives. The limit was ₹25,000 for Group C and D officers.

New orders have revised these limits, saying the intimation should be sent to the prescribed authority by government servants if the total transactions in shares, securities, debentures and mutual funds exceeds six months of basic pay of the government servant in a calendar year (to be sub-

A Big Relief

27-yr-old rules changed on disclosing investments by bureaucrats

Group 'A' and 'B' officers had to intimate if the total transactions exceeded ₹50,000

Limit was ₹25,000 for Group 'C' and 'D' officers

Limit has been revised

Need to intimate if investments exceeds six months' basic pay

mitted by January 31 of the subsequent calendar year).

After the 7th Pay Commission, the salaries of government servants have increased substantially, which may have prompted the government to revise the limits.

Officials will still have to intimate the government in their annual declaration of movable and immovable assets if any individual transaction in the stock market is beyond their two months' basic pay. But the need to fill in a separate form won't be

necessary if their cumulative transactions in stocks do not exceed six months of basic pay.

The rules still stipulate that no government servant shall speculate in any stock or any other investment with frequent purchase or sale of such kind deemed to be speculation. But occasional investments made through stock brokers or duly authorised persons are allowed. The prescribed form is designed to "enable the administrative authorities to keep a watch over such transactions".

PM-KISAN: Agri Min asks CMs to Quickly Send List of Eligible Farmers

Our Bureau

New Delhi: Agriculture minister Radha Mohan Singh has asked all chief ministers to quickly send the list of farmers eligible to receive ₹6,000 a year under the PM-KISAN scheme announced in the interim budget.

Singh said the scheme required deep commitment at all levels of state administration to make sure that farmers get the desired benefit on time. A PM-Kisan portal has been launched to facilitate implementation of the scheme with the help of a common platform. "You will agree that a committed involvement of the administrative machinery from the state to the village level is absolutely essential for timely implementation of this scheme," he wrote to the CMs.

He said the states should ensure there is no duplication in payments made to farmers under the scheme. The scheme has been launched retrospectively from December 1.

The government wants to make sure that the first instalment of the payment is transferred in the current fiscal year itself.

PSU BEGINS SUPPLY IN NEW LICENCE AREAS WHERE PIPELINES ARE YET TO REACH

Gail Sets Up Satellite LNG Station in Bhubaneswar

Innovative model may get replicated by other city gas distributors

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New Delhi: Gail has set up a satellite liquefied natural gas (LNG) terminal in Bhubaneswar to supply local customers in the absence of a gas pipeline—an innovative model that may get replicated by other city gas distributors eager to quickly start supply in new licence areas where gas pipelines are yet to reach.

City gas licences have proliferated lately in the country: the downstream regulator offered 86 licences last year, and the process to award another 50 is under way. Just a year ago, licences were limited to 92 geographical areas that covered just a fifth of country's population. After the current round of licensing is complete in a month or so, 70% of the country's population will have been covered.

But taking gas to people can take much longer than distributing licences. Gail, which has a licence to supply gas to Bhubaneswar, decided last year not to wait for the gas pipeline, which is expected to connect the city next year. It started using gas cascades to supply natural gas to homes, shops and vehicles. This involved bringing in gas cascades from Andhra Pradesh to serve local demand, which is about 3,800 kg a day.

Last month, Gail switched its supply method. It started operating a satellite LNG storage and regasification terminal in Bhubaneswar, which can cater to 3,000 compressed natural gas (CNG) vehicles and 1,000 homes. This is the first such operation in the country but satellite LNG terminals are quite popular in several countries to supply gas to areas where laying gas pipelines are difficult or economically unviable.

Gail's terminal contains two vertical tanks of 20 kilo litres each, and low pressure vapouriser for supply to homes, and high pressure vapouriser for CNG vehicles. Each tank has to be replenished every 3-4 days by LNG brought by road from Gujarat port.

"This is a short-term arrangement until the Urja Ganga gas pipeline reaches Bhubaneswar. Using LNG station is better than using gas cascades as the latter involves higher transportation cost

Pipe-Dream

LNG Satellite Stations

Mainly used in areas where pipelines are hard to lay or unviable

Costs more than gas transported by pipeline but cheaper than cascade

GAIL's satellite LNG station in Bhubaneswar is first of its kind

Station can cater to 3,000 CNG vehicles, 1,000 homes

Other city gas distributors can replicate the model

and increased delivery uncertainty," a Gail executive said.

Sourcing gas via satellite LNG station is much cheaper than using cascades. Pipeline gas, however, is much cheaper than both.

"This can be a model for other city gas distributors as well who would want to start operation and tap customers before the main gas pipeline has reached their licence areas," said the executive.

Many companies, which have obtained licences in the recent round, do plan to start serving customer this year. Indian Oil Corp, which has more than a dozen licences individually and in joint venture, plans to start CNG stations by the middle of this year in its new licence areas. It is tying up with Gail for supply and plans to use cascades to ferry gas.

JV LIKELY FOR COAL BED METHANE PROJECTS

May Ink Marketing Pact with Coal India

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Kolkata: Coal India and Gail have formed a committee of senior executives to work jointly on coal bed methane projects of Coal India on its blocks. They are considering a joint venture in which Coal India would be producing the gas while Gail would be marketing it through its network.

Coal India chairman AK Jha and Gail chairman B C Tripathi met in Kolkata on Wednesday to discuss the proposed projects, company executives said.

The proposed joint venture is likely to enable Coal India to inject coal bed methane into the proposed Urja Ganga gas pipeline that aims to meet energy requirements of 40 districts and 2,500 villages covering Uttar Pradesh, Bihar, Jharkhand, Odisha and West Bengal.

A Coal India executive said Gail India is interested in downstream processing, transport and selling the gas in bulk to industries. Gail is into transport of bulk gases and has its own distribution network including pipeline which could be used to sell the produce.

"Gail can also help Coal India supply the produce in eastern states via the Urja Ganga pipeline project since it is being undertaken by a consortium of state-run companies headed by Gail," the executive said.

In June last year, the Cabinet Committee of Economic Affairs waived the requirement for procuring separate licences from the ministry of petroleum and natural gas for taking up coal bed methane projects on its lease held areas. Following the waiver, Coal India has already lined up investments of Rs 300 crore for its coal bed methane projects.

The first project will be undertaken by Coal India subsidiary, Bharat Coking Coal, at Jharia coalfields in Jharkhand. This block is estimated to hold methane reserves of 25 billion cubic meters and is expected to start production two years after the project is initiated.

The second project, at Raniganj in West Bengal, is to be undertaken by Eastern Coalfields


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WELSPUN CORP LIMITED						
Unaudited consolidated financial results for period ended December 31, 2018						
Figures in ₹ Million						
Particulars	Q3 FY19	Q3 FY18	Change	9M FY19	9M FY18	Change
Total Income	26,578	23,042	15%	70,359	59,284	19%
EBITDA	2,234	1,644	36%	6,816	6,568	4%
Cash PAT	1,267	818	55%	4,497	3,890	16%
Net Debt	3,120	6,421	₹ 3,301 mn	3,120	6,421	₹ 3,301 mn
Net Debt to Equity	0.11x	0.23x	0.12x	0.11x	0.23x	0.12x
Cash PAT = PBDT - Current Tax						

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