

Govt. takes steps to ease ‘doing business’

Expedites payments and GST refunds for MSMEs

SPECIAL CORRESPONDENT
NEW DELHI

The government on Friday announced several decisions to ease doing business in India, including scrapping the angel tax for registered start-ups, expediting GST refunds for the MSME sector, as well as setting a time-bound window for the payment of delayed dues by public sector companies.

“In order to mitigate genuine difficulties of start-ups and their investors, it has been decided that the relevant provisions of Section 56 of the Income Tax Act, which is commonly called the angel tax, shall not be applicable to a start-up registered with the Department for Promotion of Industry and Internal Trade,” Finance Minister Nirmala Sitharaman said, addressing a press conference to announce the decisions.

The angel tax provision has been a pain point for start-ups who have repeatedly complained that the tax burden was slowing down the angel investments made in new companies. The government will also set up a dedicated cell under a member of the Central Board of Direct Taxes to address the problems of start-ups pertaining to income tax.

“Exempting start-ups from the application of the angel tax is a good development,” Rohinton Sidhwa, partner at Deloitte India said. “Previously, the government had provided this exemption only for investment below a threshold and where only accredited investors were involved. It appears now that the exemption would be cast wider and will cover all ‘registered’ start-ups.”

Ms. Sitharaman also announced that all pending Goods and Services Tax refunds to MSMEs would be made within 30 days, and that all future refunds will be paid within 60 days. This is expected to free up a lot of capital that was otherwise locked up for the MSME sector. The government will also look into amending the



From October 1, all notices and orders by the tax department will carry a Document Identification Number. ■ SANDEEP SAXENA

Notices that do not carry the unique identification number will be treated as invalid

MSME Act to arrive at a single definition for MSMEs, to avoid the confusion created by various ministries and departments using different definitions.

She also said that the pending payments by Central Public Sector Enterprises (CPSE) to service providers would be expedited, delayed payments would be monitored by the Department of Expenditure and performance reviewed by the Cabinet Secretariat.

Relief to borrowers

Further, in a bid to ease the plight of borrowers, Ms. Sitharaman said that the public sector banks will ensure the mandated return of loan documents within 15 days of the closure of the loan. Customers will also be able to track the status of their loans online in order to ease transparency. “To support decision-making and to prevent harassment for genuine commercial decisions by bankers, the Central Vigilance Commissioner has issued directions that the Internal Advisory Committee

(IAC) in banks will classify cases as vigilance and non-vigilance,” Ms. Sitharaman said. “The decision of the IAC is to be treated as final.”

The move is expected to increase credit outflow by banks, as several banks have said that credit decisions had been held up because bank officials have been wary of taking even genuine decisions that could later be hauled up for scrutiny.

In a bid to ease the loan disbursement process for non-banking financial companies, the government has also allowed them to use the Aadhaar-linked Know Your Customer (KYC) details with banks, instead of having to do the KYC process again themselves.

In what should come as considerable relief for the taxpayer, Ms. Sitharaman also said that from October 1, 2019, all notices, summons, or orders by the Income Tax authorities would be issued through a centralised computer system and would contain a computer-generated unique Document Identification Number (DIN).

Notices or orders that do not carry this DIN would be treated as invalid. This should go a long way in addressing instances of alleged harassment by Income Tax officials, she said.

‘Surcharge reversal could revive FPI flows’

‘Part of \$3 billion that flowed out of market, since Budget, expected to return’

SPECIAL CORRESPONDENT
MUMBAI

Market participants are confident that the slew of measures announced by Finance Minister Nirmala Sitharaman would go a long way in restoring the confidence of foreign investors in the Indian capital market and help in reversing the outflows seen in the recent past.

As part of her announcements to boost the economy, the Finance Minister said that the tax surcharge that was announced in the Union Budget for entities with an income of more than ₹2 crore would not be levied on foreign portfolio investors (FPIs).

Net sellers

Ever since the surcharge was announced in July, FPIs have been demanding roll-back of the decision while ending most days as net sellers of Indian shares. The combined net selling by FPIs in July and



FPIs are exempt from the surcharge announced in the Budget for firms with over ₹2-crore income. ■ GETTY IMAGES/ISTOCK

August is pegged at over ₹24,500 crore.

Market participants, however, believe that Friday’s announcements could lead to foreign investors once again turning bullish on India equities.

“More than \$3 billion flowed out of the Indian market since the budget and a part of that will definitely come back to the market now,” said Harendra Kumar, managing director - Institu-

tional Equities, Elara Capital.

“This will stabilise the market as the government has clearly said that this is only a beginning. The FM’s comments clearly demonstrate that the government has identified the problem and is ready to address it. If there is no major negative news flow elsewhere during the weekend, Monday could see a huge jump in the Indian market,” he added.

Interestingly, the market

was abuzz with talks on Friday that the Finance Minister would roll back the FPI surcharge, and this led to the benchmarks recover from the day’s lows and close with decent gains.

The benchmark Sensex traded in a range of more than 700 points on Friday while gaining nearly 600 points from the day’s low to close with a gain of 228 points at 36,701.

“FPI surcharge was the biggest pain point for the markets,” R. Venkataraman, co-promoter and managing director, IIFL Holdings, said, adding that the government had taken pragmatic steps to ensure that liquidity and credit flow would increase.

In a similar context, Vijay Chandok, MD and CEO, ICICI Securities, said that the withdrawal of surcharge on key investor categories like FPIs was expected to improve the inflows into the market.

Angel tax relief brings much needed respite to start-ups

A large number of them had received notices from tax dept.

SPECIAL CORRESPONDENT
MUMBAI

Finance Minister Nirmala Sitharaman has provided the much-needed relief for the start-up community by announcing that angel tax will not be applicable on entities registered with the Department for Promotion of Industry and Internal Trade (DPIIT).

While announcing a slew of measures to boost the economy, Ms. Sitharaman said while Sec 56(2) (viib) of the Income Tax Act – under which the tax is levied – would stay, it would not be applicable to start-ups that register with the DPIIT.

Industry players were unanimous in welcoming the move as the angel tax was looked upon as a major hindrance for early stage start-ups that were looking to attract funding from angel investors and other entities.

“It is immensely delightful for funded and boot-

strapped MSMEs (micro, small and medium enterprises) that the government has considered to waive angel tax and simplify the flow of risk capital for young companies, which will allow early-stage ventures to raise seed capital,” said Srikanth Iyer, CEO and founder, HomeLane.com.

Ease of doing business

“Furthermore, their decision to fast-track GST refunds in 30 days and CBDT’s move towards setting up a dedicated cell to address tax problems will further ease the business environment,” he added.

Angel tax is imposed on the excess share capital raised by an unlisted firm, over and above the fair market value of its shares.

This tax usually impacts start-ups and the angel investments they attract.

Genuine cases

While aimed at curbing money-laundering, the angel tax also resulted in a large number of genuine start-ups receiving notices from the tax department.

“Acknowledging the widespread criticism faced by the tax authorities for their enthusiasm to tax start-ups, the government has finally decided to put a full stop to it,” said S.R. Patnaik, partner & head - Taxation, Cyril Amarchand Mangaldas.

“Today’s decision means once you are registered as a start-up with the DPIIT, you will not be bothered by the tax authorities,” Mr. Patnaik added.

Gangwal okay with proposed changes to Articles

SPECIAL CORRESPONDENT
NEW DELHI

IndiGo co-founder Rakesh Gangwal said on Friday that he was in concurrence with the decision of the Board of Directors to expand the Board to address a key contentious issue raised by him in a complaint to the SEBI.

He, however, added that fences were yet to be mended between him and the other founder Rahul Bhatia. The statement comes ahead of IndiGo’s Annual General Meeting called on August 27 to seek shareholders’ consent for amendments to the Article of Association to expand the Board.

New policy

Mr. Gangwal also said that the Board had proposed a new policy for related party transactions, which was another issue raised by him for businesses conducted between IndiGo and Rahul Bhatia’s Inter-Globe Enterprises.

“In light of this positive and important development, I will be supporting the proposed changes to the Articles.

While much work lies ahead, including mending some fences and the regulators completing their investigations on the governance issues raised with them, it is gratifying to see progress towards better governance,” he said in a statement posted on a website created by him.

‘Anti-establishment friction is here to stay’

U.S. curbs may hit revenue: Huawei

YUTHIKA BHARGAVA
SHENZHEN, CHINA

Huawei Technologies does not see ‘anti-establishment frictions’ going away any time soon and is prepared to work in such an environment for a ‘long time’, Eric Xu, the technology giant’s chairman said on Friday.

Mr. Xu, however, added that the U.S. restrictions may impact the firm’s smartphone revenues by \$10 billion, while stating that the U.S.-government’s 90-day extension to a reprieve allowing it to buy components from U.S. firms has had no impact on Huawei Technologies.

“The extension has had no impact on Huawei. We already have got used to living and working with anti-establishment frictions,” Mr. Xu said on the sidelines of a conference to launch a new artificial intelligence chip at its headquarters.

He added, “We also believe it is not very likely for Huawei to be relieved from such a working state. Huawei as a company and our employees... are fully prepared for living and working with such an environment for a long time.”

Asked about a two-month old statement by Huawei CEO Ren Zhenfai that U.S. restrictions may impact the company’s revenue by \$30 billion, Mr. Xu said, “...situation is not as pessimistic [now]... May be that was the forecast of possibly the worst scenario. Now the situation is much better than we had forecast.”



Challenges in the external environment will not impact our plans, says Eric Xu

He, however, added that these external factors may lead to an impact of about \$10 billion on the firm’s global smartphone sales. In 2018, Huawei’s revenue from devices business stood at nearly \$50 billion.

The “many challenges in the external environment”, Mr. Xu, pointed out, will not impact Huawei’s plans related to either its AI strategy or research and development.

Huawei on Friday launched “world’s most powerful AI processor” Ascend 910, under its Ascend-Max chipsets. The new chip-set is aimed at making “more affordable and abundant computing power” to help AI development.

The company also unveiled its open source AI computing framework that will make it easier for developers to make AI applications. Huawei’s AI strategy is designed to bridge these gaps, a statement said.

(The writer was in Shenzhen at the invitation of Huawei Technologies)

WATER RESOURCES DEPARTMENT Sinchai Bhawan, JLN Marg, Jaipur Rajasthan

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No:- Tender/2019-20/NHP/603

Date: 20-08-19

E-Tender No. NHP/SPMU/RAJ/NCB/02/2019-20

On behalf of Governor of Rajasthan E-NIT No. NHP/SPMU/RAJ/NCB/02/2019-20 is invited from eligible bidder for Non-Consulting Service Hiring of services for scanning, digitization of historical data, maps and reports in Rajasthan under National Hydrology Project (NHP). Interested bidders can participate in tendering under e-procurement procedure. The details are shown below:-

Sr. No.	Name of Work	Earnest Money	Cost of Tender Document (In Rs.)		
1.	Hiring of services for scanning, digitization of historical data, maps and reports in Rajasthan under National Hydrology Project (NHP)	4.55 Lakhs	2000.00		
2.	Date of Commencement of Downloading of Bid Document	30-08-2019, 9.30 A.M.			
3.	Pre-Bid Meeting	06-09-2019, 02.30 P.M.			
4.	Last date for Downloading Bid Document from the E-procurement platform http://eproc.rajasthan.gov.in	01-10-2019, 12.30 P.M.			
5.	Last Date & Time for Bid Submission / uploading of Bid in e-procurement platform	01-10-2019, 12.30 P.M.			
6.	Time & Opening of Bid (Technical)	01-10-2019, 3.30 P.M.			
7.	Place for Opening of Bid & Address for Communication	Superintending Engineer, MIS, SPMU-NHP, W/R, Sinchai Bhawan, JLN Marg, Jaipur, Rajasthan. Pincode-302017			
Processing Fees (In Rs.): 1000.00					
Period of Completion: 12 Months, 12 Months Defect liability period					

Other details are available on following website:

(1) <http://water.rajasthan.gov.in>

(2) <http://sppp.raj.nic.in>

(3) <http://eproc.rajasthan.gov.in>

UBN Code: WRD1920WSOB00652

DIPR/C/6867

Superintending Engineer, MIS
SPMU-NHP
Water Resources Rajasthan, Jaipur

DIRECTORATE OF AGRICULTURE AND FOOD PRODUCTION, ODISHA, BHUBANESWAR

CORRIGENDUM

In pursuance of Tender Notification on dated 14.08.2019 in the Newspaper The Hindu, The Times of India, The Sambad & The Prameya, the following ratification of errors in the tender document is to be reflected .

- The Tender Notification number may be read as 1256 dated 09.08.2019.
- The Current account number of the Deputy Director of Agriculture (Plant Protection) Odisha is **11109327637** and **IFSC- SBIN0009025** of the State Bank of India, Govt. Treasury Branch, Bhubaneswar for submission of Bank guarantee.
- The Odisha MSME Development Policy, 2016 notified on dated 24.11.2016 vide No 7845-17-MSME-63/2016 will be followed in this Tender.
- As per the Odisha Procurement Preference policy for Micro & Small Enterprises, 2015, there **should not be any minimum turnover requirement** for Micro & Small Enterprises in participating in procurement process.
- As per the Govt. of India, Ministry of Agriculture Gazette Notification Number SO-3054 (E) the **Manufacturing License** for Micronutrients, Bio-fertilizers & Organic Fertilizers is exempted.
- In trade group **Organic Fertilizer Sl. No. 3, the Press Mud** is omitted as it is not in FCO.
- The Packing size of the Trade group - Micronutrient will be 1 kg, 5 kg & 10 kg.
- The Packing size of the Trade group - Bio-fertilizer will be 200 gm/ml, 500 gm/ml & 1 kg/Litre.
- The Packing size of the Trade group - Organic Fertilizer will be 10 Kg & 25 kg.
- In Trade Group Bio-fertilizer- Azospirillum & Azotobacter (Powder & liquid) is included.
- The Schedule programme of the Tender is revised as per the following dates.

Schedule of Programme	Date	Time	Venue
Last date of Submission of Tender Documents.	10.09.2019	Up to 5:30 PM	Deputy Director of Agriculture (Plant Protection), Baramunda, Bhubaneswar
Opening of Technical documents by the Members of SLTC	11 .09.2019	10:30 AM	Quality Control Laboratory Building, Saheednagar, Bhubaneswar.
Scrutiny of Technical documents by Scrutiny Committee.	11.09.2019 to 13.09.2019	10:30 AM to 5:30 PM	
Finalization / Declaration of the Qualified Manufacturer and their products by SLTC	16.09.2019	11:00 AM onwards	
Opening of the Financial Bids	16.09.2019	2:30 PM	
Scrutiny of the Financial Bids	16.09.2019 to 18.09.2019	10:00 AM to 5:00 PM	
Submission of Proceedings of SLTC to Govt. for approval	19.09.2019		

Sd/-
Director of Agriculture & Food Production, Odisha