

No relief for non-resident e-comm companies from equalisation levy

US-India business group lists pain points; FinMin says no plan to extend payment date

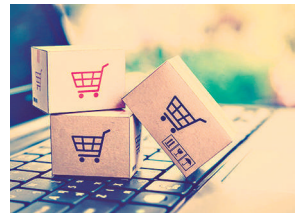
SHISHIR SINHA
New Delhi, July 7
The Finance Ministry has made it clear that non-resident e-commerce companies will not get any relief from the equalisation levy. Tuesday was the due date for paying the first instalment of the levy which came into effect from April 1.

"There is no such proposal," a senior tax official told *BusinessLine* when asked if there will be any extension of the date. The response is important as a group of US and Indian companies, under the banner of US India Strategic Partnership Forum (USISF), wrote to Finance Secretary Ajay B Pandey urging him to defer "the date of implementation of the levy alternatively, postpone the first due date for payment or at least grant relief from interest for delayed payment of first instalment." This group has members including Cisco, Boeing, Dell, Bank of America, Adobe, Fe-

dex, Star & Disney India, ITC and SpiceJet.
The Finance Ministry is yet to take a call on granting relief from interest, in case of delayed payment.

Applicable tax
In the 2020-21 Budget, the government had widened the ambit of the equalisation levy (also known as Google Tax) by including e-commerce companies. The applicable tax rate is 2 per cent (plus a surcharge) on amount of consideration received/receivable by an e-commerce operator.

Here an e-commerce operator refers to a non-resident who owns, operates or manages digital or electronic facility or platform for online sale of goods or online provision of services or both. The law says the levy will not be applicable for any e-commerce operator having permanent establishment in India. Also, an operator with annual turnover up to ₹2 crore is ex-



empted from the levy. The letter to the Finance Secretary (who is also Revenue Secretary), as seen by *BusinessLine*, reiterated the request for deferment and clarifications on the expanded scope of the equalisation levy. The group felt that the Government is yet to respond to a number of questions posed by e-commerce operators.

Several issues
"Since the new levy was not accompanied by the customary Explanatory Memorandum explaining the object and purpose of the levy, the e-commerce operators have been grappling with the scope of the expanded levy including issues such as the scope of 'consideration' in the case of a market place model, interplay with existing provisions, ex-

emption under domestic tax law, the mismatch between effective date of the expanded levy and corresponding exemption under domestic tax law, among others," the letter said.

It was expected that there would be answers to 'Frequently Asked Questions (FAQ)' or clarifications. Rather, on July 3, the Finance Ministry modified the Income Tax New Series challan form (ITNS-285) by adding 'E-commerce operator for e-commerce supply or services' under the heading 'Type of Deductor'. Also, under address section, there is an option to mention 'Outside India.' PAN (Permanent Account Number) needs to be quoted mandatorily.

Businesses are peeved over the PAN issue. They said one section of IT law does not require PAN and secondly getting PAN for a non-resident at such a short notice is not possible. Non-residents do not have a bank account in India. There could be issues with directly remitting payment to the authorised banks in the country, it is said.

E-comm firms may get more time to display 'country of origin' for existing products

AMITI SEN
New Delhi, July 7

The Centre is likely to give a longer time-frame to e-commerce companies to display 'country of origin' for products already listed by sellers on their portals, but it will not exempt such items from the requirement, a government official has said.

For new products that get displayed on online retail platforms, however, the time given to mandatorily start displaying the country of origin may be shorter, the official told *BusinessLine*.

"The time-lines that e-commerce companies would be comfortable with for displaying country of origin for products sold on their platforms will be discussed in a second meeting between industry representatives and the government likely this week," the official said. The meeting could take place on July 8.

The government wants e-commerce companies to display the country of origin for items sold on their platforms to enable consumers make informed choices. With anti-China feelings running high among certain section of buyers because of the on-going



border tension, there is a feeling that many may reject items coming from China.

Long time to update

In the first meeting between the e-commerce companies and the Department for Promotion of Industry and Internal Trade (DPIIT) on June 25, the e-tailors told the government that while they were ready to comply with the requirement of displaying 'country of origin' it would be difficult to do so for items already listed on the platform. For large players like Flipkart and Amazon, the items listed run into thousands and it would take a lot of time to update them with information on the countries they originate from.

"We understand that it might take a long time for existing products to be updated with country of origin but it

can be surely done. Sellers on the Government e-Market platform have started doing so already," the official said.

Some e-commerce companies are also worried that displaying the 'country of origin' for the stocks that they hold may result in the items not getting sold. With Covid-19 disruptions hurting business, this could be an additional blow.

On the issue of how the 'country of origin' is to be defined and whether sellers will also have to account for the inputs sourced from a foreign country used in their products, the official said that there was already an established system for this.

GeM, the online procurement platform for government bodies, which has made it compulsory for new items to have the country of origin mentioned, has also enabled a provision for indication of the percentage of local content in products.

According to traders' body CAIT, which is supporting a 'boycott Chinese goods' campaign, about 70 per cent of items sold on major e-commerce platforms in India were of Chinese origin.

Sitharaman nudges CPSEs to expedite capex spend

OUR BUREAU
New Delhi, July 7

Central public sector enterprises should quicken the pace of capital expenditure spend, according to Finance Minister Nirmala Sitharaman. This is to be done while keeping in mind efforts to support the growth of the economy, she said.

Sitharaman said this at a meeting with Secretaries of Ministries of Petroleum and Natural Gas, Power, Coal, Mines, and the Department of Atomic Energy. Chairman and Managing Directors of 23 Central Public Sector Enterprises (CPSEs) belonging to these Ministries also attended the meeting.

The meeting, held through video conference, was a part of a series of meetings that the Finance Minister is having with various stakeholders to accelerate economic growth, an official statement said.

In fiscal 2019-20, the capital expenditure target of the 23 CPSEs was ₹1,64,822 crore. The achievement was ₹1,66,029 crore. The capex target for FY21 is ₹1,65,510 crore. The capex achievement by the CPSEs in the first quarter of FY21 stood at ₹20,202 crore.

Inadequate workforce, tepid consumption to make MSME recovery slow amid Covid-19 spike

G BALACHANDAR
Chennai, July 7

Micro, small and medium enterprises (MSMEs) indicate that challenges pertaining to availability of workers and consumption will make the recovery process slow across categories, amid restart of operations across clusters.

Industry representatives and business owners say that while companies have managed to restart and sustain operations at low capacity levels in the past few weeks, challenges remain in the areas of working capital, availability of migrant workers and offtake from consumers.

"Overall, there will be 20-25 per cent schedule available for MSMEs. Of course, those who are in textiles may have better schedules due to new businesses like PPEs, masks, etc. But they face issues of workforce and inadequate working capital loans," K Srikanth, Convenor, MSME Panel (Tamil Nadu), CII, told *BusinessLine*.

While the textile segment witnessed slow improvements in the beginning of June and July, compared with May, the recovery will be gradual in the textile value chain because of its interlinkage with various markets.

"For example, yarn spun by TN spinning mills goes to Maharashtra weaving clusters. But if the weaving cluster is in the red zone and not fully operational, our yarn sector would need to wait for full recovery.



MSMEs have managed to restart and sustain operations

The same applies to retail-linked products too," said Prabhudev Dhamodharan, Convenor, Coimbatore-based Indian Textile Manufacturers Federation. "In segments like engineering or auto, the machinery is meant for a particular technology, unlike the textile machinery, where a stitching machine can stitch anything. So, these segments are having only 15-20 per cent schedule due to poor demand," added Srikanth.

The business to consumer (B2C) segment is still hit by poor demand. Only some need-based or replacement products are seeing offtake. But that share is very small and sales are moving at a snail's pace. People are unwilling to come out to buy due to Covid-19 related fears.

"Also, the entire workforce in India is paid less. Very few companies have paid full salary during this Covid-19 period. People will conserve whatever little money they have due to concerns over Covid-19-related expenses," added Srikanth.

While most of the representatives *BusinessLine* spoke to, ad-

mit that MSME units are facing challenges in getting adequate working capital loans, they also urge the government to expedite the process of income tax refund to people in the category of above ₹5 lakh. "Maybe a partial income tax refund in the category of ₹5-15 lakh will be of help in some way during this crisis period," added a representative.

While consumption is expected to pick up gradually, MSME units worry over the availability of labour force. They expect the State governments to bring back the migrant labourers the way they were sent to their native districts. However, States like Tamil Nadu have indicated that they are not yet ready to do so due to very high number of Covid-19 positive cases.

GST collections
Meanwhile, the Consortium of Indian Associations (CIA) has warned that GST collection in June was not reflective of the true picture at the ground level.

"When the lockdown was announced on March 25, all MSME units had orders to be completed during the last week of March (the annual year-end). But nothing could be done till May end. In June, barring units in big cities, all others started operations. So, with about 65 days of invoicing, June collections should have been significantly higher. But it was not so," pointed out KE Raghunathan, Convenor of CIA.

Finance panel report to devote a chapter to health financing

OUR BUREAU
New Delhi, July 7

For the first time, the Fifteenth Finance Commission (FFC) will devote an entire chapter on health financing in its final report, its Chairman NKSingh has said. He also said that the high-level committee on the health sector constituted by the FFC and the World Bank will dovetail their study and analysis to come up with suitable recommendations for the sector.

The Government of India's spending on health through Centrally sponsored schemes will also be studied in detail by the Commission before it gives its recommendations to the Union Government, Singh said during a meeting with representatives of the World Bank, NITI Aayog and member of the FFC's high-level group on the health sector. The World Bank was represented by Junaid Ahmad, Country Director; Muhammad Ali Pate, Global Director; and other senior officials. Randeep Guleria, Director, AIIMS; Indu Bhushan, CEO, Ayushman Bharat; and VK Paul, Member, NITI Aayog, also took part in the meeting.

World Bank's Junaid Ahmad said that health was not just a social expenditure but also important for economic growth and development of the country.

I-T exemption on sovereign wealth funds' income from infra investment notified

OUR BUREAU
New Delhi, July 7

In order to boost foreign investment in infrastructure, the Income Tax Department has notified norms for tax exemption on interest, dividend and capital gain incomes of sovereign wealth funds (SWFs) and global pension funds arising from their investments in infrastructure here.

The notification is a follow-up to a new provision (Section 10-clause 23FE) of the Finance Act 2020 which talks about tax exemption to certain category of non-resident investors on their income streams such as dividends, interest and capital gains. The exemption will be applicable on "any income of a specified person in the nature of dividend, interest or long-term capital gains arising from an investment made by it in India, whether in the form of debt or share capital or unit if the investment is made on or after April 1, 2020 but on or before March 31, 2024 and is held for at least three years."

Global investors

The provision is meant for global investors such as Abu Dhabi Investment Authority through their wholly owned subsidiary, Sover-

eign Wealth Funds and Pension Funds and increases their commitment/allocations to India. Experts say, based on the notification dated July 6, investments made by these investor funds directly or through vehicles such Category-I or Category-II Alternative Investment Fund (AIF) into as many as 34 defined infrastructure sectors will qualify for exemption.

The notification issued finally aligns the definition of the term "infrastructure facility" with the Harmon-

ised Master List issued by the Finance Ministry in 2018. Pursuant to the notification, investing in Indian infrastructure would turn attractive, unmindful of hasty down grade of country ratings and allow long-term stable capital to chase high quality infrastructure projects.

Capital flow

"Allowing such a wide-ranging list of qualifying investments for tax incentives would allow capital formation to flow into social in-

frastructure such as educational institutions, sports stadiums, tourism, operationalise long pending investment creation of theme-based parks including food parks, multi-modal logistics parks and textile parks," Aravind Srivatsan, Partner at Nangia Andersen LLP said. Further, themes which resonate with the new India such as city gas distribution network, bulk material transportation pipelines, urban public transport and rail infrastructure will also qualify.

Injeti Srinivas appointed IFSCA Chairman

OUR BUREAU
New Delhi, July 7

The Appointments Committee of the Cabinet has approved the appointment of Injeti Srinivas, a retired IAS officer, as Chairman of International Financial Services

Centres Authority (IFSCA). He has been appointed for a period of three years. Srinivas was Secretary, Ministry of Corporate Affairs (MCA), before he superannuated on May 31. Headquartered in Gandhinagar in Gujarat, IFSCA is a uni-

fied authority to regulate all financial services in International Financial Services Centres in the country.

Besides the Chairman, IFSCA has a member each nominated from RBI, IRDAI, SEBI and PFRDA.

NLC India Limited
"Navratna" - Government of India Enterprise
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CIN : L93090TN1956G0003507, Website: www.nlcindia.com
E-mail: investors@nlcindia.in

NOTICE

Transfer of Equity Shares of the Company to Investor Education and Protection Fund (IEPF) Authority.

Notice is hereby given to the shareholders of NLC India Ltd. ("the Company") whose shares are required to be transferred to the Investor Education and Protection Fund ("IEPF") Authority in accordance with the section 124(6) of the Companies Act, 2013 ("the Provisions") and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"). As per the provisions, all shares in respect of which dividend have remained unpaid or unclaimed for seven consecutive years or more shall be transferred to IEPF Authority.

The dividend amount for the year 2012-13 (Final) unpaid / unclaimed for a period of seven consecutive years is due for transfer to the Investor Education and Protection Fund. Accordingly, the Company will be transferring the equity shares corresponding to the dividend which remained unpaid or unclaimed for a period of last seven years to IEPF Authority in accordance with the Rules from time to time. It may also please be noted that all subsequent corporate benefits such as Bonus Shares, Dividend etc. that may accrue in relation to the above shares will also be credited to the said demat account of IEPF Authority.

A separate communication is being sent individually to the concerned shareholders whose shares are liable to be transferred to IEPF Authority. The Company has also uploaded full details of such shareholders and shares due for transfer to the above Account on its website at www.nlcindia.com. The shareholders may also note that both the unclaimed dividend and the shares transferred to IEPF Authority including all benefits accruing to such shares, if any, can be claimed back by them from IEPF after following the procedure as prescribed under the Rules.

The shareholders who have not claimed their dividend, can write to the Company Secretary at the Registered office/Corporate Office mentioned above or email at investors@nlcindia.in or to our Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, 2nd Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai- 600017; Email-id: anusha@integratedindia.in for making a valid claim for the unclaimed dividend lying with the company on or before 20th September 2020, failing which the relevant shares will be transferred to IEPF Authority, without further notice in this regard, in accordance with the Rules from time to time.

for NLC India Limited
K.VISWANATH
COMPANY SECRETARY
Place: Neyveli
Date : 07.07.2020

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GENERAL NOTICE
Tenders of WCL HQ / Areas are available at: (i) www.coalindiatenders.nic.in, (ii) www.eprocure.gov.in. Bids can be submitted on line through www.coalindiatenders.nic.in only. Corrigendum/Addendum, if any, are published in www.coalindiatenders.nic.in only - informs the General Manager (CMC), WCL HQ, Coal Estate, Civil Lines, Nagpur - 440001.
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NOTICE OF 6th ANNUAL GENERAL MEETING AND E-VOTING INFORMATION

Notice is hereby given that the Sixth (6th) Annual General Meeting ("AGM") of the Members of **IDFC FIRST Bank Limited** ("the Bank") will be held on **Thursday, July 30, 2020 at 11:00 a.m.** Indian Standard Time ("IST"), through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"), in compliance with the applicable provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder and the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), read with General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020 issued by Ministry of Corporate Affairs ("MCA") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred as "Relevant Circulars"), to transact the business as set out in the Notice of the AGM dated June 22, 2020. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided at <https://www.evoting.nsd.com>. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

In compliance with the Relevant Circulars, the Notice of the AGM along with the Annual Report 2019-20, have been sent on Tuesday, July 07, 2020, through electronic mode, to all those Members of the Bank whose e-mail addresses are registered with the Bank Registrar and Share Transfer Agent ("RTA") i.e. KFin Technologies Private Limited ("KFIN") Depository Participant ("DP"). The requisite documents are also available on the Bank's website at www.idfcfirstbank.com/investor-relation/all-annual-reports and the website of National Securities Depository Limited ("NSDL") at <https://www.evoting.nsd.com>. The same is also displayed on the websites of the respective Stock Exchanges viz. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com.

In compliance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of the SEBI Listing Regulations and Relevant Circulars, the Bank is providing the facility for Remote e-voting as well as the E-voting at the AGM to its Members to exercise their right to vote by electronic means on any or all the businesses specified in the Notice convening 6th AGM ("e-voting") through NSDL e-voting platform. The voting rights of Members shall be in proportion to the equity shares held by them in the paid-up equity share capital of the Bank as on the cut-off date i.e. **Wednesday, July 22, 2020**. A person who is not a Member as on the cut-off Date should treat this notice for information purpose only.

The Remote e-voting commences on **Saturday, July 25, 2020 at 9:00 a.m. (IST)** and ends on **Wednesday, July 29, 2020 at 5:00 p.m. (IST)**. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their votes on the Resolutions through Remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through E-voting during the AGM. The Members who have cast their votes by Remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their votes again.

Any person, who acquires shares of the Bank and becomes a Member of the Bank after the Notice has been sent electronically by the Bank and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for Remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

If you have not registered your e-mail address with the Bank/ RTA / DP, you may please follow below instructions for obtaining login details for E-voting:

1. Physical Holding	Send a request to the RTA of the Bank, KFIN at einward.ris@kfintech.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) for registering e-mail address.
2. Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

Detailed procedure for Remote e-voting / E-voting is provided in the AGM Notice. Further, Members are requested to carefully read all the Notes set out in the Notice of the AGM and in particular, instructions for joining the AGM, manner of casting vote through Remote e-voting or through E-voting during the AGM.

In case of any queries relating to Remote e-voting, please refer the Frequently Asked Questions ("FAQs") and E-voting User Manual for Shareholders available at the Downloads section of www.evoting.nsd.com or contact at toll free no.: 1800-222-990 or send a request to evoting@nsdl.co.in. In case of any grievances connected with the facility for voting by electronic means, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. E-mail: evoting@nsdl.co.in/pallavid@nsdl.co.in. Tel: 91 22 2499 4545/ 1800-222-990.

By order of the Board of Directors
For IDFC FIRST Bank Limited
Sd/-
Satish Gaikwad
Head - Legal & Company Secretary

