

Daily News Monitor: 8 July 2020

1. Income tax department notifies exemption for sovereign wealth funds

Source: Livemint ([Link](#))

Aimed at attracting more investments into the country, the income tax department has issued a notification giving sovereign wealth funds and global pension funds the benefit of income tax exemption on their investment in Indian infrastructure. The tax exemption will apply to interest, dividend and capital gain incomes. In a notification, the Central Board of Direct Taxes (CBDT) widened the scope of 'infrastructure' for the purpose of claiming income tax exemption under Section 10 (23FE) of the I-T Act introduced via the Finance Act 2020. The said Section permits a complete tax exemption to certain exclusive category of non-resident investors on their income streams such as dividends, interest and capital gains. This notification shall come into force from April 1, 2021, and shall be applicable for the assessment year (AY) 2021-22 and subsequent AYs.

2. AIIB extends \$50 mn loan to L&T Infra Finance for Renewable Energy

Source: Business Standard ([Link](#))

Asian Infrastructure Investment Bank (AIIB) has released \$50 million in the first tranche of assistance to L&T Infrastructure Finance Ltd for funding Renewable Energy projects in the country. The Beijing-based a multilateral development bank, which invests in sustainable infrastructure, has sanctioned total \$100 million loan to unit of L&T Finance Holdings. This is AIIB's first loan to a non-banking financial company (NBFC) in India, the company said in a statement. The loan proceeds will be used to on-lend to large and mid-scale wind and solar power infrastructure projects in India. With the closure of this financing deal with AIIB, LTIF has further diversified its long-term funding sources. Dinanath Dubhashi, Managing Director & CEO, L&T Finance Holdings said that lending to clean energy goes beyond the actual book and the company has built an ecosystem for all stakeholders to be a part of the green energy initiative.

3. I&B ministry proposes to bring content on OTT platforms under its purview

Source: Business Standard ([Link](#))

The Information and Broadcasting (I&B) Ministry has proposed bringing under its purview the contents being streamed on the several over-the-top (OTT) platforms, said a top ministry official said on 7 July. At present, OTT platforms that are digitally streamed falls under the domain of the Ministry of Information and Technology (IT). "OTT being a digital platform

will fall under the purview of the Ministry of IT but now we are proposing a decision that the content should fall within the purview of I&B ministry," said Ministry of Information and Broadcasting Secretary Amit Khare. He said "there is a need for convergence of various ministries (in this regard), particularly in the ways changes are happening, (it) is extremely necessary". Khare rued that regulatory regimes in India have been developed as per the platforms and the country has no regulations as of now for the emerging media like OTT players.

4. Amazon India unit gets fresh fund infusion of ₹2,310 crore from paren

Source: Livemint ([Link](#))

US-based e-commerce giant Amazon has infused fresh capital to the tune of ₹2,310 crore into one of its India units, Amazon Seller Services, according to regulatory documents. Amazon Corporate Holdings and Amazon.com.inc have made the ₹2,310 crore investment in the unit, documents filed with the corporate affairs ministry showed. The board of directors of Amazon Seller Services passed the resolution at their meeting on June 25, 2020. E-mails sent to Amazon India seeking comments on the fund infusion did not elicit a response. According to financial data accessed by business intelligence platform Tofler, a significant share of the funds (₹2,309.8 crore) came from Amazon Singapore. The fresh funds will provide more arsenal to Amazon in India as the company has been aggressively investing in expanding infrastructure and adding solutions to enhance consumer and seller experience.

5. Finance Ministry report says green shoots in economy visible, lists indicators that show revival

Source: Financial express ([Link](#))

The finance ministry has asserted that “green shoots” have started to emerge in the economy, even as it acknowledges that the International Monetary Fund has pegged India’s FY21 growth at minus 4.5%. Highlighting several data points in its monthly macro-economic report to buttress its assumption of a nascent recovery, the department of economic affairs has said total digital retail financial transactions via NPCI platforms rose sharply from Rs 6.71 lakh crore in April to Rs 9.65 lakh crore in May. Consumption of petroleum products jumped 47% from 99.37 lakh tonnes in April to 146.46 lakh tonnes in May. Kharif sowing climbed 104.3% year on year, with Rabi procurement in full flow with respect to oilseeds, pulses and wheat due to a bumper harvest.

6. Govt eases export, import process; lays out ‘Turant Customs’ plan for faster clearance

Source: Financial Express ([Link](#))

In an effort to smoothen the process of imports and exports in India, the government has introduced a contactless process, which would enhance the in-house testing capability of the customs. M Ajit Kumar, Chairman, Central Board of Indirect Taxes & Customs (CBIC) unveiled new and modern testing equipment inducted into the Central Revenues Control Laboratory (CRCL), aimed at making imports and exports clearances faster, said a statement by the Ministry of Finance. Under the CBIC’s flagship programme — Turant Customs — the government has equipped the testing facilities of the CRCL with state-of-art equipment, costing about Rs 80 crores.

7. Indian companies continue to pay a high cost for compliance, report says

Source: Money Control ([Link](#))

Indian companies continue to have a high burden of compliance, with the average firm expected to meet 25,537 central compliances. If a company operates in all states, it has to follow 69,233 compliances, Mint reported citing data from consultancy TeamLease. In states such as Maharashtra (3,657 compliances) and Gujarat (3,048), where industrial activity is high, the burden of compliance is even greater, the data said. India's Ease of Doing Business Ranking has improved significantly from 142 in 2014 to 63 in 2019. But there are challenges related to implementation and interpretation of the laws, Amit Maheshwari, partner at Ashok Maheshwary & Associates LLP told Mint.