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STRICTLY STREET

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WISE SAYINGS

"Your most unhappy customers are your greatest source of learning."

- BILL GATES

What is NeAC?

Union Finance Minister Nirmala Sitharaman inaugurated National e-Assessment Centre (NeAC) in New Delhi. With this, the Income Tax Department is introducing faceless e-assessment to impart greater efficiency, transparency and accountability in the assessment process. There would be no physical interface between taxpayers and tax officers. Under the new system, taxpayers have received notices on their registered emails as well as on registered accounts on the web portal, with real-time by way of SMS on their registered mobile number, specifying the issues for which their cases have been selected for scrutiny. Replies to the notices can be prepared at ease by taxpayers at their own residence or office and sent by email to the National e-Assessment Centre by uploading the same on the designated web portal. This is another initiative by Central Board of Direct Taxation (CBDT) in the field of ease of compliance for the taxpayers.



INVESTMENT IN OZONE TECHNO PARK

At a time when most NBFCs have stopped making new investments, the Goldman Sachs Group has put around Rs 500 crore into an income-producing asset of the Bangalore-based Ozone Group. Goldman Sachs (India) Finance Pvt Ltd and Goldman Sachs Investments (Mauritius) Ltd. jointly invested in the venture. The investment has been made through a structured debt arrangement. Ozone Techno Park is a ready and fully leased commercial project that houses tenants such as HCL, CTS, Rainbird Healthcare and Firstsource Solutions. The company is likely to use a part of the funds raised to repay some of its debt obligations, including to Urban Infrastructure Venture Capital that has exposure to some of its other projects.

ADD TO VOCAB



Keep and pay - It refers to a type of bankruptcy exemption. It lets a person keep an asset, provided that the individual continues to make payments.

INVESTMENT IN CRIDS

Flipkart co-founder Sachin Bansal, who had last year exited the e-commerce major with USD 1 billion in payout, announced an investment of Rs 739 crore in microlender CRIDS for an undisclosed stake. "There will be total infusion of Rs 739 crore from Bansal and he assume the role of chief executive of CRIDS," the microlender said in a statement. CRIDS was founded by Anand Rao and Samit Shetty, who will continue to be associated with the business, it added. Chaitanya Rural Intermediation Development Services (CRIDS) provides loans for two-wheelers, housing, small business and education across Karnataka, Bihar, Jharkhand, Maharashtra, and UP.



GRAB THE FACTS!

- Upon graduating, Ratan Tata turned down an offer from IBM on the advise of JRD Tata. Azim Premji started his career with dropping out of Stanford at age 21 to take over the reins of Wipro following the sudden demise of his father. At that time, the company made hydrogenated cooking fat.
- Google was originally called BackRub.
- McDonald's first menu items were hotdogs, not hamburgers.
- Starbucks spends more on health care insurance of its employees (\$300 million) than on coffee beans.

IS MEETING THE FISCAL TARGET A CHALLENGE?

The budget has set the fiscal deficit target at 3.3 percent for the current fiscal but the steeply falling GST collection and the historic cut in corporate taxes have raised concerns over the possibility of meeting the target. Many analysts are of the view that the government will miss the target by a wide margin of 70-80 bps. Last month, the finance minister had announced tax cuts for corporates by 10-12 percent to 25.17 percent, involving a revenue loss of Rs 1.45 lakh crore this fiscal. The Goods and Services Tax (GST) collection has declined to a 19-month low and dropped to Rs. 91,916 crore in September, showed government data, increasing the risk of fiscal slippage at a time demand remains weak in India.

By lowering corporate tax, the government has already taken a big bet. The lower collection will further exacerbate the risk of the country slipping from its fiscal deficit target of 3.3 per cent of gross domestic product in 2019-20. With the flagging growth (RBI itself has lowered the GDP estimate to 6.1 per cent), there is every possibility of fiscal deficit number breaching the targeted 3.3 per cent of GDP. Amid dwindling stock market valuations, the government is banking on disinvestment to raise over Rs 1 lakh crore. However, raising such an amount at lower valuations will be challenging. The government is unlikely to sell its stake at dirt-cheap prices.

New strategic disinvestment process: Need of the hour

The Cabinet has approved a new process of strategic disinvestment with a view to expediting privatisation of select PSUs. The Union Cabinet headed by Prime Minister Narendra Modi at its meeting on Thursday evening approved the new policy under which the Department of Investment and Public Asset Management (DIPAM) under the Ministry of Finance has been made the nodal department for the strategic stake sale. This was done with a view to streamlining and speeding up the process, reducing the role of administrative ministries which often used to place hurdles in the path of major stake sales, officials said. DIPAM and NITI Aayog will now jointly identify PSUs for strategic disinvestment, they said. The government has set a target of mobilizing Rs 1.05 lakh crore from disinvestment proceeds and these proceeds will be critical for the government to stick to its fiscal target.

HIGHLIGHTS

- Indian Railways' Bhubaneswar railway station to become world-class! It will be completely redeveloped into a first-of-its-kind multi-modal transport hub.
- SBI becomes first Indian bank to have office in Australia's Victoria.
- Netflix has tied up with Shah Rukh Khan's Red Chillies Entertainment, to stream ₹50 cr web series 'Bard of Blood'.
- Government has extended Uday Kotak's term as non-executive director on the board of beleaguered IL&FS by one year till Oct 2, 2020.
- Care ratings has downgraded patanjali long term bank facilities by two levels as it partly funds the acquisition of edible oil maker Ruchi Soya.
- Paypal withdraws support for Facebook cryptocurrency Libra. Bosch to shut production for 10 days per month in third quarter.

Sources

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TEST YOUR AWARENESS



- Who is known as the Oracle of Omaha?
- Who was the first finance minister of independent india?
- Which real estate company was the major borrower that led to the PMC Bank crisis?

WORTH KNOWING

- Rupee is not made of paper! It is composed of cotton and cotton rag.
- Only Re. 1 notes and coins in India are signed by the Finance Secretary as they are printed by the Central Government. All other Indian currency notes in India are printed by RBI.
- The current series of bank notes are called Mahatma Gandhi Series. These series of notes were introduced in 1996.
- Coins can be issued up to the denomination of Rs. 1000 as per Coinage Act, 2011.