

Govt to ease sourcing norms for Apple stores

Sidhartha@timesgroup.com

New Delhi: Signalling a review of the finance ministry's decision, the government may allow Apple to open stores in India with relaxed sourcing norms, government sources said.

The view emerging in the government is that the finance ministry — which overturned the decision of a panel with representatives from the Departments of Industrial Policy and Promotion (DIPP), Electronics and IT and NITI Aayog — has not taken "a very liberal view" of Apple's proposal to open stores in India without the 30% sourcing norms, sources told **TOI**. The government had last year created a special window to let companies "with cutting-edge" technology open stores through the single-brand retail route without mandatory sourcing.

Commerce & industry minister Nirmala Sitharaman hinted at a review saying her ministry will discuss the issue with the finance ministry. "Now, the finance ministry has already

'Extend tax holiday for startups to 7 yrs'

New Delhi: The Finance Ministry should consider raising tax holiday for startups to 7 years from the current 3 years to encourage budding entrepreneurs, commerce and industry minister **Nirmala Sitharaman** said on Monday.



Sitharaman said lots of inputs from startups have been received and "recommendations have gone to the Finance Ministry for extending the 3-year tax holiday to 7 years".

"We shall pursue it and there shall now be lots more interactions with them," she told reporters while briefing them on the initiatives taken by her ministry during the last two years.

The minister said she would visit different co-work spaces of these new age companies to see the ground picture and infuse fresh energy. Several startups have pitched for increasing the tax holiday period from the current three years as it would provide certainty on taxation matter. AGENCIES

dy taken a different position, we will certainly talk to them... I want more clarity on that... We will talk and make sure that sooner we will come out with some decision," she told reporters on Monday morning.

Sources told **TOI** that the concern over the finance ministry's proposal has been flagged at the highest level and there has been a suggestion that the issue should be discussed at the level of officers.

They contested the fi-

nance ministry's observation over the decision of the panel to classify Apple's proposal in the "cutting-edge" category. While North Block had pointed out that the recommendation was made without any "expert" being part of the group, sources said the Department of IT as well as NITI Aayog representatives had provided technical inputs. Similarly, the finance ministry has pointed out that even Xiaomi had sought permission to open stores in the

same category, a proposal that was withdrawn after the DIPP sought detailed queries.

"Can Apple sources from artisans and local vendors when none exist?" asked a source. Countering the finance ministry's claims over the plan impacting job creation, sources said Apple had indicated that in the years ahead, they would open a few hundred stores, which will create several jobs.

"We are not talking about changing the rule for manufacturing. We are just saying let's be clear on single-brand retailing... Why do we want to have something which is not going to change in any way the parameter in the market and therefore we want to explain it out to the finance ministry," Sitharaman said.

Last week, the Foreign Investment Promotion Board (FIPB), under the finance ministry, had red-flagged a panel's proposal to ease the mandatory local sourcing norm for the Cupertino-based company to sell its products through the single-brand retail window.