

**GST Package and Relief**

India is looking to unveil a package to aid small businesses. It includes raising the exemption threshold for goods and services tax to ₹75 lakh. The GST Council at its 32nd meeting on Thursday will consider a number of steps such as cut in tax rate for construction sector and state-authorised lottery.

**ON THE MENU****RELIEF FOR SMALL BUSINESSES**

**INCREASE** in exemption threshold to **₹75 lakh**

**INCLUDE** service providers with up to **₹50 lakh** turnover under composition scheme

**FREE** billing and accounting software for all taxpayers up to **₹1.5 cr**

**BONANZA FOR HOME BUYERS**

**SLASH GST RATE TO 5% from 12% on under-construction flats**

**TWEAK TAX ON LOTTERY**

Harmonise tax rates on state-owned lottery at 12% & state-authorised at **28%**

**CALAMITY CESS FOR KERALA**

**1% cess** in line with recommendation of GoM

# World Bank Pegs India Growth at 7.5% for 3 Yrs

Sees 'storm clouds' gathering over global economy, warns of trade tensions

Our Bureau

New Delhi: India is set to grow at a faster pace over the next three years even as "storm clouds" gather over the global economy, the World Bank said, while warning about softened international trade and investment with trade tensions remaining elevated.

India's economic growth is forecast to accelerate to 7.5% in each of the next three financial years (fiscal 2020-22), from 7.3% in the current year, riding an upswing in consumption and a pickup in investments, as the effects of demonetisation and the goods and services tax rollout wane, the World Bank said. This is unchanged from the June 2018 forecast.

"India's domestic demand is strengthening as the country reaps the benefits of structural reforms and of a revival of credit growth," the World Bank said in its flagship 'Global Economic Prospects' report, while painting a "darkened" outlook for the rest of the world.

Global economy growth is forecast to slow down to 2.9% in 2019 from 3% in 2018 and further to 2.8% in 2020 because of a

**World Slows, India Grows**

World Bank pares global growth, India to maintain upward climb

	2018	2019	2020	2021
World	3	2.9	2.8	2.8
Euro area	1.9	1.6	1.5	1.3
India	7.3	7.5	7.5	7.5
China	6.5	6.2	6.2	6
BRICS	5.3	5.2	5.3	5.3

**DARK CLOUDS OVER GLOBAL ECONOMY**

INTERNATIONAL trade & investment have softened

TRADE TENSIONS remain elevated

HIGHER debt levels in many emerging economies

More frequent weather events

**INDIA ADVANTAGE**

Upswing in consumption

Investments growth has firmed up

Temporary drags have faded

weakening US economy and moderation in the euro area. China is projected to slow down to 6% by 2021 from 6.5% in 2018.

"At the beginning of 2018, the global economy was firing on all cylinders, but it lost speed during the year and the ride could get even bumpier in the year ahead," World Bank chief executive Kristalina Georgieva said.

"Disorderly financial market developments could disrupt activity in the affected economies and lead to con-

dition effects," the report said. It warned of escalation in simmering trade disputes and said more frequent weather events raised the possibility of large swings in food prices.

**INDIA ADVANTAGE**

India's growth has accelerated because of strengthening domestic consumption, as the benefits of structural reforms such as GST harmonisation and bank recapitalisation take effect.

Official statistics released

by the government on Monday showed the Indian economy is likely to grow 7.2% in FY19, almost in line with 7.3% estimated by the World Bank and up from 6.7% last year.

"While investment continued to strengthen amid GST harmonisation and a rebound of credit growth, consumption remained the major contributor to growth," the bank said about the ongoing fiscal year.

Going ahead, "private consumption is projected to remain robust and investment growth is expected to continue as the benefits of recent policy reforms begin to materialise and credit rebounds", it said. Strong domestic demand is likely to widen the current account deficit to 2.6% of GDP next year, while inflation is forecast at the midpoint of the Reserve Bank of India's target range of 2-6%.

It said state-run banks had low profitability and high non-performing assets.

GST and steps toward demonetisation are expected to encourage a shift from the informal to the formal sector, the bank said.

It said the number of extreme poor should continue to fall rapidly in India.

## In Drive Against Shell Cos, KYC to be made Mandatory for Firms

Companies may have to share details of their key executives and professionals

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New Delhi: The ministry of corporate affairs will soon launch a know your customer (KYC) process for companies as part of its ongoing drive against shell firms.

The KYC process will make it mandatory for companies to share details of their key executives and professionals, including company secretaries, cost accountants and chartered accountants.

"It will be very soon, maybe as early as this month," said an official aware of the developments.

Shell companies are firms that exist only on paper and are set up to hold undisclosed money or for carrying out illegal activities.

The MCA had last year begun the KYC process for directors of all registered companies. Only about 1.6 million of the 3.3 million directors who have Director Identification Numbers (DIN) have so far completed the KYC process.



**KYC process**

will be linked to company filings, with cost that do not file annual reports not being allowed to complete the KYC

with companies that do not file annual reports not being al-

lowed to complete the KYC. The MCA will look at the KYC process as a way to identify shell companies, with those that do not submit their details coming under closer scrutiny.

The KYC process will also be linked to company filings, with companies that do not file annual reports not being al-

lowed to complete the KYC. "Companies would not be able to carry out too many substantive operations if they don't do their KYC," said the official quoted above.

Corporate affairs secretary Injeti Srinivas had earlier said that through the KYC process "professionals will be screened and then registered into the system". Srinivas had also said that compliance with KYC requirements will also become mandatory for registration under the MCA 21 portal of the ministry.

**PETROL-DIESEL PRICE GAP TAPERS**

Dismantling of price control has sharply eroded the price gap between petrol and diesel, the two key transportation fuels that now freely reflect the international demand-supply situation. If it were to be taxed as heavily as petrol, diesel would turn out to be more expensive today

Text: Sanjeev Choudhary



**Petrol-diesel price gap is just a third of nearly ₹18/litre five years ago** **This makes diesel cars less attractive to buyers** **Soon after diesel deregulation 4 years ago, the price gap was ₹11** **Difference widened to ₹16 in mid-2015 due to global demand-supply situation of the two fuels**

**In three months, the petrol-diesel price gap has narrowed by nearly ₹3 on global oversupply of petrol** **Globally, margin on petrol collapsed from about \$10/barrel in October to \$2 now. Was negative on some days in December** **For diesel, margin down from \$16 to \$12 in three months**

**Price Differences between Petrol and Diesel (₹/litre in Delhi)****Price break-up for petrol and diesel (As per Indian Oil for Jan 1 rates in Delhi)**

	Petrol	Diesel
Price charged to dealers	32.51	37.06
Add: Excise Duty	17.98	13.83
Add: Dealer Commission	3.57	2.53
Add: VAT (by state govt)	14.59	9.24
Retail selling price	68.65	62.66

**Diesel is now barely ₹6 a litre cheaper than petrol. If diesel were to attract as much tax as is levied on petrol, diesel would be dearer by ₹3.5**

**Total tax on petrol ₹32.57 per litre** **Total tax on diesel ₹23.07 per litre**

**Difference in Tax: ₹9.5**



## AN EVOLVED PLASTICS EXHIBITION

**INDIAPLAST**

**28 FEB-4 MAR 2019**

India Expo Centre, Greater Noida, Delhi NCR

CONSUMER CONNECT INITIATIVE

### A global gathering of all things plastics, in India

THIS EXPO IS INTENDED FOR ADVANCED MANUFACTURING PROFESSIONALS WHO WANT TO MODERNIZE THEIR OPERATIONS, FIND NEW TECHNOLOGIES AND SOLUTIONS

Prospective Indiaplast 2019 visitors at the Ahmedabad road show held recently



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The plastics industry continues to break into newer spheres of industry, thereby enabling Indian industry to churn out products that are lighter and cost-effective. This industry has been one of the of the fastest growing industries in the Indian economy. The sector has huge unrealized potential and to tap this massive potential and to remain well versed with the latest trend and technologies, Indiaplast 2019, a first-of-its-kind exposition is being held from February 28 to March 4 at India Expo Centre, Greater Noida, Delhi NCR.

The Plastics Machinery Manufacturers Association of India (PMMAI) in association with Triune Exhibitors Pvt Ltd is

organizing the five-day event which will bring exhibitors and visitors from various fields of plastics manufacturing under one roof and create a new gateway for interaction, inspiration and innovation.

"Indiaplast expo will enable you to open direct channels of communication with hundreds of international companies participating in the show. You can identify your business needs and potential prospects by watching Live Demonstrations, Machinery and services. Global manufacturers will offer the latest technologies, equipment, and solutions. Participating exhibitors range from plastics machine manufacturers to leading tech consultants," informs Mahendra Bhai Patel, chairman, PMMAI.

bodies, research and development sector, consultants, investors, dealers, retailers and more.

**GOOD RESPONSE**

"The industry response to the exhibition is overwhelming. With an intent to showcase their technologies and capabilities live, equipment companies have booked very large spaces. With the quality crowd expected in

numbers, space in the mega-machinery halls was lapped up as it opened," informed says organizer of Indiaplast 2019 exhibition Cyril Pereira, MD, Triune Exhibitors Pvt Ltd. "We are very excited about Indiaplast 2019. We plan to showcase live, one of our latest printing press that will redefine productivity, economies of scale, energy efficiency and convenience of use, all well-integrated into one

solution; come and witness this revolution," says Bharat Shah, Chairman and Managing Director, Pelican Rotoflex Pvt Ltd., Rajkot. Adding to this sentiment further, Nirav Shah, Managing Director, Shubham Extrusion Technik Pvt. Ltd., Ahmedabad highlights, "Shubham will launch, live at Indiaplast 2019, its state-of-the-art, high-performance, fully automatic co-extrusion IBC 5-layer Polyolefin

Dedicated (POD) blown film line." The industry waits with bated breath for this mega event - travel and hotels are witnessing an unprecedented spurt during those days already. The indications are clear, visitors will get to see what they are looking for - new equipment, new technology, unprecedented automation; and that too live. Indiaplast 2019, living up to your expectations, literally!

**INDIAPLAST**  
28 FEB-4 MAR 2019  
India Expo Centre, Greater Noida, Delhi NCR

in association with  
**Plastasia**

**Key Highlights**

18+ Countries Participation	90,000+ Visitors	72,000 sq.mtr. Exhibition Area	900+ Exhibitors
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