Goyal Receives Carnot Prize for Policy Contributions

Our Bureau

New Delhi: The government's energy-efficiency programme has lowered consumption so much that 30 power plants can't find takers but has helped consumers save $7 billion a year in electricity bills, finance, railways and coal minister Piyush Goyal said.

India's power sector is facing a surplus production, Goyal said after receiving the prestigious Carnot Prize for distinguished policy contributions from the Kleinman Center for Energy Policy at the University of Pennsylvania.

"The nation has progressed from a period of energy shortage to a period of grappling with surplus power... I wonder whether I have myself to blame for this problem because but for the energy efficiency programme, which we rolled out in such a big way, possibly another 20-30 of these power plants would have been running very well," Goyal said in his acceptance speech on Wednesday.

International Energy Agency (IEA) director-general Fatih Birol, himself a recipient of the annual award, lauded Goyal for encouraging the use of LED bulbs in India and taking electricity to every household in every village of the country.

Goyal said the LED programme had reduced the price of energy-efficient bulbs by 87%. He attributed the success to his team of officials and Narendra Modi. The prime minister had advised him that such programmes can be effectively implemented if they are properly monitored, which prompted him to launch websites and phone apps that gave live updates on the status of the programme. "The entire spend to buy these LED bulbs was $2 billion, which is saving at least $7 billion in electricity bills every year," he said.

Minister Arun Jaitley also praised Goyal. "His excellent contribution is being recognised globally," he tweeted.

Goyal said India was committed to reducing carbon emissions and was adopting a holistic approach with plans such as using the railway land to set up solar energy facilities across the country. The Railways have speeded up electrification of rail lines from 600 km a year to 4,000 km last year and 6,000 km this year.

SIGN OF TURNAROUND IN THE RELATIONSHIP

Govt may Not Push for Changes in Board-Level Panels of RBI

Also moderates its stance on relaxation of prompt corrective action framework

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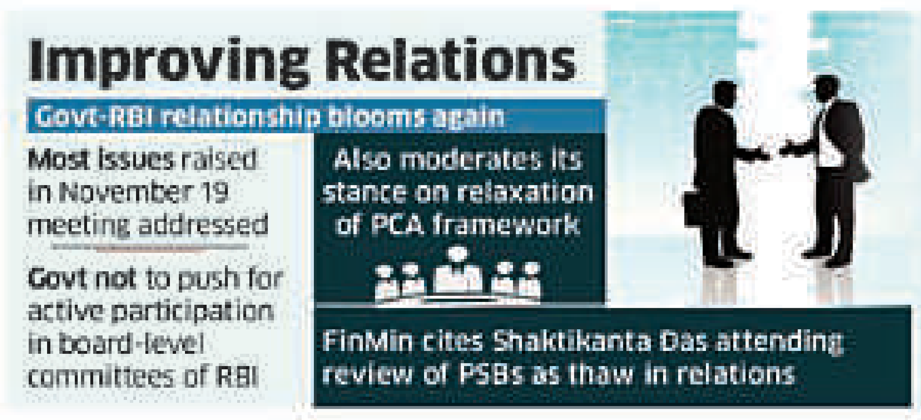

New Delhi: The government may not push for changes in board-level committees of the Reserve Bank of India after the recent thaw in relationship between the two, said a senior government official.

The government had made a case for expansion and more active participation in the Board for Financial Supervision (BFS) and the Committee of the Central Board (CCB), the two important committees where there is no government representation.

"Since under the previous regime the communication lines were virtually closed, we had sought such representation to raise our concerns. Now, things have changed," the above quoted finance ministry official said, adding that the turnaround in the relationship is visible with RBI governor Shaktikanta Das attending the recent meeting with state-run lenders held by the finance ministry.

Relations between the regulator and the government had deteriorated before Urjit Patel resigned as RBI governor on December 10, 2018. The government appointed former bureaucrat Shaktikanta Das, who then took charge on December 12.

According to a finance ministry official, the government has also moderated its stance on relaxation of the prompt corrective action (PCA) framework and is agreeable to only performing lenders being given some relief.

RBI, after its central board meeting in November 2018, had said: "With regard to banks under PCA, it was decided that the matter will be examined by the Board for Financial Supervision (BFS) of RBI".

There has been no announcement so far on any changes to PCA.

"The RBI is in agreement that there is a need to support prudential lending. Around 2-3 banks should come out of PCA by the end of this fiscal," the above quoted finance ministry official added.

Most issues deliberated in the November 19, 2018 meeting, the last central board meeting attended by Urjit Patel, have been addressed.

In December, the RBI announced an expert committee headed by one of its former governors, Bimal Jalan, to review its extant economic capital framework. In January, it came out with a restructuring scheme for loans to micro, small and medium enterprises (MSMEs).

"We are hopeful to see some announcement on PCA soon," the finance ministry official said. The RBI has already agreed to extend the transition period for implementing the last tranche of 0.625% under the Capital Conservation Buffer (CCB), by one year up to March 31, 2020.

Basic Customs Duty Slapped on Mobile Phone Parts to Boost Make in India

Lithium-ion cell, PCB assembly to attract 5% and 10% duty; import of parts & inputs exempted

Our Bureau

New Delhi: The government on Wednesday imposed basic customs duty on lithium-ion cell and printed circuit board (PCB) assembly used in cellphone battery packs in line with its policy to boost local manufacturing.

Lithium-ion cell and PCB assembly will face 5% and 10% customs duty, respectively. The government, however, exempted import of parts, sub-parts and raw material used in making lithium-ion cells from the customs duty. There is, however, no change in the basic customs duty on import of lithium-ion battery for cellular mobile phones, which remains taxable at 15%.

A notification to this effect has been issued by the Central Board of Indirect taxes and Customs.

The government had raised customs duty on several telecom equipment in October and imposed duties on PCBs to curb non-essential imports to address its current account deficit as well as encourage the 'Make in India' initiative.

Basic customs duties were raised to 20% from 10% on telecom products, including base stations, optical transport equipment, combination of one or more of packet optical transport product or switch (POTP or POTS), optical transport network products and IP radios. A host of telecom products that enjoyed zero duty were slapped with a 10% duty.

No change in basic customs duty on import of lithium-ion battery for cellular mobile phones

As part of its Make in India plan, customs duty was slapped on smartphones in July 2017 and it was subsequently raised in the 2018-19 budget. Customs duties were also raised for automobile parts, LED/LCD and OLED panels, fruit juices, smart watches and sunglasses.

"The changes in customs rate is clearly a step towards the Make in India initiative by the government for mobile phones or electronic goods and aligning the duty rates with the Phased Manufacturing Programme (PMP) of the ministry of electronics and information technology," said Pratik Jain, partner and leader — indirect tax at PwC India. He, however, said it remains to be seen if these changes would incentivise local manufacturing of mobile phones and their parts and components.

GST NOTIFICATIONS

The government has issued notifications providing effect to the amendments made last year in the GST Act. It has set February 1 as the date on which the provisions of the Central GST (Amendment) Act, 2018 and the Integrated GST (Amendment) Act, 2018 will become effective.

Any registered person who has applied for cancellation of GST registrations, now need not file GST returns till the cancellation is complete. Relevant provisions have been amended to provide linkage of multiple invoices against a single credit or debit note.

In case of refund on account of supplies to a special economic zone unit or developer, the format of declaration has been amended. Earlier, the declaration was required to the effect that SEZ has not availed of credit of tax charged by the supplier. This has now been changed to the effect that tax has not been collected from the SEZ unit or developer by the supplier.

25% of Unorganised Workforce may Get Minimum Pension

Labour min plans financial security for 100m earning less than ₹15,000 a month

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New Delhi: The Centre proposes to roll out a financial security scheme for the 25% of the country's unorganised workforce who are worst off. The labour ministry plan is to give a minimum guaranteed pension to 100 million people earning a monthly salary less than ₹15,000, a senior government official told **ET**.

The scheme will cost ₹1,200 crore annually and could be the first step toward the government's vision for universal social security for the country's 500 million workers, he said, adding that the labour ministry has sent the proposal to the finance ministry for consideration.

The current minimum pension stands at ₹1,000 per month for the organised workers.

The move is likely to benefit household helps, drivers, plumbers, electricians, barbers and other workers earning less than the threshold salary under the scheme.

"The labour ministry is pushing hard as the government feels that this section of the workforce needs some kind of social security since they cannot sustain on their own after reaching the age of retirement," the official said, adding that the finance ministry could soon give its assent.

According to the official, workers will have to make a small monthly contribution for 20-25 years, starting at 18. The Centre will make a matching contribution.

"The scheme would be rolled out in phases and the first phase of the scheme will see partial coverage with the benefit of minimum guaranteed pension to all beneficiaries after retirement," said the official cited above.

Out of the total 500 million workforce, over 90% are unorganised workers who are often deprived of not just minimum wages but also any kind of social security, be it pensions or health insurance. Those earning above Rs 15,000 are covered under the Employees' Provident Fund Organisation or the Employees' State Insurance Corporation and hence will be out of the ambit of the scheme in the first phase.

Vrijesh Upadhyay, general secretary of the the RSS-affiliated Bhartiya Mazdoor Sangh, told ET that Union minister Arun Jaitley had in his meeting with BMS in the first week of January agreed in-principle to its demand for some kind of social security for the bottom section of the country's workforce.