#### Capital calling for TRS

The demand for real estate from political parties never seems to end. The latest to join the chorus is the Telangana Rashtra Samithi (TRS) that has announced it will construct its office in Delhi soon. The Centre has agreed to grant the party an area of 1,200 sq yards.TRS president and Telangana Chief Minister K. Chandrasekhar Rao (KCR) was in Delhi last week to inspect the land available on offer. TRS will have to pay ₹5 crore to the Ministry as the land price. KCR has sent a team of his MPs led by B Vinod Kumar to select one of the three sites suggested by the Ministry. He has also told party MPs that he would lay the foundation stone for a party office with all the mod consafter 15 January and complete the construction by the last week of May, before the formation of the new Lok Sabha. The cost is expected to be around around ₹25 crore.

The TRS office in the national capital would be designed to meet its future needs as the party wants to play a major role in central politics through formation of a federal front. Besides an office for the national president (as TRS wants to become a national party by expanding its activities in Andhra Pradesh too), there will be provision for a meeting hall for guests and visiting dignitaries.

The decision to build an office of TRS in Delhi is in tune with KCR's decision to build offices in all 33 district headquarters in Telangana within six months.

TRS at present has only one own office, Telangana Bhavan, in Banjara Hills in Hyderabad. The party has offices in some big districts, but in rental premises. KTR has been entrusted with the responsibility of constructing own offices in all the districts.

#### DID THEY REALLY SAY THAT?



"Modiji, your 'I's and lies' have destroyed the social fabric and the economy of the country, trampling upon Constitutional institutions as also rights of individuals."

Congress spokesman Randeep Surjewala on Prime Minister Narendra Modi's interview, January 2, New Delhi

### CHECKLIST **DONALD TRUMP'S BLUNT-SPEAK ON INDIA**

■On the Harley Davidson duty cut, 2018: "Now, the prime minister (of India Narendra Modi), who I think is a fantastic man, called me the other day and said we are lowering it to 50 per cent. I said okay, but so far we're getting nothing. So we get nothing. He gets 50 (per cent), and they think we're doing — like they're doing us a favour. That's not a favour...I wasn't sure — he said it so beautifully. He's a beautiful man. And he said, 'I just want to inform you that we have reduced it to 75, but we have further reduced it to 50'. And I said, huh. What do I say? Am I supposed to be thrilled?"

On trade with India, 2018: "This isn't just G7. I mean, we have India, where some of the tariffs are 100% ... And we charge nothing....Can't do that. We are talking to many countries, we are talking to all

countries. And it's going to stop. Or we'll stop trading with them. And that's a very profitable answer.."

■ Modi's accent, 2018: According to the Washington Post, "Senior administration officials said that the president has been known to affect an Indian accent and imitate Indian Prime Minister Narendra Modi, who in an Oval Office meeting last year told him, 'Never has a country given so much away for so little in return' as the United States in Afghanistan."

■ India's role in Afghanistan, 2017: "We appreciate India's important contributions to stability in Afghanistan. But India makes billions of dollars in trade from the United States and we want them to help us more with Afghanistan, especially in the area of economic assistance and development."



# The image of Parliament is taking a beating

hairman: Honourable Members, I am sorry that I could not be here the other day because of some bereavement in my family. I normally do not miss the Parliament, but it was beyond my control and, then, it was duty also to be there in my village.

Now, I would like to make an appeal to all the Members once again that we have entered into a new year and we are left with just four working days. Then, after that there may be another Session — as we are all aware that before the elections the Government normally just go for Vote on Account — only for few days. That will also be for only a few days. So, it will be a continuous Session as per the present arrangement.

Keeping that in mind, we have to understand that we have a heavy agenda before us. A number of Bills — the Bills which have even gone to the Select Committees and come back with some unanimous recommendations and the Bills on which there is a broad consensus in the Business Advisory Committee about the need to pass them after making our suggestions and criticisms, if any, — there are also a number of such Bills lying.

All these Bills have been allocated time by the Business Advisory Committee. In addition to this, we have also identified certain important issues to be discussed in this Session of Parliament to which I have already given permission. These have been admitted. We could not take up the discussion on the cyclone in the Southern States. Then, we have on agenda, the issue of agrarian problem in the rural sector. Then, we have the problem of price rise for which notices have been given by some people. Then, we also have issues which have been agreed upon to be discussed here, plus Bills. ...(Interruptions).. That is a Bill. When the Bill comes, then your Resolution also will come up automatically.

Then, there is Rafale issue also. So, with all these important things, the country is looking to us. I am, particularly, concerned because of the loss of the image the House is suffering. Another thing is, not to make comparison or to be envious -- the other House is functioning; the Bills are getting approved, and we are not able to functioning.

So, please, I appeal to all of you. We have just now, today, released the calendar for the New Year canalizing all the great people who have presided over this House, the Leaders of the House and the Leaders of the Opposition at that time, then, the Leaders of the Opposition who became the Leaders of the House subsequently, the Leaders of the House who became the Leaders of the Opposition subsequently, and then, the Leaders of the Opposition who became Prime Ministers. So, there is a history.

Then, there have been 12 Chairmen before me. We all have expressed the need to have a meaningful debate in this House. One of the Leaders of this House has become Prime Minister, another Leader of the House has become the President of India also, Shri Pranab babu, So, keeping all these traditions in mind, I earnestly appeal to all of you. Whatever issues you have, please come to me if they are already not admitted, I will consider them positively. Secondly, any issue cannot be dictated that you do this way, only then we will allow the House. This is not acceptable in a system. The House started on 11th December, 2018. Today, we are on 2nd January, 2019. We have not been able to do anything. So, please understand this. The entire country is watching us. I have the habit of going around and addressing universities, scientific communities, attending convocations, wherever I go, and also I come across the media! That is causing a loss of image to the House. ...(Interruptions).. Please, please. The image of Parliament is taking a beating. That is why people are laughing at us. I am not able to digest it as the Chairman of this House. After all, you are all senior Members. Please, tell what is the problem?

embers. Please, tell what is the proble Shri Anand Sharma: No problem, Sir.

Mr Chairman: People are laughing at us; still, we are laughing. We are laughing at them, that you have elected us but see, what is happening! I don't want this sort of situation in the House. I earnestly request to all of you again, please cooperate; see to it that this House functions for the remaining days in a meaningful manner, and, then, pass some legislations after having some meaningful discussions. This is my appeal to all of you. ..(Interruptions)..

Dr T Subbarami Reddy: Who is disturbing every day? It is only the AIADMK. Please request them to cooperate. See, again, they are coming.

Mr Chairman: Each one accusing the other is not going to help. ...(Interruptions).. Dr. T. Subbarami Reddy, please sit down

Mr Chairman: The calendar and diary are available in the Publication Centre. ...(Interruptions)... Let the House discuss and decide that 'we need to go for action.' The Chair is ready for action. ...(Interruptions)... But it cannot be selective. ...(Interruptions)... Anybody disturbing the House, anybody coming to the Well of the House, action has to be taken. If I have the consent of the entire House, then we can think on those lines and move forward. ...(Interruptions)... But it cannot be selective. 'If they come to Well, take action; if we come to Well, excuse us.' ...(Interruptions)...(Interruptions)... So, please understand. ...(Interruptions)... Dr. Santanu Sen to speak on concern over certain provisions of the Consumer Protection Bill.

Dr Shantanu Sen. ...(Interruptions)... Shri Y S Chowdhury: Sir, the House has to be in order.

...(Interruptions)...

**Shantanu Mukharji** is from the Indian Police Service who has served in Dhaka and is a security analyst. In this interview with **Aditi Phadnis**, he explains the political and geostrategic implications of Shailb Hasina's victory in Pangladoch. Edited exceptor:

# 'Dhaka is eyeing a clean government'

elections again, despite anti-incumbency, croneyism and undeniable corruption. What are the changes we should expect to see in policy, so that these concerns are addressed in her new term?

Sheikh Hasina with a fresh mandate with an unprecedented majority, will start her fresh innings with a signal to voters that she would now pursue a policy of 'zero tolerance' against corruption. The task is onerous and very challenging . How will she convey that she means business? While a change in portfolios of the erstwhile ministers is on the cards, she might retain those ministers who have performed and delivered and drop the non performers and certainly those with a taint .

The new ministerial cabinet will likely be in place by January 6. There will be three to four technocrats in the Cabinet to lend a modern outlook to governance. At present, there are 49 ministers in the cabinet: 30 of cabinet rank; 17 ministers of state and 2 deputy ministers. While the numbers might not change, new ministers, especially those judged to be competent, should be expected.

Significantly, Hasina is also thinking of accommodating some in her cabinet who were

denied tickets. This could be to rule out dissent in the new ministry.

Here are a few names. Lt Col (retd) Farooq Mohammad Khan, Presidium member Abdur Razzak and Prime Minister's Private Sector Affairs Advisor Salman Rahman are being considered for ministerial berths. More interestingly, Bangladesh cricket player of international repute Mishrafe Bin Mortaza, who won the elections from Narail 2 constituency, may be inducted provided it does not clash with his cricketing commitments. However, he has every chance of being included after the World Cup. It is, therefore, evident that Hasina's ongoing exercise for a new cabinet is all inclusive: A cricketer, scientists, technocrats, et al. The idea is to provide a clean, developmentoriented government.

She is also required to allay fears amongst the western powers and the European Union that the December 30 election was not transparent and was marred by irregularities, intimidation and coercion.

Human Rights Watch, Bangladesh based in New York, came down heavily on the Bangladesh government on charges of tampering of ballot boxes. The US and the EU have voiced similar allegations. That said, the new PM is not overly worried about these criticisms. She seems happy that she has got legitimacy for her elections from India, China, Russia, Sri Lanka, Saudi Arabia and even Iran. Also, her personality is such that she is defiant in the face of pressure. Displaying her resolve and courage of conviction, she has, in the past, proceeded with grit in trying the war criminals and even executing them. She was indifferent to Islamic countries who advocated leniency to the Jamaat-linked war criminals .

She is also expected to launch a diplomatic offensive and try to get Tareq Rahman (son of former Prime Minister Khaleda Zia who is currently in jail on corruption charges) deported from London to Bangladesh to face trial on a number of important charges and see that he is also convicted. Tareq Rahman is in exile in London and is suspected to be receiving support from quarters that want to hurt Indian and Bangladesh interests. His extradition will reaffirm Hasina's credibility and

reinforce her political credentials. This will also help unity among the liberal and secular forces and give a sense of security to the religious minorities.

The opposition Bangladesh National Party (BNP)-Jamaat e Islami have ganged up. The nature of the opposition is as anti-India as it is Islamic fundamentalist. How big a danger is this to the in

How big a danger is this to the internal politics of Bangladesh? How much space will Pakistani fundamentalist groups get in Bangladesh now?

SHANTANU MUKHARJI

Former IPS officer &

The unholy nexus between BNP and Jamaat is well known. They have actively partnered in governance (2001-2006). Two Jamaat ministers were given crucial cabinet berths tacitly allowing them to deepen the Pakistani footprint in Bangladesh, encouraging anti-India propaganda and fomenting Islamic fundamentalism which nourished different terror groups threatening the secular fabric of Bangladesh. BNP remained a 'white collar' entity which abetted fanaticism by proxy through Jamaat. That remained a dark chapter in the Bangladesh history.

Threat to internal affairs in Bangladesh remain as several zealot groups derived and continue to get oxygen from the Jamaat and its extremist ideology. We have seen systematic killings of LGBT activists, liberals and progressive elements, bloggers and intelligentsia since 2013. But for a determined action by the government and noise by the secular elements, this pattern would have continued with disastrous consequences.

Bangladesh agencies should not be complacent following Hasina's overwhelming victory. The same forces, frustrated by the decisive rout, will try to regain lost ground by acts of terror. India should also hold Bangladesh's hand in combating the menace through a collaborative counter intelligence measure so that the anti-Bangladesh and anti-India forces are denied breathing space. Internally again, terror outfits like Harkatul Ansar, Jamaitul Mujahdeen Bangladesh, Hijbut Tahrir, etc should be under the scanner 24/7 to avoid any act of misadventure. Technology should be used to the optimum to foil any attempt by Pakistani ISI to cause any dent in Bangladesh's secular fabric. The situation calls for abundant caution as evident

from the recent interception of a telephonic conversation between a BNP leader and an undercover ISI operative.

#### Politics in Bangladesh impacts politics in parts of India, especially West Bengal, Tripura and insurgent-hit areas of Assam.

Will insurgency increase or decrease?

Ans: India's North East has always been vulnerable to attacks in the states of Assam, Tripura, Manipur etc. Assam was most affected as the United Liberation Front of Assam (ULFA) enjoyed a safe haven in Bangladesh with state support. It received training there and ULFA chairman Paresh Barua remained in various parts of Bangladesh and moved as freely as a Bangladeshi citizen. Indian agencies gave pinpointed intelligence on Paresh Barua's whereabouts but Dhaka refused to acknowledge his presence or act against him. Fortunately, in Hasina's second stint, Paresh and his accom-

plices were all evicted and the north east insurgents including Manipuri and Tripura insurgent groups are on the run. Today there are no insurgents on Bangladeshi soil.

However, some disturbing trends have been noticed. ULFA has again flexed its muscles and killed a number of Bengalis in parts of Assam. It would seem there is a resurgent ULFA. This would then seek support from

its Bangladesh handlers to give them some space to operate. More than Bangladesh, it is India that should be alert to ULFA movements.

Similar vigil needs to be exercised in West Bengal too. Bangladesh has come to notice in the past for smuggling fake currency notes into West Bengal through the long porous borders to cripple the Indian economy. Some groups in Bangladesh had also sent terrorists as deep as inside Burdwan detonating bombs. An all-out alertness therefore is called for to safeguard the vulnerable borders.

Further, Bangladesh needs to be diplomatically kept in good humour on NRC. Mamata Banerji needs to be persuaded to accommodate Bangladesh concerns on water. With a huge mandate in her favour, Hasina may now step up the demand for Teesta water-sharing. It is a delicate issue meriting deft handling.

India's efforts to prospect gas and other resources in Bangladesh have made extensive headway and a pipeline is to be constructed starting this year. What are the other areas where there is going to be progress in business?

There is a huge potential between India and Bangladesh in the business sphere. Both the leaders jointly inaugurated (September 2018) a 130 km friendship oil pipeline. It will connect Siliguri (West Bengal) in India to Parbatipur (Dinajpur in Bangladesh). The ₹346 crores project is expected to be complete in 30 months with a capacity to produce oil amounting to one million metric tonnes per annum.

Another landmark area of mutual cooperation is dual gauge railway lines between Dhaka-Tungi-Joydebpur rail project essentially to improve connectivity and generate revenue. This apart, both the countries are in agreement in the field of nuclear cooperation and a constant endeavour to narrow down the trade deficit.

# The voice of storytellers

THE OTHER

INDIA

Once a loner, Nikhil Chandwani is now an author and a TEDx speaker and runs a rescue centre for writers that grooms and provides them a platform to evolve as public speakers and mentors, writes **Sneha Bhattacharjee** 

bhishek Mohurley hails from Gadchiroli in Maharashta. He had more than 10 backlogs in Physics subject while pursuing his engineering, a subject his father holds a PhD in. Coming from a town hit by left-wing insurgency, Mohurley was more interested in writing. His interest piqued when he met a surrendered Naxalite. He decided to bring to life the journey of this Naxalite from a non-decrepit vil-

Naxalte Holf a holf-decrepit virlage to taking up arms against his own country. Mohurley, who once considered himself a black sheep in the family, ended up writing his first book in Marathi on a Naxalite. As the book was launched in the market, his family and well-wishers were taken by surprise. He became an overnight celebrity in his village. No one could believe that someone who had failed in studies could one day publish his own work that would strike a

chord with the readers. Mohurley is no longer a depressed soul, and delivers lectures across colleges in Maharashtra.

Colleges in Manarashtra.

This is just one story. There are several such instances of storytellers, of people with their own stories to share that the Nagpurbased Writers' Rescue Centre (WRC) has been trying to bring to the world. Founded in 2016 by Nikhil Chandwani with the aim to bring the young generation to speak up and share

stories that could help create a vision to develop India as well as build a generation of young dynamic leaders, WRC was able to bring together under its umbrella people from all walks of life.

"I put pen to paper in my early teens. I was able to publish my debut novel at the age of 18, wrote nine more books but I was driven to make a difference through social entrepre-

neurship and so, I took a long pause from personal ambitions and started focusing on developing a Gurukul (mentorship) system for storytellers, depressed, suicidal, introverts, poets alike," says the 25-year-old founder.

Irked by the negativity towards life had people as young as him in its grips, Chandwani wanted to give them all a platform to share their stories thereby making them embrace the positivity that life has to offer. That's why Chandwani named his venture

"Writers' Rescue Centre" aiming at the writers who are either unable to reach out or don't know how to tell their stories to the world. "Writing has many variables. From script writing to a screenplay, book writing, travel writing, political commentary, historical research, technical writing and speech polishing, no field in writing is saturated but people don't have a definite path," he says noting how

WRC is trying to bridge that.

The organisation works like a Gurukul. A



Nikhil Chandwani, founder, Writers'Rescue Centre, identifies himself more as a political enthusiast now than a social entrepreneur and writer and has taken it upon himself to teach Indians about their own history and how it plays an important role in religion

mentor/guru is assigned to a storyteller or an interested writer based on the genre. The mentor teaches them how to write and shape up the story. Daily brainstorming over whatsapp/emails/phone calls are done until the story is ready. Once it is ready, the book is then sent for editing. Once the book is edited,

WRC publishes and markets it for writers. "Once enough copies are sold, our students are groomed by another mentor in the art of public-speaking and script-writing based on their interest level," says Chandwani. This way, the organisation has managed to mentor over two hundred writers with their works. They have also been able to create 30+ TED(x) speakers and as many national award winners across India.

The authors have ranged from a dyslexic writer, Yash Singhania, who emerged from his failures in chartered accountancy to write and publish three books and currently works as a columnist for LA Times and Chicago Tribune to a differently-abled writer called Nikhila Chalamalasetty from Vijayawada. Chandwani takes pride in talking about his students and how he has been able to train all 211 of them. "Through my guest lectures, I was able to reach out to over 30,000 individuals and how he has been able to reach out to over 30,000 individuals and how he has been able to reach out to over 30,000 individuals and how he has been able to reach out to over 30,000 individuals are the second of the second

uals across Asia," he adds.

Chandwani who identifies himself more as a political enthusiast now than a social entrepreneur and writer and has taken it upon himself to now teach Indians about their own history and how it plays an important role in religion. "For long, religion has been used to divide the people. I want to put an end to it. I want people to be encouraged about everything they encounter in their daily lives," says Chandwani who is hoping to unite the youngsters through his mentoring.

Edited excerpts from proceedings of the Rajya Sabha, 2 January in New Delhi

Volume XII Number 43
MUMBAI | 06 JANUARY 2019

## **Enforced patriotism**

Mechanically intoning 'Jai Hind' makes little sense

t can be said safely that at 71 years, the Indian nation is mature enough for mandatory demonstrations of patriotism to be redundant. A year ago this month, the Supreme Court made precisely this point when it modified its 2016 ruling making it compulsory for cinema halls to play the national anthem. Making the action voluntary, the court observed that Indians cannot be expected to wear their patriotism on their sleeve. Somehow, politicians in Gujarat appear not to have gotten the memo on this. From this month, the state government has decided on an initiative to have school students respond with "Jai Bharat" or "Jai Hind" instead of "pres-

ent" or "yes" in the daily roll call.

The motive: To instill patriotism, which they believe is lacking in the new generation. Given that patriotism is a complex value that is hard to define, this is a remarkable observation. Instead of demanding such quotidian responses from school kids, politicians of Gujarat would do better to wonder why the younger generation, that too in India's most prosperous and certainly most nationalist state, should be thinking this way (if indeed they are). Would it, for instance, have anything to do with the lop-sided development in the state? It is uncertain how mechanically intoning "Jai Bharat" on a dai-

ly basis would encourage a student to become a model patriotic citizen — to pay her taxes, help the poor, keep the streets clean, lower her carbon footprint, and so on.

To pose the issue differently, can the following acts be considered patriotic: Beating up people who choose not to or cannot stand during the national anthem, or suing Shashi Tharoor (a member of Parliament) and Infosys co-founder NR Narayana Murthy for allegedly disrespecting the national anthem? Mulling on the case in a private lecture recently, Mr Narayana Murthy pointed out that Indians seem to be wholly tolerant of rampant corruption but were unduly sensitive to patriotism. He was sued for choosing an instrumental version of the anthem at a company function in deference to foreigners who were attending. The case, which went right up to the Supreme Court, cost him ₹48 lakh in lawyers' fees. Mr Tharoor was sued for interrupting the singing of the national anthem to exhort those around him to put their hands over their hearts. American style. Apparently, this stance contradicted some section in a law called Prevention of Insult to National Honour Act, 1971. The Act imposes imprisonment, for as much as three years, for anyone who intentionally prevents the singing of the national anthem. Since Mr Tharoor's "interruption" had an uber-patriotic motive, a lower court sensibly dismissed the case. The sensitivity that Mr Tharoor's litigious opponent showed is ironic when Indian businessman Naveen Jindal had to fight a case — again, in the Supreme Court — for the right of all citizens to fly the tricolour.

Still, it is noteworthy that last year, the apex court thought it necessary to direct the government to set up an inter-governmental panel, headed by the home secretary, who surely has better things to do, to come up with

recommendations on the playing of the national anthem and modifications to the Act.

Should a state define how its citizens should demonstrate their patriotism? This is not a settled issue even in advanced democracies, which allow a degree of political incorrectness against public figures that Indians can only envy. Witness Donald Trump's tweet tantrums over black footballers kneeling during the US national anthem protesting police brutality against African-Americans. History has shown repeatedly that overt demonstrations of patriotism tend to morph into militant nationalism with all its destructive potential (two world wars being compelling evidence). In a country where nationalism is being touted as a valued ethic and is sought to be given an exclusionary religio-political dimension, enforced demonstrations of patriotism have a dangerous, chauvinistic element that the Indian republic can do well without.

# What to expect on the tax front in 2019

India is on the brink of overhauling its tax system, implementing the BEPS project and seeing a further evolution of the GST despite this being an election year



In view of GST collections falling short of the expected target, the government is expected to strengthen anti-evasion measures

MAULIK DOSHI & JIGAR DOSHI

he year 2018 witnessed significant tax changes and reforms across the globe and India was no exception. The government intensified its steps towards increasing the tax base and took further measures to crack the whip on the parallel economy. The latter half of 2018 saw government take initial steps on reforming the Indian Income Tax Act with the formation of a committee to draft a new tax law which promises to be simple and non-adversarial. In this backdrop, 2019 promises to be yet another year where some tax challenges will intensify, and some aspects will get simplified.

Let us look at what can we expect in 2019.

#### 1. Direct Tax Code

The government's stated position is that it propagates a simplified and non-adversarial tax regime in India. The current law is perceived to be complicated, lengthy, open to interpretation, and was amended several times since its inception in 1961.

From the initial attempts, it appeared that government wanted to introduce this in their current term. However, the government had to reconstitute the task force in November 2018. It is currently drafting new income-tax code. It is now expected that the new code will be available in 2019. However, when it will be implemented will primarily depend on the outcome of the forthcoming general elections.

#### 2. Taxation of digital economy

Businesses still tend to be taxed where they have a physical rather than a virtual presence and taxation continues to be built on traditional product and service lines. The current international tax laws have become outdated and are not in a position to tax such digital transactions. The entire world is struggling over taxation of the digital economy and the lack of international consensus on the issue is creating uncertainty.

However, India has taken a leadership position on this, and it started by introducing the equalisation levy on online advertisements in June 2016. The concept of significant economic presence (SEP) was introduced from April 2018 in Indian domestic law, triggering a possible tax exposure for non-residents who, though situated outside India, have a digital presence above a certain threshold that is yet-to-be-specified.

Recently, the government invited suggestions from various stakeholders for prescribing the above thresholds by August 2018. It is expected that after considering the recommendations from stakeholders, the government will prescribe the thresholds sometime in early 2019. The limits will decide whether only tech giants are impacted, or even mid-size companies will be under the net.

#### 3. Critical decisions from Supreme Court

There are certain matters which affect many corporations, especially MNCs, which are now pending before the Supreme Court. There is a raging controversy on whether payments made overseas to non-residents/foreign companies for purchase of software could constitute payments in the nature of "royalty". Over 50 appeals have been filed before the Supreme Court and the matter is now scheduled for hearing in January. This could be a significant judicial precedent, as it will bring clarity to a highly litigative subject, hopefully putting the controversy to rest.

Similarly, the issue of marketing intangibles has ained significant importance in India, where Indian subsidiaries of global multinational companies incurring advertising, marketing and promotional (AMP) expenses have been challenged by the revenue authorities. The revenue authorities argue that AMP-related activities add value to the trademark/brand (owned by the foreign parent) by way of brand building and the local subsidiary must be compensated by the brand owner (the foreign parent) either by way of a service fee or reduced/nil royalty payments. Indian transfer pricing regulations do not provide any specific guidelines on intangibles, other than defining them as part of "international transactions". This issue is also pending for adjudication before the Supreme Court and the outcome is expected in 2019. This will have an impact on cases of various MNCs.

#### 4. Full-fledged electronic assessment

In previous years, the Indian revenue authorities have implemented electronic assessment on a pilot basis and then extended its reach to a large number of tax-payers. It is now expected that e-proceedings may be implemented for all taxpayers. This would be helpful in reducing the time and costs involved in the process and should significantly reduce the discretionary powers of the tax authorities. However, implementation

should be in the right spirit and taxpayers should not be slapped with arbitrary orders.

#### 5. Tax notices for master file and CbCR

In line with the base erosion profit shifting (BEPS) project, India introduced enhanced transfer pricing documentation in the form of master file and country-by-country report (CbCR). Both filings were applicable for FY 2016-17 and the first round of audit is expected to be undertaken in 2019. MNCs will be keen to understand the approach of the revenue authorities on these filings.

#### ${\bf 6.\,Budget\,2019:What\,can\,be\,expected?}$

Typically, in election year an interim budget is announced, and the newly elected government comes out with the final budget. News reports suggest that this year the government is proposing a full budget in 2019. It will be interesting to see whether it will be a populist pre-election budget or the government sticks to the path of fiscal prudence.

#### 7. Goods and Services Tax

The most awaited development on the GST front is the new compliance mechanism which the government is slated to introduce on an optional basis from April 1, 2019 and compulsorily from July 1, 2019. It is anticipated that the government will take all steps to ensure smooth implementation to avoid the confusion and technological challenges faced at the time of initial stages of implementation of GST. The government has already extended the deadline for annual return (GSTR-9) and reconciliation [i.e. GST Audit (GSTR-9C)], which will now be due by June 30, 2019, and it would be interesting to watch how taxpayers overcome the challenges, given the lack of precedent on this front. Further, in view of GST collections falling short of the expected target, the government is expected to strengthen anti-evasion measures, such as special audits, making e-way bills robust, deploying data analytic tools and going after businesses involved in

With the dawn of 2019, India is on the brink of overhauling its tax system, implementing the BEPS project and seeing a further evolution of the GST at the same time as a general election. This makes 2019 an exciting and challenging year.

 $The \, writers \, are \, with \, SKP \, Business \, Consulting \, LLP$ 

# Serving the tech-savvy power consumers

We have started

in how power is

requiring utilities

to become more

customer-centric

in fulfilling those

fundamental shift

seeing a

consumed,

PRAVEER SINHA

new breed of customers is emerging in the power sector which wants more than just 24x7 electricity. This "reflex" generation, born in the digital era, is more technically savvy and is constantly involved in changing the business landscape. How prepared are the utilities to empower them?

The relationship between Indian energy companies or utilities and their customers is increasingly starting to resemble the more vibrant telecom sector. And this is just the tip of the iceberg. At the core of the fundamental shift taking place in the Indian power sector are two vital parts — technology and enlightened customers. Together, they are ushering in a new era in the sector. Let us examine them more closely.

The whole digital transformation has influenced how today's generation of customers interacts, thinks, feels and wants. This has led to a change in the business landscape from traditional-led to digital-first, which is revolutionising the power industry and the way people consume power. Smart grids, smart meters and digital technology, now available off the shelf, are allowing power consumers to exercise better control over their energy consump-

tion. Customers can now not only decide how they pay their monthly power bills but also how much they pay. Combined with yet another revolutionary idea such as solar rooftops that are starting to pop up across the country, the power sector in India is catering to a new breed of enlightened customer.

Today's solar rooftops are much more than those the earlier generation used. They do more than power the water geysers through photovoltaic panels sitting on rooftops. Solar rooftop customers not only produce their own electricity, but with the help of digital technology, have the power to manage their consumption and feed excess power back into the grid, thus making them energy producers too. Tata Power has launched it in four cities (Mumbai, Delhi, Ajmer and Bhubaneswar), and will be covering 14 other cities in the next four months.

Also, customers today don't stop at just asking for better control over their energy bill from a household budget point of view, but are also concerned about the impact of their power consumption on the environment. This is why homes and commercial establishments fitted with solar rooftops and powered by digital technology are gaining popularity in many parts of the country. The size of this fast emerging composite ecosystem in the country, known as the smart home market, is estimated at \$870 million (₹62 billion), and the average revenue per installed smart home is \$97.59 (₹7,000).

Recently, Tata Power-DDL rolled out its smart meter project in the National Capital Region with 250,000 devices that will be installed in north and south-west Delhi. We expect around 1.6 million smart meters to become operational in this region by 2025.

The reflex generation — which is environment-conscious and looks for cheap convenient and sustainable solutions tries to choose products and services from entities with social values that are aligned with its own. This on-the-go set of customers seeks more personalisation and wants information or services that can be accessed instantaneously and from anywhere. This trend of more personalised, convenient and cheap offerings along with technological innovations in the power sector has led utilities to continuously evaluate new business models for providing access to electricity and related services. One of these is the emergence of microgrids in the country.

Micro-grids bring in more efficiency in the power ecosystem and at the same time provide electricity access to the underserved or unserved population who have great aspirations but are bound by resource constraints. These tiny islands of micro-grids, isolated from the main grid, help reduce the time taken to electrify places (it would have taken longer if done through extension of the main grid). Micro-grids, powered by renewable

sources such as solar or wind, when connected to larger conventional grid systems improve the reliability of utilities, which is what today's generation of customers wants. For example, an outage in one part of the grid does not have to bring the entire system to a halt for maintenance. And a hospital or a school connected to a

micro-grid can then run more smoothly without its operations being affected.

For a power-hungry nation aiming to consistently push economic growth at rates in the vicinity of 8 per cent or higher, universal availability of power has to become a norm. Therefore, use of technology to offer smart solutions in the power sector cannot remain a prerogative of customers only in large cities and towns. The central government's Saubhagya scheme, which aims to make electricity accessible to every household in the country, can move ahead with more vigour thanks to faster proliferation of energy infrastructure.

There is no disagreement on using

technology in the power sector to meet the country's economic and social agendas. We have started seeing a fundamental shift in how power is consumed and demanded by consumers, thus requiring utilities to become more customer-centric in fulfilling those needs. The business models of utilities will undergo massive change in order to become more responsive, so as to adequately address the needs of this impatient generation.

The writer is chief executive officer and managing director, Tata Power

#### **▶** OTHER VIEWS

#### Dark side of the moon

### China's successful mission will greatly advance knowledge of earth's satellite

China joined a select group of countries with successful missions to the moon, when its spacecraft, Chang'e-4, successfully made a landing at '10.26 on January 3', according to the China National Space Administration. It landed at a spot on the moon's far side, the Von Kármán crater, which is untouched by earlier missions from earth...Among other things, the mission could pave the way to setting up a radio telescope on the far side of the moon. Considering that earth is right next door to the moon, we know precious little about it. Its formation and early evolution present mysteries which, if understood, could guide us in planetary studies, and help in understanding exoplanets. The near side, which faces earth, has dark patterns; the far side, turned away, is marked with circular spots that are craters formed by meteorite collisions. The moon's near side is believed to have a thinner shell, so that when meteorites bombarded it they cracked its shell, releasing lava which gushed out and covered traces of the impact and left dark patches. Being thicker, the far side did not face such an erasure and bears the marks of the crater impacts. This mission could verify these theories and discover the reason behind these dichotomies. China has now joined the U.S.



"soft landing" on the moon. But beyond underlining China's technological advances, Chang'e-4 could herald a new chapter in lunar exploration.

The Hindu, January 4

#### A bad start

#### Stalling pensions for those jailed during Emergency reflects poorly on MP govt

Any newly-elected state government, especially one which has come to office months before a general election, will have two broad areas of concern: First, it must address issues of administration and governance, of getting down to the nitty-gritty of actually fulfiling its poll-time promises, or at least be seen as attempting to do so, in as short a timeframe as possible. Second, it must set the political narrative in the state and signal the kind of political milieu it will seek to create. On both counts, the decision of the Congress government in Madhya Pradesh and Chief Minister Kamal Nath to put on hold the monthly pension given to

ing the Emergency under the draconian Maintenance of Internal Security Act and Defence of India Rules is problematic... The optics of the Kamal Nath government's decision signal a disturbing thought process. Mere weeks after winning, the government appears to be focused on what the BJP in the state has termed "political vendetta". Given that the chief minister first came into limelight during the Emergency, this is a narrative that can easily distract the government in the crucial first few months of its tenure. CM Kamal Nath must focus on issues that urgently require his

The Indian Express, January 4

#### Women make history

## A contest of social forces is being played out through politics

Two women in their forties, Bindu and Kanakadurga, made history early on Wednesday when they breached a local Hindu taboo of not permitting females below the age of 50 to offer prayers at the famous Ayyappa shrine at Sabarimala in Kerala...Not unexpectedly, the two women's brave action has set off social turmoil in the state, with the Sangh Parivar and the BJP in the forefront of the backlash of the conservative folk — including women – who defer to the popular belief that Lord Ayyappa at Sabarimala is worshipped in his celibate state. This has, by custom, prevented women of menstrual age from entering the temple... The debate

around Sabarimala is unlikely to end with the two menstrualage women using guerrilla tactics to reach the shrine. Since the temple priests conducted a "purification" ceremony after Bindu and Kanakdurga gatecrashed the sanctum sanctorum, a new element in the debate is whether they should be hauled up for contempt of the Supreme Court order and violating untouchability laws. Prudence demands that this extreme course be eschewed. What we are witnessing is a contest of social forces, being played out through politics. All points must be made through social action, avoiding violence and extreme tendencies.

The Asian Age, January 4