

18 ECONOMY

35TH MEETING DEFERRED BY A DAY TO JUNE 21

Extension to anti-profiteering body, ENA inclusion on GST council's agenda

ENS ECONOMIC BUREAU
NEW DELHI, JUNE 15

ELECTRONIC INVOICES (e-invoices) system, an extension to National Anti-profiteering Authority (NAA), the revenue position of states and the new return filing system will be discussed in the 35th meeting of the Goods and Services Tax (GST) Council slated for June 21. Levy of GST on extra-neutral alcohol (ENA) used in manufacturing liquor for human consumption is also expected to be discussed in the meeting of the Council, the first one to be chaired under Finance Minister Nirmala Sitharaman.

The GST Council was earlier scheduled to meet on June 20 but has now been deferred to June 21. An extension for NAA, before

its two-year sunset clause, is being seen necessary as there are many pending cases. The anti-profiteering rules are in relation to Section 171 of the CGST Act, which provides that any reduction in rate of tax on any supply of goods or services, or the benefit of input tax credit shall be passed on to the recipient (consumer) by way of a commensurate reduction in prices. The NAA's term commenced on November 30, 2017, after B N Sharma assumed charge as its Chairman.

The inclusion of ENA under GST was discussed in Council's meetings earlier as well, after which the legal opinion was sought from AG. The AG is then learnt to have opined that given that ENA is not fit for human consumption, bringing it under GST

won't require a Constitutional amendment. Currently, ENA for potable alcohol is not taxed by either the Centre or state governments.

EXPLAINED
E.

ENA used for industrial alcohol is, however, taxed at 18 per cent and its raw material

sugarcane molasses is charged the peak GST rate of 28 per cent. Inclusion of ENA under GST ambit will help manufacturers to claim input tax credit. ENA is a derivative of sugarcane molasses (95 per cent of high-purity ethyl alcohol) and is not an alcoholic liquor for human

consumption. The GST Council will also take a final decision on the turnover threshold for issuance of e-invoice for B2B sales after consultation with the states. The Centre is in favour of fixing the turnover threshold for e-invoices for B2B sales at Rs 50 crore. The government is planning to roll out e-invoice system by September.

The GST Council has already set up two sub-groups to look into the policy and technical aspects, such as turnover threshold and mode of generation, for e-invoice generation by businesses. Depending on the success of the project in the B2B segment, the revenue department would look at extending it to business-to-consumer (B2C) sales, especially in sectors where the probability of tax evasion is high.

SITHARAMAN TO
CHAIR FIRST MEET

■ Levy of GST on extra-neutral alcohol (ENA) used in manufacturing liquor for human consumption is also expected to be discussed in the meeting of the Council, the first one to be chaired under Finance Minister Nirmala Sitharaman

■ An extension for NAA, before its two-year sunset clause, is being seen necessary as there are many pending cases

MOVE COMES INTO EFFECT FROM TODAY

India imposes retaliatory tariffs on 28 products imported from the US

ENS ECONOMIC BUREAU
NEW DELHI, JUNE 15

India has decided to impose its long-promised retaliatory tariffs on more than 28 products imported from the US, including almonds, fresh apples and phosphoric acid, amidst rising trade tensions between the two countries. The move will take effect from Sunday, stated a notification by the Central Board of Indirect Taxes and Customs (CBIC) late Saturday.

In a separate notification, the CBIC also raised the standard customs duty (applicable for all countries) for lentils, boric acid and some diagnostic reagents

The standard duty for lentils has been raised to 50 per cent from 40 per cent, for boric acid to 27.5 per cent from 17.5 per cent and for diagnostic reagents other than those for pregnancy confirmation and diagnosing AIDS to 30 per cent from 20 per cent.

The *Indian Express* Saturday reported that the government was planning on notifying these retaliatory tariffs before the Sunday deadline.

According to the latest notifications, the import duties on fresh or dried shelled almonds has been raised to Rs 41/kg, while the tariffs on fresh apples, earlier 50 per cent, has gone up to 70 per cent. The import duty on phosphoric acid has been set at 10 per cent.

India is one of the largest importers of almonds from the US, with imports worth \$615.12 million of fresh or dried shelled almonds in 2018-19. Its imports of fresh apples stood at \$145.20 million and phosphoric acid at \$155.48 million during the same period, shows information from the Indian commerce ministry. The import of diagnostic

CUSTOMS DUTY FOR LENTILS, BORIC ACID RAISED

■ In a separate notification, the CBIC also raised the standard customs duty (applicable for all countries) for lentils, boric acid and some diagnostic reagents

■ The standard duty for lentils has been raised to 50 per cent from 40 per cent, and for diagnostic reagents other than those for

pregnancy confirmation and diagnosing AIDS to 30 per cent from 20 per cent

■ According to the latest notifications, the import duties on fresh or dried shelled almonds has been raised to Rs 41/kg, while the tariffs on fresh apples, earlier 50 per cent, has gone up to 70 per cent

reagents stood at nearly \$145 million that year.

The move comes around two weeks after the Trump administration notified its decision to withdraw India's duty-free benefits under the US' select trade programme. Indian commerce minister Piyush Goyal last week indicated that India may not pursue a resolution to the withdrawal of trade benefits under the programme, known as the Generalised System of Preferences (GSP).

India had first notified the retaliatory tariffs on over \$200 million worth of goods in June 2018 after the US imposed tariffs on steel and aluminium products. However, the government deferred the move several times over the course of the last year.

Meanwhile, New Delhi and Washington were engaged in negotiations over the office of the United States Trade Representative's review of India's benefits under GSP, which allows some countries duty-free exports of thousands of items to the US. The USTR announced its decision to withdraw India's beneficiary status in March, but initially held off on notifying the withdrawal in May while the Indian general elections were taking place.

However, soon after the re-elected Narendra Modi government was sworn in, US president Donald Trump announced he was terminating India's benefits under the GSP scheme, a move that the Indian commerce ministry called "unfortunate". India was the largest beneficiary under the GSP scheme.

"India, like the US and other nations, shall always uphold its national interest in these matters. We have significant development imperatives and concerns and our people also aspire for better standards of living," the ministry had stated earlier. Experts feel the move to retaliate, despite the delay, signals that India can adequately respond when there are affronts on its trading rights.

The US is one of India's largest trading partners, exporting \$33.1 billion worth of goods to India in 2018. However, India still had a goods trade surplus of \$21.3 billion with the country.

Officials from the Trump administration earlier this week reportedly said that the US was open to dialogue to resolve these differences, but demanded that India drop its trade barriers. Trump has in the past called India a "tariff king".

BRIEFLY

Holitech inaugurates 1st plant in India

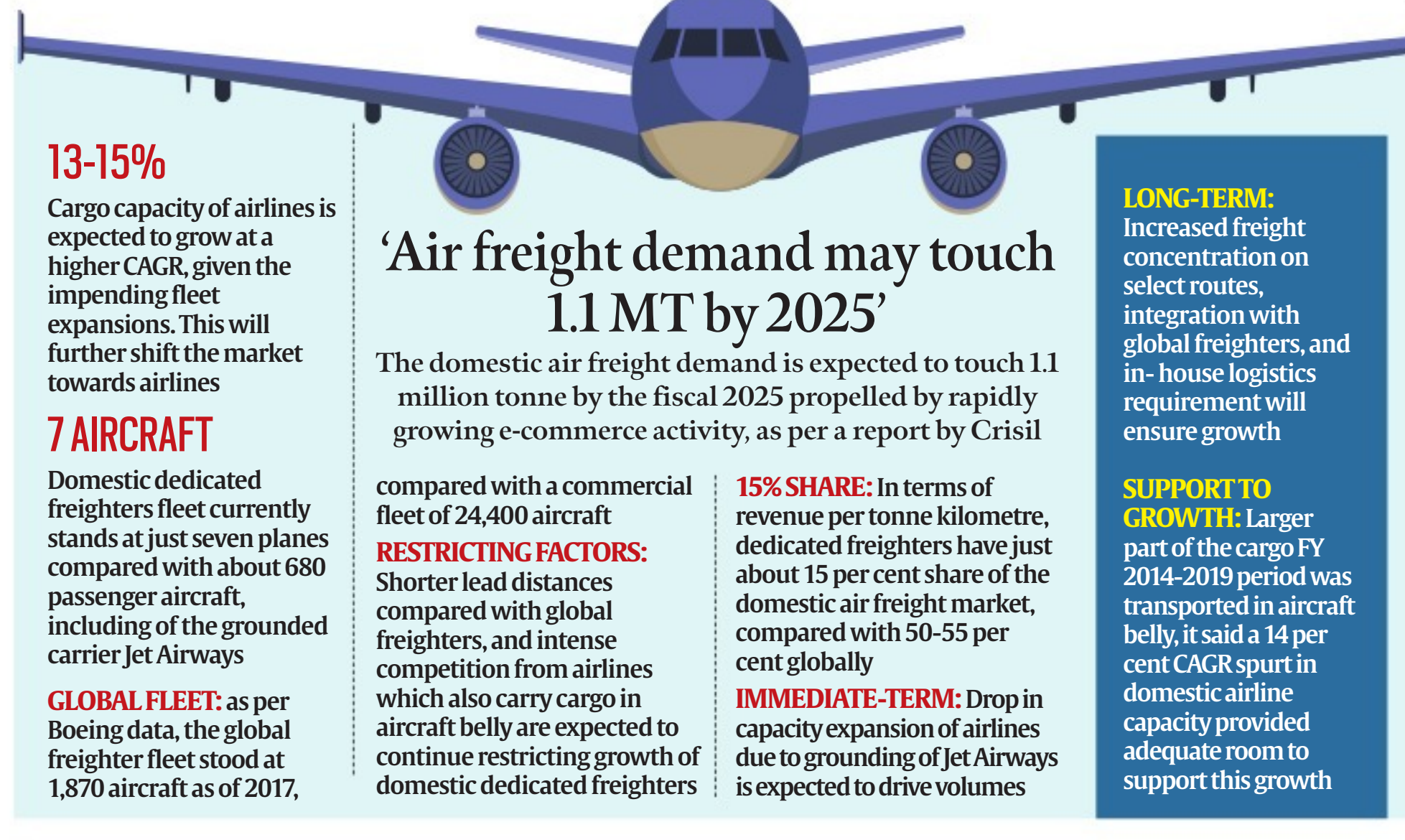
New Delhi: Smartphone major Xiaomai Saturday said Holitech Technology - one of its global component suppliers - has inaugurated its first component manufacturing plant in India (Greater Noida). Holitech Technology has built its operations in Greater Noida, Uttar Pradesh and was first invited by the Chinese tech major in the first quarter of 2018 to investigate local manufacturing opportunities during its 'Supplier Investment Summit'. Xiaomai said in a statement.

South Indian Bank to raise ₹500 cr via debt

New Delhi: South Indian Bank Saturday said it will raise Rs 500 crore through issuance of debt securities on private placement basis in domestic and overseas markets. The board approved a proposal of raising of funds in Indian/foreign currency by way of issuance of debt securities including but not limited to non-convertible debentures, bonds, of up to Rs 500 crores in domestic and/ or overseas market, on a private placement basis and/ or for making offers and/ or invitations, it said in a BSE filing. PTI

'Nissan considers giving Renault seats on panel'

Tokyo: Nissan Motor Co is considering giving its alliance partner Renault SA some seats on planned oversight committees after the French automaker expressed discontent with the envisioned governance reform, according to a source. REUTERS



PRE-BUDGET CONSULTATIONS

Trade unions demand hike in minimum monthly wages, assured work for 200 days, social security

ENS ECONOMIC BUREAU
NEW DELHI, JUNE 15

HIKE IN minimum wage, providing social security to workers, quality of job creation and rehabilitation of workers who have lost their jobs were some of the issues discussed by the representatives of trade and labour unions in their pre-Budget meeting with the Minister of State for Finance and Corporate Affairs Anurag Thakur on Saturday.

Representatives of trade unions suggested to the government to raise the minimum wage to Rs 20,000, provide 200 days of assured work under the rural employment guarantee scheme and ensure minimum monthly pension of Rs 6,000.

The unions during a pre-budget meeting also demanded hiking slabs for exemption of income tax for salaried persons and pensioners to Rs 10 lakh per year.

They asked for Rs 8 lakh income tax slab for senior citizens and exemption of all perks and fringe benefits like housing, medical and education facilities and



MoS for Finance and Corporate Affairs Anurag Singh Thakur chairs Pre-Budget consultations with representatives of trade unions and labour organisations, in New Delhi on Saturday. PTI

running allowances from income tax. They also expressed their reservation against the privatisation and divestment in profit-making public sector undertakings and stressed on increasing investment for job creation in the pre-budget meeting.

Suggestions were made regarding "fixation of minimum wages on the recommendation of the 15th Indian Labour Conference, increase in allocations on social sector and basic essential services like health, education and food security; stopping disinvestment and strategic sale of public sector units; extension of MGNREGA to remaining all rural

areas and introducing it in urban areas besides increasing number of workdays under the scheme to 200 days and creation of National Fund for Unorganised Workers to provide social security among others," the Finance Ministry said in a statement.

All India Trade Union Congress (AITUC) General Secretary Amarjeet Kaur said, "We, the 10 central trade unions group, put up all of our points. We have demanded for Rs 20,000 minimum wage, Rs 6,000 minimum monthly pension and guaranteed employment of 200 days under MGNREGA (100 days at present)." WITHPTI

IT industry, startups discuss data protection and tax issues with Thakur

PRESS TRUST OF INDIA
NEW DELHI, JUNE 15

REPRESENTATIVES OF tech sector and industry bodies like Nasscom, IAMAI and MAIT met Minister of State for Finance Anurag Thakur Saturday to discuss various issues, including tax structure, and share their views on strengthening digital economy.

The pre-Budget consultation meeting also focussed on data issues such as use of Big Data technology in improving the forecasting of economic, financial, climatic etc phenomena by analysing large data sets, for providing a fillip to the SME sector and for public governance, official statement said.

Other issues, which dominated the discussion, included digital infrastructure and role of government, regulation of digital economy especially in privacy, consumer protection and finan-

cial regulation and software as service among others, it said.

The meeting was also attended by officials from the Finance Ministry, Electronics & IT Ministry, Department of Telecommunications, CBDT and others.

"The representatives of digital economy and start-ups shared their views and suggestions regarding Big Data, data mining, building of digital infrastructure as the big challenge before Indian economy besides scaling-up and incentivising Research & Development (R&D) within India. While the experts discussed the issues ailing their respective fields, they also suggested a variety of solutions to the sector specific problems," it said.

Development of startups and micro, small and medium enterprises (MSME) ecosystem in the country also featured in various suggestions, it added.

India will achieve the target set under Paris Agreement: R K Singh

REUTERS
BAGHDAD, JUNE 15

UNION MINISTER R K Singh Saturday assured international community that India will achieve the target set under the Paris Agreement on Climate Change to reduce emissions, saying that the country "is moving towards those goals". India had committed to reduce its emissions by 33 to 35 per cent by 2030 compared to 2005 levels under the Paris agreement (COP21).

"India is implementing one of the largest Renewable Energy expansion programs, Energy Efficiency programmes and moving towards the achievement of our target to fulfill our commitment made in Paris Agreement on Climate Change," Singh said while making interventions at the G20 Ministerial Meeting on Energy Transitions and Global Environment for Sustainable Growth, being held in Karuizawa, Nagano Prefecture, Japan on June 15-16. The power and new & renewable energy minister highlighted the path breaking achieve-

ments in household electrification and providing energy access to all in India. He also mentioned about the progressive steps towards the achievement of the target to fulfill commitment made in Paris Agreement on Climate Change.

He also expressed confidence that India will achieve 40 per cent renewable in energy mix by 2030. In addition to this, Singh mentioned various energy efficiency programmes such as through PAT, UJALA, Standard & Labelling, ECBC etc and reiterated the country's commitment for greener and healthier planet.

The minister said that India is achieving one of the largest expansion of renewable energy in the world, and it has become a net exporter of power in past five years.

REPORTS EMERGE THAT US INITIATING ANTI-TRUST VIOLATIONS PROBE AGAINST GOOGLE

Pichai cautions: Don't regulate tech firms just 'for sake of it'

PRESS TRUST OF INDIA
WASHINGTON, JUNE 15

GOOGLE'S INDIAN-AMERICAN CEO Sundar Pichai has said that it is "perfectly fine" for big companies to be scrutinised but cautioned against doing it just "for the sake of regulating" them amid reports that the US is initiating an anti-trust violations probe against the internet giant.

Pichai made the comments for the first time after reports emerged earlier this month that Google's search business and advertising practices may come under scrutiny during the potential anti-trust violations probe by the US Department of Justice (DOJ).



Google CEO Sundar Pichai. AP file photo

The DOJ and Federal Trade Commission are said to be dividing up responsibility for oversight

of Google, Facebook, Apple and Amazon to probe their market dominance. Pichai told CNN

Business on Friday that it's "perfectly fine" for companies like Google to be scrutinised when they get big enough.

"Scrutiny is right, and we will participate constructively in these discussions," he said. "I worry that if you regulate for the sake of regulating it, it has a lot of unintended consequences," he said, focusing on the issue of artificial intelligence in particular.

Pichai said, "it will have implications for our national security and... for other important areas of society. Having leadership ends up being really critical."

This is not the first time Google has come under scrutiny. The company was under investigation by the Federal Trade Commission

in 2013, but emerged relatively unscathed after the firm pledged to change certain aspects of its business, such as how it handles content from third-party travel or shopping sites.

"We have gone through similar situations in Europe, so it's not a surprise to us," Pichai said, adding "for some of the other companies, maybe the scrutiny is newer."

He said that there are countries that aspire to be the next Silicon Valley, and they are supporting their companies too.

"This doesn't mean you don't scrutinize large companies, but you have to balance it with the fact that you want big, successful companies as well," Pichai added.

Fortis calls off process of stake sale in RHT, RHTTM

PRESS TRUST OF INDIA
NEW DELHI, JUNE 15

FORTIS HEALTHCARE said Saturday it has decided to close the bidding and search process to explore the possibility of sale of interest in RHT Health Trust and RHT Health Trust Manager Pte Ltd (RHTTM).

In an earlier filing to bourses, the company had said its group firm Fortis Healthcare International Ltd had commenced deliberations to explore sale of interest in RHT and RHTTM.

"No firm proposal which is commercially viable was received and no agreement (bind-

ing or non-binding) has been reached with any of these parties in connection with the Potential Transactions or any other transaction involving RHT and/or RHTTM," Fortis Healthcare said.

RHT Health Trust Manager Pte Ltd is a subsidiary of Stellant. Stellant and Fortis Healthcare International Ltd (FHIL) are direct/ indirect wholly-owned subsidiaries of the company, Fortis Healthcare said in a filing to BSE.

Pursuant to an open invitation to interested parties to submit proposals in connection with the potential transactions, a process to evaluate proposals was undertaken with professional advisers, and preliminary discussions were held with certain third parties concerning the Potential Transactions, it added.

Since the process to explore the potential transaction was inconclusive, it was decided to close the bidding and search process, it added.