

Jaitley turns down demands for deferring GST rollout

NEW DELHI, JUNE 29 /- Union Finance Minister Arun Jaitley Wednesday rejected demands for deferring the Goods and Services Tax (GST) rollout saying the Constitution does not give luxury to delay the nation's biggest economic reform by six months.

Not ruling out a few initial glitches when more than a dozen state and central taxes are abolished and barriers between 29 states done away with, Jaitley said the system is fully geared up and will eventually smoothen itself out.

While there have been sporadic protests in some cities against implementing the GST without giving businesses more time to prepare, Finance Minister Jaitley said the government has decided not to attend the gala event planned

in Central Hall of Parliament on June 30 midnight to usher in the mega tax reform. West Bengal Chief Minister Mamata Banerjee termed the "hurried" roll out of the GST as "epic blunder" by the Centre and demanded deferring it by six months to help small businesses. Jaitley, however, said the date of GST implementation, rules and tax rates had been decided through a consensus by the GST Council - a body that is made up of representatives from each state as well as the centre government.

"Those who are talking in terms of deferring (GST) by 6 months and so on, that's a constitutionally impossible thing," the finance minister said. The Constitutional Amendment Bill provides for roll out of the Goods and Services Tax by September 15, failing which the government will lose its legal entitlement to collect taxes.

September last year gives time only till mid-September to replace the existing indirect tax structure by the GST. In absence of the GST, there will be a constitutional crisis as no tax can be levied on goods and services. "More importantly, there is a constitutional mandate, and the mandate is on September 15 you will lose your right to collect existing taxes. So, therefore, the alternate system has to come in place and hopefully, by that date the (GST) system will come into place in a more orderly manner," he said. The GST Constitutional Amendment Bill provides for roll out of the Goods and Services Tax by September 15, failing which the government will lose its legal entitlement to collect taxes.

Besides, interest at the rate of 6 per cent would accrue in case refund is withheld. With regard to ICGST, provision prescribing refund of 50 per cent of ICGST on supplies to defence run CSD canteen has been notified. Also notified is those provisions relating to supplies of goods in respect of which no refund of unutilised input tax credit shall be allowed. The Ministry has also notified the composition levy and has barred manufacturers of ice cream, pan masala and tobacco from paying tax under the scheme. Under the composition scheme where the sales of businesses does not exceed Rs 75 lakh, manufacturers will have to pay 1 per cent of turnover as GST, traders 2.5 per cent and 0.5 per cent of turnover in state in case of other suppliers. Besides, the Ministry has also notified 12 amendments to the CGST Rules. (PTT)

FinMin starts notifying provisions of GST Acts, amends rules

NEW DELHI: Ahead of GST roll-out the Finance Ministry has started notifying various provisions of law relating to interest calculation, input tax credit and valuation. Provisions in the Central GST Act (CGST), Integrated GST (IGST) Act and Union Territory GST Act and rules under them are being notified.

These include those relating to invoice, credit and debit notes, accounts and records, return, payment of tax, refund, assessment and audit, advance ruling. Also appeals and revisions, transitional provisions, anti-profiteering and e-way rules have been notified which shall come into effect from July 1. As per the notification, interest at 18 per cent is to be paid for delayed payment of tax, 24 per cent in case of excess claim of input credit or undue/excess reduction in output

tax regime will be rolled out at a special meeting to be held in Parliament on Friday. The petition has urged the high court to direct the Centre to defer implementation of the GST till the beginning of the next financial year. Appearing for the Central government, Additional Solicitor General Anil Singh today told the bench that the decision to implement the GST had been carefully considered by the Parliament and that its implementation was in public interest.

"There is no prohibition in law to implement the GST from July 1, 2017," he said. The petition has urged the high court to direct the Centre to defer implementation of the GST till the beginning of the next financial year. Appearing for the Central government, Additional Solicitor General Anil Singh today told the bench that the decision to implement the GST had been carefully considered by the Parliament and that its implementation was in public interest.

HC reserves order on plea for deferring GST roll-out

MUMBAI, JUNE 29 /- The Bombay High Court on Thursday reserved its order on a petition seeking deferment of implementation of the Goods and Services Tax (GST). A division bench of justices VK Tahilramani and Sandeep Shinde reserved its order after hearing arguments on a plea filed by city resident K S Pillai last week, challenging the Union government's decision to roll out the major tax reform in the middle of the financial year. The Central government has announced that the indirect

tax regime will be rolled out at a special meeting to be held in Parliament on Friday. The petition has urged the high court to direct the Centre to defer implementation of the GST till the beginning of the next financial year. Appearing for the Central government, Additional Solicitor General Anil Singh today told the bench that the decision to implement the GST had been carefully considered by the Parliament and that its implementation was in public interest.

tax regime will be rolled out at a special meeting to be held in Parliament on Friday. The petition has urged the high court to direct the Centre to defer implementation of the GST till the beginning of the next financial year. Appearing for the Central government, Additional Solicitor General Anil Singh today told the bench that the decision to implement the GST had been carefully considered by the Parliament and that its implementation was in public interest.

IndianOil launches Durapave Bitumen in West Bengal



event. Welcoming the delegates and dignitaries on the dais, Ranjan Kumar Mohapatra, ED, WBSO expressed that IndianOil had launched VG-Grade Bitumen almost seven year ago. This year Indian Oil Corporation Ltd. decided to brand its Bitumen as DURAPAVE which is a promise to consumers that they will get Quality, Durability, Reliability of Supply & Services and the feeling of assurance.

Mr. Shankar, ED I/C (Institutional Business), Marketing Head Office informed the delegates that Bitumen is the market leader for Bitumen in India and is marketing entire gamut of Bitumen Products and it has the distinction of contributing to infrastructure development in every nook and corner of the country. The name 'DURAPAVE' indicates the longevity of IndianOil's Bitumen i.e. it is combination of words DURABLE and PAVING. IndianOil's R&D group has indigenously developed formulations of Bitumen derivatives with enhanced properties.

EOI CORRESPONDENT

KOLKATA, JUNE 29 /- IndianOil Corporation Limited ushered in DURAPAVE, the advanced Bitumen, in West Bengal recently. Bitumen in different forms is used as a binder for Road Construction and maintenance works. Durapave Emulsion is flowable at ambient temperature and is ready to use material. It consists of very minute Bitumen globules suspended in water with the help of emulsifiers. Significant properties of Durapave emulsion include anti-stripping agent, viscosity, homogeneity, storage stability, adhesivity and particle charge. DURAPAVE Bitumen is suitable for pavement sub-factor in all sorts of weather conditions: highways, traffic denser roads, junctions, heavy duty and high traffic seaport roads etc. It is a durable and economic solution for new construction and maintenance of wearing courses. Shobhan Chatterjee, Managing Director, Kolkata and Minister for Fire & Engineering, Housing & Environment, West Bengal graced the occasion as Chief Guest along with Srikrumar Bhattacharya, Engineer-in-Chief and Ex-Officio Secretary West Bengal Public Works Department.

A. K. Sharma, Director Finance, C.S. Shankar, ED I/C (Institutional Business) Marketing HO, Gautam Bose, ED (RS) ERO, S.K. Satija, ED ERO, Dinesh Kumar Gang, ED (Corporate Finance) CO, Debashish Roy, ED (Finance) RHG attended the launch

event. Welcoming the delegates and dignitaries on the dais, Ranjan Kumar Mohapatra, ED, WBSO expressed that IndianOil had launched VG-Grade Bitumen almost seven year ago. This year Indian Oil Corporation Ltd. decided to brand its Bitumen as DURAPAVE which is a promise to consumers that they will get Quality, Durability, Reliability of Supply & Services and the feeling of assurance.

A. K. Sharma, Director Finance, C.S. Shankar, ED I/C (Institutional Business) Marketing HO, Gautam Bose, ED (RS) ERO, S.K. Satija, ED ERO, Dinesh Kumar Gang, ED (Corporate Finance) CO, Debashish Roy, ED (Finance) RHG attended the launch

Bankers pull off largest stressed asset resolution with Rs 16,189cr UltraTech-IP Cement deal

MUMBAI, JUNE 29 /- ICICI Bank on Thursday said that a lenders consortium led by it has concluded the biggest asset resolution in the country with consummation of the Rs 16,189 crore takeover of Jaypee Cements by UltraTech.

ICICI Bank was the lead bank in the lenders' consortium and played a "significant role" in the sale process, Kuchhar said. She said a decision to take over Jayprakash Associates and Jaypee Cement's debt was taken more than a year ago and its subsidiary UltraTech Cement was appointed to manage the sale

process. "ICICI Bank has played a significant role through this entire process, enabling successful completion of this transaction," she said. The bank said the transaction is significant because a part of the debt of Jayprakash Associates and Jaypee Cement has been transferred from a stressed account to an AAA-rated new company. On March 31, 2016, UltraTech, the largest cement company in the had announced its intention to take over the troubled JP Cement for Rs 15900 crore and earlier this year the valuation was increased to Rs 16,189 crore. UltraTech chairman Kukar Birla had

on March 1 this year expressed hope that the sale process would be completed by June. The deal will take the Birla firm's capacity to over 91 mtpa, as the Jaypee deal will increase its capacity by 21.2 million tonne per annum while it help the JP group pare its debt pile.

The transaction excludes the 1.2-million tonne plant in Karnataka. The Jayprakash Associates had debt of alarmingly high Rs 60,000 crore and the deal was forced by the lenders. Post-Birala deal, Jaypee will continue to have 10.6 mtpa capacity in the form of MP, UP, Andhra and

Karnataka. Many banks had to take a hit with provisions in Q4 of FY17 due to the deal not going through and had expected a write-back with the conclusion of the sale process. Announcement comes a week within banks clearing the Rs 86,000 crore Rosneft-Essar Oil deal which will also help banks. The Essar Oil owed more than Rs 26,000 crore in debt to 23 lenders led by SBI apart from a Rs 1290 crore to LIC.

The ICICI Bank scrip closed 0.95 percent up at Rs 293.70 on the BSE, whose benchmark ended the session with a marginal gain of 0.08 per cent. (PTT)

resolution in the country so far and hope that this landmark transaction will pave the way for more such resolutions. "Chanda Kochhar, ICICI Bank managing director and chief executive, said in a statement.

She said the sale process of the cement business of Jayprakash Associates and Jaypee Cement Corporation

to the Birla group's UltraTech Cement has been concluded today. Even though the exact gain to the lenders is not mentioned in the statement, a March 2016 media report had pegged banks would receive about Rs 4,000 crore from sale.

ICICI Bank was the lead bank in the lenders' consortium and played a "significant role" in the sale process, Kuchhar said. She said a decision to take over Jayprakash Associates and Jaypee Cement's debt was taken more than a year ago and its subsidiary UltraTech Cement was appointed to manage the sale



President, Asian Development Bank Tekehiko Nakao meeting Union Minister for Finance, Corporate Affairs and Defence Arun Jaitley, in New Delhi.

Farm loan waiver may dent state finances, risk slippage: Fitch

NEW DELHI, JUNE 29 /- Loan waiver schemes being drolled out to farmers could have a significant impact on state government finances and pose risk of further fiscal slippages, Fitch Ratings said. Four states - Uttar Pradesh, Maharashtra, Punjab and Karnataka, which account for around one-third of India's population - have announced farm loan waivers and other state governments are likely to feel pressure to implement similar policies, particularly in states with upcoming elections, it said.

"The farm loan-waiver schemes being discussed and rolled out across an increasing number of Indian states could have a significant impact on state government finances, and might undermine efforts to bring down general government debt," Fitch said in a statement. Larger state deficits would delay an expected gradual reduction in general government debt, which includes central and state government debt.

There is a risk that farm loan waivers - which have not previously factored into our assumptions - will lead to further fiscal slippage at the state level or will reduce the funds available for public investment. The central government has the authority to block states from borrowing to finance persistently large deficits, but it could be reluctant ahead of approaching elections in some states, with the 2019 Lok Sabha election drawing nearer," Fitch said. The Centre has gradually consolidated its fiscal position in recent years, and has indicated that loan waivers will have to be funded from state coffers.

However, the combined finances of the states - which are included in general government debt and deficits - have been under pressure. Public pay hikes, election spending and higher interest costs stemming from the UDAY scheme - under which state governments have taken on debt from power distribution companies - are all likely to add to expenditure," Fitch said. However, the impact on India's debt dynamics and capital spending will depend on the total size of loans waived. How the scheme is financed, and whether there are possible offsets from cuts to other forms of spending, including capital projects.

While affirming India's rating at BBB- with stable outlook in May, Fitch forecast general government debt to fall to 64.9 per cent of GDP by fiscal 2020-21, from 67.9 per cent in fiscal 2016-17, and highlighted that potential changes to India's fiscal position are a rating sensitivity. Public finances are a key weakness in India's sovereign credit profile, with general government debt well above the BBB median of 40.9 per cent and the fiscal deficit of 6.6 per cent of GDP in 2016-17 much higher than the BBB median of 2.7 per cent. Fitch said banks could also be affected by the waiver schemes. It will only benefit banks to the extent that they offload farm loans with weak repayment prospects to state governments. (PTT)

GST a game-changer: Dun & Bradstreet survey

EOI CORRESPONDENT

KOLKATA, JUNE 29 /- Dun & Bradstreet, the provider of global business information, knowledge and insights, in association with SAP today concluded a pan-India survey on GST readiness among MSMEs. Speaking about the survey findings, Preeta Mitra, Director, Learning & Economic Insights Group - India, Dun & Bradstreet, said "MSMEs are understandably excited and anxious on the eve of the rollout of GST. Though there are challenges in terms of readiness, we believe and our survey points out that this game-changing initiative will receive overwhelming support from MSMEs. GST will definitely lay the foundation for a double digit economic growth in the country." The survey touched six critical areas for implementation of GST and probed MSMEs for their inputs on 37 questions. When probed about the impact on business in India 72% MSMEs feel GST will have high impact on simplification of Indirect Tax structure, while 53% see a low impact on reduction in compliance requirements. Interestingly when asked about the impact of GST on their business, 53% is of the opinion that it will increase the technology cost whereas the same number of respondent also sees a potential to increase market share due to uniform tax structure.

Amritabh Mathur, Director (IS&P), BHEL and Makoto Ogawara, Senior Vice President, KHI in the presence of Atul Sobti, Chairman and Managing Director, BHEL and Yoshinori Kanahana, President, KHI. The agreement covers establishing state-of-the-art design, engineering and manufacturing facilities at BHEL, India using Japanese technology. The agreement will also enable BHEL for all technology advances and upgrades as well.

BHEL signs Technology Collaboration Agreement with KHI *To manufacture stainless steel coaches for Metros

EOI CORRESPONDENT

KOLKATA/NEW DELHI, JUNE 29 /- Aimed at expanding its footprint in the Urban Transportation Sector as part of its diversification initiatives, Bharat Heavy Electricals Limited (BHEL), has entered into a Technology Collaboration Agreement with Kawasaki Heavy Industries, Ltd. (KHI), Japan for the manufacture of stainless steel coaches and bogies for metros. To this effect, the Technology Collaboration Agreement was signed by

Amritabh Mathur, Director (IS&P), BHEL and Makoto Ogawara, Senior Vice President, KHI in the presence of Atul Sobti, Chairman and Managing Director, BHEL and Yoshinori Kanahana, President, KHI. The agreement covers establishing state-of-the-art design, engineering and manufacturing facilities at BHEL, India using Japanese technology. The agreement will also enable BHEL for all technology advances and upgrades as well.

BHEL has been a reliable partner in the growth of Indian Railways for over 50 years by supplying electric and diesel locomotives, EMUs, and propulsion system sets and drives for the same. Notably, Kolkata Metro, the first Metro in India, is equipped with BHEL made propulsion system. The Agreement has been signed in the backdrop of the prime minister's "Make in India" initiative, and will enable BHEL to produce stainless steel coaches indigenously and help in bringing technology upgrades in its expanding portfolio.

Cos, govts assess damage from latest malware

EOI CORRESPONDENT

PARIS, JUNE 29 /- Companies and governments around the world counted the cost of a software epidemic that has disrupted ports, hospitals and banks.

Logistics firm FedEx says deliveries by its TNT Express subsidiary have been "slowed" by the cyberattack, which had "significantly affected" its systems.

Ports operated by the Danish shipping giant AP Moller-Maersk are still crippled. An Alabama port official, James K. Lyons, said crews at Maersk's APM terminal in Mobile, Alabama, have been loading and unloading containers in manual mode, without the normal computerised coordination. The company's operations were shuttered in Mumbai, India, Port Elizabeth, New Jersey, and Los Angeles, among others.

In a statement, Moller-Maersk acknowledged that its APM Terminals had been "impacted in a number of ports" and that an undisclosed number of systems were shut down "to contain the issue." The company declined to provide further detail or make an official available for an interview.

Ukraine, which was hardest hit and where the attack likely originated, said it had secured critical state assets though everyday life remained affected, with cash machines out of order and airport displays operating manually. As the impact of the cyberattack that erupted Tuesday was still being measured at offices, loading docks and boardrooms, the Ukrainian Cabinet ordered strategic assets, including those involved in protecting state security, are working normally. But that still left a large number of non-strategic assets including dozens of banks and other institutions fighting to get back online. Cash machines in Kiev seen by an Associated Press photographer were still out of order yesterday, and Ukrainian news reports said that flight information at the city's Boryspil airport was being provided in manual mode. A local cybersecurity expert discounted the Ukrainian government's assurances. "Obviously they don't control the situation," Victor Zhora of Infospace in Kiev told the AP.

Ukraine, which was hardest hit and where the attack likely originated, said it had secured critical state assets though everyday life remained affected, with cash machines out of order and airport displays operating manually. As the impact of the cyberattack that erupted Tuesday was still being measured at offices, loading docks and boardrooms, the Ukrainian Cabinet ordered strategic assets, including those involved in protecting state security, are working normally. But that still left a large number of non-strategic assets including dozens of banks and other institutions fighting to get back online. Cash machines in Kiev seen by an Associated Press photographer were still out of order yesterday, and Ukrainian news reports said that flight information at the city's Boryspil airport was being provided in manual mode. A local cybersecurity expert discounted the Ukrainian government's assurances. "Obviously they don't control the situation," Victor Zhora of Infospace in Kiev told the AP.

UPS announces new sustainability goals

EOI CORRESPONDENT

KOLKATA, JUNE 29 /- UPS has announced aggressive new sustainability goals to add more alternative fuel and advanced technology vehicles to its fleet while increasing its reliance on renewable energy sources. The goals support UPS's commitment to reduce its absolute greenhouse gas (GHG) emissions from global ground operations 12 percent by 2025, a goal developed using a methodology approved by the Science Based Targets initiative.

"Because of our size and scale, we know our commitments can shape markets, advance technologies and be a catalyst for infrastructure investments," said David Abney, UPS Chairman and CEO. "We rely on the ingenuity of our employees, suppliers and technology partners to help us reach goals that will transform the shipping industry and spur innovation."

UPS has a goal that 25 percent of the electricity it consumes will come from renewable energy sources by 2025, a dramatic increase from the 0.2 percent in 2016. In addition, by 2020 UPS plans that one in four new vehicles purchased annually will be an alternative fuel and advanced technology vehicle, up from 16 percent in 2016. The company also set a new goal that by 2025, 40 percent of all ground fuel will be from sources other than conventional gasoline and diesel, an increase from 19.6 percent in 2016. "UPS has one of the largest fleets of alternative fuel and advanced technology vehicles worldwide," said Jean-Francois Condamine, President of the Indian Subcontinent, Middle East, and Africa (ISMEA) region for UPS. "We will continue to innovate to support sustainability which is one of the themes of Expo 2020 Dubai - using resources without compromising the ability of the planet to sustain future generations. UPS is strongly committed to finding solutions for the environmental needs in this region by constantly striving to reduce our carbon footprint, and those of our customers."

