Experts urge GoM, GST council, to increase cess on tobacco products

NEW DELHI, OCT 10 /--/ Public health groups along with doctors and economists have urged the Group of Ministers in the GST Council to increase cess on tobacco products to raise the much-needed disaster remediation revenue. Experts said global experience has shown that such a tax increase will decrease tobacco use and expand government revenue.

Imposing additional cess on all tobacco products, including bidis, will be a huge win for public health and revenue generation, Bhavna B Mukhopadhyay, chief executive of Voluntary Health Association of India, said. "This move will provide much-needed relief to the people of Kerala while motivating millions of tobacco users to quit and preventing youngsters from initiating tobacco use," Mukhopadhyay said.

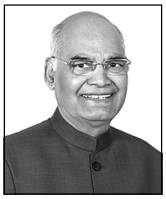
WHO recommends that countries impose tobacco excise taxes that amount to at least 75 per cent or more of retail price to achieve the dual objective of reducing tobacco use and increasing government revenue. The overall tax rate on all tobacco products in India is still very low compared to other middle-income countries, including those in South Asia. Tax burden on bidis post-GST is only 22 per cent compared to 53 per cent for cigarettes and about 60 per cent for smokeless tobacco. All of these are well below the WHO recommended rate of 75 per cent, Rijo John, economist and health policy analyst, said. It is critical that the 28 per cent GST rate category be retained for demerit or sin goods such as tobacco. This serves two purposes, as it firstly sends out a strong public health message discouraging the consumption of sin goods.

Secondly, having a separate sin tax category decreases the pressure on the other three rate bands which are applicable to essential commodities allowing the government to have a relatively lower standard GST rates for those items while still maintaining a revenue neutral position, John said. According to John, "Compensation cess constitutes more than two-thirds of the total tax revenue from cigarettes. As these cesses were not revised for more than a year, cigarettes have become much more affordable compared to the time GST was implemented and it warrants significant upward revision of cess rates applied on cigarettes." (PTI)

Prez calls upon CAG to move towards outcome auditing

NEW DELHI, OCT 10 /--/ President Ram Nath Kovind Wednesday called upon official auditor CAG to move towards outcome based auditing and provide insight and foresight' for improving government programmes.

Inaugurating the 29th Accountants General Conference here, Kovind also appreciated the Comptroller and Auditor General (CAG) as an institution for graduating from promoting accountability to ensuring that right things are done in the right and least expensive way.



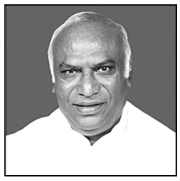
"Through your financial, compliance and performance audits, you have been providing valuable oversight on operations and giving recommendations for improvement. It is the time, the institution thinks of giving insight and foresight as well, he told the Accountants General. Stating that audit is not an end in itself, but a means to make governments work better, Kovind said there was a need to emphasise that outcome is a more meaningful measure of programme value than output. "You may deliberate on how would you as an organisation identify, understand and measure outcome to study the impact of programmes. You may have to realign strategy in a manner that it measures outcome, the President said. With CAG using data analytics for auditing, Kovind said through the use of such techniques, the institution can assist in not only giving insights for the present but also aid in providing credible forecast for future. With the tools appropriate for managing and examining the expanding data in a digital economy, you are rightly positioned to anticipate long term trends and emerging issues related to the economy, education, health, environment , national security, among others, he said.

You are not only the keeper of national accounts, but conscience keeper to the nation and a key partner in India's progress," Kovind told the Accountants General.

Kharge for CAG audit of DeMo, GST & defence purchases

NEW DELHI: The CAG should not shy away from holding the government accountable for decisions like demonetisation, GST that has caused serious economic distress, and defence purchases, PAC Chairman and Congress leader Mallikarjun Kharge said Wednesday.

He also made a case for audit of public private partnership (PPP) projects by the Comptroller and Auditor General of India (CAG) saying that developments surrounding IL&FS reveal that lack of scrutiny can put the country's financial system at risk. Speaking at the 29th Accountants General Conference here, Kharge pitched for greater independence for the official auditor CAG so that it could continue to discharge its duties with greater responsibility.



As a watchdog of public finance, CAG has a duty to check and report all revenue dues and the ones wrongly foregone by the executive, and also act as a custodian to ensure that no government money is spent without the approval of Parliament.

"The public should not wonder why constitutional authorities are failing to hold governments accountable for decisions that cause serious economic distress such as demonetisation, GST or decisions that involve a huge amount of public money, like defence purchases," said the Chairman of the Public Accounts Committee (PAC) of Parliament.

Opposition Congress has raised questions over the Rs 58,000-crore Rafale jet fighter deal and has demanded a probe by the Joint Parliamentary Committee (JPC).

He said 'outcome based auditing' by CAG would make the government of the day accountable.

Referring to the decision to demonetise high denomination currency notes in November 2016, he accused the government of shifting goal posts and changing the objective of demonetisation.

"Unless the government is forced to spell out the outcomes when it launched its schemes, no one would be able to hold it accountable. We have seen how government shifts goal posts once failures become apparent. For example, during demonetisation the government kept changing the objective of the scheme," Kharge added. (PTI)

News In Brief

Consumer outfit directive to PepsiCo

NEW DELHI, OCT 10 /--/ The Delhi consumer commission has asked PepsiCo India to pay Rs 50 lakh to the winner of a competition organised by the company, and observed that there is a growing tendency among firms to attract customers by announcing big prizes but the winner is hardly given anything. The Delhi State Consumer Disputes Redressal Commission (SCDRC) has asked the company to pay the amount along with compensation of Rs 10,000 and litigation charges Rs 10,000 to Delhi resident Karishma within 30 days.

SER earnings from freight traffic

KOLKATA, OCT 10 /--/ South Eastern Railway has earned Rs 6007.17 crore during the first half of the current financial year from originating freight traffic, an SER spokesman said Wednesday. The amount earned from April to September of 2018-19 by the SER is Rs 348.59 crore more than the corresponding period of last financial year, thus registering a growth of 6.16 per cent, SER spokesman Sanjoy Ghosh said. (PTI)

Odisha govt woos Delhi-NCR investors in agri-marketing

GUWAHATI, OCT 10 /--/ The Central Board of Direct Taxes (CBDT) has designated the Court of Munsiff No-3, Kamrup (Metro) in Guwahati to handle all prosecution cases of the North Eastern Region (NER). As a result, many prosecution cases filed at different stations are being transferred to this designated court, an official release said on Wednesday. The TDS wing of the Income Tax Department, NER, has, apart from conducting seminars and workshops to spread tax awareness, also prosecuted habitual TDS/TCS defaulters who deduct or collect tax but do not pay to the Centre.

Govt clears closure of National Jute Manufactures Corporation, subsidiary

NEW DELHI, OCT 10 /--/ The government Wednesday approved the closure of loss-making PSU National Jute Manufactures Corporation (NJMC) and its subsidiary Birds Jute & Exports Ltd (BJEL). The decision was taken at a meeting of the Union Cabinet chaired by Prime Minister Narendra Modi here. The decision will benefit the government exchequer in reducing recurring expenditure incurred in operating both the sick CPSEs in running their activities.

"The proposal will help in closing loss-making companies and ensuring release of valuable assets for productive use, or for generating financial resources for developmental progress," an official statement said. BJEL has no staff and as the factory is not in operation; closure does not have any adverse implications, the government said in the statement. The available land with both the CPSEs will be put up for public use/other government use for overall development of society.

The Disposal of fixed assets as well as current assets will be in accordance with the guidelines of the Department of Public Enterprises and the proceeds from the sale of assets, after meeting the liabilities, will be deposited in Consolidated Fund of India.

In accordance with the norms, a Land Management Agency (LMA) will be engaged for disposal of assets. The LMA will be directed to carry out a thorough verification of the assets before undertaking their disposal in accordance with the DPE guidelines.

Ministry of Textiles does not propose to use any land or building of BJEL for its own purposes or for any of its other CPSEs and the Land Management Agency will be informed upfront accordingly, the statement said. NJMC has been incurring losses for several years and was under reference to BIFR since 1993.

The company's primary product was hessian jute bags used for packaging of food grain used by the various state governments.

Guenter Butschek, CEO and MD, Tata Motors with Mayank Pareek, Head Passenger Vehicles, Tata Motors launching all new Tata Togor, in New Delhi

With $ 39b wealth, Jack Ma reclaims top spot among Chinese billionaires

BEIJING, OCT 10 /--/ Jack Ma, the founder of the e-commerce giant Alibaba, has regained the title of China's richest man with he and his family having a total wealth of about USD 39 billion, according to the latest version of the Hurun China Rich List 2018.

Ma, 54, who last month made surprise announcement of his retirement as the executive chairman of the USD 420 billion e-commerce giant, has pipped Chinese property mogul Xu Jiayin.

The pioneer of China's internet industry had named Alibaba's Chief Executive Officer (CEO) 46-year-old Daniel Zhang as his successor who would take charge in September next year. Ma will remain Alibaba's executive chairman during the year-long period to ensure a "smooth and successful" transition. With 270 billion yuan (USD 39 billion) in wealth, Jack Ma's family became the richest in China, dethroning Evergrande Chairman Xu Jiayin, whose wealth fell by 40 billion yuan to 250 billion yuan, (about USD 36 billion), the state-run China Daily reported on Wednesday.

Ma Huateng, the founder, chairman and CEO of the Chinese internet giant Tencent Holdings is placed at the third place in this year's list, with 240 billion yuan (USD 34 billion) in wealth. The richest woman in China, Yang Huiyan, vice-chairwoman of Country Garden, grabbed the fourth place with 150 billion yuan (USD 21 billion) in personal wealth, the report said.

A great disparity of wealth remains between the top three, whose total wealth reached 760 billion yuan (about USD 110 billion) and the others in the top 10 list, having a total wealth of 995 billion yuan (USD 144 billion), it said.

Lei Jun, the founder and CEO of Beijing-based Chinese electronics company Xiaomi is the newcomer in the list, it said.

Lei and chairman of Amer International Group Wang Wenyin and his family, both shared 10th place with the total wealth of 110 billion yuan (USD 15 billion). E-commerce, fintech and internet service industries showed strong momentum to generate wealth in China as two of the top three persons in the list work in these industries, the report said. The real estate industry provided wealth for three of the top 10, including Xu, Yang Huiyan and Dalian Wanda Group Chairman Wang Jianlin and family. The age of China's richest ranged from 32 years to 76 years with Yan Hao, chairman of the board of Pacific Construction Group being the youngest while founder of Midea Group, He Xiangjian, was the oldest person in the list, the report said. (PTI)

Weather Report

	MinTemp.	Max Temp.	Weather
Gangtok			
11-Oct, 2018	14.0	18.0	Generally cloudy sky with a few spells of rain or thundershowers
12-Oct, 2018	13.0	18.0	Generally cloudy sky with a few spells of rain or thundershowers
13-Oct, 2018	13.0	19.0	Generally cloudy sky with one or two spells of rain or thundershowers
14-Oct, 2018	13.0	20.0	Partly cloudy sky with one or two spells of rain or thundershowers
15-Oct, 2018	13.0	20.0	Partly cloudy sky with possibility of rain or Thunderstorm
16-Oct, 2018	13.0	20.0	Partly cloudy sky with possibility of rain or Thunderstorm
Gyalsingh			
11-Oct, 2018	13.0	22.0	Generally cloudy sky with a few spells of rain or thundershowers
12-Oct, 2018	12.0	22.0	Generally cloudy sky with a few spells of rain or thundershowers
13-Oct, 2018	12.0	23.0	Generally cloudy sky with one or two spells of rain or thundershowers
14-Oct, 2018	12.0	24.0	Partly cloudy sky with one or two spells of rain or thundershowers
15-Oct, 2018	13.0	24.0	Partly cloudy sky with possibility of rain or Thunderstorm
16-Oct, 2018	13.0	24.0	Partly cloudy sky with possibility of rain or Thunderstorm
Mangan			
11-Oct, 2018	15.0	23.0	Generally cloudy sky with a few spells of rain or thundershowers
12-Oct, 2018	14.0	23.0	Generally cloudy sky with a few spells of rain or thundershowers
13-Oct, 2018	14.0	24.0	Generally cloudy sky with one or two spells of rain or thundershowers
14-Oct, 2018	15.0	25.0	Partly cloudy sky with one or two spells of rain or thundershowers
15-Oct, 2018	15.0	25.0	Partly cloudy sky with possibility of rain or Thunderstorm
16-Oct, 2018	15.0	25.0	Partly cloudy sky with possibility of rain or Thunderstorm
Namchi			
11-Oct, 2018	14.0	25.0	Generally cloudy sky with a few spells of rain or thundershowers
12-Oct, 2018	13.0	24.0	Generally cloudy sky with a few spells of rain or thundershowers
13-Oct, 2018	13.0	24.0	Generally cloudy sky with one or two spells of rain or thundershowers
14-Oct, 2018	13.0	25.0	Partly cloudy sky with one or two spells of rain or thundershowers
15-Oct, 2018	14.0	25.0	Partly cloudy sky with haze
16-Oct, 2018	14.0	25.0	Partly cloudy sky with haze
Tadong			
11-Oct, 2018	16.0	24.0	Generally cloudy sky with a few spells of rain or thundershowers
12-Oct, 2018	15.0	24.0	Generally cloudy sky with a few spells of rain or thundershowers
13-Oct, 2018	15.0	25.0	Generally cloudy sky with one or two spells of rain or thundershowers
14-Oct, 2018	15.0	26.0	Partly cloudy sky with one or two spells of rain or thundershowers
15-Oct, 2018	15.0	26.0	Partly cloudy sky with possibility of rain or Thunderstorm
16-Oct, 2018	15.0	26.0	Partly cloudy sky with possibility of rain or Thunderstorm
Darjeeling			
11-Oct, 2018	10.0	19.0	Partly cloudy sky with possibility of moderate rain or Thunderstorm
12-Oct, 2018	10.0	18.0	Generally cloudy sky with one or two spells of rain or thundershowers
13-Oct, 2018	10.0	19.0	Generally cloudy sky with one or two spells of rain or thundershowers
14-Oct, 2018	11.0	19.0	Generally cloudy sky with one or two spells of rain or thundershowers
15-Oct, 2018	10.0	18.0	Partly cloudy sky with possibility of rain or Thunderstorm
16-Oct, 2018	10.0	18.0	Mainly Clear sky

Source: IMD