

Petro products to be brought under GST in stages, says Adhia

NEW DELHI, JULY 6 /- Finance Secretary Hasmukh Adhia Friday said the all powerful GST Council will consider bringing petroleum products under Goods and Services Tax (GST) and it could happen in phases.

Speaking on the issue, Central Board of Indirect Taxes and Customs Chairman S Ramesh said although there is demand for bringing petroleum products under GST, the GST Council will have to finalise modalities. Currently, diesel, petrol, kerosene, natural gas and aviation turbine fuel are outside the purview of goods and services tax, and states have the right to impose value added tax on these items. "One of the demands that is there before us, we will see, everything will happen in stages," Adhia said at an event here.

The civil aviation ministry has time and again voiced its concern on the high rate of taxes on aviation turbine



fuel, which accounts for a significant chunk of an airline's operational costs and also has a bearing on air fares. Earlier, the civil aviation ministry had also written to the finance ministry seeking the inclusion of jet fuel under the indirect tax regime with full input tax credit at the earliest. The finance ministry has expressed its intention to include natural gas and ATP within the purview of goods and services tax soon. "We have done a lot but that it does not

mean that there is no scope for betterment of the existing system. We still believe that we need to do a lot more and we are working in that direction," Adhia said. On the issue of automation of refund, he said it was meant to be automated right from day one but unfortunately people made so many mistakes in filing return that the income-tax department had to get into manual mode at the last moment. "We are again trying to make it completely automatic, the entire refund process. This is next thing. In terms of simplification of rates, slabs, we do understand need for it but we did what was best in the given scenario.

"We could not have done anything other than this because we had to take care of concern of poor. Certainly we must move in that direction of something better than that," the secretary added. (PTI)

Trump unleashes trade war with tariffs on China

WASHINGTON /- BEIJING, JULY 6 /- Punishing US tariffs on Chinese imports took effect on Friday, marking the start of President Donald Trump's trade war with the largest American trading partner and intensifying the anxieties of global industries.

Beijing said it was "forced to take necessary countermeasures" after Trump imposed 25 per cent duties on about USD 34 billion in Chinese machinery, electronics and high-tech equipment including autos, computer hard drives and LEDs. China was expected to respond dollar-for-dollar but did not immediately release details of the countermeasures, which were expected mainly to target agricultural products in a bid to hurt Trump supporters. Beijing accused Washington of starting "the largest trade war in economic history" and vowed to take the case to the World Trade Organisation.

But it could just be the opening skirmishes in the war, as Trump has vowed to impose tariffs on as much as USD 450 billion in Chinese goods, the vast majority of imports. The arrival of the long-threatened tariffs marked the failure of months of dialogue between the world's two largest economies in an amid hand-wringing from industry leaders who fear shrinking markets, higher prices and slower growth. The tariffs also made real a campaign-trail pledge for Trump, who has flummoxed for years against the "what he describes as Beijing's underhanded economic treatment of the United States. US officials have said China of building that

country's emerging industrial dominance by stealing the "crown jewels" of American technological know-how through cyber-theft, forced transfers of intellectual property, state-sponsored corporate acquisitions and other unethical practices. And they say the current US economic strength, as well as America's soaring trade deficit in goods, means the world's largest economy can outlast its rivals in the current tit-for-tat battle, presenting Washington with a rare window of opportunity to settle old scores. The US trade deficit in goods with China ballooned to a record USD 375.2 billion last year, further stoking Trump's ire. But it remains unclear whether the American president would carry out recent threats to respond to any Chinese retaliation with maximum pressure - raising US duties on Chinese goods in increments of USD 200 billion until virtually all the goods America buys from its largest trading partner are subject to duties. But, aboard Air Force One yesterday, Trump erased any hope of an about-face. He said Washington stood ready to slap duties on hundreds of billions more in Chinese imports once today's tariffs took effect.

As the tariffs start approaching at midnight, the US central bank warned the impending trade battle was beginning to darken the otherwise blue skies of the robust American economy, now starting its 10th year of recovery. Businesses around the United States told the central bank that spending plans had been scaled back or postponed and they also warned of further adverse effects from the trade conflict, according to a Federal Reserve survey.

Chinese retaliatory measures on US already in effect: Ministry

BEIJING, China Friday said it had already imposed retaliatory measures on US goods, moving immediately after Washington implemented tariffs on Chinese goods at the stroke of midnight.

But after the US activated its tariff measures against China, China's measures against the US took effect immediately, said Lu Kang, spokesman for the foreign ministry. Lu declined to give precise details but the Chinese ministry had previously released a list that matched Washington's USD 34 billion dollar-for-dollar. "We never wanted to see the escalation of trade frictions into a trade war. A trade war is the last thing we want to see, because we said many times that no one will benefit from a trade war," said Lu. "Bullying and threatening will lead nowhere. Our position remains consistent and very clear." China's commerce ministry earlier today accused the US of launching the "largest trade war in economic history" saying it could trigger "global market turmoil". Today's tariffs could mark the opening skirmishes of an escalating tit-for-tat trade war, as Trump has vowed to impose duties on as much as USD 450 billion in Chinese goods - the vast majority of all of China's exports to the US. (AFP)

Rural sops to continue in election run-up, farm debt waivers to touch \$ 40b: Report

MUMBAI, JULY 6 /- Need to quell unrest ahead of the crucial general elections next year will result in more farmer-friendly sops, and the farm debt waivers alone will top over USD 40 billion or 1.5 per cent of GDP, a report said on Friday.

"We continue to expect the government centre and states to take proactive steps to quell rural unrest in the run up to the 2019 elections. It is for this reason we see farm loan waivers rising to USD 40 billion by the end of the year," analysts at Bank of America Merrill Lynch (BofAML) said in a note. The note from the American brokerage comes a day after the newly formed Karnataka government announced a farm loan waiver which will cost up to USD 5 billion and two days after the centre announced a sops hike in minimum support prices (MSP) for procuring food grains.

In the last few months, there have been debt waiver announcements by governments in Maharashtra and Uttar Pradesh, among others. The RBI has been opposed to such

moves for wrecking credit culture. BofAML warned that the centre will have to relax its inflation and fiscal deficit targets if it were to achieve its target of doubling farmer income in the five years to 2022.

Moreover, it also recommended regular MSP adjustments if we were to implement the Swaminathan Committee report that insists on ensuring 1.5x returns to farmers for their cultivation. On the positive side, it said that the rural economy-centric measures will help rural demand at a time of stress and a fall in farm income due to poor rains, falling global prices and limited MSP hikes.

Loan waivers of 1.5 per cent will increase the farm incomes by 3 per cent per annum till FY20, it said. On the flip side, the loan waivers will affect yields as loan growth recovers, it said, adding that the government will have to come up with bonds like the one for the power sector that will securitise banks' farm loans into long-dated non-SLR (statutory liquidity ratio) state paper. (PTI)

Banks working closely with UK agencies to recover maximum dues from Mallya: SBI MD

NEW DELHI, JULY 6 /- Indian banks are working very closely with various agencies, including in the UK, to recover maximum out of assets owned by Vijay Mallya after a British court allowed them to search and seize properties of the fugitive liquor baron. SBI MD Arjit Basu said on Friday.

"We have been able to come this far because of efforts that was taken in a very coordinated manner by all agencies including the government. We are very happy with the court order and with this kind of order, we believe we should be able to go after those assets," he told reporters here. The SBI is the leader of consortium of 13 banks that lent about Rs 9,000 crore to Mallya's now defunct Kingfisher Airlines. Without giving a specific number, Basu said: "there are various laws which operate between different countries that allow us to go beyond our national borders. With the effort that we have made, we have got worldwide freezing order. Going by the assets that we have, we feel that it will be significant amount of the debt if not whole amount".

Asked about timeline for auction, he said, banks are working very closely with all agencies and lawyer in London as to how High Court Enforcement Order (HCEO) can be enforced. State Bank of India has appointed valuer to assess the value of assets of Mallya. Asked about recovery in India, Basu said, the consortium has



SBI Life Insurance MD and CEO Arjit Basu

recovers Rs 963 crore from auction of Mallya's Indian assets. The order grants permission to the UK High Court Enforcement Officer to enter the 62-year-old tycoon's properties in Hertfordshire, near London.

It permits the officer and his agents entry to Ladywalk and Bramble Lodge in Twinn, Welwyn, where Mallya is currently based. However, it is not an instruction to enter, which means the banks have the option to use the order as one of the means to recover estimated funds of around 1,145 billion pounds. "The High Court Enforcement Officer, including any enforcement agents acting under his authority, may enter Ladywalk, Queen Hoo Lane, Twinn, Welwyn, and Bramble Lodge, Queen Hoo Lane, Twinn, Welwyn, including all outbuildings of Ladywalk and Bramble Lodge to search for and take control of goods belonging to the First Defendant (Mallya)," notes the order by Justice Byran, dated June 26.

The High Court Enforcement Officer, including any Enforcement Agent, acting under his authority may use reasonable force to enter the Property if necessary," it states. Giving the background of the case, Basu said, banks have worked really hard for the last 2-3 years to try and get recovery order which has been given by the debt recovery tribunal because many of the assets which this person holds are not in the country but outside. Last consortium meeting took place on May 30 following which the bank appointed lawyer in London, he said, adding that the concerted efforts of banks resulted in this landmark order. (PTI)

Telangana allots 200 acres to women entrepreneurs

HYDERABAD, JULY 6 /- The Telangana government has allotted 200 acres to three different women entrepreneurs' associations in the state. Industries and IT Minister K T Rama Rao said on Friday. The minister was speaking at a function in which the Telangana State Industrial Infrastructure Corporation handed over allotment letters to 18 women entrepreneurs belonging to FICCI Ladies Organisation (FLO) at the FLO SRTC Industrial Park, Sultanpur near here.

"We have allocated 50 acres to FLO at Sultanpur, 50 acres to Confederation of Women Entrepreneurs (COWE) at Topran and 100 acres to the Association of Lady Entrepreneurs of India (ALEAP) and also 10 per cent of land in all the 140 various industrial parks in the state are earmarked for women entrepreneurs," he said. IT and Industries Secretary Jayesh Ranjan FLO HYD chairperson Priyanka Ganerival and US Consul General Catherine Haddia were among those present. (PTI)



Ruidra Chatterjee, senior vice-president ICC, Alok Chaturvedi, DGT, Director General of Foreign Trade, Government of India and Sanjay Budhia, former president- ICC at the panel discussion: Modified Exim Policy: 2018 organised by ICC

Punjab, Israel agree to explore tech transfer

CHANDIGARH, JULY 6 /- Punjab and Israel Friday agreed to explore technology transfer in the areas of water conservation and security, besides deciding to cooperate in the fields of agriculture and social development. These, and some other key issues of mutual interest, were discussed between Punjab Chief Minister Amarinder Singh and Israeli Ambassador to India Daniel Carmon over a breakfast meeting here, an official spokesman said. The Israeli ambassador made the courtesy call on the chief minister, who is scheduled to visit the West Asian region at the end of the month.

Bengal Chemicals aims at Rs 36cr net profit by 2020

KOLKATA, JULY 6 /- Bengal Chemicals and Pharmaceuticals Ltd., the country's first pharmaceutical pharma company, is hopeful of clocking a net profit of Rs 36 crore by 2020, an over three-fold rise from the bottomline it posted in the last fiscal.

"We have doubled our profit for 2017-18 to Rs 10 crore on a turnover of Rs 78 crore. In the current fiscal, we are aiming at Rs 20 crore net profit on a topline in excess of Rs 100 crore," Managing Director P M Chandralal said here on Friday, announcing the company's earnings. "By 2020, we are

News In Brief

RSP production
BHUBANESWAR, JULY 6 /- Rourkela Steel Plant (RSP) has registered its "best-ever" production performance in "all major areas", including hot metal, in the first quarter of the 2018-19 fiscal. The plant produced a record 3,32,235 tonnes of hot metal in Q1, registering a growth of 28.1 per cent over the corresponding period last year. RSP said in a release. Earlier in the year, CEO Ashwini Kumar had conducted QoQ Cascading Workshops for major units of the plant. (PTI)

Weather Report			
	MinTemp.	MaxTemp.	Weather
Gangtok			
07-Jul, 2018	18.0	24.0	Partly cloudy sky with one or two spells of rain or thundershowers
08-Jul, 2018	19.0	23.0	Generally cloudy sky with moderate rain
09-Jul, 2018	19.0	23.0	Generally cloudy sky with moderate rain
10-Jul, 2018	19.0	24.0	Rain or Thundershowers
11-Jul, 2018	19.0	24.0	Rain or Thundershowers
Gyalasingh			
07-Jul, 2018	18.0	25.0	Partly cloudy sky with one or two spells of rain or thundershowers
08-Jul, 2018	19.0	24.0	Generally cloudy sky with a few spells of rain or thundershowers
09-Jul, 2018	19.0	23.0	Generally cloudy sky with a few spells of rain or thundershowers
10-Jul, 2018	18.0	24.0	Rain or Thundershowers
11-Jul, 2018	18.0	25.0	Rain or Thundershowers
Mangan			
07-Jul, 2018	20.0	30.0	Partly cloudy sky with one or two spells of rain or thundershowers
08-Jul, 2018	21.0	29.0	Generally cloudy sky with moderate rain
09-Jul, 2018	21.0	28.0	Generally cloudy sky with moderate rain
10-Jul, 2018	20.0	29.0	Rain or Thundershowers
11-Jul, 2018	20.0	29.0	Rain or Thundershowers
Namchi			
07-Jul, 2018	20.0	30.0	Partly cloudy sky with one or two spells of rain or thundershowers
08-Jul, 2018	21.0	29.0	Partly cloudy sky with one or two spells of rain or thundershowers
09-Jul, 2018	21.0	28.0	Generally cloudy sky with one or two spells of rain or thundershowers
10-Jul, 2018	20.0	29.0	Rain or Thundershowers
11-Jul, 2018	20.0	29.0	Rain or Thundershowers
Tadong			
07-Jul, 2018	20.0	31.0	Partly cloudy sky with one or two spells of rain or thundershowers
08-Jul, 2018	21.0	30.0	Generally cloudy sky with one or two spells of rain or thundershowers
09-Jul, 2018	21.0	29.0	Generally cloudy sky with moderate rain
10-Jul, 2018	20.0	29.0	Rain or Thundershowers
11-Jul, 2018	20.0	30.0	Rain or Thundershowers
Darjeeling			
07-Jul, 2018	15.0	20.0	Generally cloudy sky with one or two spells of rain or thundershowers
08-Jul, 2018	14.0	19.0	Generally cloudy sky with a few spells of rain or thundershowers
09-Jul, 2018	14.0	19.0	Generally cloudy sky with Heavy rain
10-Jul, 2018	14.0	20.0	Partly cloudy sky with possibility of rain or Thundersorm
11-Jul, 2018	14.0	20.0	Partly cloudy sky with possibility of rain or Thundersorm

Source: IMD