



FTCCI *Review*

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THE FEDERATION OF TELANGANA CHAMBERS OF COMMERCE AND INDUSTRY

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The government is facing restrictions on both Revenue and Expenditure side. The interim budget assumed 34% growth in personal tax collections- which would be optimistic even in good growth year.

Smt. Nirmal Sitharaman, Hon'ble Minister for Finance is going to present her maiden budget for 2019-20 on July 5th against the backdrop of India's economy hitting a five-year low growth of 6.8 per cent in 2018-19. The financial stability issues concerning banking and non-banking finance companies may have bearing on the Budget decisions.

The government is facing restrictions on both Revenue and Expenditure side. The interim budget assumed 34% growth in personal tax collections – which would be optimistic even in good growth year. On the expenditure side the constraints are even more with the introduction of schemes like PM-Kissan, a new pension scheme for unorganised labourers and had announced personal income-tax rebates. Besides the scheme, the government needs to continue pushing the implementation of flagship schemes like Ayushman Bharat and PM Awas Yojana. The fiscal commitments are, therefore, already high and financing could be a problem. The key issue in the Budget remains the transfer of RBI's 'surplus' capital.

While the RBI has legroom to cut repo rate by 100 basis points in the last one year to boost investments, government should come out with new taxation framework to act as catalyst to job creation. The companies may be given rebate in corporate tax that makes investments in labour intensive sectors as well as to other companies depending on capacity to create number of jobs.

In order to achieve an annual GDP growth rate of 8-9%, India must focus on all three sectors. The aim of agriculture growth should go beyond food security. It is a matter of great concern that India with 2/3rd cultivable land is at lowest ranking in productivity. Measures needed to be taken to achieve double digit

growth in manufacturing sector to create employment opportunities and tackle the rising unemployment problem. Government proposal to revamp its customs duty regime, weeding out some exemptions and correcting inverted duty structures to give a boost to the Make in India manufacturing initiative as well as exports is a welcome move.

The annual summit of the Group of 20 (G20) nations has ended in Osaka, Japan and to the great relief of the nations, the two countries – US and China agreed to negotiate on tariffs on goods. Though the US is not ready to lift the tariffs on China but they are not imposing any additional tariffs. The relations between the two countries were brought 'back on to the track' by agreeing to restart trade talks and have discussions on specific issues.

FTCCI in its endeavor to promote economic growth through promotion of industry and trade has organized two major events – Open House Meet on Trade Facilitation with DGFT, Customs, GST and Industry representatives and three day Training Program on Export Documentation Procedures. The open house meet discussed the challenges and hurdles faced by the exporters and FTCCI has submitted representations to GST Council and Ministry of Commerce along with its recommendations to overcome the hurdles.

I appeal to all the members to avail the opportunity and participate in the meetings and workshops in large number and make FTCCI a strong and reliable organization for the State and Central governments.

I thank all the members for their support during my tenure as the President and convey my Best Wishes to every member of the Federation.

Arun Luharuka
President



Office Bearers of FTCCI, Sri Arun Luharuka, President, Sri Karunendra Jasti, Sr. Vice President, Sri Ramakanth Inani, Vice-President, along with Smt. Khyati Naravane, CEO and Smt. T. Sujatha, Deputy CEO met Sri K. Taraka Rama Rao, Working President of TRS on June 28, 2019.

They congratulated him for the inauguration of Kaleswaram Lift Irrigation Project (KLIP), world's largest lift irrigation project.

RECENT UPDATES IN GST

(till 25 June 2019)

<p>Extension of effective date of implementation of restrictions on generation of E-way bill</p>	<p>CGST Notification 25/2019 Central Tax dated 21 June 2019</p>	<ul style="list-style-type: none"> ▶ Rule 138E dated 31 December 18 which places restrictions on generation of E-way bill in the event of failure to furnish returns upto a consecutive period of two months. ▶ The effective date of Rule 138E was initially notified to be 21 June 2019. ▶ The date has been further extended upto 21 August 2019.
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Highlights - Decisions of 35th GST Council meeting held on 21 June 2019

New return filing system (FORM GST ANX1&FORM GST ANX-2 only) to be available between July 2019 to September 2019 on trial basis for tax payers.

Due dates for filing of Annual return forms GSTR 9 and 9A and reconciliation statement in 9C has been extended till 31 August 2019 from 30 June 2019.

Due date for availing the composition scheme notified vide notification No. 2/2019-Central Tax (Rate) dated 07.03.2019 (i.e. scheme of payment of GST upto 50 lakhs at 6%) has been extended to 31 July 2019.

The Council also decided to introduce electronic invoicing system in a phase-wise manner for B2B transactions. The Phase 1 is proposed to be voluntary and it shall be rolled-out from January 2020.

Goods and Services Tax Network (GSTN/Common portal) updates

Free Billing and Accounting software to the Micro, Small and Medium Enterprises, with annual turnover under Rs 1.5 Cr, in a financial year is available after logging into the portal and navigating to Downloads > Accounting and Billing Software option. This facility is made available to the active Normal taxpayers, SEZ Developers/SEZ Units and taxpayers who have opted for composition scheme under the GST regime.

COURTESY : CA Irshad Mohammed, Partner - MIA & Associates

High Commission of India, Colombo has informed that The Ceylon Chamber of Commerce is organising the **“Sri Lanka Investment and Business Conclave 2019”**, from 16th-17th September, 2019, at the Lotus Ballroom, Shangri-La Colombo, Sri Lanka.

The Conclave will focus on bringing potential Investors including business partners to Sri Lanka with a view to providing them with information that will be of value in taking investment decisions. The event will also provide a forum to establish business linkages with Sri Lankan and visiting businessmen. The two day event will feature B2B meetings, Breakout Sessions/Panel Discussions/Spouse Programmes and field visits.

Sri Lankan Airlines has agreed to offer all participants and accompanying persons a 15% discount on Economy Class airfare and a 10% discount on Business Class airfare to registered delegates.

For further information, please contact Ms. Lilakshini de Mel, Senior Assistant Secretary General on Tel. +94-11- 5588818, +94-11-2421745-7 or +9477-3215566 and by email – lilakshi@chamber.lk.

States may get regional power regulators

The government is thinking of setting up regional regulators to review the performance of independent state electricity regulatory commissions, as a rising gap between average revenue and costs has worsened the financial position of power distribution companies.

After the Ujwal Discom Assurance Yojana (Uday) was put in place, discoms' billing efficiency has improved to about 85% and collection efficiency to about 97%, while the aggregate technical and commercial losses are below 19%, the government official said.

The gap between average cost of supply and revenue recovery reduced to 17 paise in FY18 from 59 paise, when the Uday scheme came into being in 2015.

The revenue gap, however, widened in the nine months of FY19 to 35 paise from 26 paise in the corresponding period of the previous year, on higher coal and freight charges, lesser subsidy disbursement by states and ineffective tariff hikes by regulators. Accumulated debt of distribution companies stood at Rs 3.52 lakh crore, old debt was at Rs 2.02 lakh crore and fresh borrowings were at Rs 1.5 lakh crore.

<https://economictimes.indiatimes.com/industry/energy/power/states-may-get-regional-power-regulators/articleshow/69936045.cms>

World trade panel sides with India vs US in renewables tiff



A World Trade Organization dispute panel has ruled in favor of India in its complaint against the United States over subsidies and rules applied by eight U.S. states in the renewable energy sector, such as for solar and wind power.

The ruling made public hands a defeat to the U.S. government, which has been

pressuring the WTO's highest appeals body. President Donald Trump has in the past called the Geneva-based body "unfair" to the United States.

The panel found that California, Connecticut, Delaware, Massachusetts, Michigan, Minnesota, Montana, and Washington had improperly given tax or financial incentives to domestic producers of renewable energy systems, components or "inputs" made in those states.

It said the states' measures gave preferential treatment to domestic products over imported products.

India didn't specify the amount of alleged damage of the practices.

A U.S. official said in an e-mail that several of the panel's findings were "effectively moot" because the measures had already expired, while some measures included "small financial disbursements" and others had not provided funding for at least a decade.

The two sides have up to 60 days to appeal.

<https://energy.economictimes.indiatimes.com/news/renewable/world-trade-panel-sides-with-india-vs-us-in-renewables-tiff/69982975>

Haryana Govt Modifies Power Tariff Subsidy Scheme

The Haryana government has modified the power tariff subsidy scheme to provide affordable power supply to the enterprises located in the state, an Industries and Commerce department spokesperson said. A notification has been issued in this regard, he further said.

He said that an enterprise located in 'C' and 'D' category blocks having industrial connection of connected load of 20 KW or less would be provided a power tariff subsidy of Rs two per unit. He further said that this scheme would be applicable from November 1, 2018.

The spokesman stated that the enterprise will be eligible for this benefit till it remains in production.

The power companies or utilities such as Uttar Haryana Bijli Vitran Nigam (UHBVN) or Dakshin Haryana Bijli Vitran Nigam (DHBVN) would provide this benefit by deducting the subsidy amount in the electricity bills. The amount of power tariff subsidy granted would be reimbursed by the Industries and Commerce department from its budget, he added.

<https://www.pennews.net/haryana/2019/06/27/haryana-govt-modifies-power-tariff-subsidy-scheme>

Around a half of LED bulb brands in India flout safety standards: Nielsen study



Around 47 per cent of LED bulb brands and 52 per cent of LED downlighter brands across 400 electrical retail outlets in India are non-compliant with consumer safety standards prescribed and mandated for lighting products.

This was revealed in a Nielsen study conducted across 8 major Indian cities in 2018 including Delhi, Mumbai, Kolkata, Chennai, Durgapur, Bareilly, Ahmedabad and Hyderabad. The total LED Market in India is worth Rs 11,400 crore, with LED bulbs and downlighters constituting 72 per cent of the overall LED market, being widely used across homes, offices and workspaces.

“These spurious products are a safety hazard for consumers besides causing significant loss in tax revenues for the Government of India, as they are illegally manufactured and sold,” industry body Electric Light and Component Manufacturers Association (ELCOMA) said in a statement.

In the LED bulbs category, Hyderabad had the highest non-compliance levels in Bureau of Indian Standards (BIS) mark at 57 per cent and Ahmedabad at 60 per cent had the highest non-compliance levels in legal metrology. In the LED Downlighter category, Bareilly had the highest non-compliance in BIS mark at 78 per cent and Mumbai topped the charts in non-compliance in legal metrology at 78 per cent.

<https://energy.economictimes.indiatimes.com/news/power/around-a-half-of-led-bulb-brands-in-india-flout-safety-standards-nielsen-study/69977554>

India to Add 131.31 GW Power Generation Capacity Till 2022

India will add 131.31 GW of power generation capacity during 2019 to 2022, Parliament was informed.

“Based on the present preparedness of projects, the likely power generation capacity addition during 2019 to 2022 is likely to be 1,31,316 MW,” Power and New and Renewable Energy Minister R K Singh said in a written reply to Rajya Sabha.

India’s total installed power generation capacity was 3,56,817.6 MW as on May 31, 2019.

He said that in 2018-19, all India electrical energy requirement was 1274.59 Billion Units (BU) and energy supplied was 1267.52 BU.

The all India peak demand was 177.022 GW and peak demand met was 175.528 GW for 2018-19 (shortage of 0.6 per cent).

<https://www.outlookindia.com/newsscroll/india-to-add-13131-gw-power-generation-capacity-till-2022/1561906>

EPA Finalizes ACE Rule, Replaces Clean Power Plan



The Environmental Protection Agency (EPA) has issued a final Affordable Clean Energy (ACE) rule to formally replace the Obama administration’s controversial Clean Power Plan (CPP).

Like the CPP, the June 19-issued final ACE rule will regulate greenhouse gases (GHGs), and it will be founded firmly on the agency’s 2009 Endangerment Finding. However, the ACE rule focuses on the nation’s 600 coal-fired units (at 300 facilities) and gives states leeway on deciding how they will meet “emission guidelines” stipulated in the rule.

The ACE rule also defines the “best system of emission reduction” (BSER) for GHG emissions from existing power plants as on-site, heat-rate efficiency improvements, and it outlines six “candidate technologies” and operating and maintenance practices that generators can use to improve heat rate—which is a measure of the amount of energy required to generate a unit of electricity. In the CPP, by comparison, the EPA determined that BSER should be comprised of three building blocks: increasing operational efficiency of coal plants; shifting power generation from coal to natural gas; and increasing power generation from renewables.

<https://www.powermag.com/epa-finalizes-ace-rule-replaces-clean-power-plan/>

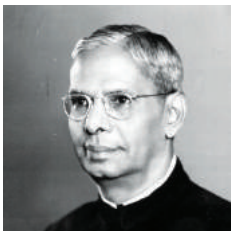


FTCCI brings to its members Budget through the years and the men who made India in the context of presentation of Budget on 5th July, 2019 by Smt. Nirmala Sitharaman, Hon'ble Finance Minister, Government of India,

India is the fastest-growing trillion-dollar economy in the world and the sixth-largest with a nominal GDP of \$2.61 trillion. India is forecast to overtake the UK to become the world's fifth largest economy this year and projected to surpass Japan to feature at the second position in the Asia-Pacific region by 2025, according to a report by IHS Markit.

Budget presentation is often seen as one of the most important events in the Indian economy. Announcements made by the Finance Minister directly affect the common man's household budget, whether he or she will spend more or save more this year. Here are the Finance ministers who made an impact not only on the economy then, but whose policies helped shape the Indian economy to its current status.

R.K. Shanmukham Chetty (1947-1948)



R.K. Shanmukham Chetty became the first finance minister of India after it became independent in 1947. Chetty, presented the first Finance Budget of independent India on November 26, 1947, which was a review

of the economy and no new taxes were proposed. Rehabilitation of refugees and payment of subsidies for food grains created a large burden on the first Budget. The Budget revenue was Rs 171.15 crore and expenditure Rs 197.39 crore.

C D Deshmukh (1950-1956)



Chintaman Dwarkanath Deshmukh was the first Indian to be appointed as governor of Reserve Bank of India in 1943.

A big change that was made during Deshmukh's tenure was the preparation of Budget papers

in Hindi as well. The first such Budget was the one he presented in 1955.

GDP had grown by 18% between 1950 and 1955, due to a sharp turnaround in food production imports were lower, export demand for tea and jute were booming, current account had shown a surplus of Rs 25 crore and sterling balances peaked at Rs 735 crore

T T Krishnamachari (1957-1958, 1964-1966)



Tiruvellore Thattai Krishnamachari held the office of India's Finance Minister for two terms, first from 1956-1958 and the second from 1964-1966.

During his first stint as the FM, Krishnamachari found that calculations made in the previous budget had gone awry. So, on November 30, 1956 in a 5000 word speech, he warned the nation about the changed economic situation and emphasised on the need to levy fresh taxes even before the next budget was

presented.

His most famous Budget was the one he presented in 1957, called The Krishnamachari-Kaldor Budget. He put severe restrictions on imports through an import licensing system; withdrew budgetary allocation for non-core projects and set up Export Risk Insurance Corp to protect exporters against payment risks.

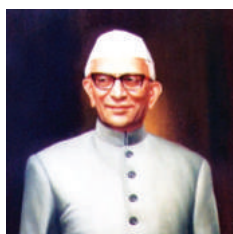
He was also responsible for introducing a wealth tax, a tax on expenditure and a tax on railway passenger fee. Krishnamachari also raised peak excise to 400%, and made the first attempt to distinguish between active income (salaries or business) and passive income (interest or rent).

He was instrumental in building the economic and industrial infrastructure of the country from the ground up and also left his mark on the Constitution of India as a member of its Drafting Committee.

Focussing on measures needed for providing social security, Krishnamachari expanded the existing pension scheme, to cover family members of deceased government servants, by introducing a new Family Pension Scheme in 1964.

Krishnamachari was forced to resign when he was linked to the the Mundhra scandal, Independent India's first major financial scam.

Morarji Desai (1959-1964, 1967-1969)



With eight annual and two interim budgets, Morarji Desai is the Finance Minister who has presented the maximum number of budgets so far.

In Desai's 1968 Budget did away with stamping and assessment of goods by the excise department right at the factory gate. In a boost to manufacturing, he introduced a system of self-assessment for manufacturers. The reform reduced the administrative burden on the excise department.

In his 1968 Budget, he withdrew the "spouse allowance" where both a husband and wife were income tax payers. He said in his budget speech: "it would be improper for any outsider to decide as to who is dependent on whom... to eliminate this unintended strain on the relationship of marriage."

Desai resigned in 1969 to protest against the nationalisation of major banks by an ordinance. He felt social control of banks would regulate their functioning and make them accountable.

Y B Chavan (1971-1975)

Yashwantrao Balwantrao Chavan's 1973 Budget



was called the 'Black Budget'. The color black was the media's symbolic reference to the budget speech set during a time-period of immense economic turmoil. The term black-budget remains an inglorious reference to the

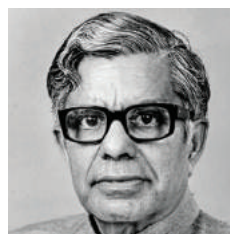
hardships of 1973.

The immediate observation made from Chavan's speech was a massive deficit of Rs 550 crores. What complicated the situation was the situation of drought coupled with the war in Bangladesh or East Pakistan.

Chavan also announced the nationalisation of coal mines. The decision, many believe, had an adverse effect on coal production in the long run. Bundling of coal assets under a single government-owned entity meant there was no scope for competition with the market. India has since been an importer of coal.

In 1974, he brought down the maximum marginal rate of tax by 20 percentage points from 97.75 per cent to 77 per cent. The move was to set the template for a key part of direct tax reforms in the decades ahead.

C Subramaniam (1975-1977)



Chidambaram Subramaniam was the man who ushered in an era of self-sufficiency in food production in India. C. Subramaniam also took forward the tax reforms started by his predecessor Chavan.

Even as the country was reeling under Emergency, Subramaniam further lowered tax rates, bringing down the maximum marginal rate by another 11 percentage points to 66%. He scaled down wealth tax rates as well.

Another change he carried out was the 1976 amendments in tax laws where he introduced the concept of source-based taxation. These changes echoed over three decades later, when Vodafone fought - and won - its protracted legal battle with tax authorities over the latter's right to tax its indirect acquisition of a majority stake in an Indian telecom firm.



H M Patel (1977-1979)

H.M. Patel was appointed the Finance Minister by the new PM Morarji Desai, who was leading India's first non-Congress administration. He changed many socialist economic policies,

ending barriers to foreign investment and reducing tariffs, while protecting home industries. He was also responsible for the policy that all foreign companies must form corporations with an Indian company holding 50% stake, which caused companies like Coca Cola to pull out of India.

Along with the then Prime Minister, Morarji Desai and Reserve Bank of India Governor I. G. Patel, Hirubhai M. Patel was considered one of the key architects in the development and execution of India's first demonetisation in 1978.

The government scrapped high denomination notes of Rs 1,000, Rs 5,000 and Rs 10,000 notes.

Chaudhary Charan Singh (1979-1980)



Singh's budget, more than any other in history, changed the face of fiscal federalism in the country. It accepted recommendations of the 7th Finance Commission and absorbed the impact, which doubled the share of states in

Union excise duties from 20% to 40%.

The budget also sowed the seeds of indirect tax reforms. Even though it stopped short of a major restructuring of excise, this Budget initiated a recast of the rates on a wide range of consumer and finished products. Importantly, it brought down the list to a mere 16 from a few hundred commodities.

Finally, value added tax first appeared in this budget, although in a very primitive form. The budget extended pro forma credit facilities in respect of duty on inputs in the manufacture of finished products. This was done as an experiment for the engineering industry, where duty on inputs was high.

Ramaswamy Venkataraman (1980-1982)



In his 1980-81 Budget, Venkataraman undid all that Charan Singh had done in excise. Life-saving drugs were exempted from excise duties, and so were cycles and parts, toothpaste, sewing machines, pressure-cookers and cheap varieties of

soaps.

He also progressively increased the income-tax exemption ceiling from Rs 8,000 to Rs 12,000 and then to Rs 15,000, in his second Budget. The exemption, at today's price levels, stands at Rs 1,50,000. After two of his Budgets, the inflation was down to 2.5%.

Pranab Mukherjee (1982-1984)



Pranab Mukherjee rose through a series of cabinet posts to become the Finance Minister of India from 1982 to 1984. He was the first Rajya Sabha member to hold the Finance portfolio.

At the very beginning of Mukherjee's tenure, he faced a major problem. The country had just emerged from a bitter period of inflation, whose rate of increase reached an all-time high of 21% during Chaudhury Charan Singh's tenure as Finance Minister.

His term was noted for India not withdrawing a \$ 1.1 billion instalment of an IMF loan. His predecessor, R Venkataraman, had signed that agreement with the IMF for an SDR of US \$5 billion in November-December 1981.

V P Singh (1985-1987)



V.P. Singh is remembered for hounding top industrialists and even arresting some of them, even though he pushed the economic liberalisation agenda in his 1985 Budget. High-profile raids on suspected evaders - including

Dhirubhai Ambani - forced Rajiv Gandhi to divest Singh of the portfolio.

He introduced modified value added tax (MODVAT), which allowed credit/ set-off of duty paid on raw materials against the duty on final products. This was the base of a major indirect tax reform that would later culminate to the Goods & Services Tax regime.

Rajiv Gandhi (1987-1988)



Rajiv Gandhi introduced provisions related to minimum corporate tax, better known today as MAT or Minimum Alternate Tax. The aim was to bring highly profitable companies within the tax net which were otherwise legally managing to avoid paying

income tax.

The exercise in zero-based budget began in 1987-88. The zero-based budgeting is a process of review, analysis and evolution for each budget request in order to justify its inclusion or exclusion from the integrated whole budget before it is finally approved.

Yashwant Sinha (1991-1992, 1998-2002)



Sinha is widely credited for pushing through several major reforms that put the Indian economy on a firm growth trajectory. Those include lowering real interest rates, introducing tax deduction for mortgage interest, freeing up the telecommunications sector, helping fund the National Highways Authority, and deregulating the petroleum industry.

Sinha is also known for being the first Finance Minister to break the 53-year tradition of presenting the budget at 5 pm, a practice held over from British Rule days that sought to present the Indian budget at a time convenient to the British Parliament rather than India's Parliament.

Manmohan Singh (1991-1996)



Having inherited arguably India's worst balance of payments crisis, Singh presided over a transformation in policy making. The small steps on liberalisation of the previous decade were followed by bolder steps in the

face of a crisis.

Singh opened up the Indian economy to the world. The ground-breaking 1991 Budget overhauled the import-export policy, slashed import licensing and went for vigorous export promotion.

Fiscal tools were used to boost sunrise industries; software companies were given concessions to make them internationally competitive. Taxes on dividends and long-term capital gains were cut. SEBI was given statutory powers and private sector entry into mutual funds was allowed. Stifling controls over interest rates were reduced in phases.

The Manmohan Singh Budget opened the Indian industries to foreign competition and his economic reforms laid the foundation for the rapid growth of the Indian economy.

P Chidambaram (1997-1998, 2004-2008, 2012-2014)



Chidambaram's 1997 Budget was the clockmaker's budget. It was aimed at building

an institutional structure and a regulatory framework. Its theme was centred around creating and aligning the regulatory framework with the open economy.

During his second stint, his 2005 Budget set the tone for UPA, which remained at the center for ten years. Bharat Nirman was the main pitch of this government. After NDA's India Shining campaign fell flat apart, UPA focused on the aam aadmi and announced big-ticket schemes like the National Rural Health Mission and NREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme).



Arun Jaitley (2014-2019)

Under PM Modi-led NDA rule, multiple large-scale programmes were started. Some of them include the Rs 7,060 crore smart cities project, Atal Pension Yojna for all citizens in the unorganised

sector, Digital India, and the Make in India programme to give a push to indigenous industries.

In line with the NDA bid to curtail corruption and black money, the government in 2016 announced the demonetisation drive, phasing out the Rs 500 and Rs 1000 notes, instead introducing a new Rs 500 series, Rs 200 notes and Rs 2000 notes.

In 2017, under Jaitley, the Goods and Services Tax was also introduced. GST replaced several taxes like central excise duty, services tax, additional customs duty, surcharges, state-level value added tax and Octroi. Even other levies which were applicable on inter-state transportation of goods were also done away with.



Ice cream feast for the deprived



Unilever and Deluxe Ice Cream Factory have arrived at a settlement in a trademark case in the Bombay High Court by which the latter will donate ₹5 lakh to an NGO which looks after sick and injured animals on the streets. The dispute was over the

names of ice cream products, Choco Feast and Cornetto, claimed by Unilever. It had alleged that the rival firm was passing off its ice cream products with similar sounding names like Conatto and Conetto. The court passed a permanent injunction against the use of such names in any manner. It further ordered the destruction of all wrappers and packets bearing the imitative names. Additionally, the finished products like ice creams and frozen desserts shall be distributed in orphanages, old age homes and like organizations.

No casual re-opening of tax assessment



The Delhi High Court has stressed that re-opening of an income tax assessment after four years must be based on "tangible material" and the assessing officer's allegation that the assessee had failed to disclose his income fully and truly must be backed

by sound reasons. The court stated so in its judgment in the case, Best Cybercity Ltd vs ITO, while quashing the notice to the firm as well as the rejection of its objections to the re-opening of the assessment. The judgment reiterated that there must be adequate material that leads an officer to form "reasons to believe" that income chargeable to tax for the assessment year had escaped assessment. His reasons must not be based on a mere change of opinion. Sections 147/148 of the Income Tax Act cannot be invoked "to overcome an oversight, inadvertent error or mistake in the original assessment order." The court further emphasised that the reasons for re-opening the assessment must contain all these elements.

Customs to refund duty to fruit juice importer



The Madras High Court has ordered customs authorities to refund the duty paid by a fruit juice importer with a 24 per cent interest from 2006 to 2014. In this case, Adluri Foods vs the Assistant Commissioner of Customs, the importer had paid ₹8.34 lakh towards various

customs levies. Later, the firm found that the goods were exempt from countervailing duty. It sought a refund of the duty but the authorities rejected the claims of the importer. They had also lost the records and had miscalculated the payment. The high court invoked Section 27A of the Customs Act which mandates the department to refund within three months to avoid interest on delayed refunds.

SLP dismissal needs no reason



Special leave petitions (SLP) that are now dogging the Supreme Court are in fact appeals in disguise against the orders of high courts or tribunals. Normally, the courts below must provide a certificate to the losing party to appeal to the Supreme Court. But

Article 136 provides a short cut to move the Supreme Court. Though it is meant to be invoked in special cases, SLPs take up most of the time of judges these days and they are liberal in admitting them and turning them into regular appeals. When they dismiss an SLP, it does not mean that the high court judgment under challenge has been upheld. This was clarified in a recent judgment of the Supreme Court in the case, State of Orissa vs Dhirendra Sundar. This was an appeal of some employees of the state demanding promotion on the basis of a high court judgment. They argued that the government SLP against that judgment was dismissed and therefore, that judgment should be followed in their favour. The Supreme Court said no; dismissal of the SLP did not mean all that the high court stated in its judgment was correct and approved. The Supreme Court explained: "Dismissal of an SLP at the threshold simply implies that the case before this court was not considered worthy of examination for a reason, which may be other than the merits of the case. Such dismissal at the threshold without giving any detailed reasons does not constitute any declaration of law or a binding precedent."

Courts cancel railways' curb on investors



The Calcutta High Court last week, as well as the Orissa High Court earlier, has disapproved of the restrictions imposed by the railways on the companies which had signed agreements under the Wagon Investment Scheme (WIS). The WIS policy stipulated that the investor

was supplied a guaranteed number of rakes per month and a freight rebate for 10 years. According to the Railway Board, the investor shall not carry consignments of third parties and the benefit was specific to the firm which signed the agreement. This rule was challenged in the Orissa High Court. It had quashed the Railway Board's circulars. The board moved the Supreme Court against the Orissa High Court ruling. The Supreme Court rejected the appeal. Now the same issue came up at the Calcutta High Court in the case, Rashmi Metalliks Ltd vs Union of India. The high court asked the railway to follow the Orissa High Court ruling. "When several similarly situated investors under the scheme were allowed permission to carry the consignment of third parties on the strength of the decision of the Orissa High Court, the doctrine of judicial comity and discipline demand that similar benefit should be given to others," the Calcutta High Court noted. It pointed out that the Supreme Court had observed in several judgments that "every high court must give due deference to the enunciation of law made by another even though it was free to charter a divergent direction."

Make-in-India cloud over shipping industry



Shipping companies have taken to court a notification and a circular issued under the Merchant Shipping Act implementing "Make in India" scheme. They have obtained a stay from the Delhi High Court against the implementation. In the lead petition, Great Eastern

Shipping Co vs Union of India, they argued that the circular issued on March 21 brought in a completely alien concept of an "Indian built ship", which got commercial rights higher than an Indian flag vessel. It destroyed any statutory recognition and preference available to an Indian flag vessel over foreign flag vessels. The Merchant Shipping Act did not concern itself with the place where the ship was built. It dealt only with the ownership and registration of the ship. If the ownership is wholly Indian, it becomes an Indian ship, otherwise, it is a foreign ship. The new concept brought several anomalies. For instance, shipping companies pointed out that a ship that was originally built in India but may be owned by a foreigner will get the first preference in Indian business. A shipping company cannot change its entire fleet overnight and convert it into Indian built ships as shipbuilding is a time-consuming exercise. Further, Indian ships, which number 1,384 now, will lose the right of first refusal in the business. The government countered these arguments and asserted that the policy was in public interest. The court passed an absolute stay against the notification and circular.



IOC, dealer held liable for LPG cylinder blast



The National Consumer Commission has ruled that the case in a cooking gas cylinder blast that killed a homemaker and injured her mother-in-law, both Indian Oil Corporation, which is the manufacturer, and the dealer would be liable to pay compensation to the

victims. The commission rejected various arguments of IOC, the dealer and Oriental Insurance Company — all of whom blamed the women and passed the buck to each other. The manufacturer of the LPG cylinders, as well as the dealer, cannot shirk their responsibility as they had not followed the guidelines of safety. The Delhi Fire Service had confirmed the cause of the fire in the kitchen as the loose valve. The last-ditch argument of the dealer that the woman was killed in a conspiracy was also rejected. The National Commission upheld the calculation of damages by the Delhi state commission in this case, IOC vs Sanjiv Kumar. It had allowed ₹10 lakh to the family, which included ₹1.5 lakh for loss of the love of wife, hospital bills of ₹3 lakh and funeral expenses.

Retrenchment benefit for illegal appointees



The Supreme Court has observed that termination of an employee on the ground that his initial appointment was illegal would amount to retrenchment. The consequence is that Section 25F of the Industrial Disputes Act dealing with retrenchment will be

applicable to him and he will be eligible for certain labour welfare benefits. The Act does not cover "invalid appointment", the court stated in its order in the case, Bihar State SC/ST Cooperative Development Ltd vs State of Bihar. The employees, in this case, argued that they had worked continuously for 240 days in a particular year and therefore, their termination was illegal. They demanded reinstatement with back wages. The labour court allowed their claim, but the Patna High Court reversed the judgment. It, however, did not permit recovery of dues already paid. The government appealed to the Supreme Court. It ruled that the retrenchment was illegal.

Toyota challenge to I-T rules rejected



The Karnataka High Court has rejected a challenge to a provision in the Income Tax Act imposing a penalty on amounts determined pursuant to the Convention for Avoidance of Double Taxation between the Government of India and other sovereign countries. Toyota

Kirloskar Motor, a subsidiary of Toyota Motor Corporation, Japan, had been challenging the notices of tax authorities with regard to the assessment year 2006-07. The company had agitated the issue before the Transfer Pricing Officer, the Dispute Resolution Panel, the Income Tax Appellate Tribunal and the high court. Meanwhile, the Japanese corporation had invoked the Mutual Agreement Procedure under the India-Japan Double Taxation Avoidance Treaty before the National Tax Agency of Japan and arrived at a settled figure. Yet, the authorities imposed a penalty of ₹30,89,98,800 in respect of the transfer pricing adjustment on the ground that the company had concealed income within the meaning of Section 271(c) of the Act. While rejecting the constitutional challenge to the provision, the high court asked the appellate authority to consider the case of the company on merits.

Time limit: Justice above strict rules



The Supreme Court has stated that a technical fault like delay in filing a counter affidavit should not lead to dismissal of a consumer complaint. "We have been repeatedly observing that marginal delays are not being condoned by the National Consumer

Commission on the ground that the Consumer Protection Act stipulates a period within which a consumer complaint has to be disposed of. Though the Act stipulates a period for disposing of a consumer complaint, it is also a sobering reflection that complaints cannot be disposed of due to non-availability of resources and infrastructure. In this background, it is harsh to penalise a bona fide litigant for marginal delays that may occur in the judicial process. The consumer forums should bear this in mind so that the ends of justice are not defeated," the judgment observed in the case, Vibha Bakshi vs Gruhashilp Constructions. In this case, the commission dismissed the complaint of a flat buyer as he failed to file his rejoinder for a month.

INDIAN BANKING SECTOR: CURRENT STATUS AND THE WAY FORWARD



Shri Shaktikanta Das

Shri Shaktikanta Das
Governor, Reserve Bank of India

Banking Sector

3. The last few years have been testing times for Indian banks as they grappled with deteriorating asset quality leading to higher provisioning requirements, falling profitability and weak capital position. However, the banking system is on the cusp of a transformation, aided by recent policy measures to reduce vulnerabilities and improve its financial health. Several initiatives have been undertaken and are also underway to strengthen the regulatory and supervisory frameworks aimed at increasing the resilience of the banking system.

Banking Regulation

4. As of March 2019, the capital to risk weighted assets ratio (CRAR) of scheduled commercial banks (SCBs) at 14.2 per cent remains well

above the regulatory requirement of 9.0 per cent. However, if we take into account the capital conservation buffer (CCB), some banks, especially Public-Sector Banks (PSBs), are falling short of the required 10.875 per cent. Overall, the Government's efforts to infuse capital into PSBs has significantly helped them achieve these targets.

5. We have also put in place frameworks on countercyclical capital buffer (CCCB), leverage ratio, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)¹. For better management of concentration risks and in order to align Indian banks with the international norms, the Reserve Bank proposed guidelines on large exposures which became effective from April 1, 2019. The latest round of reforms published by the Basel committee on Banking Supervision (BCBS) in December 2017 have implementation timelines stretching up to 2022.

The Reserve Bank is expected to come up with the draft guidelines by 2020 for consultations.

Non-Performing Assets

6. The deterioration in asset quality of Indian banks, especially that of Public Sector Banks (PSBs), can be traced to the credit boom of 2006-2011 when bank lending grew at an average rate of over 20 per cent. Other factors that contributed to the deterioration in asset quality were adverse macro-financial environment; lax credit appraisal and post-sanction monitoring standards; project delays and cost overruns; and the absence of a strong bankruptcy regime until May 2016. The Reserve Bank set up a Central Repository of Information on Large Credits (CRILC) in 2014 which was followed by an Asset Quality Review (AQR) in 2015. As a result of these initiatives, the recognition of non-performing assets improved, leading to a sharp rise in the gross NPA ratio from 4.3 per cent at end-March

2015 to 7.5 per cent at end-March 2016. It further reached the peak of 11.5 per cent in March 2018. Recent supervisory data suggests that various efforts made by the Reserve Bank in strengthening its regulatory and supervisory framework and the resolution mechanism instituted through Insolvency and Bankruptcy Code (IBC) are bearing fruit. This is reflected in significant improvement in asset quality of scheduled commercial banks (SCBs) during 2018-19 as gross NPA ratio declined to 9.3 per cent as on March 2019.

7. At the same time, there has been an improvement in provision coverage ratio (PCR) of SCBs to 60.9 per cent at end-March 2019 from 48.3 per cent at end-March 2018 and 44.0 per cent at end-March 2015. Due to weak capital position of banks and risk aversion on their part, credit growth remained subdued in recent years. However, with incipient sign of improvement in the health of banks, credit growth is picking up.

Resolution of Stressed Assets

8. It is now well recognised that an efficient bankruptcy regime is essential for timely resolution and liquidation of stressed companies. The Insolvency and Bankruptcy Code, 2016, (IBC) has significantly altered the financial landscape as it provides a market mechanism for time-bound insolvency resolution enabling maximisation of value. The new regime is a paradigm shift in which creditors take control of the assets in contrast to the earlier systems in which debtors remained in possession of the assets till its resolution or liquidation, leading to an improvement in the credit culture of the country.
9. In the wake of the Supreme Court's order nullifying the Reserve Bank's circular of February 12, 2018 for

resolution of stressed assets, we have issued fresh guidelines yesterday (June 7, 2019). The new guidelines provide a system of strong disincentives in the form of additional provisioning for delay in initiation of resolution or insolvency proceedings. The new framework makes inter-creditor agreements mandatory and provides for a majority decision to prevail. Further, wherever necessary, the Reserve Bank will issue directions to banks for initiation of insolvency proceedings against borrowers for specific defaults so that the momentum towards effective resolution remains uncompromised. It is expected that the revised prudential framework for resolution of stressed assets will sustain the improvements in credit culture that have been ushered in by the efforts of the Government and the Reserve Bank so far, and that, it will go a long way in promoting a strong and resilient financial system in India.

Non-Banking Financial Companies (NBFCs)

10. Let me now turn to Non-Banking Financial Companies (NBFCs). They play an important role in the Indian financial system given their unique position in providing complementarity as well as competition to banks. They cater to diverse financial needs of a wide variety of customers, both in urban and rural areas. This sector, with a size of around 16 per cent of the combined balance sheet of SCBs, has been growing at a faster pace in recent years. As at end-March 2019, the aggregate CRAR of NBFC sector was 19.3 per cent, while the gross NPA ratio was 6.6 per cent. The credit growth of NBFCs, which was over 20 per cent earlier, slowed down in the third quarter of 2018-19 after the

debt default by a systemically important NBFC. However, market confidence somewhat resurfaced in the last quarter of 2018-19 as the major sources of funding registered a recovery.

11. The debt default by a large NBFC in mid-2018 highlighted the vulnerability and need for strengthening regulatory vigil on the sector in general and on the asset liability management (ALM) framework in particular. The Reserve Bank has recently come out with draft guidelines for a robust liquidity framework for the NBFCs.
12. Further, the Reserve Bank has relaxed the norms for NBFCs to securitise their loan books. In addition, banks have been allowed to provide partial credit enhancement (PCE) to bonds issued by the systemically important non-deposit taking NBFCs and Housing Finance Companies.
13. With a view to eschewing the regulatory arbitrage between banks and non-banks, the Reserve Bank has been aligning the regulatory and supervisory frameworks for NBFCs with that of SCBs. A comprehensive Information Technology (IT) framework for strengthening off-site surveillance of NBFCs is being put in place. Further, multiple categories of NBFCs are being rationalised into fewer categories in order to provide them greater operational flexibility.
14. The Reserve Bank has also taken steps to enhance the supervision over NBFCs. These efforts are primarily focused on improving the four supervisory pillars – on-site examination, off-site surveillance, market intelligence and annual reports of statutory auditors. A fifth pillar of supervision in the form of an institutionalised arrangement for

periodic interaction with all the stakeholders including statutory auditors, credit rating agencies and banks having large exposures to NBFCs is being put in place.

Way Forward

15. I have already highlighted certain critical issues in the area of regulation and supervision of banks and non-banks. As a way forward, I would like to highlight some important issues which need to be addressed in the coming months. The first and foremost is governance reforms in banks and non-banks. These would include the following:

- i. In order to improve the functioning of the PSB boards and to foster corporate governance, it is important to enhance their quality and stability through further streamlining appointment process, succession planning and compensation. These aspects could be evaluated by bank boards and reviewed by the Banks Board Bureau. We also need to create a pool of independent directors across various areas of expertise.
- ii. The performance of MDs/CEOs of both public and private sector banks should be closely monitored by the Board of Directors either through a sub-committee or through an external peer group review.
- iii. An effective performance evaluation system should also be put in place for banks to improve their financial and operating parameters. The Government, the Bank Board Bureau and the Reserve Bank are engaged in developing an objective framework for performance evaluation of PSBs. This should redefine the contours of corporate governance in PSBs with a focus on transparency, accountability and efficiency.
- iv. Governance issues in private



sector banks (PVBs) originate from altogether different set of concerns. The issues here mainly relate to incentive structure of their managements, quality of audits and compliance and also efficient functioning of Audit and Risk Management Committees. The Reserve Bank has issued a discussion paper on proposed guidelines for compensation in private sector banks which includes specification of minimum variable pay component and clawback arrangements, among others. The Reserve Bank will continue to play a positive and constructive role to ensure private sector banks flourish in their operations.

16. Second, to create potent risk management systems in banks, the Chief Risk Officers (CROs) have to play an effective role and should be directly accountable to Managing Directors (MDs), Chief Executive Officers (CEOs) and Risk Management Committee of the Board.

17. Third, along with risk management, compliance function in banks is one of the key elements in their corporate governance structure. These have to be adequately strengthened and made sufficiently independent.

For the compliance function to be effective, it must be supported by a healthy compliance culture within the organisation. Banks should review their compliance function comprehensively to ensure compliance to all statutory and regulatory prescriptions in addition to their own internal guidelines, directions of the Board and their Committees and audit assessments. It is important that the Board of Directors are always sensitised of any compliance failures. A group-wide compliance programme would help managements and Boards in understanding the legal and reputational risks in the organisation, especially their concentration in certain areas.

18. Fourth, it has been observed that most bank frauds can be traced to absence of effective controls. An essential element of an effective system of internal control is a strong control mechanism. It is the responsibility of the Board of Directors and senior management to emphasise the importance of internal control through their actions and words. Banks should regularly reorient and train their personnel so that they fully understand the importance of internal controls in their respective

stations. The boards of banks should specifically pay attention to creating and sustaining a culture of effective control in the banks.

19. Fifth, even though the Government's capital infusion has helped public sector banks (PSBs) to improve their balance sheets, I would like to stress that PSBs should not become too dependent on this source. Depending upon individual situations, PSBs should access the capital market for mobilisation of capital.

20. Sixth, I have referred to the importance of the IBC and the new bankruptcy regime earlier. There are, however, delays in the resolution of cases, as a significant number of them have extended beyond 180 or 270 days. The government has already announced two new National Company Law Tribunal (NCLT) benches at Indore and Amravati. Nevertheless, more number of benches as well as members are required. On our part, we are opening a new RBI Professorial Chair at the Indian Institute of Corporate Affairs (IICA), Manesar, Haryana which is starting a two year Graduate Insolvency Programme to increase the pool of trained insolvency professionals.

21. Seventh, in the light of various developments in the financial sector such as the use of complex financial products and rapid technological innovations which give rise to interconnectedness and spill over effects within and between entities, there has been a move globally towards building specialised teams of bank supervisors. Even in the Indian context, some incidents in the financial sector have underscored the need for specialisation in supervision and regulation. The build-up of risks among regulated entities due to

exposure concentrations, non-transparent market practices and the associated contagion effects in the banking sector have significant implications for financial stability. Considering these issues, the Reserve Bank has now decided to build a specialised regulatory and supervisory cadre for regulation and supervision of banks, non-banks and co-operatives. This specialised cadre in the Reserve Bank will play a pivotal role so that sound banking and non-banking sectors efficiently intermediate the financing requirements of the entire economy.

22. Eighth, the Reserve Bank has been at the forefront of creating an enabling environment for growth of digital technology for new financial products and services. We are strengthening the surveillance framework and have issued draft guidelines on Framework for Regulatory Sandbox. A committee on deepening of digital payments under the chairmanship of Shri Nandan Nilekani was formed which has submitted its report. Recently, the Reserve Bank came up with a Payment System Vision 2021 to ensure uninterrupted availability of safe, secure, accessible and affordable payment systems. The Reserve Bank will examine the recommendations of the report of Nilekani Committee and dovetail the action points, wherever necessary, with Vision 2021, for implementation.

23. Ninth, we also need to address the existing inadequacies in customer service and benchmark it against international standards. Efforts in developing robust customer grievance redressal mechanisms to increase customers' trust and confidence in payment systems will be continued. Given the rising popularity of digital payments, data protection and cyber security norms need to be continuously

strengthened. With the emerging threat landscape, where organised cyber-crime and cyber warfare are gaining prominence, working towards ensuring continuous protection against the changing contours of cyber security threat becomes imperative. As banks' engagement with technology is increasing at a rapid pace, the challenge for the regulator would be to balance efficiency with prudential measures to mitigate risks to be able to harness the opportunities offered by Fintech.

24. Let me now turn to NBFCs. The conventional approach to their regulation and supervision has been light-touch, so that they could complement banks with their diverse financial products for niche areas and reach a large cross-section of population through innovative service delivery mechanisms. However, with a view to strengthen the sector, maintain stability and avoid regulatory arbitrage, the Reserve Bank has been proactively taking necessary regulatory and supervisory steps, keeping in mind the requirements of the time. In the light of recent developments, there is a case for having a fresh look at their regulation and supervision. It is our endeavour to have an optimal level of regulation and supervision so that the NBFC sector is financially resilient and robust. At the same time, NBFCs should be enabled to operate as well-functioning entities with necessary capacity to reach wider sections of population. The Reserve Bank will continue to monitor the activity and performance of this sector with a focus on major entities and their inter-linkages with other sectors. We will not hesitate to take any required steps to maintain financial stability in the short, medium and long-term.

25. As you are aware, fine tuning and improving supervision and regulation are continuous exercises. Towards this direction, we have reduced the periodicity of the NBFC supervision to 12 months from 18 months earlier. We expect the Board of Directors of companies themselves to act diligently and take necessary action based on Reserve Bank's supervision reports.
26. Further, our objective is to harmonise the liquidity norms between banks and NBFCs, taking into account the unique business model of the NBFCs vis-à-vis banks. In this context, the final guidelines on the liquidity risk management framework which we have proposed recently will be issued shortly.
27. Let me also make a reference to Urban Co-operative Banks (UCBs). Our experience suggests that the Board of Directors of UCBs require greater expertise and skill to conduct banking business professionally. The Reserve Bank is in the process of issuing guidelines on this issue. A need is also felt for establishment of an Umbrella Organisation for UCBs which may extend loans and refinance facilities, setup IT infrastructure and provide support for capital and liquidity. The structure, functions and the regulatory guidelines of this organisation are being examined by the Reserve Bank. Mergers and consolidation in the sector will also help in reducing operating costs, encouraging greater risk diversification and economising capital. We propose to put in place a mechanism for encouraging voluntary mergers in the sector through appropriate incentives. We also propose to create a Centralised Fraud Registry for UCBs.
28. I have highlighted several issues in the banking and non-banking sectors. A sound and resilient financial system is a prerequisite for a modern economy that involves all sections of its society in sharing equitably the benefits of economic and social progress. As you would know, reforms are an ongoing process. The Reserve Bank will endeavour to be proactive in its approach. In the fast-changing financial landscape, we will continue to be watchful to the emerging challenges and respond to them appropriately to ensure a resilient and robust financial system.

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Rules Amended For Companies to Avoid Similar” and “Undesirable” Names at Incorporation

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Before applying for a company name in India, a stakeholder is required to ensure that the proposed name does not contain any word as prohibited under the Companies Act, 2013 (in Section 4(2) & (3)) read with the Companies (Incorporation) Rules, 2014 (Rule 8). This Rule 8 has been recently amended by the Ministry of Corporate Affairs (MCA), Government of India, by its notification of 10th May 2019, to clarify issues relating to undesirable and similar names of the companies.

A company applying for incorporation is also required to ensure that no identical trademark and/or domain name

is already registered in the same name. While conducting availability searches for trademarks, many proposed marks get rejected because of similar existing company names. Equally, getting a company name registered during incorporation is not easy as the parameters relating to the acceptable names have not been clear thus far. However, this amendment has not only clarified the pre-registration requirements for companies seeking incorporation but will also be useful for the applicants engaged in trademark disputes which are pending due to similar company names.

Indeed, the selection of a unique name is a common issue that stakeholders face during the process of incorporation of a new company. The changes brought about the amended rule may be more easily understood by way of the following illustrations:

Rule 8: Names which resemble too nearly with the name of an existing company. The following matters shall be disregarded while comparing the names:

1. the words like Private, Pvt, Pvt., (P), OPC Pvt. Ltd., IFSC Limited, IFSC Pvt. Limited, Producer Limited, Limited, Unlimited, Ltd, Ltd., LLP, Limited Liability Partnership, company, and company, & co & co., co., co, corporation, corp, corpn, corp or group;
2. the plural or singular form of words in one or both names;

1.	Green Technology Ltd	Greens Technology Ltd.	Will be considered same
		Greens Technologies Ltd.	
2.	SM Computers Ltd.	SMS Computers Ltd	Will be considered different

1. type and case of letters, spacing between letters, punctuation marks and special characters used in one or both names;

1.	ABC Ltd.	A.B.C. Ltd	Will be considered same
		A B C Ltd.	
	TeamWork Ltd.	Team@Work Ltd.	Will be considered same

1. use of different tenses in one or both names;

1.	Ascend Solutions Ltd.	Ascended Solutions Ltd.	Will be considered same
		Ascending Solutions Ltd.	
2.	Speak English Solutions Limited	Spoken English Solutions Limited.	Will be considered same

1. use of different phonetic spellings including use of misspelled words of an expression;

1.	Chemtech Ltd	Chemtec Ltd.	Will be considered same
		Chemtek Ltd	
		Kemtech Ltd.,	
		Kemtek Ltd.	

1. use of host name such as 'www' or a domain extension such as 'net', 'org', 'dot' or 'com' in one or both names;

1	Ultra Solutions Ltd.	Ultrasolutions.com Ltd.	Will be considered same (will be considered different if existing company provides a NOC)
	Supreme Ultra Solutions Ltd.	Ultrasolutions.com Ltd.	will be considered different

1. the order of words in the names;

	Ravi Builders and Contractors Ltd.	Ravi Contractors and Builders Ltd.	Will be considered same (will be considered different if existing company provides a NOC)
	Ravi Builders and Contractors Limited	Ravi Shankar Builders and Contractors Limited.	will be considered different

2. use of the definite or indefinite article in one or both names;

1.	Congenial Tours Ltd.	A Congenial Tours Ltd.	Will be considered same
		The Congenial Tours Ltd.	
2.	Isha Industries Limited	Anisha Industries Limited.	Will be considered different

1. a slight variation in the spelling of the two names including a grammatical variation thereof;

1.	Color Technologies Ltd.	Colour Technologies Ltd.	Will be considered same
2.	Disc Solutions Ltd.	Disco Solutions Ltd.	Will be considered different

1. complete translation or transliteration, and not part thereof, of an existing name, in Hindi or in English;

1.	National Electricity Corporation Ltd	Rashtriya Vidyut Nigam Ltd.	Will be considered same
2.	Hike Construction Ltd.	Hike Nirman Ltd.	Will be considered different

1. addition of the name of a place to an existing name, if the existing name does not contain the name of any place;

1. Salvage Technologies Ltd.	Salvage Technologies Delhi Ltd.	Will be considered same (will be considered different if existing company provides a NOC)
	Salvage Delhi Technologies Ltd.	
2. Retro Pharmaceuticals Ranchi Ltd.	Retro Pharmaceuticals Chennai Ltd.	Will be considered different

1. addition, deletion, or modification of numerals or expressions denoting numerals in an existing name, unless the numeral represents any brand;

1. Thunder Services Ltd.	Thunder ₁₁ Services Ltd	Will be considered same (will be considered different if existing company provides a NOC)
	OneThunder Services Ltd	
2. One ₁₁ Power Equipment Ltd	One Power Equipment Ltd	Will be considered different, if One ₁₁ represents a brand

Both the previous and the amended Rule 8A make it clear that a proposed company name will be considered undesirable if it includes a registered trade mark being used or proposed to be carried out for the same class of goods or services, unless consent from the trademark owner has been obtained. We continue to encounter many cases in the courts where proprietors of registered trademarks sue companies for using similar names. In December 2018, the online travel aggregator “MakeMyTrip” sued five travel and tourism websites (MakeMyYatra, MakeMyJourney, Make My Happy Journey, Pick My Trip and Superb My Trip) for allegedly using similar sounding names. This amended Rule will not only discourage companies from adopting similar names, but may also reduce trademark infringement disputes that arise due such issues.

These amendments serve as a check list of sorts for companies while considering what to name themselves. Equally, trademark applicants can also benefit from these rules. Indeed, as a precautionary step, trademark applicants are always advised to check the records of the MCA while conducting availability searches for trademarks.

In the larger context of legal developments, these amendments are a step forward towards improving the ease of doing business in India.

<http://www.mondaq.com/india/x/817222/Trademark/Rules+Amended+For+Companies+To+Avoid+Similar+And+Undesirable+Names+At+Incorporation>

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Recommendations on Income Tax to Task Force

1. Section 64 (1A) i.e. Clubbing provision for minors shall be deleted and minors shall be assessed separately as individuals.

Reasons: The minors are beneficial owners of their assets and funds and incomes generated there from are belonging to them hence it is illogical to include such incomes in their parents / guardians hands.

2. Section 80 C – The limit for deduction shall be enhanced from present limit of Rs. 1.5 lakhs to Rs. 3 Lakhs and linked with cost of inflation for each year.

Reasons: The saving shall be boosted so that more money can be channelised for developmental projects. Further it comprises of several payments hence considering scope of item eligible for deduction the limit need to be enhanced.

3. Section 80 D – Deduction for Mediciam premium shall be enhanced from present limit of Rs. 30,000/- to Rs. 1,00,000/-. And it should be increased every two years.

Reasons: The high costs of medical expenses require higher risk coverage resulting in high premium hence the limit is to be enhanced.

4. Deductions u/s 80 DDB and 80U shall be at par.

Reasons: The sufferings of handicapped persons can not be different if such expenses are incurred by handicapped assessee or by person on whom he / she is dependent, hence the existing discrimination shall be removed.

5. Section 115JB – The exemptions provided in Section 10A and 10B shall be allowed while computing book profit for purpose of MAT.

Reasons: It is illogical to levy tax on exempted incomes through indirect means.

6. Section 115 O – Tax on Distribution of Profits by domestic companies shall be abolished.

Reasons: The private limited companies are forced to pay this tax without any corresponding exemption of dividends in the hands of recipients. It is high time that to attract investors with expected good return such taxes shall not find space in statute.

7. Search and Seizure assessments u/s 153A to 153C shall be reverted back to old procedure of block assessment with a flat rate of 60% on undisclosed / additional income without levy of interest and penalty there on.

Reasons: The block assessment @ 60% will remove lot of hurdles and unwarranted litigations with speedy disposal of cases.

8. Section 194A – TDS on interest:

The limit for deduction at source shall be raised for senior citizens Rs. 1,00,000/- for (ordinary people) Rs. 50,000/-

interest incomes.

Reasons: Considering the present growth in economy, savings are bound to increase and consequently small savings will get a boost.

9. Section 244 A – Interest on refunds shall be enhanced to 1% pm at par with interest rates specified in Section 234 A to 234 C. Further time shall be specified for grant of refund and disposal of grievance petitions there of otherwise the concerned AO shall be accountable for such delays.

Reasons: It is illogical to pay less interest on refund than interest levied on late payments.

10. Chapter XIXB – AAR

The scope of AAR shall be enlarged to cover all types of assessee including residents and at least a bench shall be provided in capital city of each state.

Reasons: The discrimination shall be removed so that even domestic assessee are benefited.

11. A section shall be introduced for enabling compulsory grant of stay particularly in high pitched assessments till disposal of appeal at first level i.e. CIT (A).

Reasons: When demand is disputed it is unjustified to recover till dispute is settled.

12. Depreciation rates have to be rationalized on par with written down value under Companies Act or with reference to useful life of asset which is internationally accepted principle.

Made in India plant and machineries that are generally used for double/triple shift basis, assessee be permitted to claim depreciation at least at the rate as permissible under the Companies Act.

13. Reasons: It is imperative to introduce the concept of “free depreciation” where an enterprise may choose the quantum of depreciation and the years of claim so that it is in a position to plan its cash flows in a better manner to optimise productivity. Since the total depreciation allowed to the enterprise will not exceed the cost of the asset, the proposal per-se is revenue neutral.

14. Clause 26 – Section 44AD – Proposed deletion of proviso to sub-section (2) providing for deduction of interest and remuneration paid to partners by firm from the presumptive income under section 44AD – Proviso to remain to avoid genuine hardship to small and medium firms

The amendment proposes to disallow deduction of expenditure in the nature of salary, remuneration, interest paid to the partner as per section 40(b) out of presumptive income. This amendment would hit small and medium firms, especially running family businesses. Taxing the

entire income of the firm, without deduction for partner's salary/interest paid within the permissible limits set out in section 40(b), at flat rate of tax at 30% may hit the small and medium firms badly and adversely affect their business. This would be against the government's objective of facilitating ease of doing business.

Suggestion: For facilitating ease of doing business by small firms and removing the genuine hardship of having to pay higher taxes on their presumptive income on account of the proposed denial of deduction in respect of remuneration paid to partners within the limits set out in section 40(b), the proviso to section 44AD(2) may be retained. Similarly, separate deduction may be allowed for professional firms as well in respect of remuneration paid to partners under the proposed new section 44ADA.

15. The provision i.e Sec'197(C) of Finance Act, 2016 regarding deeming value of undisclosed asset be in the year in which notices U/s 142(1) / 143(2) of Income Tax Act, 1961 is a highly disturbing feature because related provisions of Income Tax, 1961 does not empower AOs to go beyond six years. For sake of harmony and to eschew harassment it is indeed required to clarify/ specify that I.T. Act will prevail.

16. Interest on Housing Loan-Increase of Limit To Rs.3 Lakhs U/S 24:

The section 24 of the Income Tax Act provides for deduction of interest on housing loans up to Rs.2 lakhs, considering the inflation, the limit needs to be revised to Rs.5 lakhs in Metro Politian cities and for self occupied property on borrowings.

17. Reason: The high cost of immovable properties need large borrowing for average assessee. If limit is enhanced more and more people would be benefited and real estate sector would get boost.

18. Accountability of the Assessing Officer

It is suggested that the Assessing Officer should be made accountable for delay in granting refunds, giving effect to Appellate Orders, carrying out rectification, issue of certificates for lower deduction of tax, preparation of survey reports. Further the discretionary powers are often misused causing undue harassment to assessee hence these are also need to be removed.

19. Sec'50C and Sec'56(2)(Vii) are duplication i.e same income is taxed twice in different hands of seller and buyer of immovable property hence it is high time to delete Sec'56(2) (vii). Further justice Eashwaraiah committee in its first batch of report on simplification of direct taxes has suggested for such removal.

20. Incentives should be given to exporters for export of goods and services to encourage the exports. It is suggested to restore the earlier provision 80HHC.

21. Capital gains: Separate section should be introduced for exemption of capital gains if the investment is by industrial concerned.

22. Personal effects should not be covered under Capital Assets i.e Archaeological Collections, Drawings, Sculptures

; or Any work of Art.

23. EXEMPTION LIMIT SHOULD BE INCREASED TO 5 LAKHS:

In the context of the worldwide economic recession and slow down in India, it is suggested that the surcharge and education cess be removed. This will result in generating more surpluses in the hands of companies with consequential boost to investment and growth.

24. Uniform F.Y. instead of A.Y. : As long back, the GOI has made Financial year uniform, for submission of I.T. returns (1st April to 31st March next), it is suggested that concept of "Assessment year", should be done away with and only FINANCIAL YEAR be the basis. The concept of Assessment year (A.Y.) is redundant, it creates confusion in minds of tax payers, resulting in wrong appropriation of tax paid at Dept. level, resulting in unnecessary hassles both for the dept. & tax payer.

25. Exemption u/s 54EC: The Income Tax Law has stipulated a limit of Rs.50 lakhs per assessee in respect of the long term capital gains tax saving bonds under section 54EC. It is necessary as consideration fetched and gains there on are to be given enough coverage to save tax.

26. Tax rates to be reduced to the following slabs:

10 lakhs to 20 lakhs - 10 %

20 lakhs to 50 lakhs- 20%

51 lakhs and above - 25% and no surcharge

27. Appeal process should be streamlined. Maximum 2 level appeals should be there as in most of the cases Government is main litigant.

28. The drafting of the Act should be easy to understandable and easy to comply even for ordinary citizens. The department interprets law on its own whims hence these should be clarity and finality.

29. The collection of taxes should not be transferred to consolidated fund in Toto, if the assessee has incurred any losses in their business, a loan may be given at the prorate of whatever the taxes he has paid earlier with simple interest for smooth functioning.

30. The standard deduction on salaries shall be at percentage of basic salary plus DA. As per present scenario it would be justified to allow standard for salary income as under:

a) For salary up to 30 lakhs - 30%

b) For salary exceeding 30 lakhs - 20%

31. Further if standard deduction as above is allowed then exemption/deduction on account of HRA, LTC, Medical expenses, profession tax etc. shall be removed. It will simplify the law and stop any misdeed.

32. In case of default in deduction & remittance of TDS or filing of statement there of the provisions relating to prosecutions are draconian. It is suggested that at least for assesses complying with deduction, remittance and filing of statement on or before the issuance of show cause notice shall be given immunity from prosecution.

Electricity: Challenges before the center

D Radhakrishna

Expert in Energy Sector

The new government has taken over at the Centre and there is no change in the Power Ministry. Granting the advantages of continuity, supplying power to 130 crore people, 600 districts and five lakh villages, vast railway net-work, all industries and all agriculture clusters etc. remains a challenge that is beset with multiple problems, be they man made, created by bankers, or occasioned by resource crunch. Power needs to be watched carefully at micro and macro levels: from conservation to efficiency: from commercial to social angles: and from waste to optimum utilization.

The Union government plans to set up additional nuclear power plants. It appears that by the end of its term the present nuclear power capacity of 6780 Mw would increase to around 9000 Mw or so. In any case, we have achieved remarkable records in running nuclear power like 1,000 days continuously.

The Government of India-controlled Coal India is a major producer of coal for these plants and they are selling at linkage price on allocation, bidding routes and market price. Coal India is currently among the fastest-growing Navaratnas. They have supplied around 650 million tonnes of coal indigenously. Now the Government has launched a rescue mission for ailing power plants to allocate coal linkages. It is worthwhile that coal linkage rates are one third of the market rates and it would give them the freedom to sell power at lower at lower rates. It is expected that with coal pricing remaining stable, power prices will drop. Similarly the government is making efforts to re-start gas-based power plants and hence efforts are being made to make available gas to these plants. Disturbingly, all segments

of the Power Sector – production, transmission and distribution are facing severe financial mess, involving an estimated Rs. 12 lakh crore. One of the reason is that prices fixed by distribution companies are not really on cost basis. Besides, state governments have resorted to populist measures. Some of the discoms have not revised

rates for the past five or six years and some governments have reduced power circles. The government has started some measures on the demand side like UDAY and on the supply side RBI has tried to plug the gaps. Still financial discipline is totally missing in the sector. Even with regard to renewable energy all discoms have failed to make

timely payments. Some of the discoms have amounts outstanding for more that 500 days.

The Government is stressing 100 % electrification of railway tracks. So, it is expected that the government will take electrification of the remaining 35% on priority. Besides, all Tier One and Tier Two cities will have a web of Metros and the Government is also planning to introduce electric cars, electric buses and these measures will raise demand from the present 1200 units to 2000 units in the next five years. The government is planning to promote less expensive ACs and electrical appliances like microwave in a big way. India will soon be in the category of maximum electricity users.

As for transparency and impartiality in the sector. the government has not achieved much despite appointing State and Central-level regulators. Most of the decisions of the regulators are challenged in courts. This aspect needs to be stream-lined. For various key products, including coal, there are no regulators. Some of the decisions, including compensatory tariff. are under shadow.

India was the first country to start Renewable Energy Ministry: yet, there is a now a proposal for merging both the ministries for synchronous operation.



No Automatic IGST Refund, Stringent Systems in Place to detect Fraud

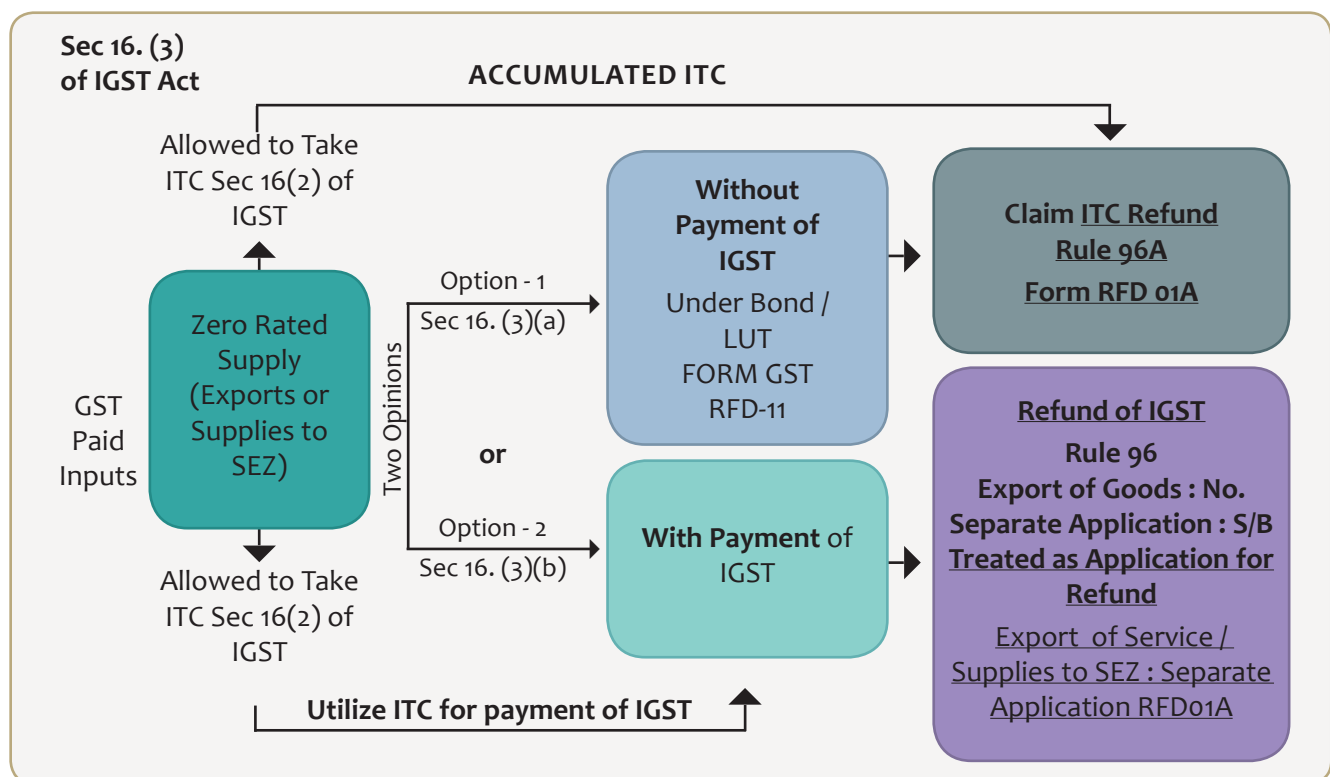
SN Panigrahi

GST & Foreign Trade Consultant,
Practitioner, Corporate Trainer & Author

No Automatic Refund of IGST Stringent Systems Put in Place to Detect Fraudulent Refund Claims by Exporters

As per Sec 16. (3) of IGST Act, Exporters of Goods or Services are allowed to Export under Two Options

1. Export Without Payment of GST under Bond / LUT & Claim ITC Refund
2. Export On Payment of IGST & Claim Refund of IGST Paid



For Export of Goods Second Option Seems to be Simple and Refund generally is granted very fast mostly within a fortnight Automatically after filling of GSTR -1 & 3B and filling of EGM. Under this Second Option for Export of Goods on Payment of IGST, there is no need to file any separate application. Shipping Bill itself shall be treated as an application. Where as in the First case which is Semi-Automatic, a Separate Application in the

Form of RFD - 01A shall be filled online after Exports are made, and Print of such application along with Supporting Documents need to submitted manually to concerned GST officials. Refund is allowed after thorough verification of Documents submitted.

Since the First Option involves certain manual work and personal interface and therefore, proved to be time & money consuming exercise. In the Second Option the

procedure for claiming IGST refunds is Fully Automated as provided under Instruction 15/2017-Cus dated 09.10.2017. IT doesn't involve personnel interferences and fast clearance of Refunds, so become most Preferred Choice of Exporters.

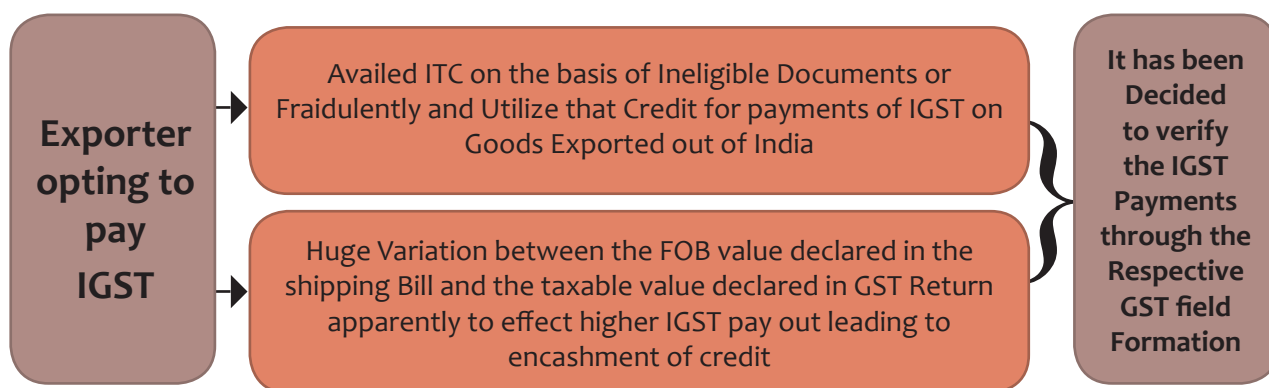
However, off late, it has come to the notice of the Board that instances of availment of IGST refund using fraudulent ITC claims by some exporters have been observed by various authorities.

Exporters have availed ITC on the basis of ineligible documents or fraudulently and utilized that credit

for payment of IGST on goods exported out of India. It has also been observed in several cases that there is huge variation between the FOB value declared in the Shipping Bill and the Taxable value declared in GST Return apparently to effect higher IGST pay out leading to encashment of credit.

In view of above, it has been decided to verify the IGST payments through the respective GST field formations. The procedure specified in the instruction 15/2017-Cus dated 09.10.2017 stand modified to the extent as under vide Circular No. 16/2019-Customs; June 17, 2019 :

IGST Refunds-Mechanism to Verify the IGST payments for Goods Exported out of India in certain cases-reg Circular No.16/2019- Customs; June 17. 2019



A. Identification of Suspicious cases: DG (Systems) shall work out the suitable criteria to identify risky exporters at the national level and forward the list of said risky exporters to Risk Management Centre for Customs (RMCC) and respective Chief Commissioners of Central Tax. DG (Systems) shall inform the respective Chief Commissioner of Central Tax about the past IGST refunds granted to such risky exporters (along with details of bank accounts in which such refund has been disbursed).

B. Inserting Alert in the System: RMCC shall insert alerts for all such risky exporters and make 100% examination mandatory of export consignments relating to those risky exporters. Also, alert shall be placed to suspend IGST refunds in such cases.

C. Examination of the export goods: Customs officers shall examine the consignment as per the RMCC alert. In case the outcome of examination tallies with the declaration in the Shipping Bill subject to no other violation of any of provision of the Customs Act, 1962

or other laws being observed, the consignment may be cleared as per the regular practice.

D. Suspension of IGST refunds: Notwithstanding the clearance of the export consignments as per para C above, such Shipping Bills shall be suspended for IGST refund by the Deputy or Assistant Commissioner of Customs dealing with refund at the port of export.

E. Verification by GST formations:

(i) Chief Commissioner of Central Tax shall get the verification of the IGST refund claims and other related aspects done in accordance with the Standard Operating procedure to be issued by the GST policy wing. (ii) The GST formation shall furnish a report to the respective Chief Commissioner of Central Tax within 30 days specifying clearly whether the amount of IGST paid and claimed/ sanctioned as refund was in accordance with the law or not.

(iii) Chief Commissioner of Central Tax shall compile and forward report of all cases to RMCC and concerned customs port of export within 5 working days

thereafter.

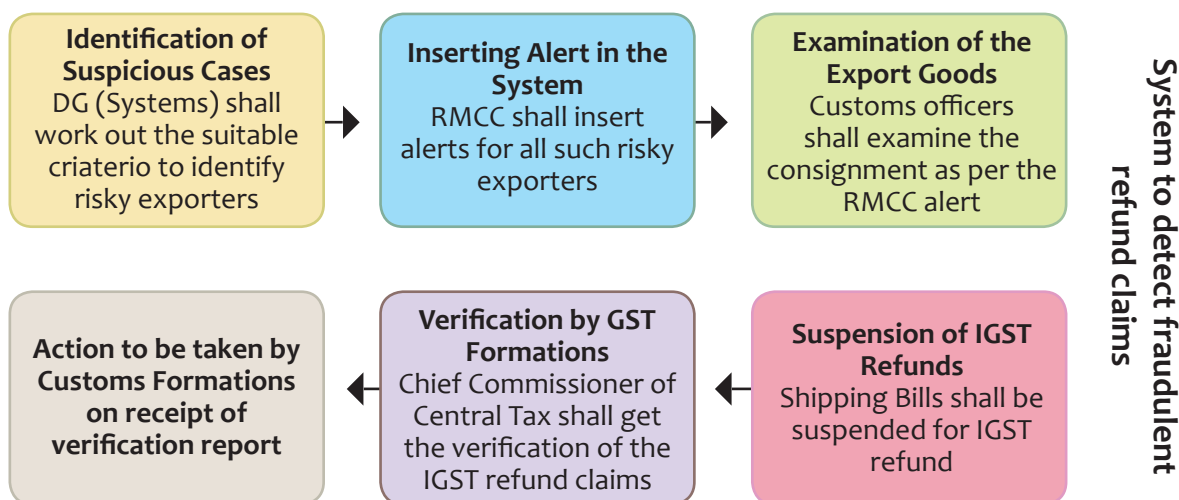
F. Action to be taken by customs formations on receipt of verification report from GST formations:

(i) Cases where no malpractices have been reported on verification: On receipt of verification report from Chief Commissioner of Central Tax informing that the ITC availed by the exporter was in accordance with the GST Law and rules made thereunder, the Customs officer at the port of export shall proceed to process the IGST refund to the extent verified by the GST Authorities.

The detailed advisory in this regard shall be issued by DG(Systems) for the benefit of customs officers handling refunds.

(ii) Cases where malpractices have been reported on verification: For cases where upon verification, it has been found that the exporter has availed ITC fraudulently or on the basis of ineligible documents and utilized the said ITC for payment of IGST claimed as refund, the customs officer will not process the refund claim.

Systems put in place to detect fraudulent refund claims by Exporters



Comments:

Off late there is some relief to the Exporters as the Export Refunds are being cleared very fast, thanks to Automatic Processing of IGST refunds. However, because of some un-scrupulous fraudulent exporters, all the exporters are now put into hardship, that too when Indian Exporters are facing tough times in view of withdrawal of MFN status by US, Non-Tariff Trade war between major economies and slow down of world trade.

Though the criterion to identify risky exporters is not yet clear, all exports shall be scanned closely.

<https://taxguru.in/goods-and-service-tax/no-automatic-igst-refund-stringent-systems-place-detect-fraud.html>

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FTCCI CEO FORUM : Interactive Meeting with Dr.S.K.Joshi, IAS Hon'ble Chief Secretary, Govt. of Telangana on TELANGANA



Sri Arun Luharuka, President, FTCCI addressing the forum.
Others are Khyati Naravane, CEO, FTCCI, Dr. S.K. Joshi, IAS., Hon'ble Chief Secretary, Govt. of Telangana, Sri Karunendra S. Jasti, Senior Vice President, FTCCI and Sri Gowra Srinivas, Convenor, FTCCI CEO Forum.

FTCCI CEO FORUM - Interactive Meeting with Dr. S.K. Joshi, IAS., Hon'ble Chief Secretary, Govt. of Telangana on TELANGANA ON THE MOVE on 4th June, 2019 at Hotel Taj Deccan, Hyderabad

FTCCI CEO FORUM organized an Interactive Meeting with Dr. S.K. Joshi, IAS., Hon'ble Chief Secretary, Govt. of Telangana on TELANGANA ON THE MOVE on 4th June, 2019 at Hotel Taj Deccan, Hyderabad.

Sri Arun Luharuka, President, FTCCI spoke about the laudable initiatives taken by the Govt. of Telangana particularly in the industrialization of the State. He mentioned that the Federation has always been in the forefront of bringing in economic change and has been playing a significant role in the promotion and industrialization of Telangana. Sri Gowra Srinivas, Convenor, FTCCI CEO Forum briefed about the FTCCI CEO Forum and introduced the Chief Guest.

Dr. S.K. Joshi, IAS., Hon'ble Chief Secretary, Govt. of Telangana gave a presentation on all the important schemes embarked upon by the State of Telangana



viz. welfare schemes, infrastructure projects like Kaleshwaram project, landmark initiatives like Rythu bandhu, Mission Bhagiratha, industrial initiatives like TS-iPASS, and also milestones achieved in various sectors like education, agriculture, power generation, women empowerment and irrigation have been covered. He sought industries support and active participation in all the initiatives of the State Govt.

Sri Karunendra S. Jasti, Senior Vice President, FTCCI proposed a vote of thanks.

FTCCI is organizing a Post Union Budget 2019-20 and its implications for Trade and Industry on 6th July, 2019 at 10.00am at FTCCI. The eminent speakers will explain the sessions.

For more details please contact : Mrs. N.V.S. Lakshmi, Asst. Director, FTCCI.
Mobile:8008804529; e-Mail : nvslakshmi@ftcci.in

Open House Meet on Trade Facilitation



Sri Raghu Kiran, I.R.S., Joint Commissioner of Central Taxes, Medchal Commissionerate, Dr. Manjula Hosmani I.R.S., Additional Commissioner – Customs, Sri. S. B. S. Reddy, I.T.S., Additional Director, General of Foreign Trade, Hyderabad, Sri S. Thirumalai, Advisor, GST and Customs Committee, FTCCI, Sri. Gopi Donthi Reddy, I.R.S., Deputy Commissioner of Customs, Air Cargo Complex, Hyderabad and Ms. N. Harita, I.R.S., Deputy Commissioner of Customs, ICD Sanathnagar

Open House Meet on Trade Facilitation held 7th June, 2019 at Federation House, FTCCI, Hyderabad.

Smt. Khyati Naravane, Chief Executive Officer, FTCCI welcoming the guests to the dias. She said that keeping in view the problems faced by the Trade and Industry with regard to GST and Exports, FTCCI has arranged this Open House Meet with the officials of DGFT, Customs, GST and Industry representatives to resolve the issues in amicable manner.

Sri Karunendra S. Jasti, Senior Vice President, FTCCI in his welcome address said that during the year, the Government adopted a refreshed and expeditious approach in addressing challenges faced by industry. The authorities have been quick to address public concerns by issuing a series of notifications, clarifications, press releases and FAQs, to resolve a wide range of issues. Its extensive use of social media, especially on Twitter, was unheard of till now. Furthermore, the Government has launched various web-based mobile applications to facilitate dissemination of information on a real-time basis. Moreover, several working groups have been formed to work on sector-specific issues. In addition, the GST Council has convened numerous meetings during the last one year to address industry's concerns, and has to a large extent resolved issues.

The object of today's meeting was a platform

for assesseees to put their grievances and get clarifications from the department and vis-a-vis the department can get feed- back from assesseees for further improvement in its functioning.

Sri S. Thirumalai, Advisor, GST and Customs Committee, FTCCI in his address said that the whole objective behind this exercise was to give some perspective on specific issues as well as on machine related issues and also issues related to policies. With regard to informal issues and procedural problems, we can get some advice from these panel members. At the back drop of this meeting is stagnant exports at 300 billion dollars. There are import related issues, money laundering issues from regulatory perspective and ease of doing business angle. That is why we have assembled here so that some of the



issues could be addressed. He Moderated the Open House Meet.

Dr. Manjula Hosmani I.R.S., Additional Commissioner – Customs, Sri Raghu Kiran, I.R.S., Joint Commissioner of Central Taxes, Medchal Commissionerate, Sri. S. B. S. Reddy, I.T.S., Additional Director, General of Foreign Trade, Hyderabad, Sri. Gopi Donthi Reddy, I.R.S., Deputy Commissioner of Customs, Air Cargo Complex, Hyderabad and Ms. N. Harita, I.R.S., Deputy Commissioner of Customs, ICD Sanathnagar are participated in the Open House Meet.

During the Open House Meet the following policy issues and GSTIN Portal Issues have been identified. FTCCI is representing the same to GST Council, Ministry of Finance, Government of India for redressal.

I.Policy Issues:

- A. No refund allowed in respect of input tax credit of Capital goods
- B. Export Realization made in GST era for supply of services in Pre-GST period
- C. Specified exporters not permitted to export on payment of IGST
- D. Allow Refund of Rebate under Rule 96 of GST Rules,

2017 even if Imports made by DTA Units against Advance Authorisations availing the exemption on Basic Customs Duty and IGST

- E. In the Public Notice 9/2015-2020 dated 14.05.2018
- F. Clinical Research Organizations (CRO) should be exempted from GST

II.GSTIN Portal Issues

- A. Exporters – Issues in filing refund claims – Online
- B. Uploading details of export realisation in Statement 3
- C. Other validation errors in Statement 3
- D. No refund allowed in case IGST amount shown in Table 3.1.a instead of Table 3.1.b of GSTR-3B
- E. Suggestion to adopt single refund application for the same period instead of separate refund applications
- F. Limit on number of documents and size limit while uploading documents on GST Portal

The Open House ended with vote of thanks by Shri Prem Chand Kankaria, Chairman, International Trade Committee, FTCCI.

The Federation of Telangana Chambers of Commerce and Industry & Hyderabad Secunderabad Maheshwari Zilla Sabha jointly organized a motivation lecture on "कैसे संभाले टूटते रिश्तो की डोर"



1) Chief Guest Her Excellency Smt. Mridula Sinha, Governor of Goa State addressing the meeting.

2) Sri Arun Luharuka, President, and Mrs. Bhagwati Mahesh Baldwa, Chairperson Women's Wing of FTCCI welcoming the Chief Guest.

Talk on Trade and industrial policy in the Energy Transition



Sri David Livingston, Deputy Director, Atlantic Council's Global Energy Center, Washington DC based think tank addressing the meeting.

Others are Smt. Khyati Amol Naravane, CEO, FTCCI, Sri Ajay Misra, Special Chief Secretary, Dept. of Energy, Govt. of Telangana, Sri Suresh Kumar Singhal, Chairman, Energy Committee, FTCCI

Talk on “Trade and Industrial Policy in the Energy Transition” was held on 18th June 2019 at FTCCI Surana Auditorium, Federation House, Hyderabad.

Smt. Khyati Amol Naravane, CEO, FTCCI, in her welcome address said that Global environmental degradation has led citizens and policy makers worldwide to rethink the current pathways of economic development and how to develop green economies so that growth, social equality and environmental conservation can be achieved in harmony. She also stated that the countries must move towards green economies, but shifting economies from their traditional development path of natural exploitation to a more sustainable model is a challenge.

Sri Suresh Kumar Singhal, Chairman, Energy Committee, FTCCI in his introductory remarks said that cheaper energy is important to meet consumers' evolving needs and aspirations for comfort, mobility and control in everyday life. The industrial strategy must, therefore, address the issue of energy system transformation.

He opined that Green industrial policy, that is, government intervention to hasten the restructuring of the economy towards environmental sustainability is a particularly suitable instrument to achieve this radical and long-term transition.

Sri Ajay Misra, Special Chief Secretary, Dept. of Energy, Govt. of Telangana said that the solar policy announced

about five years ago provided a push to the sunrise industry with an installed capacity of about 3,600 MW. And cumulatively, the State's renewable energy capacity is up at 3,800 MW. The Telangana government is planning to come out with a new solar policy factoring in the changes in the rapidly expanding renewable energy sector.

The policy framework will take forward the State government agenda and align with the Centre's larger target of achieving 175 GW capacity by 2022. The State also plans to come out with fresh solar tenders for capacity addition including for a couple of large floating projects in the two major reservoirs of the State.

Sri David Livingston, Deputy Director, Atlantic Council's Global Energy Center, Washington DC based think tank, said how the oil economy dominated the global geo politics in last century and in the coming days, the electrified systems will play a crucial role in the global economy. He mentioned about the capital availability is major challenge to framing solar energy policy and making the overall macro-economic situation attractive to get all the international capital that wants to flow into the country would be crucial for speeding up energy transition in India.

Sri Vijay Gopal Reddy, Co-Chairman, Energy Committee, FTCCI proposed vote of thanks

Interactive Meeting with
Exporters to discuss the Office Order of Export Inspection Council to close the “Export Inspection Agency (EIA) Hyderabad sub office and its impact on Telangana state Exporters”



The Federation of Telangana Chambers of Commerce and Industry (FTCCI) & FICCI organized an Interactive Meeting with Exporters to discuss the Office Order of Export Inspection Council to close the “Export Inspection Agency (EIA) Hyderabad sub office and its impact on Telangana state Exporters” on 20th June, 2019 at Federation House.

The exporters from the State are very unhappy to hear the closing of EIA Sub Office – Hyderabad. If the EIA Sub office in Hyderabad is closed, the nearest EIA office is Bheemavaram, Andhra Pradesh which is about 500 kms and EIA Chennai is about 700 from Hyderabad. Thus the closure of EIA sub office Hyderabad will result in inconvenience and hardship not only to the big exporters but also to the small and marginal processors and exporters. The major sectors that gets affected are Agro and Food Processing, Pharmaceuticals, Engineering etc.

In the entire Telangana State, Hyderabad EIA is the only sub office and closure of the same will result in No EIA Office in the State resulting in not only hardship to exporters but irreparable loss to agro farmers, entrepreneurs and exporters. Therefore, the exporters strongly desires that the EIA Hyderabad Office need to be continued, for serving the business community of Telangana.

Mr. Siraj Hussain, IAS. (Rtd), Advisor, FICCI & former Secretary of Agriculture and Farmers’ Welfare (GoI), Mr. Akhil Kumar Gawar, Director, Telangana State Food Processing Society, Mr. Karunendra S. Jasti, Sr.

Vice President, FTCCI, Mr. Premchand Kankaria, Chairman, International Trade Committee, FTCCI, Mr. Akhilesh Mahurkar, Director, FICCI, Ms. Khyati Naravane, CEO, FTCCI and leading exporters were present at the meeting.

After discussing at length the adverse impact on exports from Telangana State, it was decided in the meeting that the matter should be escalated to the Chief Secretary of Telangana State to pressurize the EIC to withdraw the decision of closing EIA Sub Office-Hyderabad.

Subsequently, a delegation of exporters led by Ms. Khyati Naravane, CEO, FTCCI, and Ms. Sujatha, Deputy CEO, FTCCI, Mr. Akhilesh Mahurkar, Director, FICCI met Sri S.K. Joshi, Chief Secretary to government on 24th June 2019 to appraise him on the issue and how it will impact the exports from the State. The members of the delegation explained the difficulties they have to face with the closure of the office and sought the intervention from the State government on the same.

Immediately on 24th June, 2019, Chief Secretary issued a letter addressed to Dr. Anup Wadhawan, Commerce Secretary, Ministry of Commerce and Industry, Government of India requesting for reconsideration of decision of closing EIA, Chennai sub-office at Hyderabad, and a copy of the same was sent to FTCCI.

As advised by the Sri Shailendra Kumar Joshi, FTCCI also escalated the matter directly with Dr. Anup Wadhawan, on behalf of Telangana exporters requesting for prevention of closure of the EIA office at Hyderabad.

Seminar on Sustainable Water Resources Management to meet City Demands-A Challenge



Sri V. Prakash Rao, Chairman, Telangana Water Resources Development Corporation addressing the meeting

Seminar on Sustainable Water Resources Management to meet City Demands- A Challenge was held on 25th June, 2019 at 3.00 pm at Federation House, Hyderabad.

Sri V. Prakash Rao, Chairman, Telangana Water Resources Development Corporation said Management of water supply is a challenging task due to the population growth, rapid industrial & agricultural activity and changing climate scenario. He quoted from the NITI Aayog report, India is facing worst water crisis in its history and 21 states will run out of ground water by 2020, but due to the efforts of our Hon'ble CM Sri K. Chandrasekhar Rao Telangana state will not face any water scarcity even after 2050. We are constantly creating awareness among the public about preserving and conserving rain water harvesting in the state.

Sri Karunendra S. Jasti, Senior Vice President, FTCCI said Water is an important part in human life and now the India and world are facing water crisis and we can address this crisis by imbibing water technology methods, policy & institutional arrangements and create awareness among the public about efficient water usage. He alluded about the Kaleshwaram Lift Irrigation Project

and how it is going to change the lives and improve the socio economic conditions of farmers in the state.

Sri K. Bhasker Reddy, Chairman of the Agriculture & Food Processing Committee, FTCCI said now the consumption of water is increasing every day due to rapid growth of urban population, migration are causing the stress on supplying of adequate, reliable and safe drinking water. Over the past three to four years, the Government has paid greater attention to improving water supply and sewage management practices, especially in urban areas.

The technical session was chaired by Sri M. Veeranna, Former Southern Regional Director, CGWB. The technical session speakers Dr. M. Satyanarayana, Executive Director, HMWS&SB, Dr. P.N. Rao, Director, Central Ground Water Board, Dr. Pandith Madhunure, Director, Ground Water Dept and Dr. Solomon Raj G. Project Co-ordinator, SACI (Water) made presentations on various aspects of water resources management.

Prof. Vijaya Khader, Member, Agriculture & Food Processing Committee, FTCCI proposed Vote of Thanks.

High Commission of India, Colombo has informed that Ministry of Science, Technology and Research of Sri Lanka is organizing **“Silpasena” a four day National Exposition on Science Technology and Innovation** from 18-21 July, 2019 at Bandaranaike Memorial International Conference Hall (BMICH), Colombo.

The exposition would be a great platform to showcase research outcome, product development, creation of job opportunities and to popularize the work to a larger community. The Ministry of Science, Technology and Research will provide the required infrastructure such as location, public utility connection etc.

3-Day Training Program on Export Business : Procedures & Documentation



Sri S.B.S. Reddy, ITS., Additional Director General of Foreign Trade, Ministry of Commerce & Industry, Govt. of India addressing the meeting



FTCCI organized a 3-day Training Program on Export Business : Procedure & Documentation' from 27th to 29th June, 2019 at Federation House, FTCCI, Hyderabad.

The objective of program was to impart better understanding of export business procedures and documentation. The training program offered updated information in the respective areas as well as provided a platform of experience sharing by the participants.

Sri S.B.S. Reddy, ITS., Additional Director General of Foreign Trade, Ministry of Commerce & Industry, Govt. of India, Sri P. Sampath Kumar, Trainer & Consultant, International Trade & Banking, Hyderabad, Sri Prem Chand Kankaria, Chairman, International Trade Committee, FTCCI and Ms. Khyati Naravane, CEO, FTCCI addressed the program.

The technical sessions were dealt by Sri P. Sampath Kumar, Trainer & Consultant, International Trade & Banking, Hyderabad, Sri S. Arjun Upadhyya, Asst. DGFT, Office of Additional Director General of Foreign Trade, Hyderabad, Sri S.N. Panigrahi, GST Consultant, Practitioner, Corporate Trainer & Author, Hyderabad, Sri Kameswara Rao, Asst.

General Manager, SIDBI, Hyderabad, Sri Rajesh Joshi, Branch Manager, Hyderabad Exporters Business Branch, ECGC Limited, Hyderabad, Sri Joseph Vikram, Chief Manager, EXIM Bank of India, Hyderabad Sri Niraj Chandra Jha, Manager, National Small Industries Corporation, Hyderabad, Sri V. Pallamraju, Chief Manager, State Bank Learning Centre, Secunderabad, Sri Sridhar Vishwas, e-Governance Consultant, Hyderabad and Dr.E. Muralidarshan, Former Faculty, Indian Institute of Foreign Trade, Hyderabad.



Sri Ramakanth Inani, Vice President, FTCCI addressing the meeting

FTCCI organises open house on trade facilitation: The Federation of Telangana Chambers of Commerce and Industry on Friday said it organised an open house meet to address queries pertaining to GST customs, import / export policy and procedures, logistics and infrastructure suggestions.

City leader in renewable energy deployment: Expert

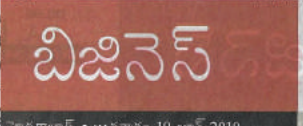
CITY BUREAU Hyderabad

Hyderabad is a leader in India in terms of renewable energy deployment, said David Livingston, Deputy Director in the Atlantic



be crucial for speeding up energy transition in India, he said. The US had made the energy transition in the transport sector by increasing fuel efficiency, using alternate energy vehicles and by going in for biofuels including...

Electrified systems to play a crucial role in global economy: While the oil economy dominated global geopolitics in the last century, in the coming days, electrified systems will play a crucial role in the global economy, said David Livingston, Deputy Director in the Atlantic Center. He delivered a talk that was organised by the Federation of Telangana Chambers of Commerce and Industry.



హైదరాబాద్, మార్చి 19, 2019

Telangana govt to come up with new solar policy

The State. Ajay Mishra, Special Chief Secretary, Telangana, said that the solar policy announced about five years ago provided a push to the sunrise industry with an installed capacity of about 3,500 MW. And, cumulatively, the solar installation approach has made a big impact on the State's energy pool by enabling it to harness the potential of untapped mission network, paving the way for power to de-

aged to ensure 24x7 power supply within months of the new...

విడిటి ప్రాజెక్టుల్లో పెట్టుబడులపై 12% సడస్సు



హైదరాబాద్, ఆంధ్రప్రదేశ్: ఆసియా డెవలప్ మెంట్ బ్యాంకు (ఎడిబి) నిపులతో వేవీ ప్రాజెక్టుల్లో అంతరాయం తగ్గించేందుకు...

'KLIP dependent on availability of water'

Instead of percolation tanks, diverting rainwater suggested

utilise the water by constructing dams, it is likely that Kaleshwaram too could become another Sriram Sagar. We are planning the project now, based on current availability," said M Prakash Rao, while stressing the need to conserve water for future. Dismissing the much-hyped rainwater harvesting structures such as percolation tanks as of little use, he suggested a native method of diverting rainwater straight from roof to sump or bore-well.

తీర్మానం తెలంగాణ సార విద్యుత్ పాలసీ

తీర్మానం తెలంగాణ సార విద్యుత్ పాలసీ... తెలంగాణ ప్రభుత్వం శుక్రవారం రాష్ట్ర శాసనసభలో ఆంధ్రప్రదేశ్ ప్రభుత్వం వారి విద్యుత్ పాలసీని ప్రకటించిన సందర్భంగా తెలంగాణ ప్రభుత్వం తన విద్యుత్ పాలసీని ప్రకటించింది. 2014లో రాష్ట్ర విద్యుత్ పాలసీని ప్రకటించిన రెండు కాలం పాటు పాటు విద్యుత్ పాలసీని ప్రకటించిన తొలి తెలంగాణ ప్రభుత్వం. ఈ సందర్భంగా ప్రభుత్వం విద్యుత్ పాలసీని ప్రకటించింది.

అమెరికా ఎన్నికల్లో పర్యావరణమే ప్రధాన అజెండా

అమెరికా ఎన్నికల్లో పర్యావరణమే ప్రధాన అజెండా... అమెరికాలో జరిగిన అన్ని ఎన్నికలలో పర్యావరణం ప్రధాన అజెండాగా మారింది. ట్రంప్ అధికారంలోకి వచ్చిన తర్వాత అమెరికాలో పర్యావరణం ప్రధాన అజెండాగా మారింది. ట్రంప్ అధికారంలోకి వచ్చిన తర్వాత అమెరికాలో పర్యావరణం ప్రధాన అజెండాగా మారింది.

కేసీఆర్ పేరు చరిత్రలో నిలిచినా

కేసీఆర్ పేరు చరిత్రలో నిలిచినా... తెలంగాణ నీటి వనరుల అభివృద్ధి కమిటీ చైర్మన్ రెడెన్స్: ముఖ్యమంత్రి కేసీఆర్ డూరదృష్టి వల్ల 2010 తరువాత ప్రపంచంలో నీటి సంక్షోభం లేని దేశాలు ప్రజిల్, వైనా దేశాలలో పాటు తెలంగాణ అప్లై ఉంటుంది, అప్పటి వరకు కేసీఆర్ ఉండటం కాదు. ఆయన పేరు, చేసిన ప్రయత్నం చరిత్రలో నిలిచిపోయినా తెలంగాణ నీటి వనరుల అభివృద్ధి కమిటీ (జలసౌధ) చైర్మన్ పి. ప్రకాశరావు అన్నారు. డి ఫెడరేషన్ ఆఫ్ తెలంగాణ రామన్న అండ్ డెవలప్ మెంట్ అండ్ సుస్టైనేబుల్ నిర్వహణ-జి సెవాలా అనే అంశంపై మంగళవారం ఫెడరేషన్ లో జరిగిన సదస్సు నిర్వహించారు. ఎన్.కె.ఆర్. సింగ్ కమిటీ చైర్మన్.



నరసూర్ మాట్లాడుతున్న ప్రకాశరావు

ఇక 'పవర్' రాజకీయాలు

The Federation of Telangana Chambers of Commerce and Industry (FTCCI) is organizing a series of events under the 'Power' initiative. The events focus on trade and industry policy, and are aimed at addressing the concerns of the business community. The initiative is being led by the FTCCI and is supported by the government of Telangana.

జీఎస్టీపై

అనుమానాల నివృత్తి

హైదరాబాద్, ఆంధ్రప్రదేశ్: వస్తు సేవల పన్ను (జీఎస్టీ) కమిటీ, ఎగుమతి, దిగుమతి విధానం, నిబంధనలు, రవాణా, మౌలిక సదుపాయాలపై ఎఫ్.టి.సి-సిసిఐ ఓపెన్ హౌస్ మీటింగు శుక్రవారం నిర్వహించింది. వాణిజ్య, పారిశ్రామిక వర్గాలు జీఎస్టీపై అడిగిన పలు ప్రశ్నలకు అధికారులకు సమాధానాలు చెప్పారు. ఈ సందర్భంగా నిర్వహించిన ప్యానల్ చర్చల్లో చాంబర్స్ జీఎస్టీ అండ్ కమిటీ అధ్యక్షులు ఎన్.తిరుమలై మోడరేటర్గా వ్యవహరించారు. ఈ కార్యక్రమంలో జీఎస్టీ అధికారులు శ్రీనివాస్, ఎంఆర్ఆర్ రెడ్డి, ఎస్.వి.ఎస్ రెడ్డి, గోపి దొంగిరెడ్డి తదితరులు పాల్గొన్నారు. ఈ చర్చాగోష్టి ర్యక్తులలో వంద మందికిపైగా వాణిజ్య, పారిశ్రామిక సంస్థల సీనియర్లు పాల్గొన్నారు.



100 years of Glorious Journey of FTCCCI Reminiscences.....



H.E.Ms.Katherine S.Dhanani, Consul General, Consulate General of USA, Hyderabad.

Sri Narender Surana, Convenor, FAPCCI CEO Forum. Sri Shekhar Agarwal, President

Sri V.S.Raju, Sr.Vice-President, Sri Devendra Surana, Vice President of FAPCCI - 13 October, 2010



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