

Daily Economic News Summary: 31 March 2017

1. Note ban: In rude shock for many NRIs, resident Indians, new window shut

Source: Business Standard ([Link](#))

Several Indian residents who flew out of the country on November 10, just after the note ban announcement in the evening of November 8, are in for a rude shock as they are being turned away by the Reserve Bank of India. The reason is that they were in the country for a day after demonetisation, which came into effect after midnight, November 8-9. Although banks and ATMs were shut on November 9, the central bank has rejected that as a valid argument. With the March 31 deadline to exchange old notes for Indians who were abroad during the note ban period approaching, the RBI offices are teeming with people, with many queueing up from as early as 4 am in the morning. The entry is allowed at 10 am and the gates close by 3 pm, with more than 500 people failing to gain access daily. “We cannot change rules even by a millimetre,” said an RBI official, when apprised of the challenges. However, the RBI did not respond to a query sent by *Business Standard* on email as to why even those who were in the country only on November 9 were not being entertained.

2. Govt Council to finalise rules for new tax regime today

Source: Business Standard ([Link](#))

GST Council has already approved 5 sets of rules relating to registration, payments, refund, invoice and returns. With goods and services tax (GST) roll-out looking imminent from July 1 after the Lok Sabha’s approval, the Centre and states will on Friday sit together to finalise rules and regulations of the new indirect tax regime. The Lok Sabha on Wednesday cleared four supplementary GST legislations — Central GST (CGST), Integrated GST (IGST), Union Territory GST (UTGST) and the Compensation law. These laws would have supporting rules, which would be notified by the Centre and states before the new tax regime is implemented. The GST Council has already approved five sets of rules relating to registration, payments, refund, invoice and returns.

3. Lok Sabha passes Finance Bill after turning down Rajya Sabha amendments

Source: Business Standard ([Link](#))

Parliament on Thursday approved the Finance Bill, 2017, after the Lok Sabha rejected the five amendments to the Bill passed by the Rajya Sabha on Wednesday. However, the Opposition parties on Thursday indicated that the goods and services tax (GST)-related Bills will face a fate similar to the Finance Bill in the Rajya Sabha. The GST-related Bills will be discussed in the Rajya Sabha next Wednesday, when Parliament reconvenes after a short break on account of Ram Navami. Opposition parties, particularly the Congress and Trinamool Congress (TMC), plan to move an amendment to the Central GST and Integrated GST Bills. The Congress and TMC object to the GST Council being the final authority on fixing tax rates — without the need to seek parliamentary approval — making it superior to the legislature. The amendment moved by TMC's Rajya Sabha member Derek O'Brien seeks to alter the language of the Bills to replace the line that tax rates "as may be notified by the government on the recommendations of the Council", with "...recommendations of Parliament".

4. FMCG, automobile firms await clarity on GST

Source: The Hindu: Business Line ([Link](#))

Most of the consumer durable, automobile as well as the FMCG companies are gearing up for the transition to the Goods and Services Tax (GST) regime. Kamal Nandi, Business Head and Executive Vice-President, Godrej Appliances, added, "We believe the timing of the roll out of the GST by July 1, will be right as it will come after the crucial sales quarter for cooling products. This will also give consumer durables industry enough time to prepare for the festival season." He said that while the industry awaits more clarity on the finer nuances, companies are already analysing various scenarios to understand its impact on their businesses. Analysts though pointed out that while large corporates have begun the process of assessing the impact on their business, supply chain and IT systems, small and medium businesses seem to be lagging behind.

5. Narendra Modi set to become India's third most successful PM: Ramchandra Guha

Source: Live Mint ([Link](#))

Narendra Modi is all set to become the third “most successful” prime minister of India after Jawaharlal Nehru and Indira Gandhi, celebrated historian Ramachandra Guha has said, asserting that the 66-year-old leader’s “charisma” and “appeal” transcend the boundaries of caste and language. Speaking at the ongoing London School of Economics (LSE) India Summit 2017 in New Delhi, the 58-year-old Guha said Modi’s “authority” and “pan-Indian vision” put him on the same pedestal as that of Nehru and his daughter Indira. “We live in a time when Narendra Modi is poised to become, and perhaps already is, the third most successful prime minister in Indian history. He is the only one you would place on par with Nehru and Indira in terms of authority that he exudes and the pan-Indian vision he commands,” Guha said on Wednesday.

6. Ericsson partners IIT Delhi for 5G technology in India

Source: Live Mint ([Link](#))

Telecom gear maker Ericsson AB has signed an agreement with Indian Institute of Technology (IIT) Delhi to jointly work on a programme for 5G technology development in India. “Ericsson and the IIT Delhi have signed a memorandum of understanding to jointly roll out a ‘5G for India’ programme,” Ericsson said in a statement. Under the agreement, Ericsson will set up a Centre of Excellence with a 5G test bed and incubation centre at IIT Delhi and use this facility to drive the development of the country’s 5G ecosystem. The first series of tests under this programme are due to begin in the second half of 2017 and will place India on par with other developed countries in terms of 5G network and application deployment. Globally, limited deployment and 5G trials are expected to start by mid-2018 while commercial availability is slated for 2020.