

## Daily Economic News Summary: 28 August 2018

### **1. India Initiates Anti-Dumping Probe On Certain Type Of Steel From Three Countries**

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

India has initiated probe into alleged dumping of a certain type of steel imported from Brazil, China and Germany following a complaint by a domestic player. The commerce ministry's investigation arm, the Directorate General of Trade Remedies (DGTR), has stated that there is an evidence of injury to the domestic industry caused by dumped "High Speed Steel of Non Cobalt Grade" from these three countries. Graphite India Ltd has filed an application before the DGTR for imposition of anti-dumping duty on imports of the product from Brazil, China and Germany. This steel is used for making high speed steel cutting tools. "There is prima facie evidence of injury to the domestic industry caused by dumped imports from subject countries to justify initiation of an anti-dumping investigation," DGTR has said in a notification.

### **2. RBI Deadline Ends: Many Power(Less) Plants May Fall Into Bankruptcy**

**Source: The Economic Times ([Link](#))**

The next 15 days could see power plants belonging to Jindal and telecom tower firm GTL and petrochemical maker JBF Industries heading to bankruptcy courts as the central bank-set deadline for resolution came to an end at midnight on 27 August, but banks need not set aside more funds for these as they have already done so. Nearly 40 companies which have defaulted on loans of more than Rs 2,000 crore but escaped getting into the resolution process, would be victims of the Reserve Bank of India's February 12 circular that gave 180 days to banks to resolve defaults. That ended on August 27. Now, banks have a 15-day window to begin the legal process to recover their funds.

### **3. Five Major River-Linking Projects To Commence From Dec: Gadkari**

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

Work on five major river linking projects, including the one that would transfer surplus water from Godavari to Cauvery, is expected to commence from December, Minister for Transportation, Water Resources and Ganga Rejuvenation Nitin Gadkari, said here on 27 August. Among the projects, two are linked to bringing surplus water from Indravati river, a tributary of Godavari to

Cauvery, to solve the water woes of Tamil Nadu, Gadkari said while addressing a national conference on new water policy regime for India, organised jointly by the Shiv Nadar University and Shiv Nadar Foundation. “Indravati dumps nearly 3000 thousand million cubic feet (tmc) water into Godavari, which flows down to the ocean. We have identified two projects on this river. We will take backwater from the Polavaram project to Krishna river, Krishna to Pennar and Pennar to Cauvery. There is another project for 900 tmc. If these projects are implemented, water can flow in Cauvery till the tail-end,” the Minister said.

#### **4. Spicejet’s Biojet Fuel-Run Flight Takes Off**

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

The country’s first ever biojet fuel-run flight operated by SpiceJet landed here on 27 August from Dehradun. Union Ministers Suresh Prabhu, Jayant Sinha, Nitin Gadkari, Harsh Vardhan and Dharmendra Pradhan, along with officials from regulatory agencies, including the Directorate General of Civil Aviation (DGCA), were on board this flight. A SpiceJet statement said the company used its Bombardier Q400 aircraft for the flight and intends to undertake operations using a blend of 75 per cent aviation turbine fuel (ATF) and 25 per cent biojet fuel. The biojet fuel, made of jatropha crop, was developed by the CSIR-Indian Institute of Petroleum. It can potentially reduce the carbon footprint by 15 per cent, said the statement. Not only does it reduce carbon emissions but also enhances fuel efficiency, it added.

#### **5. India Can Replace US Exports To China Amid Trade War, Finds Study**

**Source: The Economic Times ([Link](#))**

India can capture the Chinese commodity market vacated by US exports following the trade war between the world’s two biggest economies, a commerce department study has found. The study has analysed and identified at least a 100 products where India can replace US exports to China by benefiting from the higher import duty Beijing has imposed on products originating in the US. India can, in particular, grab a bigger share of the Chinese market for cotton, corn, almonds, wheat and sorghum, according to the study. “These retaliatory tariffs provide a window of opportunity for enhancing India’s exports to China. The purpose of analysis is to identify such Lines,” The Commerce Department Said In The Study, Seen By ET.

## **6. With Eye On China's Belt Road Initiative, India To Step Up Economic Partnerships With Eastern, Southern Europe**

**Source: The Economic Times ([Link](#))**

India is planning to boost economic ties with the erstwhile communist states of Eastern Europe and with Southern Europe amid inroads by China as part of its mega infrastructure project, Belt and Road Initiative (BRI). The upcoming back-to-back visits by President Ram Nath Kovind to Cyprus, Bulgaria and Czech Republic ( September 2-9) followed by a visit by Vice President Venkaiah Naidu to Malta, Serbia and Romania (mid-September) will underline India's focus on this part of the world. This will be Kovind's second visit to the region, after he outlined India's Europe policy during his trip to Greece a few months ago. India enjoyed close relations with the Eastern European bloc during the period of the Soviet Union, and it is keen to enter these flourishing markets as well as seek technology and funds as opposition to BRI rises in Europe.

## **7. Govt Panel Recommends Cap On Remuneration Of Independent Directors**

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

A panel has recommended capping the remuneration of an independent director from a company to one-fifth of his gross annual income to ensure his independence. The committee, headed by Corporate Affairs Secretary Injeti Srinivas, suggested a ceiling on independent director's remuneration in terms of percentage of income in order to prevent any material pecuniary relationship, which could impair his independence on the board of the company. The committee submitted its report to Finance Minister Arun Jaitley on 27 August. Experts said the high fees by any one company can compromise independent directors' independence. The government has already struck off over 226,000 companies from registers after they did not file statutory returns. Notices to another 225,000 companies are also being sent for similar lapses. .

## **8. US Levies No Inheritance Tax If Its Citizen Inherits Assets In India From Indian Resident**

**Source: Livemint ([Link](#))**

The US levies an inheritance tax or estate tax at the time of inheritance. However, such tax is leviable only if the transferor is a citizen, resident or a green card holder of the US. In a situation where the US citizen inherits property from a person who is not a US citizen, resident or a green

card holder and also the property is not located in the US, it will not levy taxes on such inheritance. Given the above, as a US resident, if your daughter receives a portion of your assets and investments situated in India from you, and you being an Indian resident, the US would not have any right to levy taxes on such inheritance. However, do note that if your daughter receives any income out of such property located in India, she would have to pay taxes on it in the US. Also, note that such income can be taxed in India too. Further, she could take benefit of the provisions of the India-US Double Taxation Avoidance Agreement (DTAA) to avoid paying tax on the same income twice.