

## Daily Economic News Summary: 8 April 2019

### **1. India In Talks With Netherlands To Amend Bilateral Tax Treaty**

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

After successfully plugging the loopholes in tax treaties with Mauritius and Singapore, India is now negotiating with the Netherlands to amend the bilateral tax treaty in an effort to gain more powers to tax the sale of shares of Indian companies by Dutch firms. The move tracks a surge in investment in Indian companies by Dutch corporates. "We are in talks with the Netherlands to amend the treaty, especially on matters of capital gains taxation. But we cannot predict the outcome now," a government official said on condition of anonymity. In the first nine months of 2018-19, India had received \$2.95 billion foreign direct investment from Netherlands, topping the \$2.8 billion investment in 2017-18. The Indian government wants to widen its tax base by ensuring share transactions involving Indian entities do not escape taxation in India.

### **2. Xynteo, A Platform To Accelerate Commercial Projects, Launches India2022 Program For Sustainable Solutions**

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

Xynteo, a platform for galvanising leaders and catalysing ideas and fusing them into new projects for growth, held its second annual gathering of business leaders, policy makers, academics and artists at the Xynteo Exchange/India2022 in Mumbai. The Xynteo Exchange/India2022 is a platform to bring together leaders, capital, talent and ideas to accelerate commercial projects that can advance a new growth model. This year the Exchange focused on how to scale collaborative, commercial and sustainable solutions covering four macro scale challenges: Accelerate penetration of clean energy solutions; establish working models of circularity, in particular packaging waste; deliver high quality and accessible diagnostic healthcare; create best-in-class sustainable mining practices.

### **3. Service Providers Can Opt For GST Composition Scheme By April 30: CBIC**

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

The tax department has given service providers with turnover of up to Rs 50 lakh time till April 30 to opt for the composition scheme and pay six per cent goods and services tax (GST). The

option to pay GST at reduced rate of 6 per cent would be effective from the beginning of the financial year or from the date of obtaining new registration during the financial year. Service providers opting for the composition scheme can charge a lower tax rate of six per cent from customers, as against the higher rates of 12 and 18 per cent for most services under GST. In a circular, the Central Board of Indirect Taxes and Customs (CBIC) said suppliers who want to opt for composition scheme would have to file Form GST CMP-02 by selecting 'Any other supplier eligible for composition levy' latest by April 30, 2019.

#### **4. Govt Plans To Offload Excess Rice, Wheat In Open Market**

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

The government plans to offload excess stocks of rice and wheat in the open market during the fresh procurement season to flour millers and other bulk consumers. The Committee of Secretaries (CoS) met a couple of days ago to decide on the course of action for the open market sale. Once the proposal gets through the CoS and the finance ministry, it will be vetted by the Election Commission of India. The government normally initiates an open market sale for bulk buyers after procurement. This time, an e-auction is likely to be held during the procurement season ending in June as the Food Corporation of India, the agency that buys foodgrain for the government, is grappling with a paucity of storage space.

#### **5. India Ready To Consider Lower Import Duties On High-End Mobile Phones**

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

India has proposed to the US that it could consider lowering import duties on high-end mobile phones as part of the trade deal being worked out by the two governments. However, it can't bring down import levies on cheap phones as it could hurt domestic manufacturers, a government official has said. "One of the big demands made by the US is that India should revoke the 20 per cent import duties on mobile phones that it imposed over the last couple of years. In response, Indian officials said that duty cuts or elimination on high-end phones, say over ₹50,000, could be considered," an official told BusinessLine.

#### **6. Paytm Mall Plans To Hire 300 People In Next Few Months Across Biz, Technology, Product Segments**

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

Alibaba-backed Indian e-commerce firm Paytm Mall on 7 April said it has hired 200 people across various functions and is planning to hire another 300 in the coming months. Paytm Mall is

fast emerging as the preferred online-to-offline (O2O) platform across the country and has witnessed over 200 percent growth for their O2O business in the last six months. Paytm Mall SVP Srinivas Mothey said: "We are observing strong traction for O2O with the business. To support this growth, we have re-aligned some of our teams and have added 200 more people for the business."

## **7. PFS Partners USICEF For Financing Solar Projects**

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

Infrastructure finance company PFS has joined hands with the US-India Clean Energy Finance (USICEF) to leverage funds for solar projects in India. It is an innovative facility which presents PFS with an opportunity to finance and deploy high-impact development projects which can contribute in achieving India's distributed energy target of 40 GW by 2022, PFS Managing Director and CEO Pawan Singh said. PTC India Financial Services (PFS) has processed and sanctioned 3 distributed solar power projects with an aggregate debt amount of Rs 242 crore, of which approximately Rs 39 crore is outstanding in the books.

## **8. FAME-II To Impact Electric 2-Wheeler Segment Most: CRISIL**

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

Electric two-wheeler segment is expected to face a rough road in the initial phase of the FAME II Scheme with the exclusion of lead battery-powered such vehicles, as per a CRISIL impact note. The Central Government late last month laid out the eligibility criteria for electric buses, passenger vehicles, three-wheelers and two-wheelers to avail the incentives under the 'Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India' (FAME-II) scheme. The criteria is based on minimum top speed, range per charge and acceleration as well energy consumption efficiency of Evs.

## **9. Foreign Investors May Invest Rs 18,000 Cr In Voda Idea Rights Issue: Report**

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

Foreign investors are likely to invest around Rs 18,000 crore in the rights issue of Vodafone Idea, which includes a major chunk from promoter Vodafone Group, sources said. The company's Rs 25,000 crore rights issue will open on April 10. Any foreign funding above Rs 5,000 crore requires Cabinet approval. "Vodafone Idea had approached government for FDI approval. The proposal has received clearance from Cabinet. It is expected that Rs 18,000 crore during the rights issue will come from foreign sources," an official said. The Cabinet had on

February 28 cleared the company's FDI proposal. The promoter shareholders -Vodafone Group and Aditya Birla Group -have reiterated to the board that they intend to contribute up to Rs 11,000 crore and up to Rs 7,250 crore respectively, amounting to a total of Rs 18,250 crore, as part of the rights issue.