



# The Fertiliser Association of India

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## Current News

Current news on the latest developments in fertiliser, energy, weather, agriculture, agri-business, logistics, economy, and other related areas

*(The views expressed in the news items are not necessarily of FAI)*

Thursday, June 22, 2017	
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## **WEATHER**

### **Heavy rain forecast for most of North India next week**

The monsoon is set to break free from a hiatus and run through Chhattisgarh, Jharkhand and Bihar during the next two days, besides checking into East Uttar Pradesh and East Madhya Pradesh.

The rains have been delayed over Madhya Pradesh and parts of Central India for almost a week due to reverses suffered in the Bay of Bengal when two rain-making low-pressure areas strayed and landed over Bangladesh in quick succession.

The Bay is now bracing for another low-pressure area, which many models say would become a depression, and trot all the way to North-West India during the last week of the month (June 25 onwards), dumping heavy rain in the process.

The India Met Department (IMD) said on Wednesday that a preliminary circulation has formed over North Coastal Odisha. The expectation is that it would anchor one end of the trough that extends into North-West India, and set up the 'low'.

Moisture-laden easterly winds from the Bay would blow into this trough and trigger heavy to very heavy rain over Uttar Pradesh, Delhi, Madhya Pradesh, East Rajasthan, Gujarat, and Konkan-Mumbai during June 27 to July 3, says the US Centre for Climate Prediction.

South India is expected to witness normal rainfall during this period, while it would be below normal for Coastal Karnataka and Kerala, says this outlook.

Meanwhile, the IMD pointed to the possibility of storm-like conditions developing over Central India by July 1 when the easterlies fanned by the 'low' from the Bay interact with monsoon westerlies from the Arabian Sea, setting off heavy rainfall.

The European Centre for Medium-Range Weather Forecasts is largely in agreement except that it surmises the prospective monsoon depression would still be located over Coastal Odisha by July 1.

(This article was published on June 21, 2017)

*Source: The Hindu Business Line, Thursday, June 22, 2017*

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## AGRI-BUSINESS

### Siddaramaiah waives off Rs8,165 crore farm loans in Karnataka

*Karnataka chief minister Siddaramaiah announces waiver off Rs8,165 crore worth of crop loans borrowed by farmers from cooperative banks*

Karnataka chief minister Siddaramaiah on Wednesday announced the waiver of Rs8,165 crore worth of crop loans taken from cooperative banks, yielding to pressure from farmer groups, opposition parties and similar waivers in other states.

The government will waive crop loans of up to Rs50,000 per farmer availed until 20 June, a move that will benefit 2,227,506 farmers in the state, Siddaramaiah announced to thumping applause in the legislative assembly. A directive to this effect will be issued at the earliest, the chief minister said.

### Farm relief

Since April, farm loan waivers totalling Rs85,024 crore have been announced to bring relief to 14.9 million farmers.

States that have announced loan waiver	Date of announcement	No. of farmers covered (in million)	Debt waived (in Rs crore)
Uttar Pradesh	4 April	8.6	36,359
Maharashtra	11 June	3.1	30,500
Punjab	19 June	1	10,000
Karnataka	21 June	2.2	8,165
<b>TOTAL</b>		<b>14.9</b>	<b>85,024</b>

Source: State government official releases

The decision to waive off farm loans is likely to increase the chances of the Congress government to retain power in the 2018 state assembly elections. It may be recalled that the Congress government at the Centre had waived loans worth over Rs52,000 crore just before the 2009 Lok Sabha elections in which it came back to power.

“Loans worth Rs8,165 crores will be waived, benefitting 2,227,506 farmers across state. We know that empowering farmers is #Empowering Ktaka,” Siddaramaiah wrote on microblogging site Twitter on Wednesday.

The chief minister also clarified in a tweet that loans up to Rs50,000 will be waived in full and that loans above Rs50,000 will be eligible only if the farmer repays the remaining debt. Karnataka, which faced a second successive drought year in 2016-17, has been suffering from an acute drinking water shortage and declining agricultural activity.

Shifting the focus on the Union government to do its part, Siddaramaiah requested the Centre to waive off crop loans of Karnataka farmers worth about Rs42,000 crore taken from nationalized and commercial banks. However, finance minister Arun Jaitley on Tuesday ruled out farm loan waivers by the Centre and said the government would adhere to its fiscal targets.

“This (loan waiver) is under pressure. He (Siddaramaiah) had always maintained that waiving off loans is not the right thing to do as it discriminates against honest payers,” said Narendar Pani, a Bengaluru-based political analyst and professor at the National Institute of Advanced Studies.

Pani said Siddaramaiah’s loan waiver announcement was “blunting of a possible BJP instrument” meant to deny the opposition the use of this issue against him.

Former chief minister and BJP’s chief ministerial candidate in Karnataka, B.S.Yeddyurappa, said waiving off Rs50,000 was “no big achievement.” “Had this decision been taken earlier, then it could have save the lives of many farmers,” he added. Yeddyurappa said the chief minister’s (in) actions would force the state into early polls-possibly by December.

Since April, four state governments—Uttar Pradesh, Punjab, Maharashtra and now Karnataka—have announced farm loan waivers totalling Rs85,024 crore and benefiting 14.9 million farmers.

Incidentally, Yeddyurappa's successor and party colleague Jagadish Shettar had announced waiving off of up to Rs25,000 per farmer totalling Rs3,600 crore (Rs 900 crore in the first year and around Rs 2600 crore by the successive Congress government post elections in 2013) and benefitting 16 lakh farmers in 2012.

"This was a politically coloured demand and all parties are here to benefit," said Harish Ramaswamy, political analyst and professor at the Karnataka University, Dharwad.

Total farm loans in Karnataka stand at over Rs1.16 trillion. Of this, crop and short term loans account for over Rs52,000 crore. Crop loans taken from state cooperative societies account for Rs10,736 crore (20-22% farmers), while loans taken from nationalised and commercial banks account for over Rs42,000 crore (around 80% of farmers), Siddaramaiah said.

Sayantana Bera from New Delhi contributed to this story.

*Source: Live mint, Thursday, June 22, 2017*

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## **ECONOMY**

### **All states except Jammu and Kashmir pass SGST Bill**

*Kerala and West Bengal have issued an ordinance to approve the SGST Act*

All states and Union Territories, barring Jammu and Kashmir, have passed their State GST Act, paving the way for rollout of the Goods and Services Tax from the mid-night of June 30-July 1.

While Kerala and West Bengal have issued an ordinance to approve the SGST Act, all other states and UTs have passed it in their respective legislative assemblies. "As of today, all the states and Union Territories (having assemblies), except the State of Jammu and Kashmir, have passed the State Goods and Services Tax (SGST) Act," a finance ministry statement said.

Kerala today issued an ordinance approving the SGST Act while West Bengal had issued it on June 15. "Now only one state is left i.e. the state of J&K which is yet to pass the SGST Act. Thus, almost the entire country, including all the 30 states and UTs, are now on board and ready for the smooth rollout of GST with effect from July 1," the statement said.

Reminiscent of India's tryst with destiny at the mid-night of August 14-15, 1947, Parliament's historic Central Hall will host an hour-long function on the intervening night of June 30-July 1 to mark the GST kick-off. President Pranab Mukherjee, Prime Minister Narendra Modi, former prime ministers Manmohan Singh and H D Deve Gowda, apart from Vice—President Hamid Ansari and Lok Sabha Speaker Sumitra Mahajan, will be present in the function.

Finance Minister Arun Jaitley had yesterday said that if any state keeps out, both its traders and consumers will suffer loss. "Because they will not get the benefit of input tax, they will have to pay tax twice and the consumers will get materials which are costlier than the rest of the country. Also, compensation package won't be given to states who do not implement GST," Jaitley said.

(This article was published on June 21, 2017)

*Source: The Hindu Business Line, Thursday, June 22, 2017*

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## **GST will transform Indian economy: Piyush Goyal**

Describing GST as the most revolutionary tax reform since Independence, the Union Minister of State for Energy and Coal (independent charge), Piyush Goyal, has sought the co-operation of the trade, industry and all sections of society to make it a huge success.

The Union Minister, who was here to participate in the International Yoga Day celebrations, was participating in a seminar on GST conducted by the Confederation of Indian Industry, the Vizagapatam Chamber of Commerce, and the Andhra Pradesh Chambers of Commerce and Industry Federation.

He said GST would unite India into "one country, one market", as the same tax rate would prevail all over the country, and consumer would be the ultimate beneficiary.

"Consumer will be the king, as he or she will get better quality of goods and services. I admit there may be some teething troubles and initial hiccups in implementing it, but they are by no means insurmountable. Now is the time for implementing GST and it will come into effect from the midnight of June," he said.

The minister gave an assurance to the trade and industry that the "honest will have nothing to fear" from the new tax regime, but "the dishonest will be made to pay."

He said GST would bring much of "what is now in the informal sector into the formal sector. Tax evasion could be curbed to a greater extent, though I do not call it a panacea for all ills."

He said there were certain sections "indulging in deliberate campaign of misinformation to derail the process of unrolling GST and we have to be wary against their designs".

The minister said the success of GST would be the success of all sections of the society, and it would be for the good of the nation. Therefore, he said, rising above all petty differences, all should strive to make it a success.

The minister, himself a chartered accountant, answered the queries of the participants and cleared their doubts. Visakhapatnam Member of Parliament K Haribabu in his opening remarks explained about the GST council and its powers. O. Naresh Kumar, the industry representative, conducted the proceedings.

M Srinivasa Rao, the member of Parliament from Anakapalle, Vishnu Kumar Raju, MLA, and P.V.N Madhav, MLC, participated in the programme.

G Sambasiva Rao, the president-elect of the AP Chambers of Commerce and Industry Federation, also spoke. (This article was published on June 21, 2017)

*Source: The Hindu Business Line, Thursday, June 22, 2017*

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## **Last GST council meeting ahead of GST rollout must take hard look at tax deduction at source for sales tax**

*The 17th GST Council meeting held on June 18 concluded with a loud and clear message that GST will finally see the light of the day on July 1, 2017. It would indeed be a watershed moment for India as the biggest tax reform—more than ten years in the making—will finally take-off*

The 17th GST Council meeting held on June 18 concluded with a loud and clear message that GST will finally see the light of the day on July 1, 2017. It would indeed be a watershed moment for India as the biggest tax reform—more than ten years in the making—will finally take-off. Whoever has witnessed this arduous journey of the GST, from a simple idea of one national GST with a single rate for goods and services to a complex dual GST structure laced with multiplicity of rates will certainly heave a sigh of relief now that the implementation date has been cast in stone. Some states are yet to pass their respective SGST Bills, and it is hoped that they would do so by June 30 or come out with an Ordinance to make GST applicable in their jurisdiction. The GST Council is scheduled to meet on June 30 which would be its 18th meeting since its inception. It is a great achievement on the part of the government to successfully convene the Council meetings with an average of two meetings per month in a span of about nine months. The enthusiasm and the zeal with which the Centre and the states dealt with every aspect of the GST during these months is commendable. One hopes that the same continues post the implementation date as the GST agenda is unfinished yet.

The registration module for new GST registrants is expected to open on June 25. A large number of businesses having pan-India presence and a centralised service tax registration for all locations in the country are expected to commence state-wise registrations. A fast-track mechanism for allotting GSTIN to these and new businesses should be put in place as there would be hardly any time left for the go-live date. GST compliance has been pushed back by two months, and the businesses are expected to file simplified return formats for the first two months (July and August). While this certainly is a welcome move, businesses would now have an additional burden of filing one more GSTR form, albeit in a simplified manner. The e-way bill mechanism has not yet been finalised, and the states have been instructed to continue with the mechanism currently being followed by them in the VAT regime. Now, not all states have road permit/way bill in their VAT laws. Hence, it is imperative that the movement of goods is not hampered post July 1 on account of the requirement of way bills/road permits. It would have been better if the road permit/way bill mechanism was kept in abeyance throughout the country until the e-way bill mechanism is finalised and it would be best if the e-way bill mechanism is completely done away with. A complete audit trail of movement of goods is going to be made available on the GSTN portal vide the uploading of inward/outward supplies data. Burdening the businesses with uploading data for e-way bills again is certainly avoidable.

Another concept which requires a hard look is the Tax Deducted at Source (TDS) mechanism in the GST. Since the GST would be a destination-based consumption tax, TDS, a direct tax concept, does not have any place in GST. The TDS mechanism is rightly absent in Excise and Service Tax laws. The state sales tax departments had introduced this concept while dealing with works contractors. Now that we have a complete trail of inward and outward supplies, the TDS mechanism should be done away completely. This will go a long way in further improving our ease of doing business score. The Centre and state governments are yet to notify the requirements of TDS under the GST laws. The final countdown to the implementation date has already begun. At midnight on June 30, GST will be launched by the president in the august company of the PM, FM, state CMs and many Union and state ministers in the Central Hall of Parliament. Former PMs and FMs are also expected to join the launch. While the industry would have hoped for a much easier, simpler version of the GST to be implemented, it is still a good starting point for unlocking the true potential of the Indian economy. The Central Hall of Parliament has witnessed many historic moments since Independence; this one would be by large one of the most historic ones given its impact on the Indian economy. While there would be challenges in the short-term, the advantages in the mid- and long-term that the GST would yield certainly outweigh them. The trade and industry has only one option now: Get set, and go!

*Source: Financial Express, Thursday, June 22, 2017*[Back to Headlines](#)

**FOREIGN EXCHANGE RATES – Wednesday, June 21, 2017**

Currency	Buy (₹)		Sell (₹)	
	TT	Bill	TT	Bill
Dollar	64.58	64.61	64.49	64.48
Euro	71.99	72.02	71.89	71.88
Pound Sterling	81.98	82.02	81.89	81.88
100 Yen	58.01	58.04	57.92	57.91

*Source: The Hindu Business Line, Thursday, June 22, 2017*

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