

Assocham opposes cess in GST

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New Delhi, November 1

Industry body Assocham has opposed a proposal within the GST Council to levy an additional cess to make a corpus for compensation to States for any revenue loss from GST implementation.

Additional cess should not be made applicable as this would lead to "distortion and cascading of taxes", Assocham Secretary-General D.S. Rawat said in a letter to Finance Minister Arun Jaitley.

Instead of levying cess, the additional revenue required for such compensation can be collected by increasing the tax rates (by 1 or 2 per cent), Assocham has suggested.

The idea of levying cess in or-

der to make a corpus for compensation to States does not seem to be feasible, the chamber letter said.

Also, the government, in its various documents released so far, has always emphasised on the non-applicability of cess in the GST regime. It has been widely advocated across all forums that under GST regime all the existing cess will get subsumed, the chamber pointed out.

Assocham has also suggested that the rate category of 26 per cent (even if it is made applicable) should only provide for select products (demerit products) which were mentioned in 40 percent category of the CEA report.

Assocham to FM: Hike GST rate by 1-2%, don't levy cess

Industry chamber Assocham has made a pitch to finance minister Arun Jaitley not to levy cess, but hike GST rate by 1-2% to garner additional resources to compensate states for any revenue loss on rollout of the new regime from April next year. At the GST Council meeting last month, the Centre had proposed a four-tier GST rate structure of 8%, 12%, 18% and a peak rate of 26%, which will mostly apply to FMCG and consumer durables. Besides, a cess is also likely to be levied on demerit or sin goods and polluting items.

Economy to gain momentum in second half of FY17: Assocham

INDIVJAL DHASMANA

New Delhi, 1 November

The economy is expected to fare better in the second half of the current financial year, backed by a likely rise in sales and improved capacity utilisation, though fresh investments and jobs creation might be a concern, according to a report from the Associated Chambers of Commerce and Industry (Assocham).

More spending on infrastructure, largely by the government, is seen as the most important driver for a turnaround in the economic outlook for the second half, the period between October and March, it added. About 66 per cent of those polled in the Assocham Bizcon Survey expected

improved sales and capacity utilisation during the second half but remained uncertain on fresh investment. A majority (55.6 per cent) believe employment conditions will not improve in the coming days. And, 38.9 per cent feel their profits might not change in the ongoing quarter.

The second best driver for an optimistic outlook is effective policy reform, followed by a stable exchange rate for the rupee, despite global uncertainty on account of the US Federal Reserve's next policy move and the bitterly fought polls there.

While a big chunk of Bizcon Survey participants felt the present economic situation was better than the previous six months on several parameters, the optimism is more pronounced for the second half of 2016-17.

Economy may pick up, but job scene grim

NEW DELHI: Increased spends on infrastructure and policy reforms are expected to give a push to the Indian economy in the second half of the fiscal 2017 (October-March), but employment generation may remain lower than expected, an industry survey has said.

Increased spend on infrastructure development, largely in the government is seen as the most important driver for a turnaround in the economic outlook for the current quarter and the last quarter of the financial year 2016-17, the latest Assocham Bizcon Survey said.

Respondents were expecting uptick in sales, capacity utilisation, though positivity on fresh investment is tentative.

The second best driver for



the optimistic outlook is effective policy reforms followed by a stable foreign exchange rate of the Indian currency despite global head winds like uncertainty on account of the Federal Reserve's next policy move and the most bitterly fought US Presidential elections.

While a big chunk of Bizcon Survey participants felt that the present economic situation appeared to be in a better shape than the previous six months on several parameters, the op-

timism is more pronounced for the second half of the current fiscal.

For instance, on the parameter of industrial performance, the survey noted over 83% of the respondents believing things would look better at the industry level in the ongoing six-month period.

In terms of the capacity utilisation expectations, over 66% participants shared the opinion that the industry would be operating at higher levels than 70% of the plant or service facility capacities.

In the short horizon, however, the survey indicated that there will not be any change in the employment scenario in the industry. As majority 55.6% of respondents believed that employment condition will not improve in the coming days.

DH News Service

'Indian economy to gain momentum in H2 FY'17'

NEW DELHI: Indian economy is expected to fare better in the second half of the current fiscal backed by uptick in sales and improved capacity utilisation, though fresh investments and new jobs creation may be a concern going forward, according to an Assocham report.

Besides, an increased spending on infrastructure development, largely by the Government, is seen as the most important driver for a turnaround in the economic outlook for the period between October and March this fiscal, it added. Over 66 per cent respondents polled in the Assocham Bizcon Survey expected improved sales and capacity utilisation during the second half of the fiscal, but remained uncertain on fresh

investments coming in. However, in the short horizon, the survey indicates that there will not be any change in the employment scenario in the industry. As majority (55.6 per cent) of respondents believe that employment condition will not improve in the coming days. Besides, 38.9 per cent of the respondents feel that their profits may not change in the short term, October to December.

The second best driver for the optimistic outlook are effective policy reforms followed by a stable foreign exchange rate of the Indian currency despite global headwinds like uncertainty on account of the Federal Reserve's next policy move and the most bitterly fought US Presidential elections. PTI

**INDIAN ECONOMY
EXPECTED TO FARE
BETTER IN H2**

NEW DELHI: Indian economy is expected to fare better in the second half of the current fiscal backed by uptick in sales and improved capacity utilisation, though fresh investments and new jobs creation may be a concern going forward, according to an Associated Chambers of Commerce & Industry report. Besides, an increased spending on infrastructure development, largely by the government, is seen as the most important driver for a turnaround in the economic outlook for the period between October and March this fiscal, it added.

Over 66 per cent respondents polled in the Assocham Bizcon Survey expected improved sales and capacity utilisation during the second half of the fiscal, but remained uncertain on fresh investments coming in. PTI

Patanjali leads the line for Indian FMCG companies

New Delhi, Oct. 31: Country's seven leading FMCG companies have fared better than their multinational peers in terms of revenue growth in India during 2015-16 fiscal, says a report.

As per an Assocham-TechSci Research report, the combined revenue of select seven Indian FMCG companies during 2015-16 stood at \$11,066.46 million (over ₹73,835 crore), while that of select seven MNCs was at \$9,436.66 million (over ₹62,961 crore).

Among the domestic FMCG majors, ITC Ltd reported a revenue of \$5,944.79 million, while Britannia Industries Ltd's revenue was at \$1,222.75 million, the report said.

Dabur India's revenue stood at \$884.62 million and Godrej Consumer Products reported a revenue of \$740.24 million.

Marico's revenue was at \$761.14 million while that of Amul stood at \$743.69 million.

REVENUE OUTLOOK

\$5,944.79m
ITC Ltd

\$1,222.75m
Britannia
Industries

\$884.62m
Dabur India

\$11,066.46 million

7 Indian FMCG

\$9,436.66 million

7 Multinational firms

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Godrej Consumer

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Marico

\$744 m Amul



"The performance of Patanjali Ayurved has been unmatched and leaves behind all its competitors in the segment with record growth of 146.31 per cent in the revenue on a year-on-year basis.

"Patanjali Ayurved achieved the revenue of \$769.23 million during 2015-16," the report said.

On the other hand, revenues of multinational companies such as Hindustan Unilever Ltd stood at \$4,921.10 million,

while Procter & Gamble Hygiene & Health Care Ltd reported revenue of \$382.20 million, it said.

GlaxoSmithKline Consumer Healthcare's revenue was at \$662.88 million, while revenues of Colgate-Palmolive (India) Ltd's and Gillette stood at \$640.35 million and \$321.62 million, respectively.

As per the study, Nestle's revenue was at \$1,257.74 million and PepsiCo India reported a revenue of \$1,250.77 million. — PTI

