

Prices can be contained under GST regime: TN Minister

OUR BUREAU

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Tamil Nadu Finance Minister D Jayakumar is confident that with the GST rollout next month, prices of essential commodities can be reined in and the state's GDP enhanced by 1-2 per cent.

Addressing a seminar on GST for consumer electronic traders, organised by Videocon, Assocham and CEMA (Consumer Electronics and Appliances Manufacturers Association), Jayakumar said GST rates for several items were reduced following the state government's requests to the GST Council.

"Rates were considerably reduced for 20 commodities," he said.

Jayakumar said the GST Council had increased the turnover ceiling to ₹75 lakh from ₹50 lakh for traders, manufacturers and restaurants to the range of 1-3 per cent depending on the categories.

GST Council was created to



D Jayakumar, Tamil Nadu Finance Minister (left) and H Vasanthakumar, founder, Vasanth & Co, at the GST Summit for traders organised by Assocham, CEMA and Videocon, in Chennai on Tuesday BIJOY GHOSH

help set right anomalies in the scheme. "Any discrepancies and issues faced by the traders and businessmen can be solved through the Council," he said.

Demands such as keeping alcoholic beverages and petro-

leum products outside the purview of GST and an independent mechanism for compensation of loss under the GST regime for a period of five years through a statute, were met by the Centre, Jayakumar added.

Steel Ministry to industry: 'Responsible pricing' is key to continued support

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The government may re-evaluate its support to domestic steel manufacturers if they do not price products 'responsibly'.

Speaking at an Assocham summit, Syedain Abbasi, joint secretary at Ministry of Steel, said, "While we are willing to give protection, it comes with a sense of responsibility so please be responsible, otherwise charges of cartelisation become very difficult to fend off as prices start rising dramatically."

Under the existing support mechanisms for the domestic steel industry, the Centre provides a minimum value addition of 15 per cent on the notified steel products to boost domestic steel consumption. The government has also continued with anti-dumping provisions to check import of cheaper Chinese steel.

Abbasi hinted that the government may withdraw protection to the industry if prices of domestic steel go beyond a certain

level. He said, "It would become untenable for us to continue (with import restrictions and price preference) if you suddenly find that the prices in the next tender for GAIL pipeline have gone up by 30 per cent."

He stated that it is not in the government's interest to buy steel at prices which are very high. He said, "Then if people gather and say that look these controls have to go then ultimately it will be the pipe industry which will be the loser."

Abbasi said double taxation has largely been phased out under the Goods and Services Tax (GST) regime and it will be marginally beneficial for the steel sector as the duty on raw material will be lowered by 1 to 1.5 per cent.

He also noted that, the problems that were earlier created by the Railways in giving 'way leave agreement' to cross the slurry pipeline either underground or overhead across railway land, were solved after the Prime Minister's Office intervention.