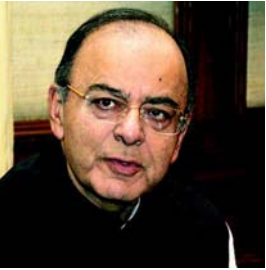


IN BRIEF



App unveiled to lower interaction with taxman
NEW DELHI
In an effort to minimise chances of harassment by tax assessing authorities, Union Finance Minister Arun Jaitley on Monday unveiled a new online services module for income-tax payers. The application will reduce the physical interface between assessee and taxmen. It includes tax calculation tools, a live chat facility, dynamic updates and links to various processes of the I-T department.

Reliance Group's Mihan SEZ gets nod
MUMBAI
The Board of Approval for SEZ has approved the proposal of Reliance Aerostructure Ltd. for the development of the Dhirubhai Ambani Aerospace Park at Mihan SEZ in Nagpur. A senior Reliance official confirmed the development. The park, spread over 289 acres, will become the largest greenfield aerospace park in the country. The first phase will be spread over 104 acres and the second will cover 185 acres.

AU Small Finance Bank shares rise 51% on debut
NEW DELHI
Shares of AU Small Finance Bank closed at a premium of over 51% against the issue price of ₹358 in debut trade on Monday. The stock listed at ₹525, reflecting a gain of 46.64% over the issue price on the BSE. During the day, it zoomed 52.23% to ₹545. It finally closed at ₹541.20, an increase of 51.17%. On the volume front, 392.58 lakh shares were traded on the BSE in the day. The bank's market valuation stands at ₹15,383.66 crore. PTI

Debt rejig failure likely set off move to sell AI

Airline failed to convince Centre, lenders about its proposals

SOMESH JHA
NEW DELHI
Air India's unsuccessful efforts to restructure its debt, with both the Centre and lenders unwilling to back its various proposals, may have finally spurred the Cabinet to take the decision to privatise the national carrier.
Documents reviewed by *The Hindu* show that attempts by the airline to rejig its debt failed to convince the decision makers in the government at various levels, including the highest.
For instance, Prime Minister Narendra Modi's office was hesitant about treating the government's equity infusion into the national carrier as a grant, while the Finance Ministry was reluctant both to provide a guarantee fee for further borrowings as well as for slashing the fee payable to the government for securing Air India's existing loans.
Air India has outstanding debt of about ₹52,000 crore, of which about Rs 22,000 crore is aircraft loan and the remaining is its working capital loan and other liabilities.
Lack of conviction
The government's lack of conviction about the viability of proposals to restructure Air India's debt was evident at the last two meetings of the Oversight Committee, which was monitoring the carrier's turnaround and financial restructuring plans, the minutes of the committee's meetings, on May 3 and January 25, show.
The committee, originally set up in 2012 by the United Progressive Alliance (UPA) government, is chaired by the Civil Aviation Secretary RN Choubey and includes representatives from the Finance Ministry, Air India and State Bank of India's investment banking arm SBI Cap-



Debt stall: While the Centre was reluctant to give a guarantee fee for more borrowings, banks didn't cut interest rates. • AP

ital Markets.
Air India had requested the Finance Ministry to reduce the guarantee fee charged to secure its loans and bonds in the form of external commercial borrowings (ECB) and non-convertible debentures (NCDs). "The ministry of finance is not supporting the waiver or reduction as it could have possible repercussions," a joint secretary in the Civil Aviation ministry informed the Oversight Committee on January 25.
Air India is required to pay an annual guarantee fee of 1.2% of the outstanding ECB loans, 1% for NCDs and 0.5% for pending loan taken for aircraft acquisition.
Air India had sought a cut in the guarantee fee to 0.5% of outstanding loan amount for all its borrowings. As of now, the national carrier is required to pay ₹800 crore as guarantee fee, a senior AI official said. The then Economic Affairs Secretary Shaktikanta Das had rejected any waiver of the guarantee fee, the Oversight Committee was told at its May meeting. In contrast, the UPA government had waived AI's guarantee fee worth ₹548 crore in 2007-08.
While the Finance Ministry had agreed to AI's proposal of converting the equity infusion of about ₹4,000 crore, related to aircraft loans and NCDs, into grants, the "PMO raised certain observations and requested Ministry of Finance to examine the proposal afresh," a Finance Ministry official told the committee on May 3.
Air India's proposal to secure the NCDs worth ₹10,500 crore it wanted to issue to refinance its long-term working capital loans at a lower cost also didn't find favour with the Finance Ministry.
The lenders' aversion to AI's proposals may have been the last nail.
Air India CMD Ashwani Lohani, who had met SBI Chairman Arundhati Bhat-tacharya and bank chiefs "with a request to reduce their interest rates from the current rate of 10.05%" seems to have failed to win any concessions.
"It was indicated that unless Air India is able to reduce its interest cost, it would not be able to come into net profits," according to the minutes of the meeting held in May.

Indian tea eyes new market in Chile

Move to challenge dominance by Argentina, Sri Lanka; pact to help counter costs

INDRANI DUTTA
KOLKATA
India is aiming to break new ground in its tea exports with an entry into Chile where it had recently taken a delegation.
The existing preferential trade agreement with the Latin American country is being seen as a major catalyst in this foray.



Greener pastures: The preferential trade agreement was signed in March 2006 and was expanded in September last.

'No Indian presence'
The 21 million-kg Chilean tea market is currently dominated by Argentina and Sri Lanka, with some re-traded teas also being sent from some European countries. Indian presence is virtually non-existent.
"We are pretty optimistic about Chile," Santosh Sarangi, deputy chairman and CEO, Tea Board India,

told *The Hindu*.
He said that despite the distance, the Preferential Trade Agreement which gives an 80% margin of preference to tea, will help neutralise the freight costs to Latin America, which were also on a downswing now.

2006 and was expanded in September.
Under the expanded PTA, Chile has offered concessions to India on 1,798 tariff lines with Margin of Preference (MoP) ranging from 30% to 100%. India has offered concessions to Chile on 1,031 tariff lines with MoP ranging from 10% to 100%. Among Latin American countries, Chile is among the leading trading partners of India.
Earlier, the same delegation also participated in a food show in the U.S. This, too, is expected to further open the U.S. market. "USA is a big market for teas – over 80 million kg, and growing," Mr. Sarangi said.
Mr. Patro added that close to 60% of the demand is from the iced tea segment.

Amazon's food retail plans okayed

PRESS TRUST OF INDIA
NEW DELHI
The government has approved American e-commerce major Amazon's proposed \$500 million investment in retailing of food products in India, an official said.
The proposal was pending before the Foreign Investment Promotion Board which has been abolished.
Hence, the Department of Industrial Policy and Promotion gave the green signal to the proposal.
As per the proposal, the company will open a wholly-owned subsidiary in India to carry out the business. It will stock food products and sell them online. An Amazon spokesperson said: "Yes, we have received the government approval for food retail based on our application for the same."

Bharti earmarks ₹2,000 cr. for customer experience revamp

Under 'Project Next', telco to improve user touch points

SPECIAL CORRESPONDENT
NEW DELHI
Bharti Airtel on Monday said it will invest ₹2,000 crore towards revamping its customer experience across all services and touch points to make it digital over the next three years.
"Project Next is the first step towards being a truly digital services provider," Gopal Vittal, MD & CEO (India & South Asia), Bharti Airtel said at a press conference. Under this, he said, the firm would introduce digital enhancements to improve the simplicity and interactivity of the "Airtel customer experience."



New course: Bharti Airtel will redesign more than 2,500 of its stores in India, says Gopal Vittal. • KAMAL NARANG

As part of the new project, Bharti Airtel will also redesign more than 2,500 of its stores in India.
Bharti Airtel also said that its postpaid customers will now be able to carry forward their unused monthly data quota up to 200 GB to the next billing cycle. "This... will ensure zero data

wastage for customers," the company said.
Asked about the roll out of Voice over LTE, Mr. Vittal said it was in the works and the company was conducting trials in five cities.
Mr. Vittal added that the company "should be able to launch it" towards the end of the year.

Great management advice you can give your students

B-ready with BLoC
BusinessLine on Campus

Help your students step into the corporate world armed with knowledge and confidence. BLoC, from *The Hindu BusinessLine*, is a website that enriches their B-school experience and gives them that extra edge as they pursue a career.

COLUMNS | PLACEMENT PREP | BLEARN | ENTREPRENEURSHIP | CASE STUDIES

Register at www.bloncampus.com

GOODS AND SERVICES TAX

CLARIFICATION ON RATES OF GST FOR RESTAURANTS

	Rate of tax (CGST + SGST)
Restaurant under Composition Scheme (upto aggregate turnover of Rs. 75 lakh*)	5%
Restaurant with no air-conditioning in any part thereof and not serving liquor	12%
Restaurant with partial or full air-conditioning or serving liquor	18%
Is there any restaurant where the rate of tax is 28%	No
Rate of tax on food parcel cooked as per order	As applicable to service of such food in that restaurant
Rate of tax on parcel of pre-packed and pre-cooked namkeens sold from restaurants	12%

Note : The table above indicates GST rates applicable to supplies made by restaurants in different circumstances. However, the actual GST incidence will be lesser due to increased availability of input tax credit.
*This limit is Rs. 50 lakh for Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim and Himachal Pradesh.

Search GST Rates and HSN codes on GST Rate Finder App

It is available on

You can also download it by scanning this QR code

GST rates and HSN codes are also available at URL:- goo.gl/CBnu5t

GST- A Good & Simple Tax

Central Board of Excise and Customs & Commercial Taxes Departments of States/Union Territories
www.cbec.gov.in, www.cbec-gst.gov.in