

Economy

TUESDAY, OCTOBER 31, 2017

Quick View



Jobless growth is for real: Care Ratings

CONFIRMING FEARS of 'jobless growth', domestic rating agency Care Ratings today said employment generation has not kept pace with GDP expansion, and termed it as a "major concern". Such a scenario calls for "proactive measures" from government and the recent infrastructure building efforts will help, it noted and said "employment growth has not kept pace with economic growth".

World Bank to lend \$200 m to Assam

INDIA HAS signed a \$200-million loan agreement with the World Bank to facilitate investment in agriculture and boost output in Assam.

● AADHAAR FOR SCHEMES SC to set up Constitution bench to hear petitions

FE BUREAU
New Delhi, October 30

THE SUPREME COURT on Monday said it will constitute a five-judge Constitution bench to hear more than 22 petitions challenging the Centre's decision to make Aadhaar mandatory for availing various services and government welfare schemes. It said that the larger bench would commence hearing on these petitions in the last week of November.

A bench headed by Chief Justice Dipak Mishra decided to set up the Constitution bench after the government remained unwilling to extend the December 31 deadline for mandatory linking of Aadhaar to avail benefits of various government schemes till March 31 next year.

"We will argue the case," the attorney-general said, adding that under no circumstances should status quo order on Aadhaar continue or any interim order be passed.

The Centre also filed an affidavit that "neutralises every allegations raised against Aadhaar. We have filed over 100 orders/notifications to correct any glitches," Venugopal said.

Earlier, the Centre had extended the deadline for mandatory linking of the 12-digit bio-



metric identification number to avail social welfare benefits to December 31, from the earlier September 30.

Last week, the Centre had told the Supreme Court that it planned to extend the deadline for the mandatory linking of Aadhaar with PAN, bank accounts, mobile phones and several welfare schemes to March 31, 2018 from the current December 31, 2017.

Venugopal had told the court that the deadline extension from December-end this year till

March 31, 2018 would apply only to those who do not have Aadhaar and are willing to enroll for it. However, the judges had asked the government to re-think on its proposal to make it voluntary for Aadhaar holders and allowed the attorney-general to take instructions on the limited issue and apprise them on Monday.

The hearing also assumes importance even after a nine-judge Constitution bench had held that the right to privacy is a fundamental right under the Constitution. Several petitions have alleged that the Aadhaar scheme was violative of privacy rights.

The petitions had challenged several aspects of the Aadhaar scheme, including the mandatory parting of biometric details like iris scans and fingerprints, thus alleging violation of the citizens' right to privacy.

RISHI RANJAN KALA
New Delhi, October 30

THE DEPARTMENT OF telecom (DoT) is working with the Unique Identification Authority of India (UIDAI) and telecom operators on a comprehensive set of instructions to link Aadhaar cards with mobile numbers and the re-verification process for mobile users, which is likely to be displayed by the operators on their websites by December.

DoT has already announced the three new methods for linking mobile numbers with Aadhaar cards - OTP-based process, via the service provider's app or via the IVRS facility. Explaining about the process, telecom secretary Aruna Sundararajan told FE, "Operators have to inform DoT by November 15 on the mechanism by which all options for linking Aadhaar with mobile number are made available on their portals. This will then be verified by DoT and UIDAI over

another two weeks. So we hope that by December, citizens will know about the options that they can choose online." She added that for the ease of senior citizens and the people with disability and chronic illness, DoT has also recommended for re-verification at subscribers' doorstep.

Defending the re-verification process, Sundararajan said it is for the benefit of the consumers. "It is in everybody's interest. Firstly, because of the security required for

Telecom operators likely to display Aadhaar-based re-verification process on websites by December

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Detailed GST returns: Only a quarter meets October 31 deadline

Besides, units with up to ₹1.5 crore turnover were allowed to file quarterly instead of monthly returns, a move that would allow 90% of the non-composition GST registrants to shift to the easier system of filing returns every quarter, but could make prompt invoices-matching difficult.

As reported by FE on Monday, the council may allow all taxpayers to move to quarterly mode of filing returns as it meets at Guwahati on November 10. The composition scheme - that allows businesses to pay taxes as a small percentage of turnover annually - is set to be made available to units with turnover up to ₹1.5 crore, in what could effectively exclude 90% of the taxpayers from being part of the multi-point destination-based tax chain.

GST Network, which is the IT backbone of GST, estimates that about 80 crore invoices would be uploaded on to the system every month. An tax official said that even if 2-3 crore of the invoices don't match, it will lead to numerous disputes, which would be arduous to resolve. "Besides, tax evasion takes place when transactions are off-book which will never be captured through invoices. The government needs precise and visible enforcement to minimise tax evasion," the official said.

To begin with, GST Council should have implemented matching at the GST level where sale and purchase are matched on the basis of the unique GST registration number of each taxpayer. Invoice matching should ideally have been brought in a few months later after the system stabilised. Now that some taxpayers are allowed to file returns only quarterly, the matching should also be harmonised with it and not be carried out every month. These steps alone will make the process smoother," Rahul Renavikar, managing director of Acuris Advisors said. Aditya Singhanian, of Taxmann, said: "The matching concept is a much appreciated step for allowing input tax credit which is regulated by the GSTR 1, 2 and 3 mechanism. But with the brilliant concept, the IT platform of GST i.e. www.gst.gov.in should equally work in same wavelength for achieving the objective. Due to certain bugs and frictions, coupled with totally new forms of returns, taxpayers were unable to file the (returns) on time."

While industrialised states like Maharashtra, Gujarat and Karnataka among others had invoice-matching systems prior to GST, although these were not granular-level matching. A Maharashtra tax official, who requested anonymity, said that matching at the level of VAT number - much simpler than invoice-level matching - had enabled identification of 80% mismatches, which enabled the tax department to take action against hawala operations.

However, some tax officials have doubted the efficacy of invoice-matching, saying this wasn't much of a success in any country with GST-type tax. "The first two months would pose immense challenges on how to deal with invoice mismatches and the provision may eventually have to be done away with," a revenue department official told FE on the condition of anonymity.

The tax department is also worried that about 40% of taxpayers who filed the returns for July have claimed nil-tax liability. "It is indeed a large number. If enforcement is required, we will carry it out, though not in the na-

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EASE OF DOING BUSINESS

M Venkaiah Naidu, vice-president

The regulatory controls must be minimised and the procedures should be clear, simple, streamlined and digitalised so that there is very little ambiguity or discretion. The regulation should not become strangulation

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TATA STEEL LIMITED						
Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400 001 India Tel.: 91 22 6665 8282 • Fax No.: 91 22 6665 7724 • Email: cosec@tatasteel.com • Website: www.tatasteel.com CIN: L27100MH1907PLC000260						
NOTICE						
Extract of Standalone Financial Results for the quarter/ six months ended on 30th September 2017 ₹ Crores						
Particulars	Quarter ended on 30.09.2017	Quarter ended on 30.06.2017	Quarter ended on 30.09.2016	Six months ended on 30.09.2017	Six months ended on 30.09.2016	Financial year ended on 31.03.2017
	Audited	Audited	Audited	Audited	Audited	Audited
Total revenue from operations	14,220.93	14,421.72	11,718.31	28,642.65	22,041.79	53,260.96
Net Profit / (Loss) for the period (before tax and exceptional items)	2,003.15	1,411.87	431.05	3,415.02	1,525.75	6,060.31
Net Profit / (Loss) for the period before tax (after exceptional items)	1,976.50	795.08	366.76	2,771.58	1,305.99	5,356.93
Net Profit / (Loss) for the period after tax	1,294.08	506.45	249.56	1,800.53	824.99	3,444.55
Total comprehensive income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	1,213.14	377.30	821.75	1,590.44	2,035.36	4,120.34
Paid-up equity share capital [Face value ₹ 10 per share]	971.41	971.41	971.41	971.41	971.41	971.41
Reserves excluding revaluation reserves						48,687.60
Net Worth				52,277.57	49,935.78	51,934.01
Paid-up Debt Capital				10,260.71	9,517.36	10,175.70
Net Debt Equity Ratio				0.42	0.53	0.44
Basic earnings per share of ₹ 10 each (not annualised) - in Rupees (after exceptional items)	12.87	4.77	2.12	17.64	7.60	33.67
Diluted earnings per share ₹ 10 each (not annualised) - in Rupees (after exceptional items)	12.87	4.77	2.12	17.64	7.60	33.67
Debt Redemption Reserve				2,046.00	2,046.00	2,046.00
Debt Service Coverage Ratio				4.25	2.03	2.72
Interest Service Coverage Ratio				5.15	2.81	4.21
Extract of Consolidated Financial Results for the quarter/ six months ended on 30th September 2017 ₹ Crores						
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	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue from operations	32,464.14	30,973.33	27,119.65	63,437.47	53,090.36	117,419.94
Net Profit / (Loss) for the period (before tax and exceptional items)	2,170.47	2,290.54	352.95	4,461.01	1,470.45	6,797.86
Net Profit / (Loss) for the period before tax (after exceptional items)	2,125.82	1,673.75	293.66	3,799.57	1,243.36	2,473.63
Net Profit / (Loss) after tax from Continuing Operations	987.85	933.22	(69.71)	1,921.07	139.72	(304.38)
Net Profit / (loss) after tax from Discontinued operations	29.93	(12.13)	20.33	17.80	(3,372.17)	(3,864.19)
Total comprehensive income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(3,216.69)	(2,620.71)	(2,651.50)	(5,837.40)	(5,480.38)	(4,731.63)
Paid-up equity share capital [Face value ₹ 10 per share]	970.24	970.24	970.24	970.24	970.24	970.24
Reserves (excluding revaluation reserves) and Non controlling interest				32,028.51	38,168.91	39,421.02
Net Worth				32,028.51	38,168.91	39,421.02
Earnings per equity share (for continuing operations):						
Basic earnings per share ₹ 10 each (not annualised) - in Rupees (after exceptional items)	9.73	9.17	(1.17)	18.90	0.54	(4.93)
Diluted earnings per share ₹ 10 each (not annualised) - in Rupees (after exceptional items)	9.73	9.17	(1.17)	18.90	0.54	(4.93)
Earnings per equity share (for continuing and discontinued operations):						
Basic earnings per share ₹ 10 each (not annualised) - in Rupees (after exceptional items)	10.04	9.04	(0.96)	19.08	(34.22)	(44.77)
Diluted earnings per share ₹ 10 each (not annualised) - in Rupees (after exceptional items)	10.04	9.04	(0.96)	19.08	(34.22)	(44.77)

Note:
a) The above is an extract of the detailed format of Standalone and Consolidated results for the quarter/six months ended on 30th September, 2017 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Standalone and Consolidated results for the quarter/six months ended on 30th September, 2017 are available on the websites of the Stock Exchanges (www.nseindia.com/www.bseindia.com) and the Company's website (www.tatasteel.com).
b) For the items referred in sub-clauses (a), (b), (d) and (e) of the Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the NSE and BSE (www.nseindia.com/www.bseindia.com) and can be accessed on the URL (www.tatasteel.com).
c) Post the applicability of Goods and Service Tax (GST) with effect from 1st July, 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations for the quarter/six months ended on 30th September, 2017 are not comparable with the previous periods presented in the results.

T V Narendran
Managing Director
Mumbai: October 30, 2017

Koushik Chatterjee
Group Executive Director

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