

SMEs set to get GST relief ahead of 2019 Lok Sabha elections

Courtesy Livemint
New Delhi, Jan 2,

With Lok Sabha elections due by May 2019, the GST Council is set to further ease the compliance burden for small businesses at its meeting later this month. The GST Council, chaired by union finance minister Arun Jaitley, will consider raising the sales threshold for compulsory GST registration from Rs 20 lakh to anywhere between Rs. 50 lakh and Rs.75 lakh, one person privy to the development said on condition of anonymity. A GST Council meeting is likely to be convened by mid-January to consider the proposal that is based on the experience gained since the tax reform was implemented in July 2017. Prime Minister Narendra Modi, in an interview to news agency ANI on Tuesday, said the central government wanted the threshold to be raised to Rs. 5 lakh. He added that the centre also proposed to cut the GST rate on under-construction flats from 12% to 5%. The proposals would be placed before the GST Council as soon as a state ministers' panel gave a report on the subject, he said. At its last meeting on 22 December, the GST Council had decided to let a ministerial panel review the revenue threshold for GST registration, tax rate on under-construction flats and the feasibility of a concessional tax scheme for small service providers. Modi on Tuesday said that the government was aware of the hardships faced by small and medium enterprises (SMEs). "Whatever difficulties faced by MSMEs that comes to our notice, are

placed before GST Council. Our resolve is to simplify GST and give benefits to consumers. The process of simplifying and rationalizing GST will continue," he said. The goods and services tax (GST) has reduced tax burden on a large number of commodities, Modi said. "We are committed to hearing all issues being faced by people and placing them in front of the GST Council. GST has to be simple and consumer-friendly. Work is constantly going on in this direction." The move to raise the threshold for GST registration is significant considering that small businesses have been hit by the November 2016 demonetisation move, business disruption in the early days of GST implementation and a credit squeeze in recent months. The idea of raising the bar for compulsory registration comes in the wake of experience that many small firms with sales below 20 lakh have signed up for GST in order to be part of the value chain, which is important for retaining large customers. Also, the revenue loss from raising the sales threshold may not be significant. A second person privy to the discussions within the council said the revenue impact from a higher threshold of 50-75 lakh could be 1800-1,400 crore. So far, all big GST relief given to SMEs was based on the premise that the bulk of the tax receipts comes from large taxpayers. However, the advantage of a low sales threshold for GST registration is that it helps in formalization of a part of the economy that otherwise remains without

registration for indirect tax or for labour welfare schemes under the Employees' Provident Fund Organisation (EPFO). The 20 lakh threshold helped bring a large number of small businesses into the GST net as the tax exemption limit prior to 1 July 2017 for central excise duty was Rs.1.5 crore in annual sales. The tax reform has helped the number of indirect taxpayers increase by 3.4 million, according to the Economic Survey 2017-18. A higher threshold may open the window for some of those taxpayers to go out of registration although those finding merit in remaining part of the system will stay. "While there is a need to simplify GST further for SMEs and an enhanced threshold may be a step in that direction, it needs to be borne in mind that the taxpayers base gets expanded with a lower threshold," said M.S. Mani, partner at Deloitte India. With 2019 Lok Sabha elections approaching, the Modi government has taken several steps to benefit consumers and small businesses. These include schemes announced include MSMEs loans in 59 minutes, tax relief to National Pension System (NPS) subscribers, GST rate cuts on 22 items, extension of due date for businesses to file various return forms, incentives for onion exporters and tightening of foreign direct investment norms on online marketplaces to protect small traders.

Opposition stalls triple talaq bill in Rajya Sabha

Agency
New Delhi, Jan 2,

The triple talaq bill was stalled in the Rajya Sabha on Monday after the Opposition demanded that the bill be sent to a select committee for further scrutiny. The Rajya Sabha was adjourned till Wednesday within minutes of the slotted hour of discussion as AIADMK members disrupted proceedings and shouted slogans. The Muslim Women (Protection of Rights on Marriage) Bill, 2018, criminalises instant divorce by Muslim men. Union Law Minister Ravi Shankar Prasad said: "We want a discussion on the bill but with the Opposition creating a ruckus, the House has been adjourned till January 2 (Wednesday). The discussion on the bill cannot be delayed further." An amended triple talaq bill was passed by a majority verdict amid Opposition walkout in the Lok Sabha last Thursday. However, the Centre failed to move the bill for discussion in the Rajya Sabha as the Opposition, led by the Congress and Trinamool Congress, insisted that the House first vote on the motion submitted by TMC MP Derek O'Brien to the chairman of the Rajya Sabha demanding the bill be sent to a select committee for further scrutiny. O'Brien's motion has been supported and signed by 11 other parties, including the Congress, NCP, DMK, SP, BSP, RJD, AAP, TDP, CPI and CPI-M. The surprise signatory on the motion was the AIADMK that has aligned itself with the Centre on most occasions but has chosen to vehemently oppose the triple talaq bill. The Opposition believes that the triple talaq bill targets Muslim men and

penalises what is otherwise a breach of a civil contract between two individuals. According to the proposed bill, a Muslim man who pronounces triple talaq against his wife could be jailed for up to three years. In the Rajya Sabha on Monday, the Opposition, led by Congress leader Anand Sharma and Trinamool MP Derek O'Brien, insisted that the Chair decides on the latter's motion first. Speaking to the media immediately after the House was adjourned for the day, O'Brien said, "The BJP doesn't want the Parliament to function and they should not give us lessons on women empowerment." The Opposition is confident that it has the

numbers to push the triple talaq bill to the select committee. In a House of 244, their strength currently stands at 115, while the government has 90 MPs that will support the bill if its put to vote. The latter received a big jolt with its ally, the JD(U), likely to keep its six MPs away from the voting process. Even in the Lok Sabha, as the bill was put to vote, JD(U) members stayed absent. While the AIADMK has signed the Opposition's resolution demanding the triple talaq bill be sent to a select committee, its 13 MPs are likely to walk out if the government is able to have its way and put the bill to vote for passage. Minister of state for parliamentary affairs Vijay Goel said the government

HIGHLIGHTS

- Rajya Sabha adjourned till January 2 over triple talaq debate
- Govt has said discussion on bill cannot be delayed any further
- Opposition has demanded a select committee scrutinise the bill in detail

was ready for a discussion on the issue and accused the Congress of creating hurdles in the passage of the legislation. "The Congress and other parties are only playing politics on this issue which is very important for ensuring the rights of married Muslim women," he said. Hitting back, deputy leader of the Congress in the Rajya Sabha, Anand Sharma said, "It is the government which is doing politics. Nobody is opposing the bill. Let there be legislative scrutiny". This is the government's second attempt in having the bill pass through the Upper House.

IN THE COURT OF SPECIAL JUDGE (ND& PS) (FTC), MANIPUR AT CHEIRAP COURT COMPLEX

Schedule 1 VIII, Form No. 100

High Court Criminal Process No. 4
SPECIAL TRIAL CASE NO. 105 OF 2018
FIR No. 184(1191) BA-PS

ANNEXURE - 1

U/S 21 ND&PS Act PROCLAMATION REQUIRING THE APPEARANCE OF THE ACCUSED (Section 82 of the Code of Criminal Procedure)

1) Name, description and address of the accused

Whereas complaint has been made before me that Smt. Sarah @ Awon TKL has committed the offence punishable under Section 21 ND & PS Act (FIR no. 184(1191) BA-PS and it has been returned in the Warrant of Arrest thereupon stating that Smt. Sarah @ Awon TKL cannot be found, and whereas it has been shown to my satisfaction that the said Smt. Sarah @ Awon TKL has absconded to avoid the execution of the said warrant.

2) Name of the accused:
Smt. Sarah @ Awon TKL

Police station is thereby made that the said Smt. Sarah @ Awon TKL is required to appear before this court to answer the said complaint on the 7th day of January, 2019

2) Place:
Imphal

Dated the 30th Day of Novemebr, 2018

(T/Advtr/ 2 days)

Sd/-
W. TONEN MEITEI
Special Judge (ND&PS) (FTC)
Manipur

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TAKING THE STREET VENDOR SERIOUSLY

d. **REGULATION OF STREET VENDING**
Section 3(1) provides that the Town Vending Committee shall, within such period and in such manner as may be specified in the scheme, conduct a survey of all existing street vendors, within the area under its jurisdiction, and subsequent survey shall be carried out at least once in every five years. Section 3(2) mandates that the Town Vending Committee shall ensure that all existing street vendors, identified in the survey, are accommodated in the vending zones subject to a norm conforming to two and half per cent of the population of the ward or zone or town or city, as the case may be, in accordance with the plan for street vending and the holding capacity of the vending zones. It is provided in Section 3(3) that no street vendor shall be evicted or, as the case may be, relocated till the survey specified under sub-section (1) has been completed and the certificate of vending is issued to all street vendors. Section 4 (1) provides that every street vendor, identified under the survey carried out under sub-section (1) of section 3, who has completed the age of fourteen years or such age as may be prescribed by the appropriate Government, shall be issued a certificate of vending by the Town Vending Committee, subject to such terms and conditions and within the period specified in the plan for street vending.

e. **RIGHTS OF STREET VENDORS**
The new law recognized certain important rights of street vendors. According to section 12(1), every street vendor shall have the right to carry on the business of street vending activities in accordance with the terms and conditions mentioned in the certificate of vending. Section 13 provides further that every street vendor, who possesses a certificate of vending, shall, in case of his

relocation under section 18, be entitled for new site or area, as the case may be, for carrying out his vending activities as may be determined by the local authority, in consultation with the Town Vending Committee.

f. **OBLIGATIONS OF STREET VENDORS**
i. No street vendor shall carry out any vending activities in no-vending zone.
ii. Every street vendor shall maintain cleanliness and public hygiene in the vending zones and the adjoining areas.
iii. Every street vendor shall maintain civic amenities and public property in the vending zone in good condition and not damage or destroy or cause any damage or destruction to the same.
iv. Every street vendor shall pay such periodic maintenance charges for the civic amenities and facilities provided in the vending zones as may be determined by the local authority.
v. Where a street vendor occupies space on a time sharing basis, he shall remove his goods and wares every day at the end of the time-sharing period allowed to him.

g. **RELOCATION AND EVICTION OF STREET VENDORS**
Section 18 (1) provides that the local authority may, on the recommendations of the Town Vending Committee, declare a zone or part of it to be a no-vending zone for any public purpose and relocate the street vendors vending in that area, in such manner as may be specified in the scheme. Sub-section (2) empowers the local authority that it shall evict such street vendor whose certificate of vending has been cancelled under section 10 or who does not have a certificate of vending and vends without such certificate, in such manner as may be specified in the scheme. However, no street vendor shall be relocated or evicted by the local authority from

the place specified in the certificate of vending unless he has been given thirty days' notice for the same in such manner as may be specified in the scheme. As per sub-section (4) a street vendor shall be relocated or evicted by the local authority physically in such manner as may be specified in the scheme only after he had failed to vacate the place specified in the certificate of vending, after the expiry of the period specified in the notice. Therefore, it can be seen that vendors who manage to obtain a vending certificate and are operating from a location but are being relocated under the Act can assert a temporary right which is vested in them through the certificate to vend from any site whatsoever. Therefore, this right to relocation is very important and adds some strength to the concept of property rights of street vendors.

h. **PLAN FOR STREET VENDING**
Section 21(1) requires every local authority shall, in consultation with the planning authority and on the recommendations of the Town Vending Committee, once in every five years, prepare a plan to promote the vocation of street vendors. Sub-section (2) mandates that the "Town Vending Committee shall ensure that all existing street vendors, identified in the survey, are accommodated in the vending zones subject to a norm conforming to two and half per cent of the population of the ward or zone or town or city, as the case may be, in accordance with the plan for street vending and the holding capacity of the vending zones." This creates a minimum base for the number of street vendors that need to be accommodated in the area. This may form an important tool for the vendors or civil society organisations to assert street vendors' right to vend.

CONCLUSION AND SUGGESTION
Despite the fact that these vendors act as an important catalyst in the economy, there has been either a lack of or

no planning in this regard. The present researcher is informed by municipal staffs that constitution of Town Vending Committee is in the pipeline and vending zones will be demarcated in near future. Even if the Municipal administration claims to have formulated certain planning processes, it has failed to effectively implement the same. The unfortunate part of the above efforts is that the problem is being looked at in a piecemeal manner. A broad and holistic approach is needed to find a long lasting solution of the problem. For example, while formulating urban plans it is necessary to take into account the right of hawkers to public space. In other words, all urban plans demarcate public spaces for specific purposes such as parks and gardens, educational institutions, hospitals etc. Hawking also needs to be included in this. Plans must take into account the idea of natural markets in urban areas. These natural markets are usually the most convenient spots for consumers. These markets need to be developed and regulated. If designed properly, street vending has the potential to add to the efficiency of a city. Vendors should be placed where they can find business easily, and this must be achieved without impeding pedestrians, moving traffic and any other city activity. Street vending must become a planned activity written into the urban planning and operational statutes. The Imphal Municipal Corporation need to provide space for street vendors by charging a fee for garbage collection and sweeping, besides collecting license fees which could amount to several hundred thousands of rupees annually. This would provide additional revenue for cash strapped municipality. It is high time that the new legislation must be enforced without any delay in the state of Manipur. [This Paper was presented in the National Seminar on Issues and Challenges of Local self government in Manipur orgd. By Centre for Manipur Studies, Manipur University from Dec 14- Dec 15, 2018]]