

Corporate tax cut a bad gamble

FINANCIAL UNCERTAINTY Gross tax collections in 2019-20 were less than those in 2018-19; cuts fail to fuel growth

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NEWDELHI: The Indian economy, like the rest of the world, is facing an unprecedented disruption because of the Covid-19 pandemic. Everywhere, governments are acting to minimise the economic damage. The Narendra Modi government has also announced a package amounting to 10% of India's GDP, including past fiscal and monetary measures.

To be sure, fiscal stimulus in this package is just 1% of India's gross domestic product (GDP). This is lower than what most major economies have committed. Why did India hold back on the fiscal paddle? The Indian economy had been caught in a slowdown even before the pandemic hit. This made the case for a fiscal push even stronger.

Statistics released by the ministry of finance give a hint to this otherwise perplexing question. India's revenue projection and collection abilities are facing an unprecedented crisis. Gross tax collections in 2019-20 were less than those in 2018-19. This is only the second instance since 1961-62 that tax collections have declined on a year-on-year basis. This is largely the result of what can be described as a bad gamble on corporation tax cuts to revive economic growth.

What makes it even worse is that the government did not see this coming until February. These figures raise serious questions on the government's tax buoyancy assumptions. Tax buoyancy is the additional revenue generated per unit increase in GDP. If tax collections went down when the economy was growing, they could suffer a huge fall when it is headed for a contraction. This also raises serious questions on assertions about decisions such as demonetisation and the Goods and Services Tax (GST) leading to a widening of the tax base.

On May 29, the Controller General of Accounts, which works under the ministry of finance, released provisional figures for 2019-20. They put gross tax collections in 2019-20

INDIA'S TAX MESS

2019-20 gross tax collections are lower than 2018-19. Corporation Tax cuts have the biggest responsibility.

CHART 1 Is India vastly overestimating its revenue generation ability?
Tax buoyancy in 2019-20 is the lowest since 1962-63

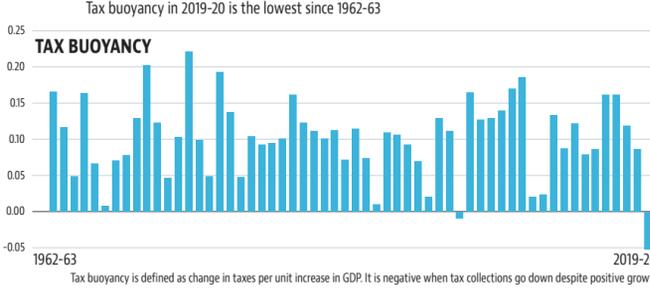
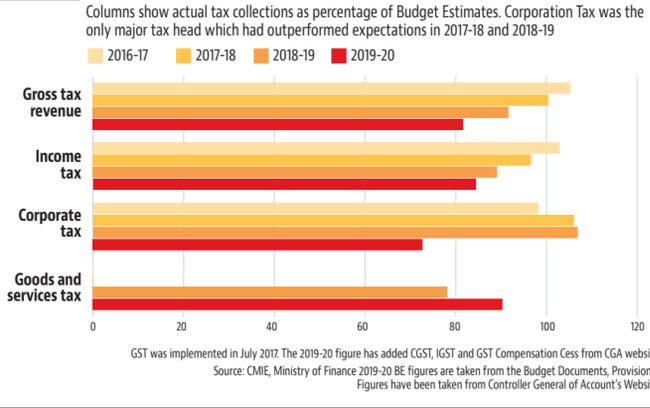


CHART 2 Was Corporation Tax cut a wise move?
Columns show actual tax collections as percentage of Budget Estimates. Corporation Tax was the only major tax head which had outperformed expectations in 2017-18 and 2018-19



at ₹20.09 lakh crore. This is lower than the ₹20.8 lakh crore collected in 2018-19.

The Centre for Monitoring Indian Economy (CMIE) database shows that it is only the second instance (after 2001-02) since 1961-62 that tax collection had fallen on a year-on-year basis. The 2019-20 provisional collections are just 81.7% of the Budget Estimates (BE) presented in July 2019.

One quarter of the year was already over when the govern-

ment presented its budget. They are 7% less than the Revised Estimate (RE) figures given in the 2020-21 Budget.

A look at tax buoyancy numbers paints a grimmer picture. In 2019-20 India's tax buoyancy was -0.05, the lowest since 1962-63.

In 2001-02, this value was -0.01. The data also shows that this is not an aberration. Tax buoyancy has been falling since 2016-17 onwards. (See Chart 1)

What explains the fall in tax

collections? The government announced a reduction in corporation tax rates in September last year.

It slashed corporate tax rates for domestic manufacturers from 30% to 22%, while for new manufacturing companies; the rate was reduced from 25% to 15% provided they do not claim any exemptions. This was expected to lead to a revenue loss of ₹1.45 lakh crore. This was justified on the grounds that the move will revive the economy.

The then revenue secretary Ajay Bhushan Pandey had said that the decision was "one of the biggest tax reforms ever undertaken by India — one that would not only encourage new investments by domestic as well as foreign investors but also motivate them to reinvest their profit" (see <https://bit.ly/2z180lb>) for details.

The gamble seems to have backfired badly. The revenue loss is bigger than expected. BE for corporate tax collection was ₹7.66 lakh crore in 2019-20. The provisional figures are just ₹5.56 lakh crore, a shortfall of ₹2.09 lakh crore.

The investment scenario actually became worse. Gross fixed capital formation, which measures new investment activity, contracted 3.9% on a year on year basis in the quarter ending September 2019. It contracted at 5.2% and 6.5% in the quarters ending December 2019 and March 2020.

Even this does not explain the entire shortfall. Other major tax heads such as income tax and GST have also fallen significantly short of the 2019-20 BE figures. However, they are not less than the 2018-19 collections, unlike corporation tax.

CMIE data shows that income tax collection figures have been missing BE figures by an increasing margin since 2017-18. This raises serious questions about the efficacy of demonetisation in widening the direct tax base. GST collections have not been able to meet BE figures until now.

In fact, the only major revenue head which had overperformed vis-a-vis BE targets in both 2017-18 and 2018-19 was corporation tax. Thanks to September's tax cuts, this item had the biggest shortfall in 2019-20. (See Chart 2)

Because of the pandemic, both growth and tax collections will face very strong headwinds. At a time when a fiscal push was most needed, the government has a huge tax crisis on its hands. And it has nobody but itself to blame for sacrificing the golden goose of corporation taxes in the false hope of boosting economic growth.

80% dip in infection risk for health staff on HCQ: Study

Rhythma Kaul
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NEWDELHI: As high as 80% of the health care workers (HCWs) on six or more prophylactic doses of the anti-malarial drug hydroxychloroquine (HCQ) were not infected by Sars-CoV-2, the virus that causes the coronavirus disease (Covid-19), according to a new pre-print study by the Indian Council of Medical Research (ICMR).

The study results were one of the driving factors behind India last week expanding the use of HCQ as a prophylactic drug beyond health care workers in Covid-19 hospitals and close contacts of laboratory positive case to frontline workers such as surveillance workers deployed in containment zones, and paramilitary or police personnel involved in Covid-19 related activities, among others.

The results are based on a case control study for which participants were randomly drawn from the countrywide Covid-19 testing data portal maintained by ICMR. The test results and contact details of health care workers (HCWs), diagnosed as positive (cases) or negative (controls) for Sars-CoV-2 using the reverse transcription-polymerase chain

reaction (RT-PCR) test, were available from this database. "The main conclusion that can be drawn after analyzing the data is that HCQ has beneficial effects in infection risk reduction from fourth dose onwards. The first loading dose of 800mg and then every week a dose of 400 mg for 4, 6 or more weeks as per your physician's advice will help cut the risk of infection by 80% in healthcare workers who are not already sick," says Dr Samiran Panda, director, ICMR-National AIDS Research Institute.

DRS PANDA, co-author and director, ICMR-National AIDS Research Institute

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Data collection for this investigation was done during May 8-23. HCWs tested between the first week of April 2020 and the end of first week of May 2020

formed the sample pool, from which cases and controls were drawn. About 378 and 373 individuals could be contacted in the case and control groups, respectively.

"... Ability of this compound to inhibit the infection by SARS-CoV-2, as well as viral replication in cell cultures in a time- and dose-dependent manner made it a primary choice... These laboratory findings encouraged researchers to consider HCQ, originally used for malaria, as a repurposed agent for prophylaxis against Sars-CoV-219," says the study.

The National Task Force for Covid-19 in India took cognizance of this evidence and empirically recommended the use of HCQ as prophylaxis against Sars-CoV-2 infection among a select group of asymptomatic people.

"Until results of clinical trials for HCQ prophylaxis become available, this study provides actionable information for policymakers to protect HCWs at the forefront of COVID-19 response. Also, it is to be kept in mind that merely taking HCQ is not enough, you cannot go easy on wearing personal protection equipment and other infection control measures," says Dr Panda.

COVID TALLY CROSSES 22,000

1,149 cases, 13 deaths across TN

Agencies
letters@hindustantimes.com

CHENNAI: In its highest ever single-day spike, Tamil Nadu reported over 1,000 Covid-19 cases on Sunday, as the overall tally zoomed past 22,000 with 173 fatalities so far. The record daily spike came on a day when the state government extended the lockdown till June 30 with various relaxations, including partial resumption of public transport.

With 1,149 additional cases of coronavirus, the state's aggregate was at 22,333, according to a health department bulletin. As many as 13 deaths were reported. Of the new cases, 95 were pas-

sengers who arrived in the state through various modes of transport, the bulletin stated.

At present, the number of active cases, including those in isolation, is at 9,400. With 757 people being discharged on Sunday, the total number of recoveries in the state is 12,757.

Chennai showed no signs of reversing the curve, as the state capital topped the charts, reporting 804 new cases. The total in the city is now at 14,802.

According to the bulletin, 12,807 samples were tested at the 72 testing facilities in the state.

Those found Covid-19 positive include 729 men, 417 women and three transgenders.

At least 10 people from Chennai, including an 80-year-old man having Type-II diabetes and a 39-year-old woman, suffering from chronic kidney disease, were among those who died, as per the bulletin.

The three other patients who succumbed to the virus were from Madurai, Kancheepuram and Namakkal. Of the 173 deaths reported till date, Chennai has reported 129, followed by Chengalpattu and Thiruvallur, at 11 deaths each.

In Chengalpattu, 85 new cases were reported on Sunday, while 47 and 45 cases were reported in Thiruvallur and Tiruvannamalai, respectively.

OFFICE OF ADDITIONAL CHIEF ENGINEER, WATER RESOURCES ZONE, UDAIPUR
Near Akashvani, Chetak Circle, Udaipur (Rajasthan) 313001
Phone no. : 0294-2528265 Email : aceudaipur2019@gmail.com
No. - ACE/Actt/DRIP-Gambhiru/2020-21/6994 Dated : 22.05.2020

INVITATION FOR BIDS
IFB NO. 04/2020-21
NIB NO. : WRD2021A0125

NAME OF WORK	Rehabilitation and improvement works of Gambhiru Dam District Chittorgarh under Dam Rehabilitation and Improvement Project (DRIP) Phase-II (UBN No. WRD2021WLOB00434)
ESTIMATED COST OF WORK	Rs. 1934.00 Lacs
AMOUNT OF BID SECURITY	Rs. 38.68 Lacs
PERIOD OF COMPLETION	24 Months including rainy season
COST OF BID DOCUMENT	Rs. 5000/-
PERIOD OF SALE OF BIDDING DOCUMENT	From 01.06.2020 to 01.07.2020
DATE, TIME AND PLACE OF PRE-BID MEETING	08.06.2020 Time 14:00 hours at Office of Additional Chief Engineer, Water Resources Zone, Udaipur
LAST DATE FOR RECEIPT OF BID (ONLINE UPLOAD)	02.07.2020 upto 16:00 hours
TIME AND DATE OF OPENING OF BIDS TECHNICAL PART	02.07.2020 at 17:30 hours
PLACE OF OPENING OF BIDS	Office of Additional Chief Engineer, Water Resources Zone, Udaipur

Details of NIT/BID document may be seen on website <http://eproc.rajasthan.gov.in>, www.diproline.org, www.sppp.raj.nic.in and it may be downloaded / uploaded from <http://www.waterresources.rajasthan.gov.in> and it may be downloaded / uploaded from <http://eproc.rajasthan.gov.in>.

Additional Chief Engineer
Water Resources Zone, Udaipur
DIPRC/3693/2020

GOVERNMENT OF CHHATTISGARH WATER RESOURCES DEPARTMENT
OFFICE OF THE EXECUTIVE ENGINEER, WATER RESOURCES DIVISION, MARWAHI DISTT.- GOURELA-PENDRA-MARWAHI (C.G.)

e-Procurement Tender Notice
eProcurement Portal : <https://eproc.cgstate.gov.in>
(FIRST - CALL)

SYSTEM TENDER NO. 64007/NOTICE INVITING TENDER NO. 02/SAC/2020-21 Dated : 26.05.2020

Online Tenders are invited for the following works up to 15-06-2020 (17.30 hours IST).

System Tender No.	Group No.	Name of Work	Probable amount of contract
64007		CONSTRUCTION OF EARTHAN DAM FROM RD 0 M. TO 960 M., HEAD SLUICE, WASTE WEIR, SPILL CHANNEL AND EARTH WORK OF MAIN CANAL FROM RD 0 M. TO 4500 M. WITH 34 NOS. CANAL STRUCTURES OF RAJADIH TANK SCHEME.	Rs. 823.18 Lakhs

The details can be viewed & downloaded online directly from the Govt. of Chhattisgarh Integrated e-Procurement portal (<https://eproc.cgstate.gov.in>) from dated 01-06-2020 at 17.31 hours (IST) onwards.

Note : All eligible/interested contractors / bidders are mandated to get enrolled on the integrated e-Procurement portal (<https://eproc.cgstate.gov.in>) and get approval on specific vendor class from PWD under centralized contractor/supplier registration in order to download the tender documents and participate in the subsequent bidding process.

EXECUTIVE ENGINEER
WATER RESOURCES DIVISION, MARWAHI (C.G.)
For, Chief Engineer
Hasdeo Basin Water Resources Deptt.
Bilaspur (C.G.)
G-81119/3

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.
(A Govt. of Uttarakhand Enterprise)
"Vidut Bhawan" Near ISBT, Crossing, Saharanpur Road, Majra, Dehradun-248002
Corporate ID U40101UR2004G0028675 Tel. No. 0135-2642711

E-TENDER NOTICE

Power Transmission Corporation of Uttarakhand Limited invites E-Tender for "Construction of 220/33 KV GIS Substation Selaqui, Dehradun" against tender specification No. PTCUL/E-Tender/C&P-II/SS-02/2020-21. The last date submission of e-bid is **06.07.2020 upto 13:00 Hrs.** For more details please visit e-tender website www.uktenders.gov.in (tender id no. 2020_PTCU4_23957_1) and for e-tender notice our website www.ptcul.org.

For any assistance on E-Tendering, please contact +91-8899890000
पत्रांक : 255/HQP
दिनांक : 30.05.2020
Superintending Engineer (C&P-II)
"Save Electricity in the Interest of Nation"

BAREILLY SMART CITY LIMITED (BSCL)
(BAREILLY (UTTAR PRADESH, INDIA))

Smart City
Ref. No. : BSCL/2020-21/312 Date : 30.05.2020
Bareilly Smart City Limited, Bareilly Invites e-tender for the following projects :

S.N.	Name of the work	(In Lac Earnest Money Deposit (Rs.))	Tender fee with GST @ 18% (Rs.)	Work completion Period	Bid Start date
01	Construction of Handicraft Promotion Centre at Bareilly	100.00	11800	18 Months	03.06.2020
02	Sanjay Community hall & Pond Complex External Development at Bareilly	18.00	11800	18 Months	03.06.2020

- Detailed NIT and Bid Document shall be available on : <https://tender.up.nic.in> and <https://www.nagarnigambareilly.com>
- Tender call notice in two Bid systems (Part - I : General & Technical Bid and Part-II financial Bid/Price Bid/BOQ) from intending bidders fulfilling the eligibility criteria mentioned in this notice and other qualifying requirements mentioned in this RFP.
- Amendment to NIT, if any would be published on website only.
- In case of any queries on this RFP, intending bidders may contact THE GENERAL MANAGER, BAREILLY SMART CITY LIMITED, Bareilly (Tel.No. -0581-25510074, 7055519602) or send an email to ceo.bscl01@gmail.com

Chief Executive Officer,
Bareilly Smart City Limited, Bareilly

Petronet LNG Limited
Regd. Office: World Trade Centre, Babar Road, Barakhamba Lane, New Delhi - 110001
Phone: 011-23411411, Fax: 011- 23472550, CIN: L74899DL1998PLC093073
Email: investors@petronetlmg.com, Company's website: www.petronetlmg.com
Notice to Shareholders

Compulsory transfer of Equity Shares of the Company relating to unclaimed dividends to Investor Education and Protection Fund

This Notice is published pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules 2016") notified by the Ministry of Corporate Affairs and amendments thereto. This is to remind the Shareholders of the Company to claim their unclaimed/unpaid dividends. As per Section 124(5) and Section 124(6) of the Companies Act, 2013 read with IEPF Rules, 2016; the Company is required to transfer (i) all dividends remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account and (ii) Equity shares in respect of which dividends have not been paid or claimed for seven consecutive years or more; to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government.

The required communication in this behalf is being sent to the concerned shareholders, whose email addresses are not registered, at the earliest possible when postal services are resumed under current COVID-19 situation. The communication to the shareholders, whose email addresses are registered, is being sent on their respective emails.

In case the dividends are not claimed by the concerned shareholder by August 31, 2020, necessary steps will be initiated by the Company to transfer shares alongwith unclaimed dividend on such shares held by the concerned shareholder(s) to IEPF without any further notice in the following manner:

In case the shares are held:

- In physical form - new share certificate(s) will be issued and transferred in favour of IEPF on completion of necessary formalities. Hence, the original share certificate(s) which stand registered in shareholders' name will be deemed cancelled and non-negotiable.
- In demat form - the Company shall transfer the shares by way of corporate action through the Depositories to the IEPF Authority.

The shareholders may note that in terms of Section 124(6) of the Companies Act, 2013 and Rule 7 of the IEPF Rules 2016; in the event of transfer of shares held by the shareholders and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and send the same duly signed along with requisite documents to the Company at its registered office for verification of the claim.

The shareholders may further note that the details of the unclaimed dividends and shares of concerned shareholder(s) uploaded by the Company on its website www.petronetlmg.com shall be treated as adequate notice in respect of issue of the new share certificate(s) by the Company for the purpose of transfer of shares to IEPF pursuant to the IEPF Rules 2016.

Please note that no claim shall lie against the Company in respect of the unclaimed dividend and shares so transferred to IEPF and all future benefits which may accrue there under, including future dividend, will be credited to IEPF.

For ready reference, the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto, have been made available under the Investor section of Company's website: www.petronetlmg.com.

In case shareholders have any queries, please contact the Registrar and Transfer Agent of the Company, Shri S. V. Raju, DGM, KFin Technologies Private Limited, Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500 032, Email ID: raju.sv@kfinetech.com, Tel: 040-6716 2222/1800-345-4001.

For Petronet LNG Limited
Sd/-
(Rajan Kapur)
Date: 31st May 2020
CGM & VP - Company Secretary

Attention Members	Appeal to Members
(1) Non acceptance of request for transfer of shares in physical form with effect from April 1, 2019 Pursuant to NSE circular no. NSE/CML/2018/38 dated December 03, 2018 and BSE issued Circular No. LIST/COMP/31/2018-19 dated December 03, 2018, Registrar and Share Transfer Agent (RTA) and the Company will not accept any request for transfer of shares in physical form with effect from April 1, 2019. This restriction shall not be applicable to the request received for transmission or transposition of physical shares.	(2) Mandatory updation of PAN and Bank details against Shareholding Pursuant to SEBI circular dated 20th April 2018, shareholders, whose ledger folios do not have or having incomplete details with regard to PAN and Bank particulars, are required to compulsorily furnish the PAN and Bank details to the RTA at einward.ris@kfinetech.com or the Company at investors@petronetlmg.com for registration in the folio so that the investments held will be fully protected with proper KYC compliance. Please note that no payment can be made in absence of complete bank details registered against shareholders' account.
	Green Initiative in Corporate Governance We solicit investors' valuable cooperation and support in our endeavour to contribute our bit to the environment and also keeping in view of continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) through its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA circulars') permitted holding of Annual General Meeting (AGM) through VC or OVAM, without the physical presence of the Members at a common venue. Further, SEBI vide its circular dated May 12, 2020, dispensed the requirement of sending hard copy of Annual Report. In view of the above mentioned circulars, the AGM of the members of the Company will be held through VC/OVAM and the Annual Report will be sent to the registered email ids of members, therefore it is earnestly requested again that the Members who have yet not registered/updated their e-mail ids to notify the same to the Company at investors@petronetlmg.com or to the Registrar and Share Transfer Agent of the Company at einward.ris@kfinetech.com or to the concerned depository.