

‘HALA’ Modi

DEEPLY VALUE historical connect with Kuwait: Modi



Prime Minister Narendra Modi being received by Deputy Prime Minister and Minister of Defence of Kuwait Sheikh Fahad Yousef Saud Al-Sabah upon his arrival at the airport, in Kuwait, on Saturday. (PTI)

KUWAIT CITY, Dec 21 (PTI)

PRIME Minister Narendra Modi on Saturday arrived here in the Gulf nation on a two-day visit and he will hold talks with Kuwaiti leadership to “strengthen the India-Kuwait friendship across various sectors”.

Modi is visiting Kuwait the invitation of Kuwaiti Emir Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah. His visit to Kuwait will be the first of any Indian Prime Minister to the Gulf nation in 43 years.

“Landed in Kuwait to a warm welcome. This is the first visit by an Indian PM in 43 years, and it will undoubtedly strengthen the India-Kuwait friendship across various sectors. I look forward to the programmes scheduled for later today and tomorrow,” Prime Minister Modi posted on X. On his arrival, Modi was warmly received by Sheikh Fahad Yousef Saud Al-Sabah

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Sri Lanka claims it has officially ended debt

COLOMBO, Dec 21 (PTI)

WITH the decision by the Hong Kong based Fitch Ratings to upgrade Sri Lanka's credit rating, the island nation has officially ended its debt default, the Finance Ministry said here on Saturday.

Fitch upgraded Sri Lanka's long term credit default rating to CCC+ from CCC- on Friday as it said that "the risk of another default on local currency debt has been reduced by the completion of the international sovereign bond restructuring and an improved outlook for macroeconomic indicators." Mahinda Siriwardana, a top bureaucrat in the Finance Ministry, said in a statement:

"December 20 marked a major milestone in our economic recovery process as Sri Lanka officially exited sovereign default."

Sri Lanka had plunged into an economic crisis when the island nation declared sovereign default in mid-April of 2022, its first since gaining independence from Britain in 1948. Almost civil-war-like conditions and months of public protests led to the fleeing of the then President Gotabaya Rajapaksa. Ranil Wickremesinghe, who then took over as the President, began the negotiations with the International Monetary Fund (IMF) soon after. His Government then clinched the bailout a year later in March 2023.

Siriwardana said the crisis was man made and could have been averted if the early warnings had been heeded with an early engagement with the IMF.

"While macroeconomic outcomes have indeed been satisfactory and the debt restructuring process is completed culminating in this rating upgrade, people still feel the pain from the crisis and the difficult remedial measures." He was perhaps referring to the time of unprecedented forex crisis that had triggered shortages of essentials and long queues were witnessed for fuel and cooking gas while the island faced power cuts for over 10 hours in 2022. Siriwardana stresses that

no room exists for a repeat of policy errors, the collapse happens rapidly but the recovery is painful. "This is indeed a historic moment and a time to celebrate but it is a moment that should never be repeated." Siriwardana was one of the two top officials besides the Central Bank Governor Nandalal Weerasinghe, who saw through the recovery process from its start in 2022. There have been three Presidents and three Finance Ministers since the country was plunged into crisis.

Earlier on Wednesday, President Anura Kumara Disanayake announced that Sri Lanka has achieved flexibility with the IMF on its rigid State revenue tax regime.

GST at 18 pc on used EV car sale by business; ATF stays out of its ambit

JALSALMER, Dec 21 (PTI)

THE goods and services tax council on Saturday decided to levy an 18 per cent GST on margin value on sale of used electric vehicles by businesses and agreed to keep jet fuel (ATF) out of the 'one-nation-one-tax' regime.

The GST Council in its 55th meeting also decided to clarify on taxability of popcorn, saying caramelised popcorn will continue to attract tax at the rate of 18 per cent. However, pre-packed and spiced popcorn will attract 12 per cent, while 5 per cent will be levied on unpacked and unlabelled ones.

It has been decided to regularise the issues for the past on "asis where is" basis... "It is a clarification being recommended by the GST Council to settle the disputes arising out of interpretation," an official statement said.

The panel, headed by Union Finance Minister Nirmala Sitharaman and comprising representatives of all States and UTs, deferred decisions on reducing tax rate on insurance products as also on levy of the tax on food delivery by app-based platforms.



Union Finance Minister Nirmala Sitharaman addresses a press conference in Jaisalmer on Saturday. (PTI)

The panel cut the tax rate on fortified rice kernels used for public distribution to 5 per cent from 18 per cent, Sitharaman told reporters after the meeting of the Council here.

The Council also decided that no GST will be payable on penal charges levied and collected by banks and NBFCs from borrowers for non-compliance with loan terms. The panel deferred a decision on reducing the rate of tax on insurance premium, pending comments of the sector regulator, she said.

A Group of Ministers examining the issue had recommended exempting insurance premi-

ums paid for term life insurance policies from GST and premium paid by senior citizens for health insurance cover. It had also suggested GST exemption on premium paid by individuals, other than senior citizens, for health insurance with coverage of up to Rs 5 lakh. Alongside, the GoM on rate rationalisation, which is looking at tweaking rates on 148 items, will be given more time to arrive at a decision.

The Finance Minister said the council decided to raise the rate of tax to 18 per cent from 12 per cent on all used EV sales, just as in case of non-electric vehicles, and it will be applicable only on the value that represents margin - the difference between the purchase price and selling price (depreciated value if depreciation is claimed) - by businesses.

Sale and purchase of used vehicles by individuals will continue to be exempt from GST. Without naming any State, she said the States wanted to continue to keep aviation turbine fuel (ATF), used in aircrafts, out of the goods and services tax (GST).

When the GST subsumed more than a dozen central and state

levies into GST in July 2017, five products - crude oil, petrol, diesel, ATF and natural gas - were kept out of its purview. The central government levies excise duty on them and states levy VAT.

"Every state clearly said that ATF should not come into GST... States did not feel comfortable" to include ATF under the GST, she said. She said black pepper and raisins when supplied by an agriculturalist is not liable to GST payment. GoM on health insurance requires more work, she said, adding the same was the case with rate rationalisation GoM. "No report (on rate rationalisation) has been finalised," she said. Sitharaman said the GST Council decided to form a group of ministers (GoM) to consider allowing states to levy cess under Goods and Services Tax to overcome financial distress after natural calamities.

Briefing media after the 55th GST Council meeting here, she said, "Everybody agreed, even Andhra Pradesh's minister agreed that a Group of Ministers be formed and Uttar Pradesh, West Bengal, Telangana, volunteered (to be a part of it)."

Russia reaffirms support to India's bid to become permanent UNSC member

NEW DELHI, Dec 21 (PTI)

INDIA and Russia have decided to step up joint efforts in dealing with challenges of radicalisation and terror financing.

Ways to deepen cooperation in tackling threats of terrorism were discussed at a meeting of the India-Russia joint working group (JWG) on counter-terrorism cooperation.

At a separate meeting on issues relating to the United Nations, Russia reiterated its support for India as a permanent member of a reformed United Nations Security Council.

The meeting took place in Moscow on December 19 and 20.

"In the 13th JWG on counter-terrorism, both sides shared their

experiences in countering terrorism including cross-border terrorism, extremism and agreed to enhance cooperation to address problems of radicalisation as well as terror financing," the Ministry of External Affairs (MEA) said on Saturday.

"They discussed current terrorist threats at the global and regional level and combating the use of new and emerging technologies for terrorist purposes," it said in a statement.

The MEA said both sides reaffirmed their commitment to strengthening counter-terrorism cooperation in bilateral as well as multilateral platforms.

India and Russia also held the sixth round of consultations on United Nations related issues in Moscow.