



# LOCAL INDUSTRY ASSOCIATIONS RAISING DEMANDS FOR PREFERENCE

Home → [Local Industry associations raising demands for preference](#)

## October 2012

The Metal Recycling Association of India, which represents India's ferrous and non-ferrous metals recycling industry with the aim to promote all types of metal recycling within India urged the government to do away with an import duty levied on metals recycling equipment and on radiation detection equipment. There is a complete absence of formal organized metals recycling industry structure, any domestic laws or any designated zone for metals recycling. As the recycled metal scrap converts waste into resource, it has tremendous environmental and economical benefits, apart from the employment this industry generates. In a similar demand, the Indian Electrical and Electronics Manufacturers Association recently requested the government to provide greater encouragement to indigenous manufacturing as compared to imports. There has been great achievement in the power generation and transmission & sub-stations capacity addition targets but the domestic manufacturers of power equipment have not gained correspondingly. This request has come in the wake of the great surge in imports of cheap and inferior quality electrical equipment from abroad, which is significantly impacting the domestic electrical equipment industry. Interestingly, to boost indigenous manufacturing of telecom products and keeping in view the security concerns of the country, the government has approved the preferential market access policy to support the domestic manufacturers and give preference to the domestically manufactured telecom and electronic products and also issued notices to various departments to start implementing this with immediate effect. This policy will be in force for 10 years.

**PSA view** – The demands from various industry associations to give preferential treatment to domestic industry is an effort to make the domestic industry self reliant and avoid dependency on imported products. Though it is a matter of policy decision and government decides based on the requirement of the industry and other concerns like security in case of telecom products, it is high time that impetus be given to the domestic industry to support the growing sectors they support their products with. On a different note, the government has approved the National Policy on Information Technology ("NPIT"), which hopes to make minimum one individual in every household e-literate. NPIT shall aim to offer fiscal benefits to SMEs and startups in industrial sectors for adoption of IT in value creation and will strengthen innovation and R&D in cutting edge technologies along with development of applications and solutions in mobile VAS, cloud computing, social media and utility models.

## Online Games involving real money are illegal

In the case of M/s Goussian Network Pvt. Ltd. vs. Ms. Monica Lakhanpal & State of NCT, the Delhi High Court has recently ruled that online games involving physical money are illegal. Constitutional Protection for all such websites has been withdrawn. Banks have the option to deny services to such websites and

payment gateways for gambling are blocked by RBI. The court further added that advertisements or any kind of promotion of such websites should be restricted and persons engaged in such advertising activities shall attract criminal consequences.

**PSA's View** – No specific rules for online gaming have existed so far and this was seen as a highly grey area. Any offender could easily escape liability as there were no punishments and every state in India had different rules for it. Keeping in mind the rate at which the online gaming industry is growing, the order can be seen as the first step offering checks and balances in the interest of the participants in such gaming activities.

### **Telecom Disputes Settlement and Appellate Tribunal (“TDSAT”) has ruled against Department of Telecom’s decision (“DoT”) to levy uniform license fee for providing pure-play internet services**

In a dispute between Internet Service Provider’s Association of India (“ISPAI”) and DoT, TDSAT did not sustain DoT’s decision to levy a uniform annual license fee for providing pure-play Internet services. DoT had issued a circular on June 29, 2012 implementing a uniform license fee (“ULF”) @ 6% for the year 2012 and 8% from April 2013 onwards. This was challenged by ISPAI stating that it would make internet less affordable. TDSAT has pronounced that DoT’s order which stated that “license fee shall include all types of revenue from internet services and that such revenue shall be provisionally applicable on the definition of Adjusted Gross Revenue (“AGR”) for the Internet Service Providers with Internet Telephony (“ISP-IT”) category until the government takes a final decision” cannot be sustained. As per TDSAT the licenses cannot be asked to pay provisionally and the Center should have taken a decision on the same. PSA's View – The imposition of license fee of 8% would definitely make the internet more expensive. TDSAT realizes this economic factor and thus has ruled correctly. Although the issue does not end here as in all probability DoT will appeal against this order and ISPIA 's may have to bear the brunt of DoT's appeal.

By:

**Neeraj Dubey**

**Krishna Jhala**



[SITEMAP](#) | [CONTACT US](#)

PSA © 2021 | Developed by INFOTYKE