

## The Economy

### Water: An increasingly stressed resource

There's nothing more essential to life on Earth than water. Yet, from Cape Town to Flint, Michigan, and from rural, sub-Saharan Africa to Asia's teeming megacities, there's a global water crisis. Water use has been increasing worldwide by about 1% per year since the 1980s, driven by a combination of population growth, socio-economic development and changing consumption patterns. Global water demand is expected to continue increasing at a similar rate until 2050, accounting for an increase of 20 to 30% above the current level of water use, mainly due to rising demand in the industrial and domestic sectors.

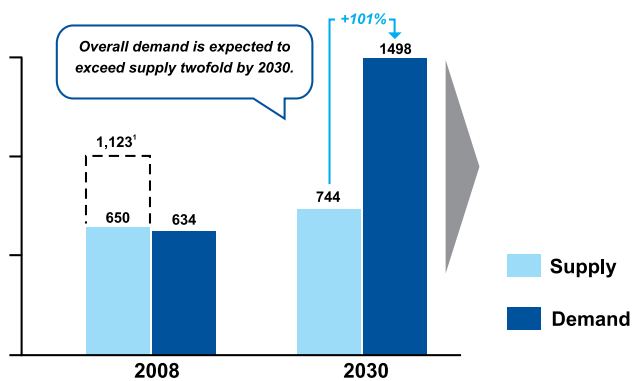
Recognizing the importance of water, the United Nations have included Clean water and sanitation and Life Below Water in its Sustainable Development Goals.

Though developed countries are managing the situation fairly well, developing and poor countries face a hard challenge. In 2016, 29 out of 48 countries in the APAC region qualified as water-insecure due to low availability of water and unsustainable groundwater withdrawal.

### India

India, the world's second-most populous country, is running out of water. Much-needed monsoon rains are deficient, ground water has been steadily depleting for years, almost two-thirds of India's reservoirs are running below normal water levels, urban lakes and inlets have been lost to encroachment and environmental degradation and the rising temperatures add to the woes.

### Demand and supply of water in India (forecast)



In BCM (2008, 2030)

\*Notes: 1. Water supply for 2008 is Narsimhan's estimate of 650, while the planning commission estimate is 1,123, as represented by the dashed portion of the graph

2. Demand for 2008 is based on the planning commission's estimates

### Ranking of the states on water management index

NITI Aayog has ranked States on the basis of groundwater, restoration of water bodies, irrigation, farm practices, drinking water, policy and governance. The states were divided into two groups- North Eastern and the Himalayan states and other states. This was done to account for the different hydrological conditions across these groups.

Tripura was ranked the top state out of the Himalayan states followed by Himachal Pradesh, Sikkim and Assam. As Gujarat led the way in the ranking followed by Madhya Pradesh, Andhra Pradesh, Karnataka and Maharashtra, Rajasthan was given the lowest rank along with Jharkhand, Haryana, Uttar Pradesh and Bihar.

Ranking	State	Score
1	Gujarat	76
2	Madhya Pradesh	69
3	Andhra Pradesh	68
4	Tripura	59
5	Karnataka	56
6	Maharashtra	55
7	Punjab	53
8	Uttarakhand	26
9	Tamil Nadu	51
10	Telangana	50
11	Chhattisgarh	49
12	Sikkim	49
13	Rajasthan	48
14	Goa	44
15	Kerala	42
16	Odisha	42
17	Bihar	38
18	Uttar Pradesh	38
19	Haryana	38
20	Jharkhand	35
21	Assam	31
22	Nagaland	28
23	Himachal Pradesh	53
24	Meghalaya	26

\*Methodology: Classification according to composite water index scores.

\*Nine sectors cover 28 indicators with weights equally divided across a sector's indicators. Sectors include source augmentation, demand and supply side management, rural drinking water, urban water supply, policy and governance.

## Areas of concern

- Currently, 600 million Indians face high to extreme water stress and about two lakh people die every year due to inadequate access to safe water.
- 75% of households do not have drinking water on premises. 84% rural households do not have piped water access.
- 70% of our water is contaminated; India is currently ranked 120 among 122 countries in the water quality index.
- 40% of population will have no access to drinking water by 2030.
- 21 cities, including New Delhi, Bengaluru, Chennai & Hyderabad, will run out of groundwater by 2020, affecting 100 million people.
- 6% of GDP will be lost by 2050 due to water crisis (under business as usual).

## Steps taken to manage water resources

### Union Government - Jal Shakti

In line with its election promise, the Modi 2.0 Government recently created the Ministry of Jal Shakti (water power), merging erstwhile ministries of Water Resources and drinking water and sanitation, to focus on five aspects - water conservation and rainwater harvesting, renovation of traditional and other water bodies, reuse of water and recharging of structures, watershed development, and intensive afforestation and drinking Water Sanitation.

In the 2019 Budget, the Centre reduced the allocation for the water ministry from Rs 8,860 crore in 2018-19 to Rs 8,245 crore for the Department of Water Resources, River Development and Ganga Rejuvenation and from Rs 22,356.60 crore to Rs 20,016.34 crore for the Department of Drinking Water and Sanitation. The Namami Gange programme, Central Water Commission, the Central Groundwater Board and the dam rehabilitation and improvement programme saw reduced budgetary allocations as well. However, budgetary allocation to the National Rural Drinking Water Mission has been increased. The Centre also emphasised its wish to complete 10 lakh projects linked to water conservation through the rural employment scheme in the first 100 days of government.

### States

Various States have taken initiatives to implement schemes for water conservation and recharge. Jalyukt Shivar in Maharashtra, Mukhya Mantri Jal Swavalamban Abhiyan in Rajasthan, Mission Kakatiya in Telangana, Sujalam Sufalam in Gujarat are making a difference. Under Jalyukt Shivar water harvesting structures made nearly 11,000 villages drought free. It also resulted in groundwater table rise by 1.5-2m. Jabalpur, Indore and Gwalior corporations have granted rebate on property tax for rainwater harvesting facility. In Telangana nearly 17,000 minor irrigation tanks were restored, supplying collected rainwater to 19 lakh acres of agricultural land.

The State of Andhra Pradesh has taken initiatives in the area of sustainable water management "Neeru-Chettu" programme, which focuses on promoting water conservation, water management and green cover improvement, aims to provide 100 percent coverage of safe drinking water through piped supply to all households and to eliminate open defecation.

The Gujarat Infrastructure Development Board (GIDB) has drafted a Vision documents BG: 2020 including Water Sector to facilitate the state government to plan future water infrastructure requirement.

In some other States, efforts are being made in this direction but there are significant demand - supply gaps or lack of desired levels of progress.

## Way forward

To achieve sustainable water availability in India:

- We need to restore, conserve and augment all our existing local water bodies and utilise advanced technology, remote sensing and geographic information system which can enable real time data on water and catalyse communities to conserve water resources.
- To succeed at the grassroots level, community management of water and formation of water users' association can be considered.
- India needs to radically improve its farm water efficiency, presently amongst the lowest in the world.
- Reducing demand by shifting the economy towards less water-intensive activities.
- Major cause for India's groundwater crisis is the legal framework that ties up water rights with land rights and allows landowners to extract unlimited groundwater. Government must mandate registration and prohibition of wells. Pricing of water will ensure adequate investment in water infrastructure.
- To reduce dependence on water and ensure universal, affordable, efficient and high quality water, we need to focus on reuse of waste water, building rainwater catchments, dual piping, desalination as well as water legislation, dynamic water pricing and public education.

We need a water secure India. Our ability to manage and govern our water resources efficiently will determine our ability to grow and prosper.

## Legally Speaking

### No Exceptional Treatment to Be Given to the Government While Considering the Application for Stay of Arbitral Award: SC

In a recent judgement, a Bench comprising of Justice RF Nariman and Justice Vineet Saran set aside a Calcutta High Court order which granted unconditional stay of the award passed against the Government after relying on the provisions of Order XXVII Rule 8A, Code of Civil Procedure.

The issue arose in the case of **Pam Developments Private Ltd. vs. State of West Bengal** wherein the Supreme Court was dealing with the question of law whether the provision of Order XXVII, Rule 8A CPC would be applicable and should the Court consider the same while deciding application for stay of the award under Section 36 of the Arbitration and Conciliation Act, 1996. Another issue that arose was even if the provision of Order XXVII Rule 8A are to be taken into consideration, then too, can the Courts pass an order of unconditional stay of award?

The basic premise here was that the provisions of CPC are to be followed as a guiding factor and not mandatory. The Bench observed that the phrase "have due regard to" in Section 36 of the Arbitration and Conciliation Act, 1996 would only mean that the provisions of Code of Civil Procedure are to be taken into consideration, and that they are not mandatory. The facts of the instant case are as under: -

- The Appellant along with others had applied against a notice inviting tender issued by the Respondent relating to the work of "Special Repair Programme 2000-2001 for different stretches of National High Way II from 622 Kmp to 625 Kmp, 627 Kmp to 628 Kmp and 630 Kmp to 631 Kmp (vide Job No. CRF/W.B./70/2000) under the Hooghly High Way Division No. II in the District of Hooghly (Package No. II.)

- The bid of the Appellant was accepted on 26th March 2001, for which an agreement was registered on 2nd April, 2001.
- After several extensions were granted by the Respondent for the delay which, according to the Appellant, was entirely attributable to the Respondent, the work under the agreement was completed by the Appellant on 28.02.2002.
- Then, on 26th May 2003, the Appellant raised its claims and dues before the Executive Engineer of Public Works (Roads) Department, Government of West Bengal.
- The claims of the Appellant having not been paid, an application under Section 11(6) of the Arbitration and Conciliation Act, 1996 (for short 'the Arbitration Act') was filed by the Appellant.
- By an order dated 14th August 2003, the Calcutta High Court was pleased to appoint Retired Justice Sujit Kumar Sinha as the Arbitrator to decide the disputes.
- By his award dated 21st January, 2010, the Arbitrator allowed some claims of the Appellant and held that the Appellant was entitled to a sum of Rs.2,87,11,553/ plus interest at the rate of 18% per annum on a sum of Rs.1,34,06,965/from the date of the award till the date of the payment.
- Challenging the award passed by the Arbitrator, the Respondent State of West Bengal filed an application under Section 34 of the Arbitration Act before the Calcutta High Court.
- The Appellant filed its affidavit in opposition of the aforesaid, to which reply was filed by the Respondent.
- The Calcutta High Court granted an unconditional stay against the Award in favour of the government relying on the provisions of Order XXVII Rule 8A CPC. The appeal is still pending consideration before the Calcutta High Court.

With reference to the applicability of the provisions of the Code of Civil Procedure in relation to Section 36 of the Arbitration and Conciliation Act, the Bench observed that it is there only to guide the Court as to what conditions can be imposed, and the same have to be consistent with the provisions of the Arbitration and Conciliation Act, 1996. The Bench stated - "Order XXVII Rule 8A does not exempt the Government from making deposit. Interpreting Order XXVII Rule 8A, in the context of CPC Amendment of 1977 which introduced Sub Rule (5) in Rule 5 of Order XLI, the court said that Order XXVII Rule 8A does not exempt the Government from making deposit, which the Court has the power to now direct under Order XLI Rule 5(5) CPC.

#### The court further observed:

"Even otherwise a plain reading of Order XXVII Rule 8A of CPC would make it clear that the same is only regarding security as mentioned in Rule 5 and 6 of Order XLI CPC, which is not to be demanded from the Government while considering the stay application filed by the Government. It, however, does not provide that the decretal amount cannot be required to be deposited in the appeal against a money decree.

Although we are of the firm view that the archaic Rule 8A of Order XXVII CPC has no application or reference in the present times, we may only add that, even if it is assumed that the provisions of Order XXVII Rule 8A of CPC are to be applied, the same would only exempt the Government from furnishing security, whereas under Order XLI Rule 5 of CPC, the Court has the power to direct for full or part deposit and/or to furnish security of the decretal amount. Rule 8A only provides

exemption from furnishing security, which would not restrict the Court from directing deposit of the awarded amount and part thereof."

The Bench was of the view that the Arbitration proceedings are essentially alternate dispute redressal system meant for early/quick resolution of disputes and in case a money decree/ award as passed by the Arbitrator against the Government is allowed to be automatically stayed, the very purpose of quick resolution of dispute through arbitration gets defeated as the decree holder would be deprived of the fruits of the award on mere filing of objection under Section 34 of the Arbitration Act.

The Arbitration Act is a special Act which provides for quick resolution of disputes between the parties and Section 18 of the Act makes it clear that the parties shall be treated with equality. Once the Act mandates so, there cannot be any special treatment given to the Government as a party. As such, under the scheme of the Arbitration Act, no distinction is made nor any differential treatment is to be given to the Government, while considering an application for grant of stay of a money decree in proceedings under Section 34 of the Arbitration Act.

In light of the above discussion, the Bench observed that there can be no exceptional treatment towards the Government while considering the application for stay under Section 36 filed by the Government in proceedings under Section 34 of the Arbitration and Conciliation Act, 1996.

## Taxation Matters

### Income Tax

- **HC: Non-compete fee has to be treated as revenue expenditure, no capital expenditure**

Madras HC upholds ITAT order treating non-compete fee as revenue expenditure wherein ITAT accepted the case of assessee by interpreting the non -compete clause in the agreement. After analyzing the same, the Tribunal held that the tenor of the agreement was only 18 months and it could not be stated that the assessee derived any enduring benefit due to the payment effected by it for obtaining certain commitments from one Mr.V.Shankar and restricting himself from indulging in any competition with the business of the assessee or from weaning way the employees.

**[CIT v. Computer Age Management Services Pvt. Ltd. (Tax Case Appeal No. 409,410 and 412 of 2019) – Madras High Court]**

- **HC: Fee for financial advisory services for restructuring of loan is a revenue expenditure.**

Madras HC upholds ITAT order treating Fee for financial advisory services for restructuring of loan is a revenue expenditure wherein ITAT observed that no material was brought by revenue before them to show that the advisory fees had helped the Assessee to increase its capital base. Assessee had clearly made out a case that it was for restructuring of its loan and was by way of a revenue expenditure.

**[PCIT v. Sesa Industries Ltd. (Tax Appeal No. 2 of 2019) – Bombay High Court]**

- **ITAT: Additional depreciation cannot be denied to the assessee on the items of the assets installed at retail outlets.**

Delhi ITAT holds that additional depreciation will be allowable on items of assets installed at retail outlets.

ITAT followed its order in the case of assessee in previous year wherein ITAT has held that the additional depreciation cannot be denied to the assessee for installing the items of the assets at retail outlets, because retail outlets are not either office premises or residential accommodation in the nature of the guesthouse as per the proviso to section 32(1) (ia) excluding the additional depreciation. ITAT also observed that the items of assets have been used for transferring of raw materials or finished products in the process of manufacturing of food products carried out by the assessee at the retail outlets.

**[Bikanerwala Foods Pvt. Ltd. v. DCIT (ITA No. 6357/Del/2015 dated 06.09.2019) - ITAT Delhi]**

- **ITAT: Allows benefit of exemption under Section 54 against capital gain arising on residential property transfer under Collaboration Agreement**

Delhi ITAT allows benefit of exemption under Section 54 to assessee-individual (a nonresident), against long term capital gains [LTCG] arising on transfer of residential property to a builder under a Collaboration Agreement. ITAT notes that as per the Agreement, assessee had transferred to the builder a vacant possession of the residential property, whereby the builder was given the rights to demolish and re-develop the existing structure and construct a new premises therein, also, in turn the builder paid the assessee a said consideration and acquired the ownership to retain the 2nd floor onwards in the new premises. ITAT holds that by virtue of the collaboration agreement, the assessee permanently lost the share beyond the 1st floor in the old residential property and in fact received the share up to the 1st floor in the newly constructed residential building. Thus assessee was permanently dispossessed of 2nd floor onwards in old and new residential property. On eligibility to claim section 54 benefit, rules that the consideration received by the assessee and also the cost of construction of the area of building, coming to the share of the assessee (comprising of area in basement, ground floor and first floor), was to be treated as sale consideration on account of transfer of the property, moreover, the long term capital gain arising on the said transfer was rightfully utilized for purchase of residential property.

**[DCIT v. Manisha Juneja Sawhney (ITA No.3444/Del/2017) – ITAT Delhi]**

### **International Taxation & Transfer Pricing**

- **ITAT: Deletes transfer pricing adjustment for construction contract, considers Percentage of completion method (POCM)**

Delhi ITAT deletes transfer pricing adjustment for construction contract, considers Percentage of completion method (POCM). ITAT Observes that the work awarded by assessee to its AE comprised of both labour as well as for supply of the material whereas the work awarded to non-AEs comprised of only labour work and hence, states that there cannot be any comparison of the rates in all these cases. Further, ITAT observes that assessee had been following the percentage of completion method (POCM), for the purpose of recognizing the revenue and paid the taxes on the same even for subsequent years, ITAT opines that addition of this nature should not have been sustained by the authorities below because assessee

has been following the POCM method consistently. Ultimately, everything is settled in subsequent year when the entire contract work have been completed by the assessee and accordingly, deletes the addition.

**[M/s L & T SUCG JV CC v. Addl. CIT (ITA No. 4351/Del/2018)-ITAT Delhi]**

## **Goods and Services Tax**

- **Tamil Nadu AAR holds that Profit Sharing Agreement between applicant as an employee and shareholders is an 'actionable claim' and is not liable to GST**

AAR holds that Profit-Sharing Agreement (PSA) between the applicant, employed in Star Health and Allied Insurance Co. Ltd. (SHA) as Chairman and Managing Director and the shareholders give them a claim to beneficial interest in the profits which is an actionable claim and is not liable to GST.

It is further clarified by the authority that PSA is between the shareholders and the applicant but not between the company and the applicant, hence said transaction is not covered under Sr. No. 1 of Schedule III which pertains to services by an employee to employer and holds that "applicant has a beneficial interest in the profits arising out of such a strategic sale or IPO" and PSA is an 'actionable claim' u/s 2(1) of CGST Act r/w Section 3 of the Transfer of Property Act, 1882. The authority expounds that said actionable claim is not relating to lottery, betting and gambling, hence, is covered under Schedule III as neither a supply of goods nor supply of services.

**[In the matter of Venkatasamy Jagannathan]**

- **Rajasthan AAR holds that applicant, registered under Co-operative Societies Act, not liable to deduct TDS u/s 51**

AAR holds that applicant, dealing in manufacturing of Milk, Ghee, Chhach, Butter, Dahi, Lassi, Ice Cream and related milk products, is a co-operative society registered under the Rajasthan Co-operative Societies Act, 1965 and now governed by Rajasthan State Co-Op. Society Act, 2001 which is neither established under Societies Registration Act, 1860 nor it is established/constituted by any government (viz. Central Govt/ State Govt./ Local Authority). Hence, the said applicant is not covered under the provisions of Section 51 of CGST Act, 2017 and is therefore, not liable to deduct tax at source.

**[In the matter of Jaipur Zila Dugdh Utpadak Sahakari Sangh Ltd.]**

- **Tamil Nadu AAR holds that EPC contract for erecting 'Fluids Servicing System' amounts to works contract, denies 5% rate**

Tamil Nadu AAR holds that supply of Engineering, Procurement and Construction (EPC) contract for establishment of Fluids Servicing System (FSS), intended to supply propellants and service fluids, qualifies as a composite supply taxable at the rate applicable to works contract.

The said authority observes that the erection of the system at site makes the system a permanent fixture, i.e. immovable property and thus, whole contract qualifies as a 'works contract'. Perusing contract copy, the said authority finds that supplier was required to provide host of services along with the supply of equipments/ instruments and they were naturally bundled with billing/ invoicing being indivisible, and thus holds that the present composite supply is to be

treated as 'supply of service' as per Schedule II of the CGST Act being works contract defined in clause (119) of Section 2.

**[In the matter of Tata Projects Limited]**

## News Roundup

### Economy

#### [Ease of doing business ranking: India cites reforms to get top-50 spot \(Business Standard\)](#)

After rising 23 places to attain the rank of 77 in World Bank's Doing Business Report last year, India is now aiming higher and eyeing a spot in the top-50 list in this year's report. To that end, it has cited at least 35 new reforms implemented in the last 12 months which have significantly cut cost, time, documentation and procedures for the conduct of business in the country.

#### [Export sops that aren't compatible with WTO norms to be replaced \(The Hindu Business Line\)](#)

The Commerce Ministry has started work on the formulation of a new foreign trade policy (FTP) and has invited stakeholder suggestions for boosting exports and trade. The new policy will be important as the existing export subsidies, including the popular Merchandise Export from India scheme (MEIS), will be withdrawn as they are no longer compatible with the World Trade Organization (WTO) rules.

#### [Private push key to \\$10-trillion by 2030 target \(The Economic Times\)](#)

Bringing private investment in the infrastructure sector is key to India becoming a \$10-trillion economy by 2030, as fiscal constraints continue to limit fund flow from public sector, said the Economic Survey 2018-19.

#### [Centre sets ₹1.05 trillion disinvestment target for current fiscal year \(Mint\)](#)

Finance minister Nirmala Sitharaman, in her maiden budget, increased the disinvestment target from ₹90,000 crore to ₹1.05 trillion for the current fiscal year.

#### [Cabinet approves bill to merge all labour laws into single code \(The Times of India\)](#)

In a bid to push labour reforms, the Union Cabinet on Wednesday 10 July 2019 approved a bill to merge 13 central labour laws into a single "code" which will apply to all establishments employing 10 or more workers. This consolidation can potentially benefit large sections of the 40-crore workforce.

#### [Strong rupee, lower GDP likely to lower India's inflation to 4.1 per cent in FY20 \(The Hindu Business Line\)](#)

Asian Development Bank (ADB) has lowered the inflation forecast for India during the current financial year to 4.1 per cent, on the back of gain in rupee and cut in the country's GDP projection. India will be the main driver to lower the inflation for the South Asian region, ADB said in a supplement Asian Development Outlook (ADO) 2019.

#### [India enters 37-year period of demographic dividend \(The Times of India\)](#)

Since 2018, India's working-age population (people between 15 and 64 years of age) has grown larger than the dependant population — children aged 14 or below as well as people above 65 years of age. This bulge in the working-age population is going to last till 2055, or 37 years from its beginning.

#### [India jumps 5 places in Global Innovation Index \(The Times of India\)](#)

India has improved its rankings in the Global Innovation Index (GII). It now ranks 52nd, a jump of five places from the last year. What is noteworthy is that India has risen consistently in the GI rankings over the last few years.

### Sectoral

#### Agriculture

#### [Govt sets ambitious target of \\$100 bn for agri exports in next six years \(Hindustan Times\)](#)

The Narendra Modi government has targeted an ambitious \$100 billion worth of agricultural exports in the next six years from about \$31-35 billion currently amid challenging global market conditions as part of its efforts to double farm earnings by 2022-23.

#### Arbitration

#### [International Arbitration Centre Bill introduced in Lok Sabha \(The Economic Times\)](#)

A bill to set up an independent and autonomous regime for institutionalised domestic and international arbitration was introduced in Lok Sabha on Wednesday, July 3. The New Delhi International Arbitration Centre (NDIAC) Bill, 2019, seeks to replace an ordinance issued in March this year by the previous government.

#### Automobiles

#### [Another push for electric vehicles: GST cut, will be cheaper by up to Rs 1.5 lakh \(The Times of India\)](#)

Electric cars will get cheaper by between Rs 60,000 and Rs 1.5 lakh, while two-wheeler prices will come down by up to Rs 8,000. The government, making a strong push for green modes of transport, on Saturday, July 27 slashed the GST rate on the cleaner vehicles from 12% to the lowest slab of 5%.

#### Banking & Finance

#### [SBI inks MoU with NIIF to boost capital availability for infrastructure projects \(The Hindu Business Line\)](#)

State Bank of India (SBI) and National Investment and Infrastructure Fund (NIIF) on Monday, July 1 inked a memorandum of understanding (MoU) to boost the availability of capital for infrastructure projects.

#### [RBI sets up working group to review regulatory norms for core investment companies \(The Hindu Business Line\)](#)

With corporate group structures becoming more complex and layered, the Reserve Bank of India (RBI) has now set up a working group to review the regulatory and supervisory framework for core investment companies (CICs).

#### [RBI governor Shaktikanta Das hints at another rate cut with fiscal restraint praise for government \(Mint\)](#)

Ahead of the monetary policy review on 7 August, Reserve Bank of India (RBI) governor Shaktikanta Das on Monday, July 8 praised the government's commitment to fiscal consolidation in the Budget, raising hopes for a fourth consecutive policy rate cut next month.

#### [Sebi releases new norms for reporting violations of code \(Business Standard\)](#)

Markets regulator Sebi Friday, July 19 came out with standardized format for reporting violations of code of conduct, formulated under Prohibition of Insider Trading

(PIT) norms. Under PIT norms, all listed firms, intermediaries and fiduciaries are required to formulate a code of conduct for designated persons as well as for their relatives and inform the regulator about any such violation.

## Digitalization

### [Digital trade set to grow 14 times by 2030 \(The Hindu Business Line\)](#)

The economic value of digital trade in India, including exports, has the potential of growing 14 times to \$512 billion from \$35 billion by 2030 if cross-border data flows and storage are fully facilitated, as per a research carried out by the All India Management Association and the Hinrich Foundation.

## Health

### [Indian pharma industry to grow at 11-13 pc in FY2020: Icria \(The Economic Times\)](#)

Indian pharmaceutical industry is likely to grow by 11-13 per cent in the current fiscal, rating agency Icria said on Thursday, July 4. "The growth trajectory for the Indian pharmaceutical industry is likely to remain at 11-13 per cent in FY2020, on the back of healthy demand from the domestic market, given increasing spend on healthcare along with improving access," Icria said in a release. This along with moderation in pricing pressure for US market, new launches and market share gains for existing products and consolidation benefits will drive growth in FY2020, it added.

## IBC

### [Govt shows steely intent in resolving thorny IBC issues \(Mint\)](#)

The Rajya Sabha on Monday, July 29 approved amendments to India's bankruptcy law, restoring secured creditors' priority claims on payouts from the sale or liquidation of insolvent companies. Not only do the new amendments plug loopholes in the Insolvency and Bankruptcy Code (IBC), which some promoters had used to stall resolution of their bankrupt companies, but the changes also seek to ensure time-bound resolution of insolvency cases.

## Start-ups

### [Foreign Angels won't be taxed on overseas profit \(The Economic Times\)](#)

Profits earned by foreign investors from investments made outside the country but routed through Alternative Investment Funds (AIFs) will not be taxed in India, the government has clarified, in what is being seen as a big win for India's startup investment community.

## Telecom

### [Telecom industry may contribute 8.2% to GDP by 2020 by leveraging 5G \(The Economic Times\)](#)

The telecom industry's contribution to GDP is estimated to reach 8.2% by 2020, by when industry players are slated to also leverage 5G technologies to connect with global markets and

ring in a fully networked, knowledge and services economy, the Economic Survey 2018-19 said on Thursday, July 4.

## States

### [Kerala targets one million e-vehicles by 2022 \(The Hindu\)](#)

### [Budget 2019 extends tax holiday for Gujarat's GIFT City to 10 years](#)

### [Kerala to set up investment firm for NRIs \(Financial Express\)](#)

### [5 States make the most of PM's employment-generation scheme \(The Hindu-Business Line\)](#)

### [In major boost for 'mom and pop' stores, UP cuts property tax by 70% \(Business Standard\)](#)

### [Delhi govt's EV target for 2024: 25% of new vehicles to be electric \(Business Standard\)](#)

### [Andhra Pradesh reserves 75% of private jobs for locals \(The Times of India\)](#)

### [Karnataka begins cloud seeding \(The Hindu Business Line\)](#)

## International News

### [Asia on track to top 50% of world GDP by 2040, says McKinsey report \(Business Standard\)](#)

Asia is on track to top 50 per cent of global GDP by 2040 and drive 40 per cent of the world's consumption, says a McKinsey Global Institute (MGI) discussion paper, titled 'Asia's Future is Now', released on Monday, July 15.

### [GSP withdrawal impact: US firms to pay an additional \\$300 million in taxes annually in India \(Financial Express\)](#)

Earlier, around 2,000 products including auto components and textile materials could enter the US duty free due to GSP and India was the largest beneficiary of the programme in 2017 with \$5.7 billion imports given duty free status. Terminating India's position as a beneficiary country under the Generalised System of Preference (GSP) will not only negatively impact export of goods from India to the US, but will also have adverse after-effects for American companies operating in India as their additional tax burden will grow by an additional \$300 million every year.

### [India, China to pip US as global hubs of tech innovation by 2035, says survey; check other key findings \(Financial Express\)](#)

India and China are expected to surpass the US as the global centers of tech innovation by 2035 as balance of power shifts towards new economies, a global survey said. The business professionals from emerging nations are more optimistic as against the developed economies in terms of change and keep higher hopes on the role that technology may play in the economy and business going ahead, said Bloomberg New Economy Forum survey released Thursday, July 25.

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