

The Economy

India and the Regional Comprehensive Economic Partnership (RCEP)

The Regional Comprehensive Economic Partnership (RCEP) is a proposed free trade agreement between the ten member states of the Association of Southeast Asian Nations (ASEAN) and its six FTA partners - China, India, Japan, South Korea, Australia and New Zealand. After seven years of negotiations beginning 2012, the 16 participating states in RCEP agreement, issued a statement on November 4, 2019, at Bangkok, conveying that 15 of the participating states had concluded text-based negotiations on 20 chapters of the agreement and will proceed to sign this agreement in 2020. Meanwhile, India has significant outstanding issues, which remain unresolved and final decision will depend on the satisfactory resolution of these issues.

India decided to opt out of the RCEP as it had certain concerns, inter alia the following:

- Domestic industry and dairy farmers in India had strong reservations about the trade pact as they feared that Chinese manufactured goods and dairy products from New Zealand flooding Indian markets would hurt their interests.
- The trade agreement was also perceived to be detrimental to the government's 'Make in India' initiative.
- India was looking for specific rules of origin to ensure the trade pact wasn't abused by non-partner countries and an auto-trigger mechanism to protect it from a surge in imports.
- E-commerce and trade remedies were among other key areas of concern that failed to find satisfactory redressal. India had proposed different levels of tariff concessions for China to safeguard its domestic industry from cheap imports.
- Also, India didn't get any credible assurance on market access and non-tariff barriers and also had concerns about keeping 2014 as the base year for tariff reductions.

A joint statement by the RCEP countries said that the remaining nations will begin formal work towards inking the pact in 2020 while still making efforts to resolve India's objections. India's final decision will depend on satisfactory resolution of these issues.

According to a paper published by NITI Aayog, India has a bilateral trade deficit with most of the member countries of RCEP. More importantly, while exports to RCEP countries account for just 15% of India's total exports, imports from

RCEP countries make up 35% of the country's total imports. Given this and the trade balance not becoming any better through other FTA's as well, it is obvious that in the immediate context, the country had more to lose than gain from joining RCEP.

As can be seen from the following table, though India's trade has increased post-FTA with South Korea, ASEAN and Japan, imports have risen faster than exports from India.

Country	Trade Balance	
	2017-18	2018-19
Australia	-64,341	-67,067
New Zealand	-1,877	-1,743
China	406,236	-374,793
Japan	-40,236	-55,272
South Korea	-76,664	-84,372
ASEAN	-83,290	-152,766
Singapore	17,658	-33,002
Vietnam	18,032	-4,876
Malaysia	-21,343	-30,230
Indonesia	-80,388	-74,249
Thailand	-22,436	-20,929
Philippines	5,983	8,127
Myanmar	2,107	4,781
Cambodia	423	1,072
Brunei	-2,397	-3,729
Laos	-927	268

But India needs more trade

Integrating into global value chains is a proven route to prosperity and the process raises productivity, boosts output, creates jobs and ultimately stimulates demand.

The World Bank notes that joining such production networks increases per capita incomes 50 times as much as standard trade does. India with its size and large population with less than 2% of global merchandise exports needs to integrate more and more with regional and sub-regional groupings in all parts of the world. Such integration would also lead to higher global growth.

India joining RCEP would be a win win situation not only for India and RCEP countries but for the world. But, India's concerns about skewed growth of trade as a result of the pact need to be addressed. The growth in trade and services need to be reasonably equitable among countries. The elimination

of Non-Tariff Barriers and providing greater market access for India's services sectors would not only be in the overall interest of RCEP countries, but would also act as a catalyst for global growth. China, with its manufacturing prowess, would help India with not just the India's huge requirements of finished products, but also to the cheaper inputs needed to boost India's manufacturing. India by joining RCEP would reaffirm that it can play a meaningful role in global growth. The past rhetoric of import substitution and protecting domestic industries is no longer valid.

Likely impact when India joins RCEP and way forward

- Lowering trade barriers would force India to compete but a carefully calibrated and phased tariff reduction would be imperative for further negotiations with RCEP;
- Although RCEP wouldn't directly mandate internal reforms, the pressure of added competition would spur changes and reforms to support industry, manufacturing and the services sector;
- Participation in RCEP will promote the formation of supply chains and provide access to mutual recognition agreements; non-participation will have an adverse impact on exports to members, who will enjoy lower tariffs within the group;
- RCEP Members will be seen as better investment destinations, being part of a larger group with market access within the group.
- India will also need to focus its attention on FTAs outside the grouping by starting in its own region- Sri Lanka, Bangladesh and Indonesia, apart from countries in southern and northern Africa. The US, post-Brexit UK, Russia and France are other countries with which bilateral trade deals could be struck;
- The CECA negotiations with Australia could be revived given the vast potential of trade and investments with that country. The existing FTAs with ASEAN, South Korea and Japan will need to be reviewed and made to work better to obtain a level playing field and to keep up the momentum in our Act East Policy.
- India's focus on bilateral trade, investment and connectivity projects with the region continue and strengthen. India's growing role in the Indo Pacific demands that this engagement is maintained and that eventually when India's concerns are duly addressed, participation in RCEP reactivated.

In the long run, India needs to be part of RCEP. This will facilitate FDI in manufacturing in India as RCEP will allow access to the Chinese and other 14 countries who will be a part of RCEP. The fear of being impacted by Chinese goods can only be mitigated by making Indian economy and manufacturing efficient, reforming agriculture, promulgating new labour laws, bringing down the cost of capital, reducing deficit financing, rationalization of indirect taxes and levies, reducing bottlenecks and improving logistics.

India needs a road map and time frame within which to make structural changes and join RCEP, thereby deriving benefit from the agreement. However, much will depend on RCEP countries to address India's concerns. It would be win-win situation for both India and RCEP countries. FTA between India and RCEP (16 countries) with a population of 3.4 billion people (half of world population) and GDP of \$49.5 trillion (39% of the world's GDP) would be a game changer in terms for global growth provided Indian concerns are duly addressed.

Legally speaking

LANDMARK JUDGMENT BY SUPREME COURT IN THE MATTER OF ESSAR STEEL INDIA LIMITED

In a landmark judgment, delivered by the Supreme Court on 15th November 2019, in the matter of Essar Steel India Ltd., the court has given its ruling on the important questions as to the role of Resolution Applicants, Resolution Professionals, the Committee Of Creditors constituted under the Insolvency And Bankruptcy Code, 2016 and has also decided on the issue of jurisdiction of the National Company Law Tribunal and the National Company Law Appellate Tribunal qua the resolution plans that were approved by the Committee of Creditors. It has also ruled in favour of the constitutional validity of Section 4 and 6 of the Insolvency and Bankruptcy Act, 2019.

The court has observed that the prospective Resolution Applicants have a right to receive complete information as to the Corporate Debtor along with the debts owned by it and its activities as an ongoing concern.

On the powers of the Committee of Creditors, the Court has held that it is the commercial wisdom of the CoCs to decide as to whether or not to rehabilitate the Corporate Debtor by accepting a particular resolution plan. However, while considering a resolution plan, the CoCs should ensure that the resolution plan provides the amount due to the creditors is given priority in payment qua Financial Creditors which would not be equivalent to the liquidation value due to the Operational Creditors or higher as proposed by the Resolution Applicant.

The resolution must demonstrate that it is feasible and viable and that the Resolution Applicant has the capacity to implement the said plan. While approving the resolution plan, the CoC has to adequately balance the interests of all the stakeholders including Operational Creditors. The CoC is obliged to give reason for acceptance or rejection of resolution plans.

While upholding the primacy of the decision of CoC on the resolution plan, the court observed that the power of judicial review available to National Company Law Tribunal is limited and has to be within the four corners of section 30(2) of the Code. Such a review can, in no circumstance, trespass upon a business decision of the majority of the CoC. Similarly, judicial review by the National Company Law Appellate Tribunal has also to be within the parameters of section 32 read with section 61(3) of the Code.

Giving its decision on the rights of the Secured, Unsecured and Operational Creditors, the Court has held that the amended regulation does not lead to a conclusion that Financial Creditors and Operational Creditors or Secured and Unsecured Creditors must be paid the same amount under the resolution plan. Fair and equitable disbursement does not mean equality for all. Equitable treatment is to be accorded to each creditor depending upon the class to which it belongs. There is no jurisdiction with National Company Law Tribunal whereby it can reject a resolution plan on the ground that it is unfair or unjust to a class of creditors so long as interest of each class has been looked into and taken care of based on the waterfall mechanism under section 53 of the Code and also the value of security of each creditor.

Another important point discussed by the Court is with regard to the maximum period of 330 days provided under the amended Code for Corporate Insolvency Resolution Process (CIRP). The Court held that the time taken in legal proceedings should not harm a litigant if the tribunal itself cannot take up

the litigant's case within the requisite period for no fault of the litigant. The word 'mandatorily' in the amended section is struck down as it is considered as an unreasonable restriction on litigant's right to carry on business and may push companies to liquidation on account of judicial delay.

Therefore, ordinarily, the time taken in relation to the CIRP must be completed within the outer time-limit of 330 days from insolvency commencement date, including extensions and time taken in legal proceedings. If the delay or a large part thereof is attributable to the tardy process of the Appropriate Authority and /or the National Company Law Tribunal itself, it may be open in such cases for the Appropriate Authority and /or the National Company Law Tribunal to extend the time beyond the period of 330 days. Therefore, by implication, the Court held that time prescribed for resolution process to be directory and not mandatory.

This is a landmark judgment on the subject settling the legal position on various issues where doubts were being expressed by certain practitioners.

A welcome judgment!

By Mr. P K Malhotra, Senior Legal Consultant, VJA Legal and Former Law Secretary, Govt. of India

Taxation Matters

Income Tax

I. HC: No addition of deemed dividend in the hands of common shareholder in case of commercial advance by a company to another company

Madras HC held that no deemed dividend is taxable in the hands of assessee-individual in case advance given by a company to another company in ordinary course of business. HC observed that as per Circular 19/2017, advances in the nature of commercial transaction would not fall within the ambit of Section 2(22)(e). HC also observed that in terms of circular 494/1987, deemed dividend is taxable in the hands of the concern from where loans/advances are made to a concern with common shareholder. HC observed that in the application before the settlement commission, the assessee has specifically submitted that the money was advanced from one company to another in the ordinary course of business as also submitted that interest was charged at market rates on such inter-company loans.

[R. Chitra v. ITSC, PCIT and DCIT (W.P. No. 34786 of 2015) - Madras High Court]

II. SC: Dismisses SLP filed by the assessee against addition of undisclosed income with respect to property sold by assessee's mother

SC dismisses SLP filed by the assessee against Kerala HC order confirming addition of undisclosed income with respect to sale of property by assessee's mother (owner of the property sold), which was deposited into the assessee's bank account and remained undisclosed by the assessee in his return of income. The facts of the case are that assessee's mother filed her return of income for the year without disclosing the above income in her return. HC held that though the return was filed, there was nothing done by the Department on the same especially since six years had elapsed by the time the return was filed. In such circumstances, HC had opined that "...it cannot be said that the income that was added

on to the assessee had already suffered capital gains tax at the hands of the mother. HC observed that amounts were credited to the account of the assessee and it remained as undisclosed income insofar as the assessee.

[Harri Joseph v. ITO (Civil Appeal No(s). 15643/2019) Supreme Court]

III. ITAT: Nexus between funds arising from sale and funds utilised for acquisition of new asset is irrelevant for claiming exemption under section 54

ITAT Delhi held that nexus between the sale consideration from transfer of capital asset and funds utilised for acquisition of new asset is not a requirement of Section 54 for allowing exemption. The facts of the case are that assessee has claimed exemption from capital gains arising out of sale of property (co-owned by assessee's spouse) by acquiring a new property funded through a bank loan which was directly credited to the bank account of the seller. ITAT observed that there is no requirement of nexus to be proved of the fund realized on sale of existing asset with the funds utilized for purchase of new asset. ITAT held that if the assessee acquires a new property on sale of a capital asset in terms of Section 54, then irrespective of the nexus of the fund, mathematical formulae is required to be applied for the purpose of computation of the chargeability of the balance capital gain.

[Romita Mathur v DCIT (ITA No. 5976/Del/2016 - ITAT Delhi)]

International Taxation & Transfer Pricing

I. ITAT: Foreign Tax Credit (FTC) for tax paid overseas is available in respect of income not subject to tax in India.

ITAT Mumbai has held that Foreign Tax Credit (FTC) for tax paid overseas is available in respect of income not subject to tax in India. The facts of the case are that assessee has claimed FTC in respect of income exempt under section 10A/10AA. AO disallowed it. CIT(A) had bifurcated the FTC into three parts i.e., tax paid in USA, tax paid in other DTAA countries and tax paid in non-DTAA countries, and has allowed credit only in respect of tax paid in USA placing reliance of Karnataka HC's Wipro ruling. ITAT observed that where the respective tax treaty provides for benefit for foreign tax paid even in respect of income on which the assessee has not paid tax in India, still it would be eligible for tax credit under section 90 of the Act. ITAT also observed that "Like Article 25 of the Indo-USA treaty, treaties with various other countries such as Indo-Denmark, Indo-Hungary, Indo-Norway, Indo-Oman, Indo-US, Indo-Saudi Arabia, Indo-Taiwan also have similar provision providing for benefit of foreign tax credit even in respect of income not subjected to tax in India. However, Indo-Canada and Indo-Finland treaties do not provide for such benefit unless the income is subjected to tax in both the countries.

[TATA Consultancy Service Ltd. v ACIT (ITA No.5713/Mum/2016) - ITAT Mumbai]

II. ITAT: TNMM is most appropriate method for benchmarking import of animation services, not CUP method as independent transactions are very minimal

ITAT Mumbai held that TNMM is most appropriate method for benchmarking animation services. ITAT upheld adoption of TNMM for benchmarking international transaction of providing graphics and animation services to its AE. ITAT observed that the volume of third party

transactions (1.2% of total transaction) are very thin to justify application of CUP method. ITAT upheld the DRP's finding that in absence of relevant data including agreements relating to services rendered by assessee to third party & contract-wise services to AE, the veracity of rates charged to its AE and third party could not be ascertained.

[Rhythm and Hues Studios India Pvt. Ltd. v. ITO (ITA No.1849/Mum/2016) – ITAT Mumbai]

in the application, as a result of which application got rejected. Kerala High Court disposed of writ petition and directed the revenue to either permit the petitioner to file rectified GST TRAN-1 form electronically in favor of each branches or accept manually filed TRAN-1 with appropriate corrections on or before 30th December, 2019.

[The South Indian Bank Limited vs. Union of India & Ors.]

Goods and Services Tax

I. Punjab & Haryana High Court declares arrest of CA/ lawyer untenable without corroborative evidence linking him with alleged offence

Punjab and Haryana High Court has held that the arrest of CA or advocate should be avoided where they have only filed the returns or otherwise assisted in business of the assessee and are neither a beneficiary nor a part of fraud and arrest is merely based on statement without any corroborative evidence linking such professional with alleged offence. In this case, Revenue was unable to produce any evidence showing direct involvement of Petitioners in alleged illegal refund sought by Exporters. Court pointed out that the Petitioner was neither a proprietor, nor a partner or shareholder of any exporter Concern / Firm /Company, who availed IGST refund and there was no evidence of transfer of funds in the accounts of petitioners or withdrawal of cash by any of them. HC held that intention of the revenue is only to arrest that Petitioner, one way or the other and therefore directed DGGI not to take him in his custody without prior approval of this court.

[Akhil Krishan Maggu & Anr. vs. Deputy Director, Directorate General of GST Intelligence & Ors.]

II. Delhi High Court refuses to allow advocate's presence while recording statement in case of fraud

Delhi High court modifying its own order, has held that in cases where ITC has been availed fraudulently under the cover of fake invoices, presence of lawyer cannot be allowed at the time of questioning or examination by the officers in an investigation against the assessee. As far as apprehension of the assessee is concerned that he may be physically assaulted or manhandled, Court reiterated that no enquiry/investigating officer has right to use any method which is not approved by law to extract the information from the witness/suspect during examination and in case it is so done, no one can be allowed to break the law with impunity and has to face the consequences of his action.

[Sudhir Kumar Aggarwal vs. Directorate General of GST Intelligence]

III. Kerala High Court directs revenue to either permit rectification of TRAN-1 electronically or accept manually filed TRAN-1

In the present case, the petitioner obtained registration as input service distributor for distributing the CENVAT credit to its thirty branches and filed an application for transitioning the credit to its various branches. However, instead of mentioning the GSTIN of person to whom the credit is to be transferred, GSTIN of the input service distributor was mentioned

News Roundup

Key Developments

India jumps to 63rd position in World Bank's Ease of Doing Business 2020 report (The Economic Times)

India has moved 14 places to be 63rd among 190 nations in the World Bank's ease of doing business ranking released on Thursday, October 24 on the back of multiple economic reforms by the Narendra Modi government.

Non-oil firms allowed to open petrol pumps (The Times of India)

The government on Wednesday, October 23 laid the ground for eventual full-on price competition in the fuel retail market by easing entry norms to end the dominance of state-run retailers and opening up the business for non-oil companies with a minimum net worth of Rs 250 crore. This is the biggest fuel market reforms since 2002, when the NDA-I government under Atal Bihari Vajpayee had deregulated oil pricing for the first time. The step will assure foreign investors about the Modi government's commitment to market-driven economy at a time the Centre is planning to hive off India's second- and third-largest fuel retailers — BPCL and HPCL.

Economy

Niti Aayog kick-starts work on 2035 Vision Document (The Economic Times)

The NITI Aayog has kick-started the exercise for drafting the Vision Document 2035, a 15-year vision for India starting from 2020, with a mandate for a paradigm shift in policy thinking and formulation. The Prime Minister's Office has directed the Aayog to engage the best Indian and overseas subject experts for consultation while preparing the document, saying business-as-usual approach will not work, a senior government official told ET.

Commerce Ministry considers 5-year extension of income tax benefits for SEZ units (The Hindu Business Line)

With exports and investments on the slide, the Centre is considering a five-year extension of tax benefits for units in Special Economic Zones (SEZs) by extending the sunset clause beyond March 31, 2020 to boost investor sentiment.

M-SIPS, lower tax rate boost for IT, telecom sectors (The Economic Times)

In a double bonanza of sorts for IT and telecom sectors, companies that have approvals under the M-SIPS scheme and start operations between October 1 this year and March 2023 can avail of the 15% tax rate for new manufacturing companies as well as benefits under the capital subsidy scheme. M-SIPS is the Modified Special Incentive Package Scheme, aimed at encouraging electronics manufacturing, which ran from 2012 to 2018.

RBI relaxes ban for those looking to buy stake of foreign firms in India (Business Standard)

The Reserve Bank of India (RBI) has clarified that there would be no “blanket ban” on Indian companies wanting to buy stakes in overseas firms, which already have investments in India under the automatic route. An approval from the apex bank would be required, though.

Venture investments up 69% at \$16.4 bn in Q2 (The Economic Times)

Venture investments up 69% at \$16.4 bn in Q2 Mumbai, Oct 10. Venture investments grew 69 per cent to USD 16.4 billion in the September quarter on the back of a jump in the number of transactions, a report said on Thursday, October 10. This is the strongest ever quarter by deal values for the private equity and venture capital industry, consultancy firm EY said in the report.

MCA amends rules to allow companies to comply with KYC norms (The Economic Times)

In a relief to companies that had been rendered inactive after they failed to comply with the know-your-customer rules, the government has given them an option to change their status and become active. The Ministry of Corporate Affairs (MCA) has amended rules to allow such companies to make a filing about their directors and become compliant. The MCA has amended what is called the Rule 25A related to the Active Company Tagging Identities and Verification (ACTIVE). A non-compliant company can now file Form DIR-12 to update details on its directors.

Sectoral

Agriculture

Government may set up Rs 6,000 crore fund for farmer bodies (The Economic Times)

The government is planning to set up a Rs 6,660 crore fund to nurture 10,000 farmer producer organisations (FPOs) across the country over the next five years, a promise made by finance minister Nirmala Sitharaman in the budget. These FPOs — organised groups of small and marginal farmers — will help farmers improve income through better market access and collective bargaining power.

Banking & Finance

MFIs can lend more to small borrowers (The Times of India)

Small borrowers can now avail loans amounting to Rs 1.25 lakh from microfinance institutions (MFIs) as against Rs 1 lakh earlier. RBI on Friday, October 4 also hiked the lending limit for individual borrowers and allowed MFIs to lend to households with a higher income than before. As against a household income cap of Rs 1 lakh and Rs 1.6 lakh respectively for rural and urban borrowers, MFIs can lend to those with income up to Rs 1.25 lakh and Rs 2 lakh respectively.

Defence

Our priority is to cut imports, be self-reliant: Rajnath Singh (The Economic Times)

Defence minister Rajnath Singh on Wednesday, October 16 said the government’s priority in its second term is to cut down dependence on imports and develop indigenous capabilities through greater involvement of the private sector, with a special focus on start-ups.

Energy

\$60 billion investment coming in gas infrastructure: Dharmendra Pradhan (The Economic Times)

India is investing over USD 60 billion in developing natural supply and distribution infrastructure as it chases the target of more than doubling the share of natural gas in its energy base to 15 per cent by 2030, Oil Minister Dharmendra Pradhan said on Sunday, October 13. Natural gas currently constitutes 6.2 per cent of all energy consumption in the country.

Indo-US energy trade to touch \$10 billion in FY20: Dharmendra Pradhan (The Economic Times)

India’s energy trade with the US is likely to touch \$10 billion in financial year 2019-20, with the country having increased its import of crude oil, LNG and coking coal, said Union Petroleum Minister Dharmendra Pradhan on Monday, October 21.

Healthcare

Ayushman Bharat to generate an estimated 11 lakh new jobs in next 5-7 years: Modi (The Hindu Business Line)

Around 11 lakh jobs are estimated to be generated due to Ayushman Bharat scheme in the next five to seven years, which will make it the second largest employment generator after the railways, Prime Minister Narendra Modi said on Tuesday, October 1.

IBC

Concerned about stress in financial sector, government to bring NBFCs under insolvency code (The Times of India)

The government is set to bring non-banking finance companies within the ambit of the Insolvency and Bankruptcy Code, but in a slightly tweaked form, for smoother resolution of these entities and firewall the rest of the financial system from any possible adverse impact.

Time-bound e-bidding to speed up IBC resolution (The Economic Times)

The government is actively considering introducing a short, time-bound, online financial bidding process in corporate insolvency cases to improve transparency and reduce litigation, a senior official said. Currently, creditors of a company undergoing insolvency proceedings are free to negotiate with potential bidders individually, which has led to offers being revised, bids coming in after the deadline and associated litigation, prolonging the process.

Infrastructure

500-tonne waste to help build 100km of highways by October-end (The Economic Times)

At least 500 tons of single use plastic (SUP), particularly waste polythene, will be used in building nearly 100 km of highways by October-end, a top NHA official said. To achieve this, the government’s highway building agency has, for the first time, taken the ‘risk performance’ of roads which will be built using plastic on itself rather than holding the contractor responsible for poor performance.

Rs 25 lakh crore will be spent for rural infrastructure development: PM Modi (The Economic Times)

In a big boost to strengthen rural infrastructure, Prime Minister Narendra Modi on Sunday, October 13 said that

Rs 25 lakh crore will be spent for infrastructural development in the villages across the country. "The rural economy of the country is now being given as much attention as never before. Already the work is going on on the roads of the village. Now in the coming years, Rs 25 lakh crore will be spent to develop infrastructure in the villages. The money will also be used to construct modern storage centres for crops," he said.

IT & Telecom

7 internet companies join hands to check online fraud (The Times of India)

Seven leading internet companies are banding together to save their consumers from the rising menace of cyber frauds being carried out by duping innocent users, where the money is being siphoned off from their accounts. The companies taking action include travel majors MakeMyTrip Group and Oyo Hotels & Homes, mobile payments firm Paytm, online food delivery aggregators Swiggy & Zomato, besides ride-hailing giant Uber.

SC backs DoT's revenue call in Rs.92,000 cr blow to telcos (Mint)

The Supreme Court on Thursday, October 24 upheld the government's broader definition of revenue on which it calculates levies on telecom operators, dealing a Rs.92,000 crore blow to an industry already reeling from a collapse in tariffs and mounting debt. The top court rejected the definition of adjusted gross revenue (AGR) proposed by the telecom operators that excluded revenue from non-core telecom operations such as rent, dividend and interest income, marking the end of a 14-year-long legal tussle between the department of telecommunications (DoT) and operators.

Realty

Commercial realty absorption in first three quarters of 2019 surpasses entire 2017 leasing: Report (The Economic Times)

Commercial real estate has continued to witness robust demand during the first nine months of 2019 pushing the pan-India net absorption by 40% to over 33 million sq ft, surpassing the performance of entire year of 2017 and 2018. Last two years had witnessed net absorption of 28.7 million sq ft and 33.2 million sq ft, respectively.

Start-Ups

With 50,000 startups registered, India aims for as many more by 2024 (The Economic Times)

Regulators and officials now see potential in startups, and are invested in boosting their size and number. Guruprasad Mohapatra, Secretary at the Department for Promotion of Industry and Internal Trade of India, said in a statement, "There are 50,000 registered startups in India, and there will be 50,000 more by 2024 at this pace."

Government to fund 100 start-ups to use its translation platform (The Economic Times)

The government is planning to directly fund 100 start-ups to use its artificial intelligence (AI)-driven language platform which will offer translation services in many languages of the country. The platform will be opened up for private use to allow big companies or start-ups to plug into it to offer services in local languages to their customers, said people aware of the matter. As more users access the platform, the system improves and provides better results.

With 21 unicorns, India third on list of billion-dollar tech start-ups; US, China lead (Financial Express)

India, with 21 unicorns, stands a distant third to China and the US in the inaugural Hurun Global Unicorn List 2019, a ranking of the world's billion-dollar tech start-ups compiled by the China-based Hurun Research Institute. China, with 206 unicorns and the US, with 203, dominate the list with over 80% of the world's known unicorns, despite representing only half of the world's GDP and a quarter of the world's population. Hurun Research found 494 unicorns in the world, based in 25 countries and 118 cities.

States

Gujarat government inks MoU to set up China Industrial Park at Dholera (Financial Express)

State governments and industry have committed to train 7 lakh apprentices in the current fiscal: Skill Development Ministry (The Economic Times)

Karnataka & Delhi most innovative states in Niti index (The Times of India)

International News

WTO slashes forecast for trade growth as conflicts mount (Reuters)

The World Trade Organization cut its forecast for growth in global trade this year by more than half on Tuesday, October 1 and said further rounds of tariffs and retaliation, a slowing economy and a disorderly Brexit could squeeze it even more. The WTO said it now expected global merchandise trade to increase by 1.2% this year, compared with its April estimate of 2.6%.

Southeast Asia's net economy to top \$100 billion this year (The Economic Times)

Southeast Asia's internet economy is on track to exceed \$100 billion this year before tripling by 2025, becoming one of the world's fastest-growing arenas for online commerce thanks to a youthful population increasingly comfortable with smartphones. The value of online transactions in areas from internet retail to carhailing should reach \$300 billion by 2025, fueled by an existing population of 360 million online users, according to a research report by Google, Temasek Holdings and Bain & Co.

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