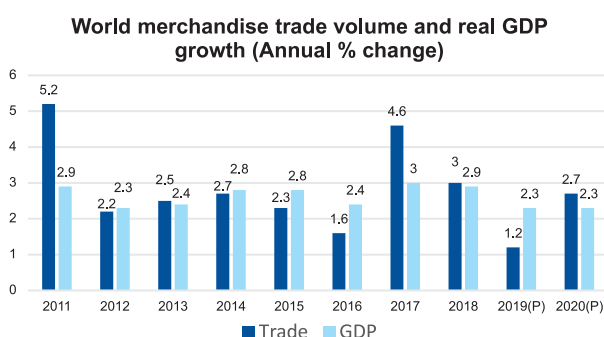


## The Economy

### Global Trade Outlook

In the continuing and evolving uncertainty on the World Trade scenario, global trade is expected to rise by 1.2% in 2019 against 3% a year before. But with concerted efforts being made by all concerned, trade growth is expected to pick up to 2.7 % in 2020.



Source: WTO and UNCTAD for trade, consensus estimates for GDP (as on October 1, 2019)

### Reasons for the slowdown in trade:

- Global Economic Scenario-** The current trade forecast reflects downgraded GDP projections for North America, Europe and Asia, mostly due to macroeconomic considerations including the diminishing effect of expansionary fiscal policy in the United States and sustained inversion of the US Treasury yield curve; the phase-out of monetary stimulus in the euro area; decline in manufacturing in Germany, Japan, and the United States; the ongoing economic rebalancing of the Chinese economy away from manufacturing and investment and towards services and consumption and uncertainty from geopolitical tensions

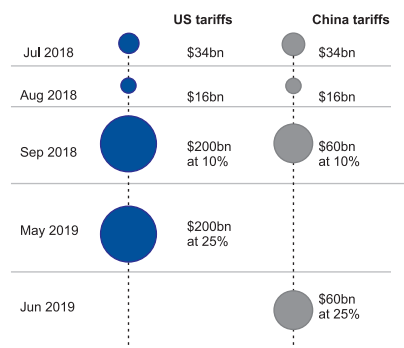
According to a Bloomberg Economics report, uncertainty over trade could lower world gross domestic product by 0.6 per cent in 2021 compared to a no-trade-war scenario. That's double the direct impact of the tariffs themselves & the equivalent of \$585 billion off the International Monetary Fund's estimated world GDP of \$97 trillion in 2021.

Overview of the World Economic Outlook Projections	FY18	FY19 (projections)	FY20 (projections)
World Output	3.6	3.2	3.5
Advanced Economies	2.2	1.9	1.7
United States	2.9	2.6	1.9
Euro Area	1.9	1.3	1.6
Emerging Market and Developing Economies	4.5	4.1	4.7
India	6.8	7.0	7.2
China	6.6	6.2	6.0

\*Source: IMF World Economic Outlook July 2019

- US-China trade war-** Over the past year, the world's two largest economies have imposed tariffs on billions of dollars' worth of

one another's goods. President Trump's tariffs policy aims to encourage consumers to buy American by making imported goods more expensive. So far, the US has imposed tariffs on more than \$360bn of Chinese goods, and China has retaliated with tariffs on more than \$110bn of US products.



### Impact on India

In today's globalized and interdependent world, no country can remain immune to what is happening the world over. With global growth and trade slowing down, India has also witnessed weakening economic and trade growth over the last few years. Of course, there are domestic factors as well responsible for lower investments and exports.

Year	GDP growth (%)	Exports (% change)
2018-2019	6.81	9
2017-2018	7.17	10
2016-2017	8.17	5.2
2015-2016	8	-15.5
2014-2015	7.41	-1.3

\*Source: RBI, Economic Survey 2018-19

With India targeting to be a \$5 trillion economy by 2024, it has to have a sustained GDP growth of 8-9 % per annum and exports need to grow at 19-20% against 9% in FY2019.

The Government has announced a series of economic reform measures to give the desired push to overall growth including sizable reduction in corporate tax rates as also specific measures targeted at export growth. These Include:

- The Export Credit Guarantee Corporation will now fast-track the disposal of claims and, for the first time, put in the public domain all pending claims for export loans;
- The government will also contribute Rs 1,700 crore annually under the Export Credit Guarantee Corp (ECGC) to offer higher insurance cover to banks' lending working capital for exports. This will enable reduction in overall cost of export credit including interest rates, especially to MSMEs [micro, small and medium enterprises];
- EXIM bank will provide refinance in foreign currency to commercial banks to support all exporters;

- The government has announced a new WTO-compliant scheme for reimbursement of taxes paid on exports - the Remission of Duties or Taxes on Export Product (RoDTEP) – would come into effect from January 2020. This would replace the existing system of Merchandise Exports from India Scheme (MEIS). The new scheme will “more than adequately incentivise exporters” as compared to existing schemes;
- 100% FDI in contract manufacturing will help attract global companies in India looking to establish alternative manufacturing hubs;
- The Regional Comprehensive Economic Partnership (RCEP) agreement, which is a proposed trade pact between 10 countries of the Association of Southeast Asian Nations and their six FTA partners, including Australia, China, India, Japan, Korea, and New Zealand, accounts for 25% of global gross domestic product, 30% of global trade and 26% of foreign direct investment flows. Union Commerce Minister Piyush Goyal is currently engaged in discussions on RCEP with the member countries with focus on adequate protection for domestic industry.

We need to reform our trade strategy on increasing our share in world trade from the present 2% to at least 3.4 per cent as highlighted by Prime Minister Modi. Besides the incentives which are WTO compliant, we need an enabling environment for export growth for making industry internationally competitive and increasing our share of manufactured and technology driven products in overall exports. There are challenges as the world economy is slowing down. But with strong resolve and willingness to initiate required measures, there is no reason for not being able to increase our presence in the global markets.

## Legally Speaking

### THE CONCEPT OF CONTINUING OFFENCE UNDER MONEY LAUNDERING LAWS

The offence of money laundering, as defined in the Prevention of Money Laundering Act, 2002 (“PMLA”), is said to be a continuing offence. While discussing the meaning of “Continuing Offence”, the Supreme Court, in the case of **Gokak Patel Volkart Ltd v. Dundayya Gurushiddaiah Hiremath (1991)**, observed that the question whether a particular offence is a ‘continuing offence’ or not must necessarily depend upon the language of the statute which creates that offence, the nature of the offence and the purpose intended to be achieved by constituting the particular act as an offence.

Section 3 of the Prevention of Money Laundering Act, 2002 (“PMLA”) defines the offence of money laundering as under:

Whosoever directly or indirectly

- Attempts to indulge or
- Knowingly assists or
- Knowingly is a party or
- Is actually involved in any process or activity connected with the proceeds of crime including its concealment possession, acquisition or use and projecting or claiming it as untainted property shall be guilty of offence of money-laundering.

Primarily, the money laundering transaction involves three stages which have been held to be essential ingredients of money laundering by High Court of Andhra Pradesh in the case of **B. Rama Raju v. Union of India [2011]**:

- I. **THE PLACEMENT STAGE:** the malfeasant, who is holding the money generated from criminal activities, places the crime money into the normal financial system;
- II. **THE LAYERING STAGE:** the money introduced into the financial system is layered-spread out into several transactions within the financial system with a view to concealing the origin of

the original identity of the money and to make this origin/identity virtually disappear; and

- III. **THE INTEGRATION STAGE:** the money is thereafter integrated into the financial system in such a way that its original association with crime is totally obliterated and the money could be used by the malfeasant and/or the accomplices to get it as untainted/clean money.

In the case of **Mahanivesh Oils & Foods Pvt. Ltd. vs. Directorate of Enforcement, (2016)**, the High Court of Delhi, while showing disinclination to accept that offence, under Section 3 of the Act is a continuing offence, observed as under:

- *“Although, the Respondent has not contended so in clear terms, it appears that the respondents are proceeding on the basis that an offence under Section 3 of the Act is a continuing offence.*
- *According to the respondent, the possession of any property linked to a scheduled offense irrespective of when it was acquired would itself constitute the offence of money-laundering.*
- *It is important to understand the import of such interpretation. This would mean that a person who has committed a scheduled crime; acquired proceeds therefrom; and thereafter, projected it as untainted money, prior to the Act coming into force, would nonetheless be guilty of the offence of money-laundering only for the reason that he is in possession of some property.”*

The Court further observed as under:

- *“The first stage is Placement, where the criminals place the proceeds of the crime into normal financial system.*
- *The second stage is layering, where money introduced into the normal financial system is layered or spread into various transactions within the financial system so that any link with the origin of the wealth is lost.*
- *And, the third stage is Integration, where the benefit or proceeds of crime are available with the criminals as untainted money.*

*There is much merit in this description of money-laundering and this also indicates that, by its nature, the offence of money-laundering has to be constituted by determinate actions and the process or activity of money-laundering is over once the third stage of integration is complete.”*

However the said order of the Ld. Single Judge of Delhi High Court has been stayed by the division bench as an interim order passed in November 2016.

In another decision, in the case of **Hari Narayan Rai vs. Union Of India & Ors [2010]**, the court held that only the date of laundering would be relevant for the purpose of section 3 of PMLA hence the date of possession of money for projecting it as untainted money is relevant for the purpose of law and not the date of acquisition of money.

The courts, including Supreme Court of India, have held in various cases that a person cannot be punished for an offence which was not punishable at the time of commission. However in case of PMLA, the issue is thorny as it renders the offence ‘continuing’ in the light of amendment inserted by the Finance Act 2019. The amendment added following provision to the Act:

*“(ii) The process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting it as untainted property or claiming it as untainted property in any manner whatsoever.”*

The amendment also expanded the ambit of ‘proceeds of crime’ which now includes assets created through any criminal activity irrespective of its mention under PMLA.

Sec.3 of the PMLA deals with provisions relating to “offence of money laundering”, prior to its amendment, read as under:

*“Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property shall be guilty of offence of money laundering.”*

After the insertion of explanation, a person will be guilty of offence of money laundering, if he is involved in one or more processes mentioned in amended section 3 of PMLA. The addition of phrase ‘in any manner’ has resulted into rendering the activities connected to proceeds of crime as a continuing offence.

In **Bhagirath Kanoria and Others v. State of MP (1984)**, the Supreme Court affirmed that whether a particular offence is continuing offence depends upon the language and nature of the statute which creates that offence and most importantly on the purpose that is sought to be achieved by constituting the particular act as an offence.

Now if we look at the purpose behind the amendment, it was made after the observation of Financial Action Task Force which observed that the concealment, possession, acquisition and use of the proceeds of crime were not criminalized earlier under Section 3 of the PMLA. If the amended provisions of Section 3 are read with Section 2 (1) (u) of the Act, process or activity connected with the proceeds of crime is a continuing offence till such time a person enjoys the proceeds of crime. In other words, the offence of laundering of proceeds of crime would not come to an end once the process of placement, layering is complete, but would continue till the fruits are enjoyed by the person concerned.

A pertinent question arises as to whether the application of the section 3 of PMLA 2002, given the ratio given laid down by the Supreme Court in its various decisions, is retrospective or prospective? The Courts are divided over the nature of the offence charged under PMLA to be of a continuing nature or not. Upon revisiting the provisions of section 3 of PMLA act, it is evident that the computation of the time of the event of money laundering actually taking place is an important factor in deciding whether the event took place before the commencement of the Act or not. When the investigations suggest that such an event took place prior to the enforcement of the Act, there will be retrospective application of the provisions of the act and the nature of such offence would then be construed as “continuing offence”.

It is felt that in matters concerning criminal statutes, such as the Prevention of Money Laundering Act, the interpretation should weigh in favour of prospective application to ensure certainty to the statute and to be in line with the cardinal principle that an interpretation of criminal law should weigh in favour of the accused. Such statutes should ordinarily apply retrospectively only when the language of the statute provides for such interpretation.

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

## Taxation Matters

### Income Tax

- **HC: Contribution made to public welfare cause is a ‘business expenditure’ allowable under Section 37(1) of the Act**

Karnataka HC held that contribution made to public welfare cause by incurring sum towards construction of 169 houses for the villagers who had lost their homes due to natural calamity is a ‘business expenditure’ allowable under Section 37(1) of the Act. Lower authorities disallowed the

claim of the assessee on the ground that it is not incurred for the purpose of business. HC observed that construction of houses by the assessee has been carried out as agreed to under the MOA entered into by assessee with Govt. of Karnataka. Further HC noted that assessee has incurred the expenditure towards construction of houses for the needy persons, not only as a social responsibility but also keeping in mind the goodwill and benefit it would yield in the long run in earning profit which is the ultimate object of conducting business and as such, expenditure incurred by the assessee would be in the realm of “business expenditure”.

**[Kanhaiyalal Dudheria v. JCIT (ITA No. 100016/2018) – Karnataka High Court]**

- **ITAT: Contribution to Superannuation fund in Australia is a taxable requisite for employee seconded in India**

Delhi ITAT held that the contribution made to superannuation fund in Australia represents requisite u/s 17(2)(v) and hence would be taxable in the hands of assessee [an Australian national, seconded by Amway Australia to Amway India under a contract agreement for 3 years]. ITAT has observed from the terms of the contract that assessee is a full time employee of Amway India and only for administrative convenience part of the salary was paid by Amway Australia in assessee’s home country which allegedly included contribution to superannuation fund in Australia. ITAT noted that such payments were subsequently reimbursed by Amway India. ITAT upheld the order of CIT (A) wherein CIT(A) had observed that the said payment does not represent contributions to Superannuation Fund, moreover, even assuming that “payments do represents contributions to the Fund... Such contributions partake the character of salary in the first instance” and also held that since the Fund was not approved under Indian laws, it was not eligible for any exemption.

**[William Scott Pinckney v DCIT (ITA No. 422/Del/2018)-ITAT Delhi]**

- **ITAT: Sending amount from USA to India for maintenance of family members cannot be brought to tax in India**

Delhi ITAT held that sending amount by assessee from USA to India for maintenance of family members cannot be brought to tax in India in view of the fact that assessee was a non-resident. ITAT further observed that assessee had earned income as salary payment from the foreign employer, which was already taxed in USA and was not to be taxed in India again as per Double Taxation Avoidance Agreement between USA and India.

**[DCIT v. Avijit Chaliha (ITA No. 1773/Del/2013) – ITAT Delhi]**

- **ITAT: Society is at nascent stage, it cannot be expected that the society must do some charitable work before seeking grant of registration u/s 12AA of the Act**

Amritsar ITAT held that where the society is at nascent stage then it cannot be expected that the society must do some charitable work before seeking grant of registration u/s 12AA of the Act and consequently consideration of genuineness of the activities does not arise. ITAT observed that though the assessee society though has not started construction of its hospital yet but it is a case that the assessee society has already purchased the land and is in the process of constructing hospital for which site plan has already been prepared and placed before the CIE(E) as well as before us for perusal which further strengthen the contention of the assessee that the purchase of land for construction of Hospital and starting process for construction of Hospital is certainly in pursuance to the aims and objections of the society and sought registration u/s 12AA.

**[Care and Share Welfare Society v. CIT-Exemption (ITA No. 404/Asr/2019) – ITAT Amritsar]**

## International Taxation & Transfer Pricing

- **HC: Compensation received by Swiss Company towards breach of contract not taxable under residuary Article**

Delhi HC held that the compensation received by the decree holder [a Swiss Co.] towards damages for breach of contract in India, was not taxable. In this case, decree holder had won an international arbitral award against the Judgement Debtor [an Indian entity] towards damages for breach of contract. The Revenue authorities had 'prima facie' opined that it is in the nature of a 'windfall gain' and hence taxable as other income under Article 22 of India-Switzerland DTAA, thus, it was liable to withholding tax in India. ITAT clarified that, "...the language of Article 22(3) is unambiguous. What falls within its ambit is only income received from lotteries, crossword puzzles, and races including horse races, card games and other games of any sort or gambling or betting of any nature". Thus, ITAT held that amounts received by the decree holder as compensation, towards breach of contract cannot fall within its ambit.

**[Xstrata Coal Marketing AG and Dalmia Bharat (Cement) Ltd. (Ex. P. ITA No.6435/Del/2012) – ITAT Delhi]**

- **ITAT: Tax return filed without Form 3CEB is valid**

Pune ITAT held that tax return filed by assessee without Form 3CEB as valid. ITAT observed that that under section 139(9), when return of income furnished by the assessee is defective, AO shall intimate the defect to assessee and give him an opportunity to rectify the defect within a period of 15 days from the date of such intimation. ITAT observed that in the present case, no material had been placed on record to show that Department had given any notice/intimation to the assessee for removing the defect. Further, Report in Form 3CEB is not an Audit Report as envisaged in Sec 139(9) Thus, ITAT held that "In the absence of any intimation to the assessee regarding defect in the return of income, the Assessing Officer cannot declare the return invalid".

**[DCIT v. M/s Husco Pvt. Ltd. (ITA No.506/Pun/2017) – ITAT Pune]**

## Goods and Services Tax

- **Delhi HC stays service-tax audit initiated post GST, observes strong "prima-facie" case.**

Delhi HC stays service-tax audit under erstwhile Rule 5A of Service Tax Rules which was initiated after implementation of GST regime. Petitioner argues that Rule 5A does not survive after GST introduction in the absence of any saving provision for the same. Referring to Delhi HC ruling in Mega Cabs Pvt. Ltd., wherein said Rule 5A was declared as ultra vires the Finance Act, 1994, Petitioner contends that any proceedings under Rule 5A is non est, illegal and without authority of law. HC finds "a prima facie case in favour of the petitioner" and states that "irreparable loss will be caused to the petitioner, if the stay as prayed for, is not granted". HC listed the matter for final hearing on January 31, 2020. Similarly, in another case of NDTV Convergence Ltd. vs UOI, notice has been issued to Revenue in similar writ petition being filed before Delhi HC.

**[Solvina India Pvt Ltd vs. Union of India & Ors.]**

- **Madras HC declares GSTAT's composition as 'unconstitutional'.**

The Madras HC has struck down Section 109(3) and 109(9) of CGST Act, 2017 prescribing the composition of GST Appellate Tribunal (GSTAT) of one Judicial Member, one Technical Member (Centre) and one Technical Member (State), i.e., two administrative members vis-a-vis one

judicial member. It further struck down section 110(1)(b) (iii) which stipulates that only a member of Indian Legal Services, who has held a post not less than Additional Secretary for 3 years, can be appointed as a Judicial Member in GSTAT. The Court relied upon the Supreme Court ruling in R.Gandhi and explained that "Article 50 of the Constitution of India which provides for separation of the judiciary from the executive, must be interpreted in such a way that the dominance of the departmental / technical members, cannot overwhelmingly outweigh the judicial members". However, the court rejected assessee's plea that section 110(1)(b), which excludes Advocates from being considered for appointment as judicial member of a tribunal, is violative of Article 14 of the Constitution of India. Nonetheless, the Court requested Union of India/Parliament to evaluate/reconsider the issue regarding eligibility of lawyers for appointment as Judicial Members.

**[Revenue Bar Association and Other vs. Union of India]**

- **AP HC grants interim stay on recovery of interest on transitioned Education Cesses.**

AP HC provided an interim stay on recovery of interest on Education Cess and Secondary Higher Education Cess carried forward into GST regime in terms of Section 140(1) of CGST Act, 2017. The petitioner challenged the letters issued for recovery of interest on Cesses reversed under protest along with Para 2(iv) of Notification No. 15/2017 – Central Tax and Para 3.2 [which amended Rule 117(1) of Central Goods and Service Tax Rules, 2017 to insert the words "of eligible duties and taxes"] along with Para 4 of Circular No. 87/06/2019-GST. Petitioner contended that the credit has been validly transitioned into GST in terms of Section 140(1) of the CGST Act which at the time of enactment used the term 'CENVAT Credit' and not 'eligible duties and taxes'. Petitioner also argued that the restriction brought by amendment to Rule 117 is without any legal backing. Moreover, petitioner contended that the term 'eligible duties' as defined under Explanation 1 to CGST Act is only for the purpose of Sub-Sections (3), (4) and (6) of Section 140 and not for the purpose of Sub-Section (1) which is the provision allowing CENVAT credit to be transitioned into GST regime. Referring to SC decisions, Petitioner also contended that Cesses partake the character of excise duty itself and CENVAT credit once validly availed becomes a vested right and that clarification cannot withdraw the credit which the Petitioner is entitled to enjoy as a vested statutory right.

**[Rashtriya Ispat Nigam Limited Vs. Union of India]**

- **Maharashtra AAR: Back-end services to facilitate the business of foreign entity taxable as 'Intermediary Service'**

Maharashtra AAR continued to stir the pot of controversy by holding that backend services on behalf of foreign entity including handling of communication between vessel-owners, shippers, consignees, various port-agents, passing information, drafting contracts, preparing reports, preparing invoices, reconciling accounts, shall constitute an 'intermediary service' and not an 'export of service'. The AAR stated that the place of provision of service in case of 'intermediary' as per section 13(8)(b) shall be location of supplier of service and applicant being within taxable territory, shall be liable to GST on management fees, even though the payment is received in foreign currency. AAR further opined that reimbursements received towards employees' salary, office rent, other office expenses such as telephone, electricity, purchasing computers, internet, travel etc. is nothing but additional

consideration charged for supply, hence liable to GST as per Section 15 of the CGST Act, 2017.

[In the matter of Maans Marine Cargo]

## News Roundup

### Key Developments

#### [Govt slashes corporate tax rates \(Mint\)](#)

Finance Minister Nirmala Sitharaman on Friday, September 20, announced a big reduction in income tax rate for corporates. The government has slashed basic corporate tax rate to 22% from 30% while for new manufacturing companies it has been cut down to 15% from 25%. Over the past few weeks, the government has been announcing a series of measures to boost growth that had fallen to six-year low of 5% in June quarter. Revenue foregone for the reduction in corporate tax rate and other relief measures announced today will cost the government ₹1.45 lakh crore per year, the finance minister said.

#### [Ease of doing business: India among 20 most improved countries \(The Economic Times\)](#)

In a boost to Prime Minister Narendra Modi's ambitious target of India breaking into top 50 nations on the World Bank's ease of doing business ranking, the country has figured among the 20 countries that have improved the most on the list.

#### [Government eases licensing rules for production \(The Economic Times\)](#)

The government on Thursday, September 12 clarified that no licence would be required for the manufacture of goods except tobacco items, defence equipment, hazardous chemicals and industrial explosives. "As DPIIT (Department for Promotion of Industry and Internal Trade) is not issuing licence in any other case, Press Note 17 (1984 series) has become irrelevant. Accordingly, this Press Note is withdrawn," the commerce and industry ministry said.

#### [FM Sitharaman announces Rs 70,000 crore package for exports, housing sectors to boost growth \(Business Today\)](#)

Finance Minister Nirmala Sitharaman on Saturday, September 14, announced an over Rs 70,000 crore package for the exports and real estate sectors, including setting up of a stressed asset fund, as the government continued with firefighting measures to pull the economy out of a six-year low growth rate. A Rs 20,000 crore fund, with government putting in half of the amount, will be set up to provide last-mile funding for housing projects that are not in bankruptcy court or already tagged as bad debt, she said at a press conference here to announce the third set of measures to address stress in specific sectors and boost the economy.

#### [In relief for MSMEs, not 1 will be declared NPA till Mar 2020 \(The Times of India\)](#)

Public sector banks, along with select non-banking finance companies, will fan out across 400 districts to provide loans to farmers, retail borrowers and micro, small and medium enterprise (MSMEs), finance minister Nirmala Sitharaman said on Thursday, September 19, as the government launched a strong bid to provide loans in the festival season. The FM also said banks have been told not to declare any stressed loan account of MSMEs a non-performing asset until March 2020.

#### [Govt waives 3-year lock-in period on investments made by NRIs in IDF bonds \(The Economic Times\)](#)

The government has waived the three-year lock-in period on investments made by non-residents in infrastructure debt funds (IDFs), to promote funding in the infrastructure sector.

#### [Govt courts global investors, opens doors to more FDI \(The Times of India\)](#)

The government on Wednesday, August 28 allowed foreign direct investment (FDI) in coal mining, contract manufacturing and digital media, while easing rules for single-brand retail to make it attractive for global brands such as Uniqlo, Apple and IKEA to invest in the country.

#### [GST Council Meet highlights: Cuts rates on various items \(Mint\)](#)

The GST Council on Friday, September 20 cut tax rate on hotel room tariffs, a move aimed at giving a boost to the hospitality sector. The GST (goods and services tax) rate on hotel rooms with tariffs of up to ₹7,500 per night has been cut to 12% from the existing 18%, officials attending the GST Council meet said. Similarly, the tax on room tariff of above ₹7,500 has been slashed to 18% from the existing 28%.

### Economy

#### [FDI inflows up 28 percent in Q1 to \\$16.3 bn \(The Economic Times\)](#)

Foreign direct investment (FDI) equity inflows rose 28% in the first quarter of 2019-20 to \$16.3 billion from \$12.7 billion in the year-ago period, official data showed on Wednesday, September 4. Singapore continued to be the top source of FDI at \$5.3 billion, followed by Mauritius (\$4.6 billion). Among sectors, telecommunications garnered the maximum FDI at \$4.2 billion, followed by services sector (\$2.8 billion).

#### [Economic census to be held every three years' \(The Hindu Business Line\)](#)

To assess the country's economic performance, economists and statisticians had to depend on data which was dated. But now, the Ministry of Statistics and Programme Implementation (MoSPI) has taken upon itself to make available the latest data and come out with the economic census every three years.

### Sectoral

#### Agriculture

#### [Govt policies, affordability, global warming to spur growth of agri inputs \(Business Standard\)](#)

The agri input sector is likely to see significant growth, with fertilisers, pesticides and other products in this domain becoming more affordable and with government policies turning favourable. Global warming is also being seen as growth driver, as it increases the need for farm nutrients. The global fertiliser and pesticide market was estimated at \$215 billion in 2016-17 with India's share at about 12 per cent.

#### Banking & Finance

#### [NPAs may come down to Rs 9.1 lakh cr by FY20 \(The Economic Times\)](#)

The gross bad loans of banks are expected to come down marginally to Rs 9.1 lakh crore by the end of the current financial year, according to a report. Indian banks' gross non-performing assets (NPAs) stood at Rs 9.4 lakh crore as on March 31, 2019, said a joint study by Assocham-Crisil.

#### [Banks' credit must grow 12 per cent to meet \\$5 trillion economy target: SBI official \(The Economic Times\)](#)

The credit from banks must grow by 12 per cent every year to meet the Centre's target to achieve a USD 5-trillion economy within the next five years and the step taken for mergers of the PSBs is in the right direction to meet the goal, a top SBI official said Friday, September 20.

## [SBI to adopt repo rate as external benchmark for all floating rate loans from Oct 1 \(The Economic Times\)](#)

State Bank of India on Monday, September 23 said it will adopt repo rate as the external benchmark for all floating rate loans for MSME, home and retail loans, from October 1, 2019.

## [Disinvestment](#)

### [NITI Aayog finalises new list for strategic sell-off \(The Times of India\)](#)

Government think tank NITI Aayog has finalised a fresh list of 11 state run companies for strategic disinvestment as the Centre steps up its asset sale programme as part of its reform drive to counter the economic slowdown and raise cash. This is the latest list prepared by NITI Aayog. It had earlier identified over three dozen companies for the strategic sale, but the progress was limited. Now, the government wants to send out a strong signal about its resolve to push ahead with strategic disinvestment.

## [Energy](#)

### [Govt lining up big-ticket reforms to energise India power market \(The Times of India\)](#)

The government is lining up big-ticket power sector reforms that will change the architecture of domestic electricity market, make it more responsive and reduce cost for distribution utilities as well as consumers through intense competition. The power ministry has set up an expert group headed by special secretary in the ministry to chart a course for “deepening of power markets in India”.

### [Goldman Sachs cuts 2019 oil demand growth forecast to 1 million bpd \(The Economic Times\)](#)

Goldman Sachs has lowered its forecast on 2019 oil demand growth, citing reduced demand from India, Japan, other non-OECD Asian regions, the Middle East and Latin America. The Wall Street bank revised its forecast down to 1 million barrels per day (bpd), from 1.1 million bpd but left its 2020 demand growth estimate broadly unchanged at 1.4 million bpd. However, it stuck to its 2020 price forecast for Brent crude at \$60 a barrel, flagging the willingness of the Organization of the Petroleum Exporting Countries (OPEC) to sacrifice market share.

## [IBC](#)

### [MCA defends IBC amendments, sticks to strict deadlines in Supreme Court \(Business Standard\)](#)

The Ministry of Corporate Affairs (MCA) has defended all the amendments made to the Insolvency and Bankruptcy Code (IBC) in a submission made to the Supreme Court (SC). One of the most contentious issues is related to 330-day deadline set for resolution of insolvency applications, including the time taken for litigation, which has been challenged by operational creditors. The MCA has told the apex court that processes of corporate insolvency resolution are time-bound and if it does not adhere to the time-limit then the viability of the process is over.

## [Infrastructure](#)

### [Railways draws road map for FY20, plans to raise \\$1 bn in US market \(Business Standard\)](#)

The Indian Railways is expected to raise \$1 billion in the United States market during the current financial year. Its borrowing

arm Indian Railway Finance Corporation (IRFC) would do the fund raising to build infrastructure and meet its rolling stock requirements.

## [Start-Ups](#)

### [India remains the No 1 focus for Naspers: Group CEO Bob van Dijk \(The Economic Times\)](#)

Naspers, one of the largest technology investors globally, spun off its internet assets recently to list it separately in Europe with a \$100-billion market capitalisation. Prosus, the new entity, houses Indian companies such as Swiggy and Byju's. In an exclusive interview with ET, Bob van Dijk, the group CEO of Prosus and Naspers, said India remains the top focus for the South African digital conglomerate, which has ploughed \$4 billion into the country over the past five years.

## [Tourism](#)

### [India jumps to 34 in world travel and tourism index \(Zee News\)](#)

India has jumped six places and was placed 34th in the 2019 edition of The Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum.

## [States](#)

### [Telangana to have 5 GW solar power capacity by 2020 \(The Hindu Business Line\)](#)

### [Uttar Pradesh govt invites bids to buy 700 electric buses \(The Economic Times\)](#)

### [Nine states, UTs implement tweaked Motor Vehicles Act in totality \(The Times of India\)](#)

### [Most states demand GST cess extension for 3 years \(The Times of India\)](#)

### [TN pushes for start-ups in electronic hardware manufacturing \(The Hindu Business Line\)](#)

### [For \\$1 trillion economy, UP will set GDP target for each district: Yogi \(Hindustan Times\)](#)

## [International News](#)

### [India, US must boost bilateral trade to \\$500 bn: Piyush Goyal \(The Economic Times\)](#)

Ahead of Prime Minister Narendra Modi's American visit, Commerce Minister Piyush Goyal on Friday, September 20 said India and US should aim to increase bilateral trade to USD 500 billion from the under USD 150 billion.

### [Saudi Aramco restores oil output earlier than expected \(The Economic Times\)](#)

Saudi Arabia has restored its oil production capacity to 11.3 million barrels per day, three sources briefed on Saudi Aramco's operations told Reuters, maintaining a faster than expected recovery after the Sept. 14 attacks on its oil facilities. Crude output from the Khurais field is now at 1.3 million bpd and the Abqaiq plant is currently at about 4.9 million bpd, the sources said. On Monday, September 23, sources had said Abqaiq production was about 3 million bpd.

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