The Hindu Business Line

1 July, 2017

$291-billion investments needed to meet water demand: Study

INDO-ASIAN NEWS SERVICE

New Delhi, June 30

The widening gap between the demand for water and its supply is estimated to reach as high as about 50 per cent by 2030 and plugging this gap will need an additional investment of about $291 billion, an Assocham-PwC joint study said here on Friday.

To put things in perspective, the additional funding required only to plug the demand-supply gap in 2030 is higher than the Centre's 2016-17 budget, the study said.

Huge investments needed

"Amid sources that can be used to bridge the water demand-supply gap, augmented and sustainable surface water sources would require funds to the tune of $215 billion followed by groundwater ($45 billion)," said the study titled 'Water Management in India: Channelling the Resources.'

The study also said projected municipal and domestic water demand is estimated to double to 108 billion cubic metres (BCM) (7 per cent of total demand) by 2030.

The study estimated that employing technologies such as wastewater treatment and reuse together with desalination would require funding of $27 billion and $4 billion respectively.

An additional $25 billion will be required as part of capital and operations and maintenance requirements for each market in four types of Indian cities, it said.

"Considering that the share of rural population to the total Indian population is 40 per cent, funding requirement of $25 billion will increase by 40 per cent to reach $35 billion by 2030 if the funding gap for the rural sector is also taken into consideration," it added.

In view of the factors that impact the sources of and demand for water, the study said agricultural water demand-supply gap is projected to be about 510 BCM in 2030, that is, 69 per cent of the total demand supply gap.

The study also said projected municipal and domestic water demand is estimated to double to 108 billion cubic metres (BCM) (7 per cent of total demand) by 2030. "This translates into a deficit of approximately 50 BCM between supply and demand of water in the domestic sector," the study said.

The New Indian Express (Chennai) 1 July, 2017

India Inc hails GST, says fully prepared

ENS ECONOMIC BUREAU @Chennai

EVEN as a host of voices were raised over the unpreparedness of a large section of small businesses, industry bodies and corporates were largely optimistic about the much awaited rollout of the Goods and Services Tax (GST).

While many acknowledged that there was an element of confusion, and some disruption was expected, the rollout was a net positive, they said. Chandrajit Banerjee, Director General, Confederation of Indian Industry (CII) pointed out that the Indian GST is "unprecedented in model, scale, and technology adoption.

"The medium-term impact of GST on macroeconomic indicators is expected to be extremely positive. Inflation will be reduced as cascading of taxes will be eliminated. Tax revenues of the government would go up...and fiscal deficit would remain under control," he pointed out. "The industry," he added, "is fully prepared."

Others in the organised sector echoed similar sentiments, while acknowledging the disruption set to follow. "The first few months will have issues, but one has to work with the government closely to make this tax reform friendlier. It is the industries' duty to work closely with the government and to not get bothered with the glitches of the new tax reform as anything new takes time teething," said Sandeep Jajodia, president, Assocham.

The first few months will have issues, but one has to work with the government closely to make this tax reform friendlier

Sandeep Jajodia

An important driver for the optimism surrounding GST still rests on its rationalisation of multiple taxes. The industry expects the cost benefits passed on through the Input Tax Credit provisions to boost consumption and reducing inflationary pressure.

"GST will prevent cascading of taxes since input tax credit will be available across goods and services at each stage of the supply chain. The harmonisation of the laws, procedures and rates of taxes enforced by the Centre and the states will bring transparency/uniformity in our tax regime," pointed out the Federation of Indian Chambers of Commerce and Industry (FICCI).

Other well known names also downplayed the impact that transitional hiccups could have. Infosys founder N Narayana Murthy pointed out that GST rollout was a storm that would have to be faced. "I often used to say ships are safe at harbours but they are not meant to be there. They have to go into the high seas. Face storms and reach the comfort of a desirable destination. Hence let us not needlessly worry about possible problems."

The Free Press Journal (Mumbai) 1 July, 2017

GST will improve India's image as investor friendly nation: ASSOCHAM chief

• AGENCIES
New Delhi

ASSOCHAM president Sandeep Jajodiya on Friday said the implementation of Goods and Services Tax (GST) will boost India's GDP and will improve its image as an investor friendly country.

"The first few months will have issues, but one has to work with the government closely to make this tax reform friendlier. It is the industries duty to work closely with the government and to not get bothered with the hitches and glitches of the new tax reform as anything new takes time teething," said Jajodiya ahead of Prime Minister Narendra Modi Government's grand celebration to mark the roll-out of the Goods and Services Tax (GST) at a special midnight session of the Parliament.

"India's image in terms of ease of doing business will go up many notches. Also, economically, GST will make a big contribution to the GST."

"The government is very conscious about the issues that people are raising about the technicalities and technology in regards to GST, but they sure have plans to resolve those issues," added Jajodiya while suggesting that one has to be very positive and cooperative with the government.

Adding to this, he said that the concerns related to GST will always be there, but they will hardly last beyond a few months. –ANI

Tapo Bhoomi Gujarat (Ahmedabad) 1 July, 2017

National Conference on Corporate Bond Market in Ahmedabad

A. Corporate Bond Market

1. Performance of the corporate bond market:

a) The corporate bond issuances have increased from Rs 1.74 lakhs crores in the FY 2008-09 to Rs 6.7 lakhs crores in the FY 2016-17. Further the share of public issue of corporate bonds has been high in the FYs 2011-12, 2013-14 and also 2015-16 mainly because of the tax free bonds issues, subscribed by the retail investors. In the FY 2015-16, the amount raised from tax free bond issuances was Rs 31,098 crores.

b) It may be noted that private placements of corporate bonds are at its record high in the FY 2016-17. The figure stands at Rs 6.4 trillion though there has not been much of activity in the public issue market.

c) In the FY 2016-17, the lending through bank credit is only Rs 1.68 lakh crores whereas lending through corporate bonds has been Rs 5.54 lakh crores, which is very high compared to the bank lending.

d) Around Rs 376108.35 crores have been raised through the EBP since July 2016 to June 16, 2017.

e) When it comes to rating wise bifurcation of corporate bonds, it is seen that the share of corporate bonds with rating AAA has fallen from 69% in the FY 2010-11 to 57% in the FY 2016-17 (Sept 2016) whereas the share of the bonds having investment grade rating i.e. BBB- has increased from 0 % to 1% over the same period.

2. Drivers for corporate bond markets in India : The combined efforts of Govt of India, SEBI, and RBI in developing the corporate bond marketing India continues to be the major drivers for the sustained growth of this market. The corporate bond repo will help in the development of the corporate bond market.

3. Steps taken by SEBI for the development of the corporate bond market:

In January 2013, SEBI provided Guidelines for setting up of **dedicated Debt Segment** on Stock Exchanges with separate platform for retails and institutional investors. NSE, BSE and MCX-SX have set up separate debt segments for facilitation of transaction in debt securities on that dedicated platform. In September 2013 SEBI prescribed **risk management framework for dedicated debt segment** of stock exchanges. It also prescribed conditions for DVP-3 settlement of corporate bonds by the clearing corporations, thereby guaranteeing the settlement. The guaranteed settlement would attract more investors to invest in such corporate bonds and lead to increase in liquidity. In October 2013, SEBI has mandated both the depositories viz. NSDL and CDSL to jointly create, host, maintain and disseminate the **centralized database of corporate bonds/debentures** which are available in demat form. Both the depositories have been hosting such database on their respective websites. In March 2015, SEBI notified the amendments to the (Issue and Listing of Debt Securities) Regulations, 2008 to include **a clause on Consolidation and re-issuance of Debt Securities and right to early redemption by ways of callable and puttable bonds.** The enablement of consolidation and re-issuance is likely to avoid fragmentation of debt market with multiple issues and re-issuances can help in creation of large floating stocks which is needed to enhance market liquidity. In July 2015, SEBI has **notified the SEBI (Issue and Listing of debt Securities by Municipalities) Regulations, 2015** which provides a framework governing the issuance and listing of bonds by Municipalities and will enable the investors to make an informed investment decision before investing in these bonds. These regulations also provide for disclosure requirements to be made by the prospective issuers. The proposed framework provides for public issuance and listing of privately placed municipal bonds. On April 21, 2016, SEBI has issued a circular on **Electronic book mechanism** for issuance of debt securities on private placement basis. The said circular lays down a framework for issuance of debt securities on private placement basis through an electronic book mechanism, in order to streamline procedures for issuance of debt securities on private placement basis and enhance transparency to discover prices.