QUICKLY.

SC launches web page for summaries of judgments

New Delhi: The Supreme Court has launched a web page with summaries of important judgments. The web page — 'Landmark Judgment Summaries' — makes it easier for "citizens to understand the court's decisions in line with its goal of ensuring an informed citizenry," a statement said. It said the decisions of the Supreme Court of India impact diverse areas of public life nationwide. PTI

SC to hear plea of Atishi, Kejriwal on Monday

New Delhi: A Supreme Court bench of Justices Hrishikesh Roy and SVN Bhatti would hear on Monday a plea of Delhi Chief Minister Atishi and AAP leader Arvind Kejriwal challenging a high court order that refused to quash a defamation case against them over alleged deletion of names of 30 lakh voters, belonging to some communities, from electoral rolls. PTI

Karnataka govt eyes 500 new GCCs by 2029 to create 3.5 lakh jobs

ON THE CARDS. The 5-year policy plan will facilitate internships for employees and incentives for investors

Our Bureau
Bengaluru

The Karnataka government aims to attract 500 new Global Capability Centres (GCCs) by 2029 to create 3.5 lakh jobs and drive $50 billion in economic output. This will take the total number of GCCs in the State to over 1,000.

According to the GCC Policy 2024-2029, launched on Friday, India is home to over 1,700 GCCs, employing more than 19 lakh people. While the Indian GCC market size is $64.6 billion, at $22.2 billion, Karnataka is a significant contributor.

The State currently employs over 6 lakh people across GCCs.

Unveiling the policy report, Priyank Kharge, Minister for IT BT and RDPR, said, "We proudly launch India's first dedicated policy for GCCs, reaffirming Karnataka's position as the top destination for innovation and business transformation. GCCs have evolved from back-office operations to becoming critical drivers of global strategic initiatives, R&D, and technology solutions. Contributing $22.2 billion to the economy, GCCs have been a vital source of growth and employment for Karnataka."

He added that the GCC sector is expected to grow at a compound annual rate of 12-14 per cent over the next decade, with Karnataka holding nearly 50 per cent of the national GCC market share by 2029.

According to the report, GCCs have significantly transformed the country's economic landscape. GCCs in India grew at 9.8 per cent between FY19 and FY24. The role of the engineering, research, and development (ER&D) sector has been pivotal in this growth, with ER&D GCCs accounting for more than half of this revenue, at $36.4 billion. Projections suggest a headcount exceeding 25 lakh by 2030, and a market size exceeding $100 billion.

FUTURISTIC STRATEGY. Priyank Kharge, Minister for IT BT and RDPR, (fourth from right) and other dignitaries at the unveiling of the Karnataka GCC Policy in Bengaluru on Friday

INNOVATION FUND

Under the Talent Pillar, the policy will facilitate internships for 1 lakh individuals in leading GCCs and has committed a ₹100 crore Innovation Fund to support joint research projects between academia and GCCs.

For any new or existing GCC in the State with a minimum of 100 employees engaging in talent creation, the State government will reimburse 20 per cent of the total expense spent on the skilling initiative up to ₹36,000 per graduate and ₹18,000 per diploma holder for 100 employees, or 15 per cent of their workforce.

These can be technical skilling initiatives for non-tech employees or soft-skill enhancement initiatives.

GOVT INSTITUTIONS

For any new or existing GCC in the State, hiring interns from State government universities or affiliated colleges will attract reimbursement of 50 per cent of the internship stipend, for up to 3 months, and up to ₹5,000 per month per intern, for a maximum of 20,000 interns per year, and 1,00,000 interns over the policy period.

Global Innovation Districts, with three new technology parks — one in Bengaluru and two in "Beyond Bengaluru" clusters, will be established.

These will feature infrastructure to enable collaboration between start-ups, tech leaders, and academia. Anchor investors in these districts will receive special incentives.

CENTRE FOR AI

The government will establish a Centre of Excellence (CoE) for AI in Bengaluru, operating through a hub-and-spoke model across academic institutions.

An AI Skilling Council will also be launched. A GCC support unit within the Department of Electronics, IT, Bt, and S&T will be established to serve as a Single Point of Contact (SPOC) for GCCs.

This unit will facilitate coordination with government departments, fast-track approvals, and provide real estate scouting support.

Payment for imported software is not royalty, rules Supreme Court

TAX RELIEF. Experts feel the burden on software businesses was reduced after equalisation levy was abolished in the Budget

Shishir Sinha
New Delhi

The Supreme Court on Friday reaffirmed its decision that payments made by resident Indian end-users/distributors to non-resident computer software manufacturers/suppliers, for the resale/use of the computer software through EULAs/distribution agreements, are not characterised as royalty for the use of copyright in the computer software.

Dismissing a special leave petition filed by the Income Tax Department, the court said the issue sought to be raised by the Department Revenue is covered by the decision of the court in Engineering Analysis Centre of Excellence Private Ltd-versus-Commissioner of Income Tax case, in which it was held that such amount paid as consideration for resale/use of computer software through EULAs/distribution agreements does not give rise to any taxable income in India, as a result of which the persons referred to in Section 195 of the Income Tax Act were not liable to deduct any TDS under section 195 of the Income Tax Act.

With this ruling, the broader issue around the characterisation of software payments for tax purposes appears to have been settled. Experts feel that tax burden on software businesses is considerably reduced as equalisation levy was also abolished in Budget 2024.

Commenting on the matter, Rakesh Nangia, Chairman, Nangia Andersen India, said the ruling is leading to a greater degree of finality on this long-standing issue. "While there may still be specific cases or scenarios — such as cloud services, mixed contracts, and payments related to emerging technologies, namely artificial intelligence software, blockchain applications, or digital platforms — that could still be subject to interpretation or future litigation, the broader controversy around the characterisation of software payments for tax purposes appears to have been settled.

END TO CONTROVERSY

Yeeshu Sehgal, Head of Tax Markets at AKM Global, stated, "The Supreme Court with its 2021 engineering analysis judgment ruled that payments for shrink-wrapped software were no longer to be treated as royalties under double taxation avoidance agreements."

The decision removed the long running controversy with respect to the characterisation of such payments from the tax standpoint. It also made India a more attractive destination for foreign software firms and strengthened the position of domestic distributors as tax certainty is achieved.

"Further, with a clear statement upholding the finality of this decision, the SC has held that this position is final and no more review petitions will be allowed," he said.

We can't go back without winning, say agitating Samsung workers

TE Raja Simhan
Chennai

As their agitation entered the nineteenth day on Friday, Samsung workers will continue to strike till their demands are met, said A Soundararajan, State President, Centre of Indian Trade Union (CITU), and Honorary President of Samsung India Workers Union - CITU.

The workers are demanding wage revision and the right to form a union. Both are genuine demands, Soundararajan told *businessline*, at the site of the strike, where nearly 500 workers staged a sit-in a km from the factory at Sunguwarchatiram, 50 km west of Chennai.

FIGHT CONTINUES. The strike, seeking wage revision and the right to form a union, entered its 19 th day on Friday TE RAJA SIMHAN

With 19 days over, Soundararajan said the workers are past their frustration and now have a strong will to fight. "They can't go back to the factory without winning," he said. There is pressure from the management and family members.

"At the Yamaha plant in Oragadam, we were on strike for 63 days. We now have a union inside the factory," he said.

SCOPE FOR DIALOGUE

Meanwhile, Anand Gopalan, representing Samsung India in the Madras High Court as well as the Kanchipuram District Court, said Samsung complies with all laws and regulations of India. Workers at Samsung's factory in Tamil Nadu get all statutory benefits and their wages are far higher than what is prescribed by the government.

"I want to inform you that the ongoing strike is illegal, because the conciliation process regarding the demands made by workers is in progress and the workers' union is unregistered till today," he said.

Under such circumstances, the management of Samsung India is justified in imposing action against agitating workers, he said.

Samsung India management is willing to negotiate only with its workers and not a third party, in the presence of labour department officials. The management has also conveyed its willingness to sign a long-term wage settlement with the workers.

'CALL OFF STRIKE'

"I am requesting the workers to call off the illegal strike, return to work, and come forward for negotiations in an amicable manner," said Gopalan.

With festive season nearing, Samsung is ensuring that the strike at the Sriperumbudur factory does not disrupt production. It is managing the show with 700-odd workers, who are not participating in the strike, and deployed another 500 workers from other departments.

Another mpox case reported in Kerala

Press Trust of India
Thiruvananthapuram

The Kerala health department on Friday said another mpox case was reported in the State and urged those with symptoms to seek treatment. The State had reported the country's first confirmed case of the new strain earlier this week.

An evaluation meeting was held on Friday, the State health department said. State Health Minister Veena George said the contact list of the patient has been prepared and preventive measures have been taken.

The minister urged everyone who reached the State from abroad to approach the health department in case of any symptoms. "Isolation facilities have been arranged in all the districts," the minister said. On September 23, the Health Department had announced plans to release revised guidelines for the prevention and treatment of mpox.

Official sources in New Delhi had earlier said that India had reported the first case of the mpox strain in a patient from Kerala who tested positive.

They had said that the Clade 1b strain was detected in a 38-year-old man from Malappuram district who had recently returned from the UAE.

Since the WHO's 2022 declaration of mpox as a Public Health Emergency of International Concern, 30 cases have been reported in India.

Stalin urges PM to release funds for education scheme, Chennai Metro Rail project Phase 2

Our Bureau
Chennai

Tamil Nadu Chief Minister MK Stalin on Friday requested Prime Minister Narendra Modi to release the Centre's share for Phase 2 of the jointly-implemented Chennai Metro Rail project. He noted several States that initiated their metro projects after Tamil Nadu had already received funds.

Stalin also urged for the immediate release of Samagra Shiksha funds, which have been withheld due to the non-implementation of the National Education Policy. Tamil Nadu has long upheld a two-language policy.

On the CMRL project, the Chief Minister, in the memorandum to the Prime Minster, said progress on the project had slowed down due to fiscal constraints. Last year, the State government had to instruct CMRL to reduce the pace of work and take a budget cut from ₹10,000 crore to ₹9,000 crore.

Prime Minister Narendra Modi with Tamil Nadu Chief Minister MK Stalin during a meeting in New Delhi on Friday PTI

The slowdown has trickled into the current fiscal, limiting the project expenditure to ₹8,000 crore. Consequently, the completion date has been pushed from December 2027 to December 2028.

PHASE II PROJECT

For phase II of the project, CMRL needs to secure principal debt of ₹33,593 crore and subordinate debt of ₹17,434 crore. Without equity contribution, this will result in an unfavourable debt-to-equity ratio, rendering CMRL unsustainable.

If the project receives funding as recommended by the PIB, CMRL will get an equity infusion of ₹10,815 crore. However, as a State-sector project, this equity infusion by the State government alone is not possible as it will affect the company's ownership structure.

Most of the metro rail projects in India are financed by the Centre under the equal equity contribution model, the memorandum said.

"I request the PM to intervene and facilitate early approval of Phase II of the Chennai Metro Project under a 50:50 equity sharing basis between the Centre and Tamil Nadu, as was done for Phase-I and as recommended by the PIB," the memorandum said.

Jagan Mohan Reddy cancels Tirumala visit

Our Bureau
Hyderabad

The former chief minister of Andhra Pradesh and President of the YSR Congress Party, YS Jagan Mohan Reddy, has cancelled his trip to Tirumala for a darshan of Balaji amid a row over the adulteration of Laddu *prasadam*.

Reddy was supposed to reach Tirumala this evening and take darshan on Saturday. However, there was raging controversy over the need for Reddy to submit a non-Hindu devotee declaration as he is a Christian by faith. Even though Tirumala norms require non-Hindus to sign a declaration before entering the temple, Reddy did not provide any declaration when he was the Chief Minister during 2019-24 and visited Tirumala many times.

However, TTD and government circles insisted that all norms would be followed, and Reddy would have to sign the declaration before going for a darshan. Speaking to the media, the YSRCP President alleged that the NDA government was attempting to divert people's attention over Laddu adulteration to the declaration issue. The government's contention of adulteration of the Laddu *prasadam* was 'false' and politically motivated, he alleged, adding that he was not being allowed to take a darshan of Lord Balaji.

SC clears decks for GMR to run, upgrade Nagpur airport; closes curative plea of Centre and AAI

Press Trust of India
New Delhi

The Supreme Court on Friday cleared the decks for private firm GMR Airports to upgrade and operate Nagpur's Babasaheb Ambedkar International Airport (BAIA) by closing the proceedings on a curative plea of the Centre and the Airports Authority of India (AAI).

The Centre and the AAI had filed a curative petition against the dismissal of their review plea by the top court.

OUTSIDE LEGAL SCOPE

Prior to this, the top court had rejected the petition of the Centre and the AAI against a Bombay High Court judgment, allowing GMR Airports to upgrade and operate the Nagpur airport. A special four-judge bench of Chief Justice DY Chandrachud and Justices Sanjiv Khanna, BR Gavai and JK Maheshwari closed the proceedings on the curative plea after taking note of the opinion of Solicitor General Tushar Mehta that the petition of the Centre and the AAI did not fall under one of the legal parameters prescribed for entertaining such pleas.

The curative plea is the last legal recourse available to a litigant. Such a plea can be filed if there are certain violations after the dismissal of the main case and the review petition.

The top law officer told the bench that the curative plea may not fall under the 2002 judgment and they cannot argue on the ground of bias and analogous ground that the government was not heard.

PLEA NIXED

The law officer, however, submitted one aspect, where the impugned judgment said the Centre and the AAI were not the necessary parties to the litigation may be reconsidered because of negative consequences in similar matters.

The bench appreciated the views of the Solicitor General, and said the curative plea is disposed of as "not pressed". Allowing the submission of the law officer, the bench said, "The observation ... of the judgment that the AAI and the Union of India are not necessary parties would not be the correct position in law."

Andhra Pradesh's full Budget outlay for FY25 to cross ₹3 lakh crore

G Naga Sridhar
Hyderabad

The Andhra Pradesh government is currently working on presenting the full Budget for the year 2024-25 next month, and the total outlay will cross ₹3 lakh crore.

The NDA government earlier decided to defer the full Budget in view of the "confusion and financial disorder" created by the previous YSR Congress government, led by YS Jagan Mohan Reddy, which lost the mandate in the general elections held in May.

JAGAN'S BUDGET

Subsequently, the new government issued an ordinance in July for a second vote-on-account Budget for ₹1.30 lakh crore for a period of four months. In February, Jagan Reddy's government had presented the first vote-on-account Budget of ₹2.86 lakh crore ahead of the elections and obtained approval from the State Assembly for the sanction of ₹1.09 lakh crore for the first four months of the fiscal.

"In effect, the two vote-on-account Budgets provided ₹2.39 lakh crore for the first eight months of the current fiscal, which leaves only ₹61,000 crore out of ₹2.86 lakh crore as per the first vote-on-account Budget of February," a senior official told *businessline*.

With the welfare-cum-development approach of the new NDA government and its poll promises, the Finance Department is working on giving a totally new orientation to the upcoming full Budget proposals.

"Apart from the burden of the 'Super Six' welfare schemes, Chief Minister N Chandrababu Naidu is keen on the completion of the Polavaram project and resuming the construction of the new greenfield capital project, Amaravati. The Budget will also factor in these priorities," the official said.

WEALTH CREATION

Though the Centre had already promised to facilitate a ₹15,000 crore loan from multilateral agencies for Amaravati, the State government is exploring new avenues for wealth creation and to augment revenue resources.

The recent floods, which caused heavy damage to crops, property, and physical infrastructure in the State, also imposed unexpected financial stress on the State Exchequer.

The Budget outlay for 2023-24 was ₹2.79 lakh crore.