

Daily Economic News Summary: 14 January 2019

1. RBI-Govt Parleys: PCA Norms Could Be Eased For Some Better-Off Lenders

Source: The Economic Times ([Link](#))

The finance ministry and the Reserve Bank of India are expected to soon work out some relaxation in the prompt corrective action (PCA) framework for stressed banks. This will be available only to those lenders that have shown considerable improvement in addressing bad loans. As of now, 11 state-run banks and one private lender are under the PCA framework, which prevents them from riskier lending and expanding branches, among other curbs, until they recover.

2. UAE And Saudi Arabia To Invest In Making India Hub For Food Security: Suresh Prabhu

Source: The Economic Times ([Link](#))

United Arab Emirates and Saudi Arabia have decided to make India as a base for food security for the countries and plan to invest in both organic and food processing industries, minister of commerce and industry and civil aviation Suresh Prabhu said on 13 January. Speaking to media at the Partnership Summit organised by the Confederation of Indian Industries (CII) held in Mumbai, Prabhu said that the development comes at a time when India has recently announced an agricultural exports policy. The export policy has removed restrictions on the export of both organic and horticultural products and UAE and Saudi Arabia wants to invest in both kinds of products.

3. Government To Construct 44 'Strategically Important' Roads Along India-China Border

Source: The Economic Times ([Link](#))

The government will construct 44 strategic roads along the border with China and over 2100 km of axial and lateral roads in Punjab and Rajasthan, abutting Pakistan, a CPWD document shows. According to an annual report (2018-19) prepared, and released earlier this month by the Central Public Works Department, the agency has been asked to construct 44 "strategically important" roads along the India-China border to ensure quick mobilisation of troops in case of a conflict. The report comes at a time China is giving a priority to projects along its India borders. In 2017,

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Indian and Chinese troops engaged in a face-off at the Doklam tri-junction after the neighbouring country had begun building road in the area.

4. Finance Ministry May Sell Part Of Suuti Holding In Axis Bank, ITC

Source: [Livemint \(Link\)](#)

The Finance Ministry may consider selling part of its stake in Axis Bank and ITC, held through SUUTI, in next few months, an official said. As on September 30, 2018, Specified Undertaking of Unit Trust of India (SUUTI) held around 9.63% stake in Axis Bank, 7.97% in ITC and 1.80% in L&T. While the government is waiting for L&T to launch a buyback offer to tender its shares; for holding in Axis Bank and ITC, it would consider off-market deals, an official said. “We are open to selling stake in Axis Bank and ITC through bulk or block deals. It all depends on the valuation,” the official told PTI.

5. India’s Largest Startup Ecosystem Inaugurated In Kerala

Source: [Livemint \(Link\)](#)

India got its largest startup ecosystem Sunday when Kerala Chief Minister Pinarayi Vijayan inaugurated here a 1.8-lakh-square-feet facility housing incubation set-ups across a string of segments in modern technology. The Integrated Startup Complex under the Kerala Startup Mission (KSUM) includes the ultra modern facilities of Maker Village that promotes hardware startups, the BioNest that promotes medical technologies, BRINC which is the country’s first international accelerator for hardware startups; BRIC which aids developing solutions for cancer diagnosis and care, and a Centre of Excellence set up by industry majors such as UNITY.

6 . EWS Quota Only In Govt, Not Private, Institutes For Now

Source: [The Economic Times \(Link\)](#)

Economically Weaker Section (EWS) quota will only be implemented immediately in government-run higher education institutes as of now and not in private sector ones as the current rule book and legal position do not allow full-scale reservation in private educational institutes despite the recent law being passed, ET has reliably learnt. In fact, implementing reservations in private institutes is currently sub judice with the Allahabad High Court striking it down in 2011 and the Centre’s appeal on the same pending in the Supreme Court as on date, government sources said.

7. Govt Re-Promulgates Ordinance To Amend Companies Law

Source: The Economic Times ([Link](#))

The government has re-promulgated an ordinance to amend the companies law to further improve the ease of doing business as well as ensure better compliance levels. Since the Bill to make amendments to the Companies Act, 2013, is pending in the Rajya Sabha, the ordinance has been re-promulgated. The Lok Sabha passed the Bill on January 4. The Companies (Amendment) Ordinance, 2019, was issued on 12 January, according to the official gazette. On 12 January, the Cabinet cleared the proposal to re-issue the ordinance. The amendments would help reduce the burden on special courts and bring down applicable penalties for small companies, among others. The ordinance has amended 16 sections of the Act so as to modify the punishments from fine to monetary penalties to lessen the burden on the Special Courts.

8. Govt May Provide Remission Of State Levies To Certain Sectors For Exporters

Source: The Economic Times ([Link](#))

The government may extend the Remission of State Levies (RoSL) to sectors including chemical and engineering as part of the proposed incentive package for exporters to boost the country's outbound shipments, an official said. Currently, RoSL, which is to offset indirect taxes levied by states such as stamp duty, petroleum tax, electricity duty and mandi tax that were embedded in exports, is provided to textiles exporters. The commerce ministry is working on an incentive package for labour-intensive sectors to promote shipments and address issues of exporters. It is holding meetings with the finance ministry on the matter. As part of the package, the ministry is proposing several steps such as funds for rebate of state levies, creating system for online refund of GST (goods and services tax) and expansion of Niryat Bandhu Scheme, the official said.