

Daily Economic News Summary: 14 May 2019

1. ICICI-Videocon Bank Loan Case: Chanda Kochhar Appears Before Enforcement Directorate

Source: The Hindu ([Link](#))

Former ICICI Bank managing director and chief executive officer Chanda Kochhar, along with her husband Deepak Kochhar, appeared before the Enforcement Directorate (ED) on 13 May for questioning in connection with the Videocon Group bank loan case. The ED's money laundering probe is based on an FIR registered by the CBI, alleging a quid pro quo of ₹64 crore in the form of investments in the company of Ms. Chanda Kochhar's husband for sanction of loans to Videocon Group companies.

2. SBI Wrote Off ₹1 Trillion In Last Two Years To Clean Up Its Loan Book

Source: Livemint ([Link](#))

State Bank of India (SBI), India's largest lender by assets, has written off over ₹1 trillion worth of loans in the two years ended 31 March as it purged its accounts of legacy bad loans. It wrote off ₹61,663 crore in the year ended 31 March and an additional ₹40,809 crore in the previous fiscal year, taking the aggregate to ₹1.02 trillion. This is close to double the ₹57,646 crore that the lender wrote off in the preceding three financial years. With a big chunk of bad loans written off in FY19, SBI's outstanding gross non-performing assets (NPAs) declined 23% year-on-year (y-o-y) to ₹1.72 trillion.

3. Top Indian Drug Makers Accused Of Fixing Prices

Source: Livemint ([Link](#))

Seven Indian drug makers, including Sun Pharmaceutical Industries Ltd and Dr Reddy's Laboratories Ltd, and five of their executives have been named in a US lawsuit that accuses Israel's Teva Pharmaceutical Industries Ltd of orchestrating a conspiracy to raise medicine prices. The antitrust lawsuit was filed by 40 US states on 10 May and is based on a five-year investigation of the firms. Other Indian generic drug makers named in the lawsuit are Aurobindo Pharma Ltd, Glenmark Pharmaceuticals Ltd, Lupin Ltd, Wockhardt Ltd and Zydus Pharma.

4. Indian Markets Likely To Be Under Pressure As US-China Trade War Heats Up **Source: Livemint ([Link](#))**

Indian markets are likely to be under pressure as trade war between US and China has escalated. Asian shares deepened losses on 14 May amid a fresh deterioration in the Sino-US tariff war, although comments from US President Donald Trump that he expected trade negotiations to be successful helped stabilize sentiment. China on 13 May announced it would impose higher tariffs on \$60 billion of US goods following Washington's decision last week to hike its own levies on \$200 billion in Chinese imports. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.9% in mid-morning trade, after earlier touching its lowest level since January 30.

5. Automated GST Refund For Exporters Likely From June **source: The Hindu, Business Line ([Link](#))**

Exporters of goods and services as well as suppliers to SEZ units are likely to get GST refunds automatically from June as the Revenue Department plans to introduce faceless scrutiny of refunds and faster claim settlement, an official said. Under GST, every person making a claim of refund on account of 'zero-rated' supplies has two options. Either he can export without payment of integrated tax under Bond/ LUT and claim a refund of accumulated Input Tax Credit (ITC) or he may export on payment of integrated tax and claim refund thereof.

6. Jalan Panel Report On RBI's Capital Reserves Likely To Be Out Next Month **Source: Business Standard ([Link](#))**

A high-level panel led by former RBI governor Bimal Jalan, set up to decide the appropriate capital reserves of the central bank, is likely to submit its report next month. The six-member Jalan panel was appointed on December 26, 2018 to review the Economic Capital Framework for the RBI. The broadly finalised report on RBI economic capital framework will be submitted to the apex bank in June, sources said after meeting of the panel on 13 May in New Delhi. The panel has been entrusted with the task of reviewing the best practices followed by central banks worldwide in making assessment and provisions for risks.

7. Relief For TCS As US Court Rejects CSC's Restraining Order Demand **Source: Business Standard ([Link](#))**

A US court on 13 May denied Computer Sciences Corp's (CSC's) application for a temporary restraining order against Tata Consultancy Services (TCS). CSC, a US-based insurance platform provider to a client of TCS, filed for a temporary restraining order against TCS last month, after

accusing it of misappropriating its trade secrets. TCS, in turn, said CSC was trying to disrupt its \$2-billion deal with their common client Transamerica. The court has ordered both parties to submit a proposed discovery and briefing schedule for a preliminary injunction hearing. CSC licensed its software-to-customer MSI in 1994. In 2014, MSI onboarded TCS to manage IT services

8. Growth In Energy Investment Highest In India, Says IEA Report

Source: Financial Express ([Link](#))

The report, titled World Energy Investment 2019, attributed the rise in renewable funding to the government-led auctions of solar/wind projects and the current stress in the thermal power generation sector, rendering the latter financially unattractive. Energy investment has risen most rapidly in India in three years till 2018, up 12% to around \$85 billion, the International Energy Agency (IEA) said in its latest report. While global energy investment stabilised at near \$1.85 trillion in 2018 after three years of decline, the US and India were the only two countries where investment in energy recorded a growth in 2018 from 2015-levels, the IEA noted. The country was also the fourth-largest destination for power sector investment in 2018, trailing behind China, the US and the European Union, the agency said.

9. Trade Tussle: India Voices Concern Over ‘Existential’ Threat To WTO

Source: Financial Express ([Link](#))

Amid a flare-up of trade war between the US and China, India on 13 May expressed concerns about “existential challenges to the multilateral rules-based trading system” represented by the World Trade Organization (WTO) due to unilateral tariff measures, imbalance in reforms agenda and an impasse in the appellate body of the WTO, which will potentially jeopardise interests of poor and developing countries. New Delhi’s observations came on the first day of a meeting of senior officials of 22 members of the WTO here. WTO director general Roberto Azevedo, too, attended the meeting.

10. Retail Inflation Rose Marginally To 2.92% In April, Shows Government Data

Source: Scroll.in ([Link](#))

Consumer Price Index inflation stood at 2.92% in April, the Ministry of Statistics and Programme Implementation said on 13 May. This is marginally higher than the 2.86% inflation recorded for March. The government said that retail inflation in urban areas was 4.23% in April, and 1.87% in rural areas. Retail food prices rose 4.64% in urban areas, but declined 0.8% in rural

regions. The consumer food price index for both rural and urban areas combined stood at 1.1%. Prices of health products rose the most in April, by 8.42%. Prices of meat and fish increased 7.55%. Retail prices in the education sector rose 6.93%, price of recreation and amusement increased 5.56%, and miscellaneous items cost 5.10% more. The retail prices of fruits fell the highest, by 4.89%, and the retail price of sugar and confectionery declined 4.05%.