

Daily Economic News Summary: 21 December 2018

1. Govt To Infuse Rs 830 Bn Into Psbs, Seeks Parliament's Nod For Rs 410 Bn

Source: Business Standard ([Link](#))

The government will infuse Rs 830 billion into public sector banks in the remaining months of 2018-19, taking capital injection into lenders to Rs 1.06 trillion in the year. Of this, it has sought Parliament's approval for Rs 410 billion through the second batch of the supplementary demand for grants. The Budget had announced a capital infusion of Rs 650 billion. Among various objectives, the infusion is aimed at helping better-performing banks under prompt corrective action (PCA) to come out of the category, Finance Minister Arun Jaitley told reporters.

2. India Relaxes Visa Norms For Chinese Nationals

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

India on 20 December announced it would further relax visa norms for Chinese nationals by extending e-visa facility to those who visit the country for attending conferences or as medical attendants. The announcement came on the eve of Chinese Foreign Minister Wang Yi's four-day visit to India to attend the first ever India-China people-to-people exchange forum. Wang will co-chair the meet with his Indian counterpart Sushma Swaraj in New Delhi. Chinese nationals travelling to India for attending conferences, seminars and workshops by the Indian government will be issued Conference Visa. The required documents included a scanned bio-page of passport showing the photograph and details, an invitation from the organisation and political clearance from the Ministry of External Affairs, said the statement from the Indian Embassy in Beijing.

3. Lok Sabha Passes Consumer Protection Bill To Improve Ease Of Doing Business

Source: Business Standard ([Link](#))

The Rajya Sabha failed to transact any business on 20 December. The Lok Sabha passed the Consumer Protection Bill, and the government introduced a Bill to amend the Companies Act to further improve the ease of doing business and ensure better compliance levels. The Lok Sabha also passed the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities (Amendment) Bill, 2018. It seeks to amend the principal Act enacted in 1999. The Rajya Sabha had passed it last week. The Consumer Protection Bill seeks to

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strengthen the rights of consumers and provide a mechanism for redressing complaints regarding defects in goods and deficiency in services. It will replace the Consumer Protection Act, 1986, once the Rajya Sabha passes it.

4. Swiggy Raises \$1 Billion In Largest Funding Round In Food-Tech

Source: Business Today ([Link](#))

Food delivery startup Swiggy has just raised \$1 billion in its series H funding from the existing as well as new investors. The latest round marks the single largest investment in any one particular round in the Indian food-tech sector. The Bengaluru-headquartered startup's billion dollar funding was led by existing investor Naspers along with DST Global, Meituan Dianping and Coatue Management, including new investors like Tencent, Hillhouse Capital and Wellington Management Company also participated in the funding. Swiggy run by Bundl Technologies Pvt Ltd has raised a total of \$1.26 billion till date. The last round of funding of \$210 million dollars in June this year was used to expand its footprint in additional 42 cities and the company claims to have doubled its GMV or gross merchandise value ever since.

5. Govt Says Genuine Startup Investments Will Not Be Taxed

Source: Livemint ([Link](#))

The government on 19 December assured that genuine investments in startup will not be taxed for exceeding fair market valuation. The assurance comes after news reports said some startups have received notices from the income tax (I-T) department seeking details of their share transactions. The Income Tax Act treats share premium received from the sale of unlisted shares in excess of their fair value taxable as income from other sources. The move to seek clarifications on share premiums under section 56 of the Income Tax Act has been on for a few years. The idea is to check instances like politicians accepting bribes in the guise of premium for shares in unlisted companies held by them.

6. Government To Put Draft E-Commerce Policy Up For Wide Ranging Consultation

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

The Department Of Industrial Policy and Promotion (DIPP) will put the draft e-commerce policy up for broad based consultation and seek comments for a period of ten days, once it is finalised.

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The department is in the process of finalising the policy and has already discussed issues related to logistics and exports with stakeholders. DIPP is now the nodal agency for all matters related to e-commerce and has begun fresh discussions for a policy to regulate the e-commerce sector, after the Department of Commerce floated a draft policy in July. The government has also set up a group of secretaries to look into the issues of the sector after concerns were raised on some proposals of the commerce department's draft e-commerce policy.

7. Amazon, Flipkart Power New User Base Growth In E-Commerce In India

Source: Livemint ([Link](#))

The number of new users in India's \$18 billion online retail market has surged this year rebounding from 18 months of sluggish growth, as cheap data, faster internet connections and proliferation of smartphones made online shopping accessible to people in smaller cities. The top two online retailers, Flipkart and Amazon India, contributed to the bulk of the growth. At least four executives at both Flipkart and Amazon said new user growth, a key indicator of the health of the industry, climbed more than 50% in the past year. The performance of Flipkart and Amazon is an indicator that the pace of growth has accelerated in India's e-commerce market after a rebound in the second half of last year. Both have subscription plans as well, namely Flipkart Plus and Amazon Prime.