

Daily Economic News Summary: 24 October 2018

1. Govt Plans To Tighten Rule For Auditors After Instances Of Misdeeds; To Bolster Corporate Governance Framework

Source: Firstpost ([Link](#))

The government plans to review the auditing standards as it looks to tighten the norms governing auditors, a senior official has said amid rising instances of corporate misdoings. The Corporate Affairs Ministry, which is implementing the companies law, is working on ways to bolster the overall corporate governance framework. In recent times, some auditing entities as well as auditors have come under the regulatory lens in connection with alleged misdoings at companies as well as for quitting audit work of corporates on various grounds.

2. Ministry Of Corporate Affairs Weighs Proposal To Update Companies Act

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

The government is looking to alter several sections of the Companies Act to simplify the law that came into force in 2013. The ministry of corporate affairs is actively considering the changes, which include fast-tracking mergers and acquisitions, doubling the penalty for repeat offences, increasing remuneration of independent directors and prohibiting Section 8 companies, or companies formed with charitable objects, from converting into commercial companies. Several offences that are essentially procedural and technical lapses have been proposed to be shifted to in-house adjudication mechanism, a senior government official said. If the same default is committed again within three years of imposition of the penalty, twice the amount of penalty has been proposed.

3. Malindo Air Launches Kolkata Flight

Source: The Hindu, Business Line ([Link](#))

Malaysia-based Malindo Air is betting big on the increasing number of Indian tourists visiting the South-East Asian country. The full-service carrier, which began operations in India in 2013, launched direct flights from Kolkata on October 22. Malindo will be the second airline to have direct flights between Kolkata and Kuala Lumpur after Air Asia. Apart from Kolkata, it operates from seven Indian cities – Thiruvananthapuram, Tiruchi, Kochi, Bengaluru, Mumbai, Amritsar

and Delhi. Its group airline, Batik Air, has operations from Chennai. The Kolkata-Kuala Lumpur route will have a frequency of five flights a week. It offers 12 business class and 150 economy class seats.

4. 38 MoUs Inked To Save ₹40,000-Cr In Capital Goods Import, Promote Local Manufacturing

Source: The Hindu, Business Line ([Link](#))

Leading capital goods (CG) producers from across the globe inked 38 MoUs with domestic steel companies envisaging reduction in imports of such goods worth ₹39,400 crore by promoting local manufacturing. The MoUs were signed at a conclave in Bhubaneswar organised by Ministry of Steel, in association with Confederation of Indian Industry (CII) and MECON, a statement from iron ore mining major NMDC said. The National Steel Policy-2017 envisages creation of 300 million tonnes (MT) of steel capacity in the country by 2030-31 as against existing 130 mt. The estimated import of plant and equipment, for reaching 300 MT capacity, will be around \$25 billion. Further, for meeting the spares requirement, it is estimated that at 300 MT capacity level, India will have to spend about \$500 million annually for import of proprietary and other spares.

5. Govt Looks To Relax Norms For Setting Up Petrol Pumps; Keen On Getting More Private Players Into Fuel Retailing

Source: Firstpost ([Link](#))

The government is mulling relaxing norms for setting up petrol pumps as it is keen on getting more private players into fuel retailing so as to increase competition. The Oil Ministry has set up an expert committee to recommend easing of fuel retailing licensing rules, the ministry order said. At present, to obtain a fuel retailing licence in India, a company needs to invest Rs 2,000 crore in either hydrocarbon exploration and production, refining, pipelines or liquefied natural gas (LNG) terminals. The expert committee will "look at various issues related to the implementation of existing guidelines for grant of marketing authorisation of market fuels - petrol, diesel and aviation turbine fuel (ATF)," it said.

6. Organic Food Product Exports Up 39% At \$515 Million In 2017-18

Source: The Hindu, Business Line ([Link](#))

The country had exported organic food products worth \$515 million in 2017-18, about 39 per cent more than the products worth \$370 million exported in the previous year, a top Apeda official said on 23 October. The total volume of exports was 4.58 lakh tonnes and it primarily included oilseeds, cereals & millets, sugar, fruit juice concentrates, tea, spices, pulses, dry fruits, and medicinal plant products, Apeda General Manager Tarun Bajaj said while speaking at a 3-day organic trade fair. Even though the US, European Union member countries and Canada were the biggest buyers, many new countries like Israel, Vietnam, Mexico have of late evinced interest in Indian organic products, he said.

7. India Has Second Highest Insurance Gap Of \$27 Bn After China, Reveals New Study; Global Underinsurance At \$162.5 Bn

Source: Firstpost ([Link](#))

India has the second largest insurance gap in the world of \$27 billion (in absolute terms) after China, where the underinsurance or insurance gap is over \$76 billion, a report said on 22 October. According to the global underinsurance report, despite the general global economic growth in recent years, the insurance gap is hardly closing. The global underinsurance gap is now \$162.5 billion, which is down only over 3 percent since 2012 when it stood at \$168 billion. The report notes that emerging countries are the least insured, accounting for \$160 billion or 96 percent of the total global insurance protection gap. In absolute terms, the gap identified is \$160 billion for the emerging nations and just \$2.5 billion in developed countries.

8. India Explores Corridor To Kazakhstan, Eastern Russia Via Iran

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

India, notwithstanding impending sanctions on Iran, is attempting to put in place a corridor linking Gujarat and West Bengal to Kazakhstan and Eastern Russia via Iran's Bandar Abbas Port. Plans are afoot to link Gujarat's Mundra Port with Bandar Abbas and connect it to Iran-Turkmenistan-Kazakhstan railway network and onwards to Eastern Russia. The idea is to not only access markets of this landlocked region but also create a corridor to import natural resources from the region in a shorter period than being done currently, according to officials.

9. Six Global Investors, Including Softbank Group And Singtel, To Invest \$1.25 Bn In Airtel Africa

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

Global investors comprising Warburg Pincus, Temasek, Singtel, SoftBank Group International and others will invest \$1.25 billion through a primary equity issuance in Bharti Airtel's subsidiary Airtel Africa, which will help in paying down debt and pave way for an initial public offering. According to the Sunil Mittal owned telco's statement, the proceeds will be used to bring down the Africa based operator's debt from \$5 billion and grow its business. "This primary equity issuance clearly underlines the confidence of leading global investors in Airtel Africa's successful business strategy and its potential to sustain growth and profitability," said Raghunath Mandava, MD and CEO, Africa, Bharti Airtel

10. Govt To Launch App For Access To Public Wi-Fi Hotspots

Source: Livemint ([Link](#))

The department of telecommunications (DoT) will launch a mobile app on Thursday to enable single-click onboarding of a user through one-time login and authentication to seamlessly access any public WiFi hotspot in the country. The government believes the app, which will be launched at the India Mobile Congress, will offer users cheaper and faster internet compared to mobile data and also boost the proliferation of public Wi-Fi hotspots in the country in line with the objectives of the national digital communications policy approved by the Union cabinet last month. This would also enable offloading of mobile data traffic on to Wi-Fi networks, thus easing network congestion in high density areas, potentially bringing down call drops.

11. Tata Sons, Singapore Airlines Pump Rs 20 Bn Into Vistara For Expansion

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

Tata Sons and Singapore Airlines have pumped Rs 20 billion into Vistara as the airline charts its expansion plan. This is the largest single dose of equity infusion into the joint venture (JV) since its launch in January 2015. It will help Vistara finance its \$3.1 billion (around Rs 220 billion) aircraft order. The airline's board passed a resolution for issuing capital in August. Fresh shares were issued to the two promoters earlier this month, filings with the corporate affairs ministry

show. The investment signals the Tata group's ambition to propel its aviation business. This comes amid firming of its control in AirAsia India and talks with Jet Airways to buy a stake in the latter.

12. Govt Hopes To Breach 80s In Ease Of Doing Biz Ranking, But Traders Sceptic

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

The government is confident that India would enter the late 80s in the World Bank's annual ease of doing business report up from 100 last year on account of implementation of the goods and servicesta(GST) and the Insolvency and Bankruptcy Code (IBC). But, traders, whose voices will be reflected in the rankings slated to be released on October 31, claim the government's optimism does not reveal Rs 80-100 billion Integrated GST refunds they are yet to get. Last year, India had improved its position by 30 spots. This year, the World Bank will consider reforms introduced till May 1.