

Daily Economic News Summary: 9 December 2019

1. Govt to launch 3rd phase of Pradhan Mantri Kaushal Vikas Yojana in FY21, says skill development minister

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

Pandey also said that he and Minister of State for Skill Development and Entrepreneurship R K Singh will meet chairman and managing directors of central public sector enterprises (CPSEs) across various sectors before the end of this month and ask them to increase the number of apprentices. The government is planning to launch third phase of its flagship Pradhan Mantri Kaushal Vikas Yojana (PMKVY) in the next financial year, Minister of Skill Development and Entrepreneurship Mahendra Nath Pandey has said. The government launched the PMKVY scheme in 2015 and revamped it in 2016 to impart skills to one crore persons by 2020. The revamped scheme, called PMKVY 2.0, moved to a grant-based model where the training and assessment cost would be directly reimbursed to training providers and assessment bodies in accordance with common norms. According to official data, over 69 lakh candidates have been trained across the country under the PMKVY till November 11.

2. National Policy on Statistics set to be unveiled soon

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

India will shortly unveil a National Policy on Official Statistics in the wake of various controversies related to the alleged suppression of bad news, undermining the credibility of government data, said people with knowledge of the matter. The Ministry of Statistics and Programme Implementation (MoSPI) has begun work on a cabinet note on the policy that seeks to provide “timely and credible social and economic data,” one of the persons said. “The policy will be formulated and notified, enabling the ministry to spearhead the reform processes in the national statistical system,” the official said.

3. Next govt stimulus may cheer the middle class

Source: Livemint ([Link](#))

Sitharaman on 5 December said that the proposed new Direct Taxes Code (DTC) to replace the existing income tax law (enacted in 1961) was “under examination” of the Finance Ministry. “We are looking into the report of the Task Force and is under examination of the Ministry,”

Sitharaman said during her reply to the discussion on the Taxation Laws (amendment Bill in the Rajya Sabha. The Finance Minister's latest remarks is a clear pointer towards the government's plan to have a modern income tax law is still on the table and not off its radar, said economy watchers. The upper house later returned the Bill to the Lok Sabha, paving the way for the replacement of the September 20 ordinance that among other things introduced a new 15 per cent corporate tax rate regime for new companies in the manufacturing sector.

4. Reliance's biotech arm eyes tie-ups to enter diagnostics business

Source: Livemint ([Link](#))

Mukesh Ambani, India's richest man, now wants a share of your diagnostics budget, in a move that can potentially shake up the sector similar to the disruption in telecom market after the entry of Reliance Jio. Reliance Life Sciences or RLS, the biotechnology subsidiary of RIL, plans to start pathology labs across India through partnerships with local entrepreneurs, said two people aware of the development. RLS is controlled by the Ambani family, the promoter group of RIL. "RLS is trying to build a network of pathology labs. To begin with, they plan to set up 20-30 labs," said the first person, who has received a partnership proposal from RLS. He said RLS is looking at a 15:85 ratio for revenue sharing, with RLS keeping 15%.

5. Lopsided India stock market rally has investors weighing options

Source: Livemint ([Link](#))

Investors are starting to weigh the merits of rotating into small- and mid-sized Indian stocks after a few large companies drove a record-breaking rally in the main equity index. "Leadership in India's rally has been very narrow," Tim Moe, chief Asia Pacific equity strategist for Goldman Sachs Group Inc., said last week in Mumbai. "Valuations are at the high end of the range, both in historical terms and relative valuation compared with the region as a whole." The S&P BSE Sensex has risen about 12% from a low in September, with three members — Reliance Industries Ltd., ICICI Bank Ltd. and HDFC Bank Ltd. — accounting for 61% of all the gains. The broader market has lagged behind, leaving the valuation gap between smaller firms and the gauge at close to its widest in a decade.

6. Government looking at deploying larger funds for startups: Piyush Goyal

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

The government is looking at deploying larger funds for startups through the banking process and simplifying regulations further, Commerce and Industry Minister Piyush Goyal has said.

"With deployment of larger funds and changes in regulatory process based on inputs given by the sector, we are looking at a further simplified regime for the startup community," Goyal said addressing participants at the 'Startup India Global Venture Capital Summit' in Goa on 7 December through video conferencing. The startup community has been pushing for faster release of funds for investors from the government's Rs 10,000 crore Funds managed by the Small Industries Development Bank of India (SIDBI). According to data from SIDBI, the total allocation from the Rs 10,000 crore corpus stood at Rs 2,265.70 crore on March 31, 2019, up from Rs 1,750.70 crore as on December 31, 2018. The fund was launched in 2016.

7. Centre to discuss on pension fund investment in startups: DPIIT Secretary

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

The government will initiate discussion on the possibility of channelising a part of employee provident fund (EPF) investments into financing startups, a senior government official has said. "There is a major demand from startups for the government pension fund in India to carve out a small portion of its funds for investing in such ventures. We have promised that we will look into it. But we understand that pension funds are very sensitive and risk-averse as the life-long savings of pensioners are involved," said Guruprasad Mohapatra, Secretary, Department for Promotion of Industry and Internal Trade (DPIIT) in an interaction with BusinessLine. An inter-ministerial empowered group comprising officials from the Ministries and Departments of Revenue, Financial Services, Health, Corporate Affairs and Industry, will be set up to examine the issue involving startups, Mohapatra added. Officials from tariff bodies such as CBDT and CBIC and regulatory bodies including RBI, SEBI and DFS will also be in the group. It will be headed by the DPIIT Secretary.

8. India Inc foreign borrowings jump over two-fold to \$3.41bn in Oct

Source: Money Control ([Link](#))

India Inc's foreign borrowings grew over two-fold to \$3.41 billion in October over the corresponding month a year ago, according to data from the Reserve Bank of India. Indian companies had raised \$1.41 billion in borrowings from overseas markets in October 2018. Of the total money borrowed by the domestic companies, \$2.87 billion was through the automatic route of external commercial borrowing (ECB), \$538 million came in through the approval route of ECB, showed the data. In the ECB category, the major borrowers tapping the automatic route included Muthoot Finance (\$400 million), HPCL-Mittal Energy (\$300 million), Wardha Solar

(Maharashtra) (\$251 million), Larsen and Toubro (\$200 million), Deccan Fine Chemicals (\$140 million) and Aditya Birla Finance (\$75 million).