

Daily Economic News Summary: 27 April 2015

1. Bad loans hit banks as infra projects falter

Source: **Times of India** ([Link](#))

Bad loans are piling up in Indian banks, mainly driven by loans taken by infrastructure and mining sector companies whose projects are stalled or faltering, according to a new report released today by the Rights and Resources Initiative (RRI). By December 2014, total bad loans, called non-performing assets, of listed banks had reached a staggering Rs.4.85 lakh cr. This is nearly 14% of total loans given by all banks and equals the total net worth of the sector.

The growing financial risk, the report says, is not because of delays in environmental clearances and land acquisition as commonly thought. Rather, it is because of lax regulation at both the clearance level and the credit giving agency level.

2. Corporate earnings paint a grim picture

Source: **Live Mint** ([Link](#))

Indian companies are on track for their worst earnings season in more than two years on weak demand for goods and services, adding to reasons for investors' waning enthusiasm for local stocks. Aggregate net profit of 101 companies that have announced their March quarter earnings fell 9.23%, their worst performance since at least the quarter ended December 2012, according to *Mint* analysis.

Prime Minister Modi's efforts to boost economic growth by effecting reforms in labor laws, increasing spending on infrastructure and clearing projects that are stuck because of environmental and land-related problems have yielded little in terms of reviving corporate profitability, even though a new way of calculating gross domestic product showed that the nation's economic growth had outpaced China's in the December quarter.

3. NTPC signs purchase deal for Andhra solar power plant

Source: **Live Mint** ([Link](#))

NTPC Ltd has entered into a power-purchase agreement (PPA) with Andhra Pradesh distribution utilities for the first phase of its 1,000 MW solar power project being set up in the state. Andhra Pradesh Eastern Power Distribution Co. Ltd (APEPDCL) and Andhra Pradesh

Southern Power Distribution Co. Ltd (APSPDCL) have agreed to procure 250 MW of the power generated from the planned solar power project. The power is to be procured at Rs 6.16 per unit for 25 years. NTPC expects the power generation cost to be lower for the remaining 750 MW capacity of the plant.

4. Goodyear looking at India with “renewed interest”

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

US-based tyre major Goodyear is looking at India with “renewed interest”, expecting to grow significantly in the country which is one of its biggest markets in Asia. Its arm Goodyear India is looking to bring in products with new technologies such as the recently launched Assurance TripleMax, in order to be among the top two-three players in passenger cars tyres segment.

5. Andhra Pradesh, Walmart form task force for sourcing agri-commodities

Source: **Live Mint** ([Link](#))

David Cheesewright, President and Chief Executive Officer (CEO) of Walmart International to India met Andhra Pradesh Chief Minister N. Chandrababu Naidu in Hyderabad, where the two agreed to join hands to source agriculture commodities from the state as part of its plans to open 15 cash and carry stores in the state over the next five years. The task force would review its decisions and action plan every three months.

By Harsha Hazarika