Daily Economic News Summary: 29 April 2015

1. Govt to clear hurdles in stressed sectors

Source: **Live Mint** (Link)

The government will create a favorable environment to prevent any future stress in the power, steel, roads and ports sectors. According to the economic survey, released in February, projects worth Rs.8 trillion are stressed.

To prevent a further build-up of stressed assets, starting 1 April 2014, RBI had asked banks to try and recognize stressed assets early and come up with a corrective action plan (CAP). To do this, RBI had said joint lenders' forums must be formed when an account is more than 60 days overdue. While such forums were set up, bankers were finding it difficult to agree on a CAP due to differences of opinion on the best solution for an account.

2. Govt extends deadline for E-Biz platform

Source: **Live Mint** (Link)

Pushing the delayed process to improve the ease of doing business in India, the Department of Industrial Policy and Promotion (DIPP) has set a new deadline of June-end for integrating all central government services on an online platform.

So far, 14 services have been made available on the platform. The eBiz project aims to provide a single-window clearance mechanism for businesses so that they can apply for all required approvals at one place online to cut red tape and improve transparency.

3. US flags Land, FDI as key sticking points

Source: **The Daily Pioneer** (Link)

The US asked India to resolve land acquisition and FDI-related issues to attract funds for smart cities and said many projects may not be commercially viable unless these are addressed. Speaking at the annual general meeting of the American Chamber of Commerce (AMCHAM), US Ambassador Richard Verma stated that he US Government and companies are willing to help India realize its "ambitious plans" for setting up 100 smart cities.

Ambassador Verma further stated, "*Land acquisition, foreign direct investment and other questions still remain unresolved. The expectation of large amounts of private sector finance, either domestic or foreign, will be a challenge. Right now, we are very much in the nascent stage* *of finding ways forward with India on smart cities issue. We do not have clarity on financing for the many projects that need to be done".*

4. States in race to become more business friendly

Source: **Economic Times** (Link)

In a competitive race sparked by the Modi government, States are rushing in measures to climb up the first ever ease of doing business charts being compiled by the Centre. States are doing their best to cut down on red tape and simplify compliance procedures to appear more business-friendly than rivals to attract investments.

The Narendra Modi government is trying to break into the top 50 in the next few years. Puducherry has introduced single completion-cum-occupancy certificate whereas Maharashtra has reduced the number of procedures and time in getting electricity connection, Punjab has exempted 131 types of industries from pollution consent requirement.

In the first of its kind exercise in India, the Department of Industrial Policy and Promotion has sent a list of 300 questions to all states and Union Territories for the ranking process, based on 98 ease of doing business parameters on which they will be ranked. The move is aimed to make the 'Make in India' campaign create a sense of competition among states which will result in a manufacturing revival in the economy.

5. Cement demand to pick up by second half of fiscal 2016: OP Puranmalka, Managing Director, Ultra Tech Cement

Source: **Business Standard** (Link)

UltraTech Cement, an Aditya Birla Group company, is in the middle of an expansion drive. Though the entire cement sector witnessed a fall in volumes in the March 2015 quarter, the company is expecting demand to pick up from the second half of FY16.

Mr. OP Puranmalka, Managing Director, was quoted by the Business Standard stating that, *"The government's recent focus on road projects, housing for all, and an increase in state allocations will drive infrastructure and housing demand. We expect the industry to grow 7-8 per cent in 2016".*

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