

Daily Economic News Summary: 21 February 2018

1. PNB Crisis: RBI's Malegam-Led Panel to Look Into NPA Divergence, Bank Fraud

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

The Reserve Bank of India (RBI) on Feb 20 constituted an expert panel that will look at the divergence in asset classification and provisions reported by banks vis-à-vis those interpreted by the central bank's auditors, and also to examine the rising incidence of fraud in the banking system. The panel will be headed by former RBI board member Y H Malegam, who had also earlier led several RBI committees on important reform measures. The panel will explore "factors leading to an increasing incidence of fraud in banks and the measures (including IT interventions) needed to curb and prevent it; and the role and effectiveness of various types of audits conducted in banks in mitigating the incidence of such divergence and fraud," the RBI said in a statement on its website.

2. Maharashtra Gets Rs 12.1 Trillion Investment Commitments from 3-Day Summit

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

Maharashtra chief minister Devendra Fadnavis said the state has signed as many as 4,106 investment proposals worth Rs 12.10 trillion in the three-day global investor summit that concluded here on Feb 20. Besides, the state has also signed 104 proposals with the Centre worth Rs 3.90 trillion for investments in various infrastructure projects, he said. Among the key sectors, close to 3,516 proposals worth Rs 5.48 trillion were signed for industry projects, with big names such as Reliance Industries, Virgin Group and JSW Electrical Vehicles, among others showing interest. Reliance Industries has committed an investment of Rs 60,000 crore for developing a digital industrial area, while Virgin HyperloopOne will be investing Rs 40,000 crore to construct a hyperloop between Mumbai and Pune. The state also received investment intentions of Rs 5,700 crore in the information technology sector and Rs 2,436 crore in higher education.

3. India Inc to Invest \$1 Billion, Create 5,000 New Jobs in Canada

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

Canadian Prime Minister Justin Trudeau on Feb 20 said corporate India has committed USD 1 billion worth of investments in his country, which will create over 5,000 jobs. Trudeau made the

announcement after meetings with industry leaders including Tata Group chairman N Chandrasekaran; Birla Group chairman Kumar Mangalam Birla; Mahindra group chief Anand Mahindra; Salil Parikh of Infosys, and Cyrus Mistry of the Pallonjee Mistry group, among others. The Canadian premier also had a 90-minute round-table with women business leaders including ICICI Bank chief Chanda Kochhar and Swati Piramal of the Piramal Group, among others at the iconic Taj Mahal hotel. “So much so that coming out of meetings this morning and a few other meetings we have had, we are able to announce on Feb 20 over 5,000 new jobs in Canada and over USD 1 billion of (Indian) investment in Canada,” Trudeau said at the Canada-India Business Forum in Mumbai.

4. NASSCOM Sees Muted Growth

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

Despite continued global headwinds and uncertainties, Nasscom sees a slight revival in growth for the IT and BPO industry for 2018-19, but this will come with a bleak outlook for jobs. It has projected a growth rate of 7-9 per cent, up from the projection of 6-8 per cent for the current financial year, but has pared its forecast for jobs to one lakh from 1.5 lakh jobs for the current year. As against the projected 1.3-1.5 lakh jobs, 2017-18 ended up with only one lakh jobs. Nasscom says IT jobs are happening in spaces other than the traditional businesses. Releasing the industry outlook at the Nasscom India Leadership Forum (NILF-2018), Nasscom President R Chandrasekhar said, “global headwinds and uncertainties continue to dog the industry this year as well. “Despite these multiple headwinds, the industry could grow at 7.8 per cent in 2017-18,” he said.

5. Arcelormittal, Numetal Bids for Essar Steel Fail Eligibility Test

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

The bids of both Numetal, a company having VTB Bank as a majority shareholder and the Ruisas as a minority partner, and ArcelorMittal for Essar Steel have failed the eligibility test of the legal advisors appointed by the resolution professional as both bidders had connections with non-performing assets (NPAs) in India. The resolution professional could seek another legal opinion or approach the National Company Law Tribunal on the point of law. The committee of lenders is

expected to meet in the next few days in the matter. A Numetal spokesperson said, “We have not received any such information from the resolution professional or his legal advisors. Numetal is a fully eligible resolution applicant and has submitted its resolution plan for Essar Steel.” An ArcelorMittal spokesperson declined to comment.

6. Mudra Yojana: Loans to Micro Business Down 5.8%; 3 of 4 Beneficiaries Women
Source: Business Standard ([Link](#))

Despite a discount on the interest rates women pay, loans sanctioned to them under a national programme meant to encourage “micro” businesses fell by 5.8 percentage points in 2016-17 since the scheme’s launch in 2015-16, according to government data, although three in four loans sanctioned over three years were to women. Loans to women fell to 29 million or 73% of the 39.7 million total loans sanctioned under the Pradhan Mantri Mudra–acronym for Micro Units Development and Refinance Agency–Yojana (Prime Minister’s Mudra Scheme) in 2016-17 from 27.6 million or 79% of 35 million in 2015-16, according to a reply by finance minister Arun Jaitley to the Lok Sabha (lower house of Parliament) on January 5, 2018.

7. Trump Jr in Pune Today to Launch Tower with Unit Prices Starting Rs 150 Mn
Source: Business Standard ([Link](#))

US President Donald Trump’s son Donald Trump Jr will inaugurate ‘Tower B’ of Trump Towers, developed by Panchshil Realty, in Pune on Feb 21. The tower is located at upscale Kalyani Nagar. Comprising of two striking glass facade towers of 23 stories each, with 46 single-floor 5 BHK residences starting at Rs 15 crore, Trump Towers Pune is international, having been crafted in accordance with the design and development standards of the global real estate brand Trump, stated a media release issued by Panchshil Realty. Trump Jr will launch the Trump Tower B which is ready for occupation with all the necessary certificates in place, it said.

8. Udaan Raises \$50 Million from Lightspeed, Others
Source: Livemint ([Link](#))

Udaan, an online marketplace for businesses, has raised \$50 million in a fresh round of funding led by existing investor Lightspeed Venture Partners US, as it seeks to accelerate expansion. Another existing shareholder, Lightspeed India, as well as funds associated with Russian

billionaire Yuri Milner, also participated in the round, which is one of the largest Series B funding rounds raised by any Indian start-up. In November 2016, Udaan, had raised \$10 million in series a funding from Lightspeed India and Lightspeed US. The Bengaluru-based company is an end-to-end marketplace that connects businesses in consumer goods, fashion and electronics, offers logistics services and has recently started lending. With sellers across 80 cities, it delivers to more than 500 cities and will expand to more areas with the new capital. Its average order value is between Rs 6,000 and Rs 7,000.

9. Govt Allows Commercial Coal Mining by Private Firms

Source: Livemint ([Link](#))

The Union cabinet chaired by Prime Minister Narendra Modi on Feb 20 decided to open up the coal sector to commercial mining by private entities. The game-changing move ends state-backed Coal India Ltd's (CIL) monopoly and enables power, cement and steel producers to access fuel more efficiently. The move is set to usher in competition in coal supply, reduce coal imports and help stressed power plants to attempt a turnaround through better fuel management. An official statement described the decision as "the most ambitious coal sector reform since the nationalisation of this sector in 1973". There will be no end-use restriction as far as output of the auctioned mines are concerned. Under private commercial mining modalities approved by the cabinet, coal blocks will be allocated by "ascending forward auction" in which the winner will be determined by the price per tonne of coal offered to the state government where the mine is located. "There shall be no restriction on the sale and/or utilization of coal from the coal mine," said the statement.

10. Koinex to Launch Global Crypto-Assets in India

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

Koinex, a digital assets exchange, will list two global crypto-assets-OmiseGO (OMG) and Request (REQ)-on its exchange and enabling trading in them from Feb 23. This would be the first time Request would be available for trading in India, while OMG has been in the Indian market for the past few months. Both these tokens are sought-after assets in the global markets due to their efficient and future-ready technology, which promises to bring a disruptive innovation in the areas of online payments, banking and e-commerce.

11. Machines Will Never Destroy Humans, Says Sophia

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

Sophia, the humanoid created by Hong Kong-based Hanson Robotics, rebuked the theory of Elon Musk and Stephen Hawking, saying machines will never destroy the human race. The first robot to be made a citizen of a nation (Saudi Arabia), Sophia, in an interactive session at the ongoing World Congress on Information Technology (WCIT) in Hyderabad, reassured humans that a *Terminator*-like future will never arrive. “My message to the human world is that machines will never destroy the human race,” she told a gathering of around 600 delegates during an interaction with NDTV journalist Rajiv Makhani. The advancement in technology and its implications are at the epicentre of a global debate, wherein scientists like Stephen Hawking have warned that AI-powered machines could spell the end of the human race, something which was echoed by Tesla chief Elon Musk. In India, technology usage is on the rise, with the government pushing many of its schemes digitally.