

Daily Economic News Summary 5 March 2020

1. All Cabinet notes to carry tech implications of proposals

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

Giving the newly constituted empowered Technology Group a major say in government decisions, the Cabinet Secretariat has directed all ministries to include in their Cabinet notes the technological implications of their proposals along with the group's comments. The Cabinet set up the Empowered Technology Group, to be headed by the Principal Scientific Advisor, on February 19 as an institutional body to lay down, coordinate and oversee national-level policies related to the procurement and induction of technology. The government has modified the handbook on preparation of Cabinet notes to include this requirement and has asked for strict compliance with the change on an immediate basis.

2. Dept of Economic Affairs working on regulatory clearances needed for cos to list abroad

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

The Department of Economic Affairs is working on a scheme to announce the rules for the regulatory clearances and the requirements companies need to fulfill to be listed abroad, a senior government official said on March 4. "The current rules regarding the listing of GDRs (Global Depository Receipts) would likely be refined," he said. On March 4, the Cabinet approved direct foreign listing of Indian companies. The Main beneficiary of enabling provision approved by cabinet on foreign listing of firms will be unlisted firms and startups. The move is expected to help Indian startups have access to a larger pool of investors, thereby easing the process of capital raising.

3. India pushes state banks to boost lending as coronavirus fears grow: Sources

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

India is pushing state-run banks to approve new loans amounting to 500-600 billion rupees (\$6.8-8.2 billion) by the end of March, according to two government sources, as authorities seek to shore up a stuttering economy as the coronavirus spreads. Public-sector banks have received nearly 8 million new applications for loans, mainly from rural households and small businesses, and the government expects up to 6 million of them to be approved by the end of the month, said

a senior finance ministry official with direct knowledge of the matter. Policymakers are worried the coronavirus outbreak could curb economic growth for at least the first two quarters of this year, so are looking to drive up lending to bolster investor and consumer sentiment, according to the second government source.

4. FM Sitharaman says amendments aim to decriminalise Companies Act

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

Finance Minister Nirmala Sitharaman on March 4 said that the majority of changes made to the Companies Act pertains to removal of those sections which result in criminalisation. Sitharaman added that the Cabinet had suggested 72 changes to 65 sections of the Companies Act, with a priority on decriminalising the Act. Out of the 66 compoundable offences, 23 have been decriminalised, she noted, adding that these 23 offences will now be dealt with under an in-house adjudicating framework. Of these, seven compoundable offences will be omitted, while punishment for 11 compoundable offences will be limited to fine alone and imprisonment will be removed completely.

5. FMCG makers ramp up production of hand sanitizers amid demand spike due to coronavirus

Source: Firstpost ([Link](#))

Fast-moving consumer goods (FMCG) companies are ramping up their production and optimising distribution channels to meet the rising demand for hand sanitizers amid the coronavirus outbreak. Some FMCG firms are also educating consumers by engaging their brands to communicate with the consumers, through special campaigns on digital and mainstream media, to make them aware about the benefits of regular hands wash as prevention for coronavirus. The companies have assured that they have enough stocks to tackle the situation. "We have ramped up our production capacity. We are also trying to ramp up through our vendors also," Godrej Consumer Products Ltd CEO (India and SAARC) Sunil Kataria told PTI. However, he also added that hand sanitizers are premium products in India.

6. Air India sale: NRIs now allowed to buy entire stake, says Centre

Source: Scroll ([Link](#))

The Union Cabinet on 4 March decided to allow non-resident Indians to control up to 100% stake in national carrier Air India. Earlier, NRIs were allowed to own up to 49% stake. The

government first announced its intention to divest its entire stake in Air India in January – a major shift from its stance in 2018 when it wanted to divest only 76% stake. The proposed stake sale, however, failed to take off on both occasions. “Today’s decision on Air India is one milestone decision where NRIs...will get permission to invest 100% in the airline,” Union minister Prakash Javadekar told reporters.

7. India services growth at over 7-year high on strong export demand

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

India’s services activity marked its quickest rise in over seven years, coupled with a renewed increase in new export orders and strengthening business confidence, a private survey showed on 4 March. The IHS Markit India Services Business Activity Index rose from 55.5 in January to 57.5 in February. This is the fastest expansion in services output since January 2013. Service providers saw a marked increase in new work intakes during February, the second-fastest in over seven years. Finance and insurance, and consumer services firms were the most confident during February, as per the survey report.

8. Coronavirus: India Inc steps up act to contain crisis as tally reaches 29

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

Mindspace IT Park, Hyderabad’s largest office hub spread over several acres, was a centre of panic on 4 March as a techie tested positive for coronavirus. The complex, housing many marquee brands, caught on to the news in no time, prompting employers to send their staff home. An employee of Dutch company DSM Shared Services, the software professional had recently returned from an assignment in Italy. Hers was the second confirmed case of the virus in Telangana. More than 1,000 km away, in Gurugram, next to New Delhi, another person tested positive, this time in the Paytm office, taking India’s tally to 29. He too had returned from a vacation in Italy. The company has asked its staff to work from home for a couple of days while the office gets sanitised. Across the country, India Inc has stepped up its act to contain the crisis. IT and new-economy companies seem to have taken a lead.

9. Volkswagen launches BS-VI compliant versions of Polo, Vento in India

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

Auto maker Volkswagen India on 5 March launched BS VI compliant versions of premium hatchback Polo and mid-sized sedan Vento, priced between Rs 5.82 and Rs 13.29 lakh (ex-showroom). The company has introduced the models with new range of petrol powertrains. The

new Polo is powered by MPI and TSI petrol engines mated with both manual and automatic transmissions. The 1 litre MPI versions of the model are priced between Rs 5.82 lakh and Rs 7.8 lakh, while the 1 litre TSI engine trims are tagged at Rs 8.02 and Rs 9.59 lakh, respectively. On the other hand, Vento with manual transmission is priced between Rs 8.86 lakh and Rs 11.99 lakh, while the automatic trims are tagged at Rs 12.09 lakh and Rs 13.29 lakh.

10. With India improving on ‘Ease of Doing Business’ ranking, these 5 states made their mark

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

As India rapidly climbed the ladder of Ease of Doing Business ranking in recent years, a few Indian states have shown improvement faster than the others. Andhra Pradesh, Telangana, Haryana, Jharkhand, and Gujarat are the top 5 states where doing business is easiest in the country, said Commerce Minister Piyush Goyal in a reply to a question in Lok Sabha. From starting a business to dealing with construction permits, getting electricity, getting credit, paying taxes, trading across borders, enforcing contracts, resolving insolvency, the government has undertaken some of the major indicator-wise reforms in recent years.

11. Lok Sabha passes Direct Tax Vivaad Se Vishwas Bill

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

A bill to provide an opportunity to taxpayers to settle their tax disputes by paying just due taxes with complete waiver of interest and penalty by March 31 was approved by Lok Sabha on 4 March. The Direct Tax Vivaad Se Vishwas Bill, 2020, which was introduced by Finance Minister Nirmala Sitharaman in the House on March 2, was passed amid din. Under the proposed scheme, taxpayers willing to settle disputes shall be allowed a complete waiver of interest and penalty if they pay the entire amount of tax in dispute by March 31 this year, following which a 10 per cent additional disputed tax shall have to be paid over and above the tax liability.