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STATE GOVERNMENT

Kempegowda International Airport will Link to Seven More Cities

Kempegowda International Airport (KIA) will get seven new routes and two new airlines during its winter schedule. This will increase the number of its arrival and departing flights to 766 a day, up from the existing 691.

The start of winter 2018 is expected to achieve air traffic movements (ATMs, arriving and departing flights) of 744 per day, which will include 659 domestic and 85 international flights, according to an official statement. "This is expected to progressively reach up to 766 ATMs per day (675 domestic and 91 international)," it said. During the recently concluded summer schedule, BLR Airport recorded an average of 691 daily movements (613 domestic, 78 international).

The five-month winter period, till March 30, 2019, will see the hourly runway capacity increase to 40 movements per hour from the existing 38 movements. "The average international ATMs for winter 2018-19 is expected to grow at 17 per cent over summer 2018, while domestic movements are expected to achieve a growth of 10 per cent. The overall growth forecast for the forthcoming schedule is pegged at 11 per cent."

Two new airlines will begin operations during the period - Turkish Cargo and Air India Express. While Air India Express will launch a round-trip flight to Singapore - flying four times a week - from October 29, Turkish Cargo will operate two flights a week from October 31 between Istanbul and Bengaluru, one via Colombo and the other via Daman.

The new domestic destinations are Kanpur, Gorakhpur and Udaipur (Spice Jet); Udaipur and Prayagraj (Indigo); Aizawl via Guwahati (Jet Airways); and Kolhapur (Alliance Air). The new international destination will be Phuket in Thailand, with Go Air offering a direct connection to the tourist hub. With this, Bengaluru will now be connected with 82 destinations - 53 domestic and 29 international. Three airlines - Indigo, Air India and Go Air - will also launch additional flights from Bengaluru to eight existing international destinations. Indigo will operate daily flights to Male, Bangkok, Kuala Lumpur, Hong Kong and Kathmandu, while Air India will fly to Bangkok and London, and Go Air will fly to Male.

Javed Malik, Chief Operating Officer of Bangalore International Airport Limited, which runs the airport, said, "Our new services will further bolster the economy of the city and enhance the reputation of BLR Airport as the gateway to a new India."

The top international airline during this schedule by ATMs will be Indigo, with 10.4 per cent market share of overseas operations, while Air India comes second with 8.3 per cent. Indigo continues to lead in domestic market share at 46.2 per cent market share. Jet Airways, including JetLite, will constitute 13.3 per cent.

Source: Indian Express October 27, 2018

Bengaluru Has 3rd Most Startups Globally

Bengaluru has the third highest number of tech startups among global cities, and the first two in the list are Silicon Valley and London, a Nasscom-Zinnov report launched on Thursday said. India continues to hold its position as the third largest Startup ecosystem, with 1,200 tech startups emerging in 2018, taking the total to between 7,200 and 7,700. The report said the ecosystem created more than 40,000 direct jobs in 2018 in India, taking the total employment in the segment to 1.6-1.7 lakh. Another 4-5 lakh are estimated to be employed indirectly.

Startups from tier-2 and tier-3 cities are also seeing growth, with the report showing that 40% of the startups operate outside Bengaluru, Delhi NCR and Mumbai. India's Startup ecosystem has seen phenomenal growth in investments in 2018, but worryingly, investments in the seed stage fell, and that in early stage grew just marginally, a Nasscom report launched on Thursday noted. Overall investment grew 100% to $4.2 billion in 2018 (Jan-Sep), from $2 billion in the same period in 2017.

"India's Startup landscape has become the epitome of innovation and we are seeing many startups tackling locally relevant issues," said Debjani Ghosh, president, Nasscom. India startups have also achieved volume and scale with 2018 seeing the addition of 8 unicorns, taking the total number of unicorns in India to 18. Unicorns are privately funded companies that have a valuation of more than $1 billion.

This year saw the entry of Udaan, Oyo, Freshworks, Swiggy, Paytm Mall, Policybazaar, Zomato, and Byju's to the billion-dollar club. Bengaluru has the third highest number of tech startups among global cities, the report said. The first two are Silicon Valley and London. India continues to hold its position as the third largest Startup ecosystem, with 1,200 tech startups emerging in 2018, taking the total to between 7,200 and 7,700.

The first two are the US and UK. The report said the ecosystem created more than 40,000 direct jobs in 2018, taking the total employment in the segment to 1.6-1.7 lakh. Another 4-5 lakh are estimated to be employed indirectly. The increase in Indian unicorns this year can be attributed to the sharp upswing in late stage funding. Series C, D, E and F funding saw a 250% increase to $3 billion between Jan-Sep this year, from $847 million in the same period in 2017. Ghosh, however, noted that there's been a continuous decline in seed stage funding. "If you fail at the seed stage, innovation is hit.

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Source: Times of India October 26, 2018.

Warehouse Demand Goes Up With E-Commerce Growth

The growing customer base for various e-commerce services has resulted in a spike in demand for the warehousing space in the city. According to a report published by Vestian Global, a workplace solution firm, Bengaluru's warehousing sector has witnessed a gradual yet perceptible shift towards an organised market.

"Warehousing sector is gaining momentum in the last few years across the key metros, owing to favourable government initiatives and increasing ease of doing business in India. The advent and subsequent rapid growth of the e-commerce industry have lent a substantial boost to the sector in the city," said the report.

In 2017, the warehousing transaction volume in Bengaluru registered a strong growth and was recorded at 2.1 million sqft as compared with 1.1 million sqft in 2016. The first half of 2018 saw a number of large-scale transactions as well. Majority of demand for the warehousing space was from the e-commerce sector, followed by other sectors such as third-party logistics and FMCG firms.

"With industry-supportive initiatives like the grant of infrastructure status and the implementation of GST, the sector is expected to move ahead at a faster pace," cited the report. The average warehousing rentals in the city vary, between ` 14/sq. ft. per month and ` 22/sq. ft. per month. The warehousing clusters in the eastern and the north-western corridors are home to large occupiers from the e-commerce segment such as Amazon, Flipkart, Myntra and Decathlon.

Amongst the notable transactions during the year, mention can be made of e-commerce major Flipkart leasing 1,70,000 sq. ft. of warehousing space, while Reliance Retail took up warehousing space of approximately 4,42,000 sq. ft.

Cashing in on the opportunity city-based developers have forayed into the warehousing and logistics sector. While Embassy Group announced plans to invest around $1 billion in the next 3-4 years through Embassy Industrial Parks - a joint venture with global private equity firm Warburg Pincus, others such as Brigade and Prestige Groups have implied interest as well.

Source: Indian Express October 23, 2018

E-vehicle Charging Points in Bengaluru High-Rise Buildings?

High-rise buildings like apartment blocks and commercial complexes could soon be asked to install electric-vehicle charging points if the Bangalore Electricity Supply Company (BESCOM) has its way.

The electricity distribution utility, which launched its second electric vehicle charging point in the premises of the Karnataka Electricity Regulatory Commission at Millers road, will send a proposal to the KERC to implement this move.

BESCOM already operates a charging station with two fast chargers and a slow charger at its Corporate offices at KR Circle. In six months, the company is targeting to commission 11 points across the city. However, if the proposal by BESCOM comes through, it could be a game changer for the electric vehicle industry in the city which has traditionally seen low adoption due to lack of charging infrastructure.

"We will send a proposal to Urban Development Department through KERC to make provisions for electrical points to charge electric vehicles in high rise buildings," said BESCOM Managing Director C Shikha at the launch of the charging point. KERC has spoken in support of electric vehicles and had even fixed a separate tariff for these points.

KERC Chairman M K Shankarlinge Gowda on Monday reiterated his support for electric vehicles and said, "When rates of fossil fuels become high, electric vehicles will be the future." He also reacted positively to BESCOM's proposal, a statement from the company said.

Only 1,400 electric vehicles were sold across the state in 2017-18 according to industry body Society of Manufacturers of Electric Vehicles. Out of this number, only 250 are cars.

Source: Indian Express October 16, 2018

Opening up of First Two Bengaluru Metro Lines of Phase-II Pushed To 2020

Two lines of Metro Phase-II proposed from Mysuru Road to Kengeri (Reach 2) and Yelachenahalli to Anjapura Township (Reach 4) will become operational by 2020, said Bangalore Metro Rail Corporation Managing Director Ajay Seth pushing the deadline considerably for these two stretches. The initial deadline fixed by BMRCL for these routes was March 2019.

Briefing newspersons after the inauguration of 6-coach Metro train by Chief Minister H D Kumaraswamy from Kempe Gowda Metro station, Seth said, "The civil works will be ready by April for the Kanakapura stretch (Reach 4). Both lines will be ready by 2020." He refused to give a specific month when it could become operational.

Asked if the financial turmoil experienced at IL & FS Engineering Construction Company could impact Phase-II works, Seth said that the group has completed 75% of the work on the Mysuru Road stretch earmarked for it. Regarding its participation in the Outer Ring Road, Seth said, "We have not yet finalised the tender. We are clearly examining it and an informed decision will be taken."

The MD also announced that the next six-car coach will be put into operations by October-end. "We have already received a three-car set from BEML for it. In November, we will have three more six-car trains ready for operations," he said.

Asked about when six car coaches will be introduced on the Green Line (Nagasandra to Yelachenahalli), the MD said that after 5 to 6 trains are launched on the Purple Line, the first six-car can run on the Green Line. "It is likely to happen in December or January next year," he said. Elaborating Seth said that the maximum load was on Purple Line. "Between 9.30 am and10.30 am, 19,400 passengers travel on the East-West Line but only 9,700 travel on the North-South Line," he added

Source: Indian Express October 5, 2018

AGRICULTURE AND FOOD PROCESSING

IMPORTANT DEVELOPMENTS AND MAJOR ACHIEVEMENTS DURING THE MONTH OF OCTOBER, 2018

1. New initiative:

Continuing its unstinted efforts to ensure safe and wholesome food for every citizen of the country, FSSAI under the Ministry of Health and Family Welfare at the Centre and the Food Safety Commissioners in the State, is leading a massive mobilization drive through the largest ever Pan India Cycle Rally - the Swasth Bharat Yatra. Driven by passion and a clear vision, the mission of Swasth Bharat Yatra is to connect a country of 130 crore citizens physically and in thought, bringing alive Mahatma Gandhi's dream of a healthier India to commemorate his 150th birth anniversary. This yatra aims to build awareness around food safety, combating food adulteration and healthy diets to make this a household habit and culture. On occasion of the World Food Day (16th October 2018), the Swasth Bharat Yatra was launched simultaneously at Leh (in Jammu & Kashmir), Panaji (in Goa), Thiruvananthapuram (in Kerala), Puducherry, Ranchi (in Jharkhand) and Agarthala (in Tripura). The kick-off event was a 'prabhat pheri' at all these locations with people from a wide cross section of society including children, NCC cadets, NSS volunteers etc. participating. After day-long activities in these cities, 150 volunteer-cyclists (at least 25 from each location) along with a convoy of vehicles for education, awareness and safety would be flagged from these remote locations. After cycling for over 100 days and covering about 2000 locations, the Eat Right Convoys along with cyclists will reach New Delhi in the last week of January, where a massive outreach programme is planned in Delhi NCR region. Altogether, about 7500 cyclists are expected to participate and they together will cover a distance of over 18,000 km. They will cycle about 50 km or more moving from one city to another in a relay format. Thousands of other cyclists are likely to join for shorter distances and lakhs of people will directly participate in various activities including 'prabhat pheris' across the country. This would not only mobilize the masses but also create a large pool of local community champions to sustain the movement. Along with this, 'Eat Right' melas, 'Eat Right' conventions and a national poster competition are planned with a view to amplify and deepen engagement with various stakeholders, particularly with our young people.

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2. Ongoing efforts in focus Areas:

a) Notification issued regarding Recruitments and Appointments in FSSAI.

b) As an endeavor to promote the latest approaches in microbiological sampling, testing and statistical interpretation, FSSAI, ICMSF(International Commission on Microbiological

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ECONOMIC AND CORPORATE AFFAIRS

Press Information Bureau
Ministry of Corporate Affairs
New Delhi

9th October 2018

Competition Commission of India Amends the Combination Regulations

The Competition Commission of India (CCI), in continuation of its efforts towards simplifying and providing greater clarity on the application of the combination provisions of the Act and the Combination Regulations, has further amended the Combination Regulations on 09th October 2018. This amendment inter alia provides certainty & transparency and expedites faster disposal of combination cases before CCI.

The provisions of the Competition Act, 2002 ("Act") relating to the regulation of combinations as well as the Combination Regulations have been in force with effect from 1st June 2011.

A key change brought about by the present amendments is that the parties to combinations can now submit remedies voluntarily in response to the notice issued under Section 29(1) of the Act. If such remedies are considered sufficient to address the perceived competition harm, the combination can be approved. This amendment is expected to expedite disposal of such combination cases.

In another significant amendment, where the notice is found to exhibit significant information gaps, parties to combinations are allowed to withdraw the notice and refile the same. With this amendment, the parties could address the deficiencies without facing an invalidation by CCI. Further, fee already paid in respect of such notice shall be adjusted against the fee payable in respect of new notice, if the refiling is done within a period of 3 months.

Apart from these, certain consequential and other clarificatory changes have also been made in the Combination Regulations.

A copy of the amendment is available on the website of the Commission: www.cci.gov.in

Incorporation of Limited Liability Partnership (LLP) Through a Complete Online System Made a Reality

Today, one can start business by incorporating a company through an on-line process without visiting any Government office. This was achieved in January, 2016 by establishing Central Registry Centre (CRC) for on-line incorporation of the company and reserving its unique name. Two on-line forms that were introduced for the purpose, are Simplified Proforma for Incorporating Company Electronically (SPICe) and Reserve Unique Name (RUN). Today, as part of online process for company incorporation, PAN and TAN are issued on near real time basis by integrating online process with the department of Income Tax. Through process re-engineering, DIN is also allotted to the individuals at the time of their appointment as Director in the Company. Every week, 2700 number of companies are incorporated through online company incorporation system.

Ministry of Corporate Affairs has thus contributed significantly towards 'Ease of Doing Business' in the country as today, a company can be incorporated in less than two days along with allotment of PAN, TAN, DIN and Unique Name through the online process. Our endeavours is that very soon, this entire process doesn't take more than one day.

Today, Ministry of Corporate Affairs has launched another process re-engineering by making incorporation of Limited Liability Partnership (LLP) through a complete online system. From today onwards through a web service titled "RUN-LLP (Reserve Unique Name – Limited Liability Partnership)". Name can also be allotted to LLP through an e-form titled "FiLiP (Form for incorporation of Limited Liability Partnership).

The Limited Liability Partnership Rules have been amended on 18th September 2018 which would come into effect from 02nd October 2018. The said amendment rules contain changes as detailed below:

(i) Introduction of a Web Service titled 'RUN-LLP (Reserve Unique Name – Limited Liability Partnership)' replacing the erstwhile Form 1 (Application for reservation or change of name).

(ii) Introduction of a new integrated Form christened FiLLiP (Form for incorporation of Limited Liability Partnership) replacing the erstwhile Form 2 (Incorporation document and subscriber's statement) combining therein 3 services i.e.,

a) Name reservation.
b) Allotment of Designated Partner Identification Number (DPIN/DIN).
c) Incorporation of the LLP.

Insolvency Law Committee Submits Its 2nd Report On Cross Border Insolvency

The Insolvency Law Committee (ILC) constituted by the Ministry of Corporate Affairs to recommend amendments to Insolvency and Bankruptcy Code of India, 2016, has submitted its 2nd Report to the Government, which deals with cross border insolvency. The Report was handed over today to Shri Arun Jaitley, Minister of Finance and Corporate Affairs by Corporate Affairs Secretary, Shri Injeti Srinivas.

The ILC has recommended the adoption of the UNCITRAL Model Law of Cross Border Insolvency, 1997, as it provides for a comprehensive framework to deal with cross border insolvency issues. The Committee has also recommended a few carve outs to ensure that there is no inconsistency between the domestic insolvency framework and the proposed Cross Border Insolvency Framework.

The UNCITRAL Model Law has been adopted in as many as 44 countries and, therefore, forms part of international best practices in dealing with cross border insolvency issues. The advantages of the model law are the precedence given to domestic proceedings and protection of public interest. The other advantages include greater confidence generation among foreign investors, adequate flexibility for seamless integration with the domestic Insolvency Law and a robust mechanism for international cooperation.

The model law deals with four major principles of cross-border insolvency, namely direct access to foreign insolvency professionals and foreign creditors to participate in or commence domestic insolvency proceedings against a defaulting debtor; recognition of foreign proceedings & provision of remedies; cooperation between domestic and foreign courts & domestic and foreign insolvency practioners; and coordination between two or more concurrent insolvency proceedings in different countries. The main proceeding is determined by the concept of centre of main interest ("COMI").

The necessity of having Cross Border Insolvency Framework under the Insolvency and Bankruptcy Code arises from the fact that many Indian companies have a global footprint and many foreign companies have presence in multiple countries including India. Although the proposed Framework for Cross Border Insolvency will enable us to deal with Indian companies having foreign assets and vice versa, it still does not provide for a framework for dealing with enterprise groups, which is still work in progress with UNCITRAL and other international bodies. The inclusion of the Cross Border Insolvency Chapter in the Insolvency and Bankruptcy Code of India, 2016, will be a major step forward and will bring Indian Insolvency Law on a par with that of matured jurisdictions.

IBBI Notifies Insolvency and Bankruptcy Board of India (Mechanism For Issuing Regulations) Regulations, 2018

The Insolvency and Bankruptcy Code, 2016 (Code) is a modern economic legislation. Section 240 of the Code empowers the Insolvency and Bankruptcy Board of India (IBBI) to make regulations subject to the conditions that the regulations: (a) carry out the provisions of the Code, (b) are consistent with the Code and the rules made thereunder; (c) are made by a notification published in the official gazette; and (d) are laid, as soon as possible, before each House of Parliament for 30 days.

Given the importance of subordinate legislations for the various processes under the Code, it is essential that the IBBI has a structured, robust mechanism, which includes effective engagement with the stakeholders, for making regulations. Section 196 (1) (s) of the Code requires the IBBI to specify mechanisms for issuing regulations, including the conduct of public consultation processes, before notification of regulations. In sync with this philosophy and the statutory requirement, the IBBI notified the Insolvency and Bankruptcy Board of India (Mechanism for Issuing Regulations) Regulations, 2018 (Issuing Regulations) to govern the process of making regulations and consulting the public.

The Issuing Regulations provide that for the purpose of making or amending any regulations, the IBBI shall upload the following, with the approval of the Governing Board, on its website seeking comments from the public-

- draft of proposed regulations;
- the specific provision of the Code under which the Board proposes regulations;
- a statement of the problem that the proposed regulation seeks to address;
- an economic analysis of the proposed regulations;
- a statement carrying norms advocated by international standard setting agencies and the international best practices, if any, relevant to the proposed regulation;
- the manner of implementation of the proposed regulations; and
- the manner, process and timelines for receiving comments from the public

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FINANCE

Press Information Bureau
Ministry of Finance
New Delhi

Oct 12, 2018

Clarification on Sanction of GST Refunds

It has been noticed that unverified reports of pending GST refunds on account of exports are published in the print media by trade bodies. These figures being put out in the public domain are exaggerated and thus inaccurate. It is a fact that a large number of exporters have been granted refunds so far while a few claims are still pending owing to deficiencies found in the claims.

In this regard, it is clarified that about 92.68% (Rs 38,824 crore) of the total IGST refund claims (Rs. 41,889 crore) transmitted to Customs from GSTN as on date have already been disposed. The remaining claims amounting to Rs. 3065 crores are held up on account of various deficiencies which have been communicated to exporters for remedial action.

In the case of RFD-01A (ITC Refund) claims with Centre and States, the pendency as on date is only Rs 2,077 Crore. Out of the refund claims of Rs. 39,372 Crore received, provisional/final order has been issued in case of refunds amounting to Rs. 32,345 Crore. In claims amounting to Rs. 4,951 Crore, deficiency memos have been issued. Thus, actual pendency is far less than is being put out for the knowledge of the public. The overall disposal of GST refunds is Rs 71,169 Crore till date. Refund claims without any deficiency are being cleared expeditiously.

Efforts are being made continuously to clear all the dues on account of pending refund claims. Co-operation of the exporter community is solicited to ensure that they exercise due diligence while filing GSTR 1 and GSTR 3B returns as well as Shipping Bills.

Extensive outreach programmes have been conducted along with issuance of guidance circulars, advisories, FAQs, advertisements etc. and also an alternative procedure involving manual interface has been provided where the errors could not be corrected online. The efforts are beginning to show positive results. The exporting community is assured that all their eligible refund claims will be sanctioned without any delay. Further, the export bodies are also requested to put out only verified figures in their press communication as unsubstantiated reports cause needless alarm amongst the exporters.

CBDT Releases Direct Tax Statistics

Continuing the practice of placing key statistics relating to direct tax collections and administration in public domain, the Central Board of Direct Taxes (CBDT) has further released time-series data as updated up to FY 2017-18 and income-distribution data for AY 2016-17 and AY 2017-18. The key highlights of these statistics are as under:

i. There is a constant growth in direct tax-GDP ratio over last three years and the ratio of 5.98% in FY 2017-18 is the best DT-GDP ratio in last 10 years.

ii. There is a growth of more than 80% in the number of returns filed in the last four financial years from 3.79 crore in FY 2013-14 (base year) to 6.85 crore in FY 2017-18.

iii. The number of persons filing return of income has also increased by about 65%during this period from 3.31 crore in FY 2013-14 to 5.44 crore in FY 2017-18.

There has been continuous increase in the amount of income declared in the returns filed by all categories of taxpayers over the last three Assessment Years (AYs). For AY 2014-15, corresponding to FY 2013-14 (base year), the return filers had declared gross total income of Rs.26.92 lakh crore, which has increased by 67% to Rs.44.88 lakh crore for AY 2017-18, showing higher level of compliance resulting from various legislative and administrative measures taken by the Government, including effective enforcement measures against tax evasion.

The total number of taxpayers (including corporates, firms, HUFs, etc.) showing income of above Rs. 1 crore has also registered sharp increase over the three-year horizon. While 88,649 taxpayers disclosed income above Rs. 1 crore in AY 2014-15, the figure was 1,40,139 for AY 2017-18 (growth of about 60%). Similarly, the number of individual taxpayers disclosing income above Rs. 1 crore increased during the period under reference from 48,416 to 81,344, which translates into a growth of 68%.

The average tax paid by corporate taxpayers has increased from Rs.32.28 lakh in AY 2014-15 to Rs.49.95 lakh in AY 2017-18 (growth of 55%). There is also an increase of 26% in the average tax paid by individual taxpayers from Rs. 46,377/- in AY 2014-15 to Rs. 58,576/- in AY 2017-18.

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CGST Council – Journey so far; GST Council met 30 times, took 918 decisions since its Constitution

Till date, the Goods and Services Tax (GST) Council has taken 918 decisions related to GST laws, rules, rates, compensation and taxation threshold etc. More than 96% of the decisions have already been implemented through 294 Notifications issued by the Central Government and the remaining are under various stages of implementation. Almost equal number of corresponding SGST Notifications have been issued by each State.

The GST Council Members under the Chairpersonship of the Union Finance Minister have spent long hours discussing the broad contours as well as the nitty gritty of the new GST regime in a harmonious and collaborative spirit. Till now, 30 GST Council Meetings have taken place. Detailed Agenda Notes were prepared before every GST Council Meeting and discussed in the preparatory Officer's Meeting to enable the Council Members to fully appreciate the issues under consideration. The Detailed Agenda Notes for the 30 GST Council Meetings ran into 4730 pages. The discussions in the GST Council were very detailed, reflecting the collective wisdom of the Council and this has been captured exhaustively in the Minutes of the 30 Council Meetings running into 1394 pages.

The GST Council was constituted on 15th September 2016 under Article 279A of the Constitution. It consists of the Union Finance Minister (Chairperson), Union Minister of State in charge of the Revenue or Finance and the Minister in charge of Finance or Taxation or any other Minister nominated by each State Government. Union Revenue Secretary is the ex-officio Secretary to the GST Council. The working of GST Council has ushered in a New Phase of Cooperative Federalism where the Central and the State Governments work together to take collective decisions on all issues relating to Indirect Tax regime of the country.

FINANCE

प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई 400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S. Marg, Mumbai 400001
फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 2270 3279

वेबसाइट : www.rbi.org.in/hindi
Website : www.rbi.org.in
ई-मेल email: helpdoc@rbi.org.in

Fourth Bi-monthly Monetary Policy Statement, 2018-19
Resolution of the Monetary Policy Committee (MPC)
Reserve Bank of India

On the basis of an assessment of the current and evolving macroeconomic situation at its meeting today, the Monetary Policy Committee (MPC) decided to:

• keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.5 per cent.

Consequently, the reverse repo rate under the LAF remains at 6.25 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 6.75 per cent.
The decision of the MPC is consistent with the stance of calibrated tightening of monetary policy in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth. The main considerations underlying the decision are set out in the statement below.

Assessment

2. Since the last MPC meeting in August 2018, global economic activity has remained resilient in spite of ongoing trade tensions, but is becoming uneven and the outlook is clouded by several uncertainties. Among advanced economies (AEs), the United States (US) economy appeared to have sustained pace in Q3:2018 as reflected in strong retail sales and robust industrial activity. In the Euro area, economic activity remained subdued due to overall weak economic sentiment, weighed down mainly by political uncertainty. The Japanese economy has so far maintained the momentum of the previous quarter, buoyed by recovering industrial production and strong business optimism.

3. Economic activity in major emerging market economies (EMEs) has been facing headwinds from both global and country-specific factors. In China, industrial production growth has moderated with slowing exports and the ongoing deleveraging of the financial system weighing on growth prospects. The Russian economy has been gathering steam with the

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4. Growth in global trade is weakening as reflected in export orders and automobile production and sales. Crude oil prices eased during the first half of August on concerns of reduced demand from EMEs due mainly to the spillover from country-specific turmoil, and

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Chart 1: Quarterly Projection of CPI Inflation (y-o-y)

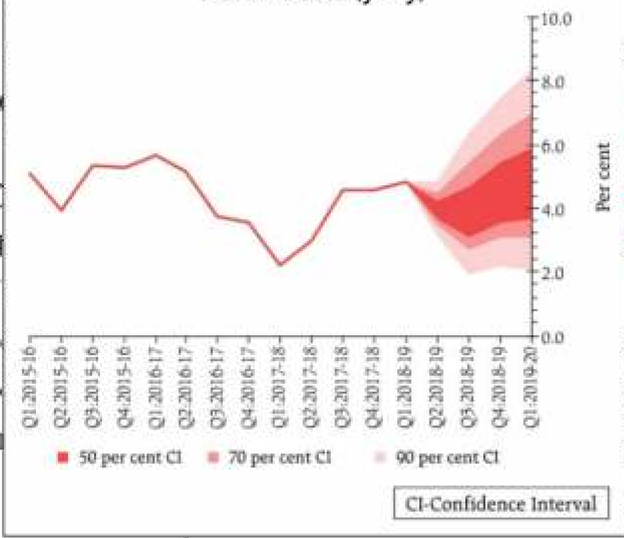
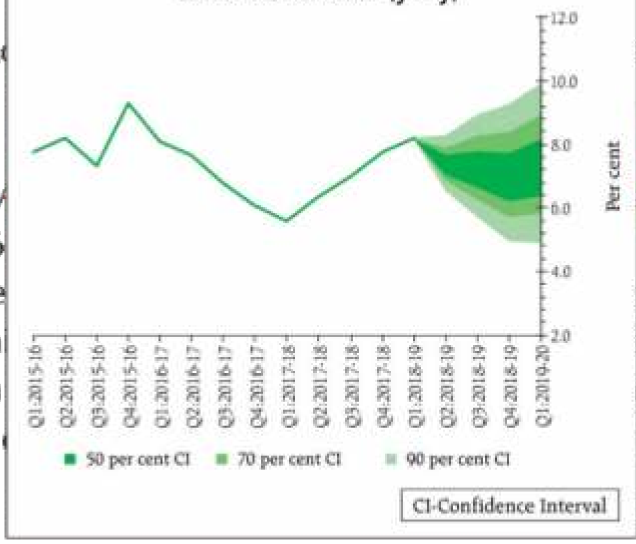


Chart 2: Quarterly Projection of Real GDP Growth (y-o-y)



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Press Information Bureau
Ministry of Commerce & Industry
New Delhi

Vision of a USD 5 Trillion Indian Economy

The Working Group tasked to develop a roadmap towards achieving a 5 trillion-dollar economy by 2025has prepared its report and it is being circulated to the stakeholders for further suggestions. The Working Group was constituted by the Department of Industrial Policy and Promotion in the Ministry of Commerce and Industry with participation from government and industry. The Group held extensive and broad-based consultations with stakeholders to better understand the aspirations and the potential. The sectoral sub-groups were also formed to take the task forward.

India is one of the fastest growing major economies and is currently ranked as the world's sixth largest economy. Projections of growth, over the medium term, remain encouraging and optimistic for India. The underlying strengths are indicative of the potential of India to achieve a USD 5 trillion economy by 2025. The current structure of the economy and the emerging dynamics provide us grounds to target achieving 1 trillion-dollar rom agriculture and allied activities, 1 trillion from manufacturing and 3 trillion from services.

The Government has several ongoing initiatives across sectors focused on growth. In agriculture the Government is aiming to reorient policy focus from being production-centric to becoming income-centric. The emphasis on incomes provides a broader scope towards achieving the needed expansion of the sector. The proposed Industrial Policy 2018 provides an overarching, sector-agnostic agenda for the enterprises of the future and envisions creating a globally competitive Indian industry that is modern, sustainable and inclusive.

The Champion Services sector initiative is also under way to accelerate the expansion of select service sectors. The Working Group has accounted for these initiatives and encourages a fresh impetus to achieve the target of a five trillion economy.

Online portal for Grant of Industrial Entrepreneurs' Memorandum and Industrial Licence

Department of Industrial Policy and Promotion (DIPP) has developed a new online portal for facilitating filing of online applications for Industrial Entrepreneurs' Memorandum (IEM) and Industrial Licence (IL) under Arms Act as well as Industries (Development & Regulation) [I(D&R)] Act, 1951 at https://services.dipp.gov.in.

This portal will be available for public with effect from 16th October 2018 for filing application and no applications shall be received through E-biz portal or in physical form either under I(D&R) Act or Arms Act 1959.

Applications for IEM and IL under I(D&R) Act, 1951 are currently accepted through E-biz portal whereas applications for manufacture of defence items under Arms Act are received physically.

Cabinet Approves Scheme for Setting Up of Indian Institute of Skills at Different Locations Across the Country in PPP Modes

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the for setting up of Indian Institute of Skills(IISs) at different locations across the country in Public Private Partnership (PPP), which will be explored for promotion of IIS at select locations based on demand and available infrastructure.

Benefits:

The setting up of IISs shall augment the global competitiveness of key sectors of Indian economy by providing high quality skill training, applied research education and a direct and meaningful connection with industry. It will provide opportunity to aspiring youth across the country to have access to highly skilled training, and enhance the scope of accountability through its linkage with industry and global competitiveness across sectors.

By leveraging advantages of private sector enterprise and public capital in terms of Government land, it would create new institutes of expertise, knowledge and competitiveness.