



NEWS ALERT



UPDATES:

The **foreign trade policy**, which will be unveiled on Thursday, is expected to announce incentives for export of labour intensive products, to identified markets and a relaxation in service industry's obligation to export under a scheme that allows import of machinery at lower duty.

The department of posts has offered its help to the **Unique Identification Database Authority of India (UIDAI)** in verifying the data of citizens that will help the authority to issue unique identification numbers to Indian residents. The department has a huge database of over 20 crore savings bank account holders all over the country. This would come in handy when UIDAI starts the citizen verification process, especially in the rural areas.

With various segments of the industry showing signs of recovery, a CII-Ascon survey on Sunday said the country's economic growth could go up to 7% during 2009-10 against 6.7% in the previous fiscal.

Private sector banks are opting for **soft-touch loan collection strategies**, after having faced public censure a few years ago for using heavy handed tactics to recover loans. One of these includes approaching the employer of a customer who has defaulted on a retail loan to act as an intermediary between the bank and the client. Country's second largest lender, ICICI Bank, and the third largest private sector lender Axis Bank, have adopted this practice which enables them to simultaneously touch all defaulters who share an employer.

Disinvestment Update

The Finance Ministry plans to put a cap on the equity stake state-run firms can sell in one go, hoping it will fetch better returns than big ticket sales. The move to discourage big-bang public floats is expected to ensure that there is enough liquidity and appetite in the market for a flurry of issues expected if the government clears a proposal for minimum 25% public holding in all listed companies.

10%
Cap on govt
equity that
can be divested
at a time

15%
Cap on fresh
equity that can
be issued in
one go