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Economy

NREGS may get Rs 28,000 cr more, over and above budgeted Rs 60,000 cr

The finance ministry could allocate about ₹28,000 crore more for the rural job guarantee scheme this fiscal year, topping the budgeted ₹60,000 crore, in the first batch of supplementary demands for grants, as work demand under the scheme has beaten initial projections, a person aware of the details said. About 95% of the FY24 budgetary allocation has already been released to meet increased expenditure under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). "In the pre-budget meeting earlier this month, the finance ministry got a request from the rural development ministry for additional funds for MGNREGS. And it was decided that an additional ₹28,000 crore or thereabouts would be granted. This should take care of the increased requirement this fiscal," the person told ET.

<https://economictimes.indiatimes.com/news/economy/policy/nregs-may-get-rs-28000-cr-more-over-and-above-budgeted-rs-60000-cr/articleshow/104632995.cms>

Need to be patient in gliding inflation to target... accept 4-5% rate for now: RBI's monetary policy committee member Jayanth R Varma

RBI's monetary policy committee member Jayanth R Varma said the panel needs to be patient when it comes to bringing inflation down to its target of 4%, as efforts aimed at a quicker reduction could hit GDP growth. In an interview with Bhaskar Dutta, he said the MPC should be willing to accept inflation in the 4-5% range for several quarters to prevent growth from being derailed. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/policy/need-to-be-patient-in-gliding-inflation-to-target-accept-4-5-rate-for-now-rbis-monetary-policy-committee-member-jayanth-r-varma/articleshow/104633457.cms>

Centre working on plan to assess vulnerability of all glacial lakes: Sources

In collaboration with the states, the Centre will reassess the vulnerability of all glacial lakes in the country through ground surveys and establish a monitoring system to disseminate information about potential glacial lake outburst floods (GLOFs), according to government sources. This decision follows the devastating floods caused by the Lhonak lake outburst in Sikkim due to heavy rains earlier this month. It resulted in at least 60 fatalities and extensive damage in Mangan, Gangtok, Pakyong, and Namchi districts. It also led to the destruction of the Chungthang dam, also known as Teesta III dam, a vital component of a major hydropower project in the state.

<https://economictimes.indiatimes.com/news/economy/policy/centre-working-on-plan-to-assess-vulnerability-of-all-glacial-lakes-sources/articleshow/104624798.cms>

Banking and Finance

Govt may infuse capital in PSU general insurers in Q4 based on performance

Finance Ministry would consider capital infusion in three loss-making public sector general insurance companies based on their financial performance of nine months. The infusion if required would be made in the fourth quarter of the current financial year, sources said. According to sources, the finance ministry last year asked three insurers - National Insurance Company Limited, Oriental Insurance Company Limited and United India Insurance Company --

to chase bottom lines rather than topline and underwrite only good proposals. The financial review would give some idea about the impact of restructuring initiated on the profitability numbers and the solvency margin, sources said. The solvency margin is the extra capital the companies must hold over and above the claim amounts they are likely to incur. It acts as a financial backup in extreme situations, enabling the company to settle all claims.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/govt-may-infuse-capital-in-psu-general-insurers-in-q4-based-on-performance/articleshow/104628361.cms>

MNCs may face Rs 11,000 cr retro tax demand after SC ruling

Several multinational companies headquartered in the Netherlands, Switzerland and France could be staring at retrospective tax demands for close to ₹11,000 crore on dividend income repatriated from India, following a Supreme Court ruling last week. The Supreme Court said on Thursday that the lower 5% withholding tax on dividend income of companies was not available to all Organisation for Economic Co-operation and Development (OECD) countries merely on the most favoured nation (MFN) basis. The apex court held that the 5% rate would be available only to companies based in countries with which India had notified a double taxation avoidance agreement (DTAA) allowing it. In the absence of this, companies have to pay 10% tax on dividend income.

<https://economictimes.indiatimes.com/news/company/corporate-trends/mncs-may-face-rs-11000-cr-retro-tax-demand-after-sc-ruling/articleshow/104636842.cms>

Industry

MCA's collaborative workshops with India Inc to begin soon

Corporate Affairs Ministry (MCA) will shortly roll out series of webinars and in-person interactions with Corporate India and professionals as part of efforts to identify and bridge regulatory gaps, if any, a top official said. "We will have discussions on each and every Act under the Ministry. We will have discussions with stakeholders to see if there are any regulatory gaps or are there some sort of overreach", Anuradha Thakur, Additional Secretary, MCA and Director-Serious Frauds Investigation Office (SFIO) said during a webinar on the "Future of Corporate Governance: Insights & Perspectives", organised by Corporate Professionals. Thakur highlighted that corporate governance is the backbone of any sustainable and ethical business and economy as a whole.

<https://www.thehindubusinessline.com/economy/mcas-collaborative-workshops-with-india-inc-to-begin-soon/article67449646.ece>

September turns out to be a challenging quarter for Indian FMCG players

The September quarter turned out to be challenging for India's FMCG industry amid lukewarm consumer demand and a fall in rural consumption. Sticky food inflation and uneven rains in some regions hurt demand during the quarter. Rural demand has continued to be sluggish, and some green shoots, which were visible in the preceding June quarter, seem to have fizzed out in the wake of adverse conditions. In their September quarter earnings commentaries, top FMCG companies like HUL, ITC and Nestle flagged worry over uneven rains, the impact of crop output and rising prices of some commodities (wheat, maida, sugar, potato, coffee, etc).

<https://economictimes.indiatimes.com/industry/cons-products/fmcm/september-turns-out-to-be-a-challenging-quarter-for-indian-fmcm-players/articleshow/104622996.cms>

Early birds' Q2 profit soars, revenue growth slowest in 11 quarters

The combined net profit of "early bird" companies, those that have declared their quarterly results, rose for the third consecutive quarter in July-September 2023 (Q2FY24). But the figures suggest a continued slowdown in revenue growth and stagnation in earnings over recent quarters.

https://www.business-standard.com/companies/results/early-bird-numbers-hint-at-a-slowdown-in-corporate-profits-and-revenues-123102200727_1.html

Powering up: India takes 'standardised' road to charge up electric vehicles

In response to the burgeoning electric vehicle (EV) sector in India, the government is preparing to introduce a standardised charging protocol, Business Standard has learnt. This move is a reaction to concerns voiced by major industry stakeholders about the absence of uniformity in charging infrastructure, which has resulted in

interoperability issues. "The objective is to establish uniform standards for the entire EV industry," a senior government official said.

https://www.business-standard.com/industry/auto/with-expansion-of-ev-sector-in-india-standardisation-of-chargers-on-cards-123102200414_1.html

IT firms give campus hiring a miss for FY25 amid macro uncertainties

Campus hiring has turned very feeble as Indian information-technology (IT) services companies battle macro uncertainties. While the number hired in FY24 is at an all-time low, IT majors are not hitting the campus to give job offers for FY25 either. Experts say many are giving the ongoing placement season at tech universities a miss and may look at visiting campuses only after the January-March quarter.

https://www.business-standard.com/industry/news/slowdown-in-it-services-growth-impact-fy25-campus-hiring-scenario-123102200508_1.html

Infrastructure

Govt eyes shift to BOT as private cos show interest in roads sector

The government will bid out over ₹2 lakh crore worth of road projects on the build-operate-transfer (BOT) model by March 2024, giving a renewed push to the public-private partnership in road construction, road transport and highways minister Nitin Gadkari has said. This shift from the existing emphasis on engineering, procurement, and contract (EPC) model will drive private players to build better quality roads because they have to maintain them for 15 years, Gadkari told Yogima Seth Sharma, Deepshikha Sikarwar and Vinay Pandey in an interview. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/infrastructure/govt-eyes-shift-to-bot-as-private-cos-show-interest-in-roads-sector/articleshow/104633084.cms>

Top five cities see 17 million Sq Ft leased in industrial and warehousing sector Q1-Q3 2023

Industrial and warehousing demand across the top five cities was recorded at 17 mn sq ft of gross leasing in the first three quarters of 2023. Despite a relatively slower growth during H1 2023, leasing activity picked up in Q3 2023, registering a 55% QoQ growth. Pune led the demand during the nine months with a 24% share, closely followed by Mumbai at 23%, both edging ahead of the usual front-runner, Delhi NCR. Overall, Bhiwandi remained the most active micro-market in Mumbai, while Chakan-Talegaon continued to be the preferred market for industrial occupiers in Pune.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/top-five-cities-see-17-million-sq-ft-leased-in-industrial-and-warehousing-sector-q1-q3-2023/articleshow/104637613.cms>

Telecom

Dongles drop out as 4G phones, public WiFi find a connect

After point-and-shoot digital cameras, mp3 players, calculators and torch lights, it's now time to bury the good ol' dongle. These devices, which once helped millions get connected to fast internet when WiFi penetration was low and data prices too steep, are now missing from retail shelves, edged out by the ubiquitous 4G smartphones with their WiFi hotspots and publicly available free WiFi in community areas. A multitude of factors have led to 4G dongles seeing the end of the line, right from data prices crashing to the proliferation of high data usage during the pandemic through home broadband connections, said industry executives and market trackers.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dongles-drop-out-as-4g-phones-public-wifi-find-a-connect/articleshow/104633306.cms>

States

Haryana giving special incentive to farmers to adopt crop diversification

The Haryana government is giving special incentives to farmers for adopting crop diversification, said an official statement here on Sunday. This will not only enhance their income but will also ensure the protection of the environment. The farmers' future centres around crop diversity, it said. In this direction, the state government took the initiative and started its ambitious Mera Pani-Meri Virasat Scheme, under which the key objective is to ensure

water conservation while crop diversification. "This scheme is proving to be very effective, and considering its success, a target of saving 42,480 crore litres of water has been set for the year 2023-24," it said.

<https://economictimes.indiatimes.com/news/economy/agriculture/haryana-giving-special-incentive-to-farmers-to-adopt-crop-diversification/articleshow/104633572.cms>

External

US emerges as India's biggest trading partner during April-September this fiscal; China at second

The US has emerged as India's biggest trading partner during the first half of the current financial year despite global economic uncertainties and declining exports and imports, according to government data. According to the provisional data of the commerce ministry, the bilateral trade between India and the US has declined by 11.3 per cent to USD 59.67 billion during April-September 2023 against USD 67.28 billion in the same period last year. Exports to the US have come down to USD 38.28 billion during April-September 2023 from USD 41.49 billion a year ago. Imports also declined to USD 21.39 billion during the first six months of the current fiscal compared to USD 25.79 billion in the same period last year. Similarly, the two-way trade between India and China also dipped by 3.56 per cent to USD 58.11 billion.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-emerges-as-indias-biggest-trading-partner-during-april-september-this-fiscal-china-at-second/articleshow/104625326.cms>

UK-India FTA raises concerns among British rice millers

A 1 billion (\$1.2 billion) corner of the UK economy is fearing for its future as Britain and India close in on a long-awaited free-trade agreement. British rice millers such as Tilda and Veetee Rice have thrived for decades by importing low-tariff unmilled brown rice from the likes of India and Pakistan and "polishing" the grains into the white product loved by UK consumers. But with India pressing for tariffs on white rice to be slashed, and little feedback from British trade officials, concerns are mounting for an industry that employs more than 3,000 people at 16 mills and processing plants scattered from Kent in southern England to Yorkshire in the north.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/uk-india-fta-raises-concerns-among-british-rice-millers/articleshow/104633495.cms>