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Economy

Govt, industry discuss ways for successful implementation of PLI schemes

Senior government officials and industry players have discussed ways to enhance collaborations and create a clear action plan for successful implementation of PLI schemes, an official statement said on Sunday. Around 1,200 delegates including beneficiary companies under the PLI (production linked incentive) scheme for 14 sectors and officials met on February 3 to discuss and chart out the strategy for effective and seamless implementation of these schemes, the commerce and industry ministry said. Officials from ministries and departments, including NITI Aayog, electronics, IT, telecommunications, heavy industries, renewable energy, and pharmaceuticals, participated in the discussions.

<https://economictimes.indiatimes.com/news/economy/policy/govt-industry-discuss-ways-for-successful-implementation-of-pli-schemes/articleshow/107402574.cms>

Parivesh 2.0 portal to be default platform for all environment clearances

The Ministry of Environment, Forest and Climate Change (MoEFCC) is planning to make its new and upgraded Parivesh 2.0 portal the default online platform for all proposals awaiting environment and forest clearances. The government introduced Parivesh 2.0 (Pro-Active and Responsive Facilitation by Interactive and Virtuous Environmental Single-window Hub) to enhance transparency. This updated version includes features such as mapping employees to project proposals, integrated GIS clearance, and the introduction of a payment gateway, among other modifications. The move to shift all proposals to the new portal comes as over 12,000 proposals seeking forest clearance under the Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980, were stuck in limbo due to technical limitations of the Parivesh 1.0.

https://www.business-standard.com/economy/news/parivesh-2-0-to-be-default-platform-for-all-environment-clearances-124020400439_1.html

Indian economy to grow at 6.7% between fiscals 2024 to 2031: CRISIL

The Indian economy is expected to grow at an average rate of 6.7 per cent per annum until the end of the decade, CRISIL said in its latest report. The economy will grow at this rate between the financial years 2024 to 2031, a notch above the pre-pandemic average of 6.6 per cent. According to CRISIL, the key contributor to this trend will be capital. This is a result of the investment-driven strategy of the government when the private sector was shy of making investments. The government increased capital expenditure significantly to support building expenditure and providing interest-free loans to states to bolster their own investment efforts, the report said.

https://www.business-standard.com/economy/news/indian-economy-to-grow-at-6-7-between-fiscals-2024-to-2031-crisil-124020300374_1.html

Banking and Finance

Bill for NFIR almost ready; likely to be introduced in next session: DEA Secretary

Economic Affairs Secretary Ajay Seth has said that a draft Bill for setting up a National Financial Information Registry (NFIR) is almost ready and it may be introduced in the July session. The objective is to build a public infrastructure for credit-related information and the right information can be made available by the NFIR to lending agencies. "Stakeholder consultations on the draft bill are over now and it is almost ready. We will shortly take it to the Cabinet for its approval but introduction in this session will not be possible," Seth told PTI in an interview.

<https://economictimes.indiatimes.com/news/economy/finance/bill-for-nfir-almost-ready-likely-to-be-introduced-in-next-session-dea-secretary/articleshow/107402268.cms>

Existing taxation structure for corporates very reasonable: Revenue secy

The existing taxation structure for corporates with a 22 per cent tax is "very reasonable" when compared to an economy of the size of India and hence the concessional tax regime which was in force for four years for new manufacturing units was not extended beyond March 2024, Revenue Secretary Sanjay Malhotra said. In an interview with PTI, Malhotra said the Interim Budget 2024-25 provides for continuity in taxation regime and the benefits given to taxpayers in the last years are showing results in the form of huge buoyancy in personal income tax.

https://www.business-standard.com/economy/news/existing-taxation-structure-for-corporates-very-reasonable-revenue-secy-124020400329_1.html

Focus to be on concluding ongoing strategic sales in FY25: DIPAM secretary

The Department of Investment and Public Asset Management (DIPAM) will focus on concluding the ongoing privatisation transactions, like IDBI Bank and BEML, and may not look at any new CPSE for a strategic sale in the next fiscal, a senior official said. DIPAM Secretary Tuhin Kanta Pandey in an interview to PTI said that no specific company is there in the list for Initial Public Offering (IPO) for next fiscal, but there would be share sale offers from subsidiaries of listed CPSEs. Pandey said the combined market capitalisation of central public sector enterprises (CPSEs), banks and insurance companies has grown 500 per cent in past three years from ₹15 lakh crore to ₹58 lakh crore.

<https://www.thehindubusinessline.com/economy/focus-to-be-on-concluding-ongoing-strategic-sales-in-fy25-dipam-secretary/article67810336.ece>

Monetary policy: RBI likely to hold rates for sixth time, shows BS poll

The six-member Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) is expected to maintain a status quo for the sixth consecutive policy review, as all 10 respondents said in a Business Standard poll. The RBI will announce the review of the policy on February 8. After increasing the repo rate by 250 basis points (bps) to 6.5 per cent between May 2022 and February 2023, the MPC hit a pause in the April review of the monetary policy.

https://www.business-standard.com/economy/analysis/rbi-policy-review-mpc-may-hold-rates-for-sixth-time-shows-bs-poll-124020400375_1.html

RBI may continue status-quo on short-term lending rate, say experts

Coming close on the heels of the interim budget which maintained the status quo on policy front, the Reserve Bank is likely to continue with the pause on the short-term lending rate in its upcoming bi-monthly monetary policy this week as retail inflation is still near the higher end of its comfort zone, say experts. It is almost a year since the Reserve Bank has kept the short-term lending rate or repo rate stable at 6.5 per cent. The benchmark interest rate was last raised in February 2023 to 6.5 per cent from 6.25 per cent to contain inflation driven mainly by global developments.

https://www.business-standard.com/economy/news/rbi-may-continue-status-quo-on-short-term-lending-rate-say-experts-124020400319_1.html

SEBI may tighten rules for algo trading

The market regulator may look to regulate algo platforms and make it mandatory for brokers to get approvals for algo strategies used by clients, said two people familiar with the matter. Some platforms that offer algo software and strategies include Tradetron, AlgoBulls, Algobaba and Robo-matic. Both algo platforms and algo strategy providers may have to register with SEBI, similar to an investment adviser or research analyst. An exam may be mandated for algo strategy providers. The returns claims of such providers may have to be substantiated through a Performance Validation Agency (PVA).

<https://www.thehindubusinessline.com/markets/sebi-may-tighten-rules-for-algo-trading/article67810710.ece>

IRDAI plans to remove prior approval norms for listing of shares of insurers

The Insurance Regulatory and Development Authority of India (IRDAI) is proposing to remove the requirement for prior approval for listing of shares of insurers on stock exchanges subject to compliance of specified conditions.

<https://www.thehindubusinessline.com/markets/irdai-plans-to-remove-prior-approval-norms-for-listing-of-shares-of-insurers/article67810676.ece>

Industry

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https://www.business-standard.com/industry/news/govt-industry-discuss-ways-for-successful-implementation-of-pli-schemes-124020400376_1.html

FMCG firms report single-digit volume growth with better margin in Dec qtr

Fast-moving consumer goods (FMCG) companies have reported single-digit volume growth with improved margins in most segments during December quarter, helped by moderating commodity inflation, though operating environment remained challenging. Some of the companies also reported a decline in their topline numbers, as they extended the benefits of softening commodity prices to the consumer by lowering the prices, which had a bearing on their gross sales numbers.

https://www.business-standard.com/industry/news/fmcg-firms-report-single-digit-volume-growth-with-better-margin-in-dec-qtr-124020400282_1.html

Smartphones may get costlier from next quarter

Smartphones may become costlier from the June quarter onwards due to rising memory chip prices and strengthening of the Chinese yuan. The increase may, however, be partially offset by recent import duty cuts on mobile phone parts ahead of the interim budget, industry executives said. There is an upward trend in DRAM (memory chips) prices, with two key suppliers - Samsung and Micron - expected to implement a 15-20% price increase in the March quarter, said market researcher Trendforce. This is largely due to tighter supply of DRAM in 2024, following accelerated adoption of artificial intelligence and high-performance computing, along with a gradual recovery in smartphone and PC markets, it added.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphones-may-get-costlier-from-next-quarter/articleshow/107407431.cms>

Being fintech or tech firm doesn't absolve it of regulatory oversight: MoS

Union Minister of State for Electronics and Information Technology Rajeev Chandrasekhar on Saturday stated that a sectoral regulator has the absolute authority to take action within their sector, and being a fintech or a technology company doesn't absolve them of regulatory oversight. "A sectoral regulator has absolute authority to regulate every firm that is a regulated entity within the sector. The Reserve Bank of India (RBI) has done so and it is within their purview. Being a fintech or a tech company doesn't absolve anybody from regulatory oversight," said Chandrasekhar on the sidelines of an event in Delhi.

https://www.business-standard.com/companies/news/being-fintech-or-tech-firm-doesn-t-absolve-it-of-regulatory-oversight-mos-124020301168_1.html

Energy

India plans to spend 44 per cent more on projects through green bonds

India plans to spend nearly 44% more on green projects and schemes in the next fiscal year using sovereign bond proceeds, a senior official said. This underscores the government's efforts to accelerate financing of clean energy projects, aimed at reducing the country's carbon footprint and contributing to its ambitious 2070 net zero emissions

target. According to the expenditure plan prepared by the finance ministry for FY25, the government is looking to fund green projects and schemes worth ₹32,062 crore, compared to ₹22,324 crore this fiscal, the official told ET. The funding requirement has been prepared based on proposals submitted by various ministries. While the exact quantum of green bonds that will be issued in the next fiscal will be determined when the government finalises its borrowing calendar, given the higher funding needs, it may issue such papers worth ₹25,000-30,000 crore in FY25, up from ₹20,000 crore this year, the official said.

<https://economictimes.indiatimes.com/industry/renewables/india-plans-to-spend-44-per-cent-more-on-projects-through-green-bonds/articleshow/107407430.cms>

States

Uttarakhand approves new film policy to increase subsidy for local films

The Uttarakhand Cabinet under Chief Minister Pushkar Singh Dhama has approved the new film policy for increasing the subsidy for those making local films in the state. According to an official release from the Chief Minister's Office (CMO), "The Uttarakhand government has increased the subsidy eight times for those making Garhwali, Kumaoni and Jaunsari films in the state." "At the same time, the subsidy for those shooting films in the state in 22 languages included in the Eighth Schedule has also been doubled," it said. As per the release, "Under the new film policy, the subsidy for those shooting in Uttarakhand for films in 22 languages included in the Eighth Schedule of the Constitution has been increased from Rs 1.5 crore to Rs 3 crore."

https://www.business-standard.com/industry/news/uttarakhand-approves-new-film-policy-to-increase-subsidy-for-local-films-124020400219_1.html

Karnataka: Companies must tie-up with insurers for gratuity compliance, employers' body seeks time

Private companies in Karnataka will now have to partner with insurance firms and pay an annual premium towards honouring their gratuity obligation to employees as part of a social security scheme the southern state has rolled out. Companies, shops, establishments, and factories with more than 10 employees come under the purview of the new regulation called the Karnataka Compulsory Gratuity Insurance Policy Rules, 2024. The regulation, however, allows companies with 500 or more employees to continue with or have their own gratuity trust to comply with the gratuity law. "We have already notified the scheme. This is going to benefit about seven million employees," Labour Minister Santosh Lad, who swiftly moved to implement a 1987 amendment to the central act, told ET. The Parliament inserted section 4(A) in the Payment of Gratuity Act, 1972, mandating compulsory insurance for gratuity payments. "We are currently running a campaign creating awareness about the scheme among both employees and employers," the minister said. Employers have to register with the controlling authority under the Labour department and make timely filings about the number of employees on rolls and premium paid.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/karnataka-companies-must-tie-up-with-insurers-for-gratuity-compliance-employers-body-seeks-time/articleshow/107404757.cms>

External

India seeks greater market access for steel, rice, shrimp from S Korea

India has sought greater market access for certain products such as steel, rice, and shrimp from South Korea with a view to boost exports of these goods, an official said. These are part of the negotiations, which are underway, for the upgradation of the existing free trade agreement between the two countries, which is officially dubbed as comprehensive economic partnership agreement (CEPA). The agreement was operationalised in January 2010. The 10th round of upgradation talks are underway here. "We are asking for greater market access for products such as steel, rice and shrimp," the official said. In the meeting, India has flagged issues over Korean firms not buying Indian steel.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-seeks-greater-market-access-for-steel-rice-shrimp-from-s-korea/articleshow/107407458.cms>

GTRI flags slow progress in payment of sops under PLI schemes

Economic think tank GTRI has flagged the slow progress in disbursement of sops under production-linked incentive (PLI) schemes and suggested the government to simplify the criteria so as to expedite grant of incentives and push

domestic manufacturing. The Rs 4,415 crore disbursement is only 2.25 per cent of the total outlay of Rs 1.97 lakh crore of incentives over five years under the PLI schemes announced in 2020, the Global Trade Research Initiative (GTRI) said on Sunday. "This slow fund spend is unsurprising, considering that setting up greenfield or new manufacturing operations takes time," it said.

<https://economictimes.indiatimes.com/news/economy/policy/gtri-flags-slow-progress-in-payment-of-sops-under-pli-schemes/articleshow/107407301.cms>

No adverse impact of Red Sea crisis so far on India's trade

There is no adverse impact on India's exports and imports so far due to the Red Sea crisis, an official said. The official said that the transportation cost has increased as the shippers are taking a long route. "There is no impact in volume terms so far. Only the transportation cost is up. It has risen for all the countries. It has not affected the trade adversely so far. We have to see the long term demand, but it will depend on the EU and the US," the official added.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/no-adverse-impact-of-red-sea-crisis-so-far-on-indias-trade/articleshow/107402330.cms>

Indian toy makers receive orders worth crores at German fair

Indian toy makers, who participated in the five-day international toy fair in Nuremberg, Germany, have received huge orders worth crores as they had showcased high-quality products, exporters say. According to the toy exporters, buyers from countries such as the US, UK, South Africa, and Germany showed interest in their products and placed a good number of orders. The Nuremberg International Toy Fair concluded on February 3. Over 2,000 exhibitors from over 65 countries participated in one of the world largest toy fairs.

<https://www.thehindubusinessline.com/news/indian-toy-makers-receive-orders-worth-crores-at-german-fair/article67810561.ece>