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Economy

India's reformist attitude not seen in many countries: OECD Chief Economist

India has all it takes to have a strong rate of growth over the next few decades, Alvaro Santos Pereira, chief economist of the Organisation for Economic Co-operation and Development (OECD), said in an interview with Ruchika Chitravanshi in New Delhi. Speaking on the sidelines of the Kautilya Economic Conclave, Pereira said the country needed to prioritise education and skilling and take up reforms to improve the business climate, reduce informality, and ease restrictions on foreign direct investment (FDI).

https://www.business-standard.com/economy/interviews/india-s-reformist-attitude-not-seen-in-many-countries-oecd-chief-economist-124100700724_1.html

Finance

Banks should avoid long-term, high-risk lending: FM Nirmala Sitharaman

Scheduled commercial banks should avoid engaging in long-term, high-risk funding and instead concentrate on mobilizing deposits, retail lending, and supporting medium-term projects to prevent a recurrence of non-performing assets (NPA) crisis caused by asset-liability mismatches, Finance Minister Nirmala Sitharaman said on Tuesday. She emphasized that institutions like NaBFID (National Bank for Financing Infrastructure and Development) are better positioned to finance long-term projects than commercial banks. "Banks should be the first source of mobilising deposits. They will have to gather deposits and lend. I am not saying that core businesses should get confined only to that. They can, of course, support projects in a very conscious way, medium term and not very long term", Sitharaman said at an event in Mumbai. "...it cannot lead to once more that horrible situation that Indian banks were in where there was asset liability mismatch", she added.

https://www.business-standard.com/economy/news/banks-should-avoid-long-term-high-risk-lending-fm-nirmala-sitharaman-124100801200_1.html

RBI grants white-label ATM licence to Mumbai-based EPS

The Reserve Bank of India (RBI) has granted a white-label ATM licence to Electronic Payment and Services (EPS), creating a pitch for faster expansion of the ATM network to support the cash economy. The award of the licence comes after a gap of a decade.

<https://economictimes.indiatimes.com/industry/banking/finance/rbi-grants-white-label-atm-licence-to-mumbai-based-eps/articleshow/114057315.cms>

MFIN tightens underwriting guidelines for lenders amid over-indebtedness concerns

The microfinance industry's self-regulatory body MFIN on Tuesday announced that it has tightened loan underwriting guidelines for its members amid concerns about over-indebtedness among the borrowers. Micro Finance Industry Network (MFIN) said the revised guidelines take care of current challenges in lending, wherein a lender does not get data on monthly outflows from a household on account of previous loans or even the 'bullet repayments' wherein money is paid at the end of a loan period.

<https://economictimes.indiatimes.com/industry/banking/finance/mfin-tightens-underwriting-guidelines-for-lenders-amid-over-indebtedness-concerns/articleshow/114047598.cms>

Gross enrolments under Atal Pension Yojana cross 7 crore mark

The gross enrolments under the Atal Pension Yojana have crossed the 7 crore mark, the Pension Fund Regulatory and Development Authority said on Tuesday. This is the 10th year of the rollout of the Atal Pension Yojana (APY). The total gross enrolments under the scheme have crossed 7 crore, with an enrolment of over 56 lakh members in the current financial year 2024-25, the Pension Fund Regulatory and Development Authority (PFRDA) said in a statement.

<https://economictimes.indiatimes.com/news/economy/finance/gross-enrolments-under-atal-pension-yojana-cross-7-crore-mark/articleshow/114055216.cms>

Private sector fuels NPS surge with near 45% y-o-y jump in AUM as of Sept 28

Private sector NPS assets' growth continue to be on a roll, clocking a near 45 per cent year-on-year growth as of September 28, 2024, at ₹2.70 lakh crore.

<https://www.thehindubusinessline.com/economy/private-sector-fuels-nps-surge-with-near-45-y-o-y-jump-in-aum-as-of-sept-28/article68733412.ece>

Discount brokers to be impacted most by new F&O regulations: CRISIL

Discount brokerages, such as Zerodha and Groww, will be impacted the most by the recent regulatory moves to curb investors' derivatives play, domestic rating agency Crisil said on Tuesday. The agency's director Subha Sri Narayanan said up to 80 per cent of a discount broker's revenue comes from derivative trades, while for the full-service brokerages, the same is under a third of the revenues.

https://www.business-standard.com/markets/news/discount-brokers-to-be-impacted-most-by-new-f-o-regulations-crisil-124100800871_1.html

SBI-led panel against 18% GST on co-lending; submits report to FinMin

A State Bank of India (SBI)-led committee to encourage co-lending between commercial banks and non-banking financial companies (NBFCs) has recommended doing away with the goods and services tax (GST) of 18 per cent.

"The SBI-led co-lending committee has submitted the report to the finance ministry, recommending that no GST should be imposed on co-lending-related activities. The report also recommends that co-lending should be restricted to priority sector lending, not extended to other areas, due to the larger associated risks," said a person familiar with the matter.

https://www.business-standard.com/finance/news/sbi-led-panel-against-18-gst-on-co-lending-submits-report-to-finmin-124100801039_1.html

Industry

PM E-DRIVE: Component suppliers can now be inspected under new EV policy

The government has set stricter localisation norms for electric vehicle (EV) manufacturers seeking to avail subsidies under the PM E-DRIVE scheme.

<https://economictimes.indiatimes.com/industry/renewables/pm-e-drive-component-suppliers-can-now-be-inspected-under-new-ev-policy/articleshow/114057022.cms>

Electric car sales on a bumpy road; two-wheelers stay in top gear despite subsidy cut

Electric car sales declined nearly 8% from a year earlier in September, dragged down by all-time low sales of market leader Tata Motors, showed vehicle retail sales data based on vehicle registrations compiled by the Federation of Automobile Dealers Associations (Fada) on Tuesday. This is the fifth consecutive month of year-on-year decline in e-car sales as worries over limited driving range and scarce charging network weighed on potential buyers.

<https://economictimes.indiatimes.com/industry/renewables/electric-car-sales-on-a-bumpy-road-two-wheelers-stay-in-top-gear-despite-subsidy-cut/articleshow/114057115.cms>

About 1.1 mn old medium & heavy CVs offer significant potential for scrappage: ICRA

Around 1.1 million medium and heavy commercial vehicles (M&HCVs), older than 15 years as of March 31 this year, offer a significant potential for scrappage, ratings agency ICRA said on Tuesday. While the actual scrappage could possibly be lower given the nature of usage of such vehicles, even if a proportion of these vehicles gets scrapped, it can support vehicle sales to some extent by spurring replacement demand, it said.

<https://economictimes.indiatimes.com/industry/auto/lcv-hcv/about-1-1-mn-old-medium-heavy-cvs-offer-significant-potential-for-scrappage-icra/articleshow/114049667.cms>

September price hike of Chinese steel will provide relief for Indian manufacturers: Report

The recent increase in Chinese steel prices may give some relief to Indian steel makers. A report by Axis Securities highlights that Chinese hot-rolled coil (HRC) steel prices have gone up in September 2024, giving an edge to Indian steel companies. "The increase in Chinese HRC prices has turned the import parity premium of the domestic HRC prices vs. Chinese prices from approx. 7-8 per cent in Sep'24 into an import parity discount of approx. 3 per cent at present" said the report.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/september-price-hike-of-chinese-steel-will-provide-relief-for-indian-manufacturers-report/articleshow/114040815.cms>

Only 2 of 11 e-commerce platforms have minimum wage policy: Report

Only two of the 11 e-commerce platforms have a minimum wage policy that guarantees all their workers earn at least the local hourly minimum wage, according to a survey report by the research organisation Fairwork India. The latest survey conducted by Fairwork India in association with the University of Oxford, released on Tuesday, evaluated digital platforms offering location-based services based on five parameters: fair pay, fair conditions, fair contracts, fair management, and fair representation.

https://www.business-standard.com/industry/news/only-2-of-11-e-commerce-platforms-have-minimum-wage-policy-report-124100801147_1.html

Modern trade growth at a 4-year low amid online surge; sales at big supermarkets grew only 3.2% during July-Aug

Sales growth of groceries, personal products and home care items in modern trade and supermarkets slowed down to a four-year low in July and August, hurt by consumers' shift to online channels, especially quick commerce, and retailers shutting down hundreds of stores to improve profitability over the past year. Sales in modern trade increased 3.2% during July and August, compared to 24% a year ago, according to executives quoting latest available NielsenIQ data. At the same time, sales at general trade or kiranas expanded 5% in July and August compared to 8.5% in the year-ago period.

<https://economictimes.indiatimes.com/industry/services/retail/modern-trade-growth-at-a-4-year-low-amid-online-surge-sales-at-big-supermarkets-grew-only-3-2-during-july-aug/articleshow/114056825.cms>

NFRA aims to adopt best global accounting, auditing standards: Chairman

NFRA Chairperson Ajay Bhushan Prasad Pandey on Tuesday said the regulator's efforts are to incorporate best global standards, which are required for the country to have big homegrown accounting and auditing firms. Amid NFRA and chartered accountants' apex body ICAI having differences over proposed changes to an accounting standard related to group audits, Pandey also flagged that there have been a series of corporate failures in the country and emphasised the need for high-quality reporting and auditing frameworks.

https://www.business-standard.com/industry/news/nfra-aims-to-adopt-best-global-accounting-auditing-standards-chairman-124100801163_1.html

Higher palm oil prices, input costs to impact FMCG firms' Q2 margins

Leading FMCG players expect rising palm oil prices, higher input costs and increased advertising and promotion expenses to impact their margins and profits in the September quarter. In the latest quarterly business updates, FMCG players such as Godrej Consumer Products Ltd (GCPL), Dabur and Marico have hinted at a flattish growth in their margins on a year-on-year basis as prices of copra and vegetable oil appreciated in the July-September period.

https://www.business-standard.com/industry/news/higher-palm-oil-prices-input-costs-to-impact-fmcf-firms-q2-margins-124100801077_1.html

Education sector expected to see 12-14% revenue growth in FY25: Crisil

Schools and colleges in India are expected to report a 12 to 14 per cent rise in their revenue this financial year, according to a recent analysis by Crisil Ratings. This revenue growth is driven by higher enrolments, increased demand for new courses, and the opportunity for upward fee revisions. This growth comes despite the sector experiencing three consecutive years of high-teen growth, the report said. The analysis is based on 96 educational institutions rated by Crisil, which collectively account for nearly Rs 20,000 crore in fee income and shows the overall sustained upward trajectory of the education sector in the country.

https://www.business-standard.com/industry/news/education-sector-expected-to-see-12-14-revenue-growth-in-fy25-crisil-124100800792_1.html

Agriculture

Sep CPI inflation may spike to 5%, says Barclays

While retail inflation, based on the Consumer Price Index (CPI) inched up to 3.65 per cent in August, Barclays estimated that CPI inflation accelerated to 5 per cent YoY in September, as base effects reversed which had earlier dragged inflation below 4 per cent over July-August. Sequential price pressures, however, per the report, are expected to be relatively muted, leading to headline CPI rising 0.1 per cent m/m nsa (following no change in August). According to Barclays, the seasonal price surge in food seen in the past couple of months (largely in vegetables) likely softened in September.

<https://www.financialexpress.com/policy/economy-sep-cpi-inflation-may-spike-to-5-says-barclays-3634011/>

FSSAI to keep tabs on pre-mix makers to bolster fortified rice programme

The FSSAI (Food Safety Standards Authority of India) has said it is very important to ensure the quality of pre-mix (of iron, folic acid and Vitamin B12) which goes into the making of fortified rice kernels (FRK).

<https://www.thehindubusinessline.com/economy/agri-business/fssai-to-keep-tabs-on-pre-mix-makers-to-bolster-fortified-rice-programme/article68732703.ece>

Infrastructure

Road safety authority crucial to reducing accidents, says new study

A fully empowered National Road Safety Authority, as proposed in the 2014 Draft Road Transport and Safety Bill, to maintain standards, conduct audits, ensure compliance, and bridge central and state efforts, may well be the solution for India's rising number of road accidents. The authority could penalise non-compliant agencies and contractors, thereby fostering accountability. This is one of several suggestions made in a road safety study by The Infravision Foundation and IIT Delhi's Transportation Research and Injury Prevention Centre.

https://www.business-standard.com/economy/analysis/road-safety-authority-crucial-to-reducing-accidents-says-new-study-124100800839_1.html

Energy

States told to meet green energy purchase obligation

The power ministry has asked states that are not following renewable purchase obligations to strictly follow their renewable consumption trajectory and meet their targets. The directive was given after it was observed that some states fell short of their targets in FY23 and FY24, according to people aware of the development.

<https://economictimes.indiatimes.com/industry/renewables/states-told-to-meet-green-energy-purchase-obligation/articleshow/114057222.cms>

Telecom

Tariff hikes could bring good & bad news for telcos

Bharti Airtel is likely to post stronger sequential revenue growth in the fiscal second quarter ended September compared with rivals Reliance Jio and Vodafone Idea, on the back of recent rate hikes and strong mobile broadband user additions, analysts said. The tariff hikes taken in July are expected to give a solid push to the average revenue

per user (ARPU) of all the three private telcos-Airtel likely the most-but they will also see a loss of users due the higher prices, with state-run Bharat Sanchar Nigam (BSNL) gaining, they said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/tariff-hikes-could-bring-good-bad-news-for-telcos/articleshow/114056928.cms>

States

UP's rural women drive Rs 27,000 crore financial inclusion transactions

Enterprising women business correspondents, known as BC Sakhis, have facilitated transactions worth Rs 27,000 crore in Uttar Pradesh, earning Rs 75 crore in commission over the past four and a half years. BC Sakhis, appointed under the nationwide women empowerment programme, are members of self-help groups (SHGs) who are trained and certified to provide banking and financial services in rural areas.

https://www.business-standard.com/economy/news/rural-women-drive-rs-27-000-crore-financial-inclusion-transactions-124100700898_1.html

Healthcare

Govt to set up 10 new ESIC medical colleges

The government will set up 10 new ESIC medical colleges and extend the unemployment allowance scheme for ESI Corporation members until June 2026, the Labour & Employment Ministry said on Tuesday. Labour & Employment Mansukh Mandaviya at a meeting of ESI Corporation here announced several key decisions for further strengthening the infrastructure and medical facilities of ESIC, the ministry said in a release.

<https://economictimes.indiatimes.com/news/india/govt-to-set-up-10-new-esic-medical-colleges/articleshow/114053682.cms>

More fixed dose combo drugs may be banned; experts found that many lack therapeutic justification

The government is likely to ban more fixed dose combinations (FDCs) this month as the expert committee has found that they lack therapeutic justification, people in the know said. There are about 16-odd FDCs under the scanner now. The expert committee will soon submit its report to the drug controller.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/more-fixed-dose-combo-drugs-may-be-banned-experts-found-that-many-lack-therapeutic-justification/articleshow/114057080.cms>

External

Centre eases export norms for some dual use software, tech items to 41 nations

The government Tuesday notified rules easing the export of 36 items including software and technology from an Indian parent company to its foreign subsidiary in 41 countries, under a policy for dual-use products. Dual use goods are those which have both industrial and military uses and fall in the Special chemicals, organisms, materials, equipment and technologies (SCOMET) category. The countries for which the easing is done includes Russia, the UK and the US.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/centre-eases-export-norms-for-some-dual-use-software-tech-items-to-41-nations/articleshow/114054871.cms>

India reduces arbitration time for foreign investors in UAE agreement

India has reduced the time period for foreign investors to seek international arbitration from five years to three years as part of the recently signed investment pact with the United Arab Emirates (UAE), a departure from its model Bilateral Investment Treaty (BIT). Under the Investor-State Dispute Settlement (ISDS) mechanism, if the Indian judicial system is unable to resolve a dispute within this shortened period, investors can resort to international arbitration.

https://www.business-standard.com/economy/news/india-reduces-arbitration-time-for-foreign-investors-in-uae-agreement-124100700960_1.html

UAE hikes investment pledge to \$100 billion

The investment commitment of the United Arab Emirates (UAE) in India could top \$100 billion from the earlier stated goal of \$75 billion and on Monday both sides discussed in detail about setting up food parks in India to exclusively serve UAE markets, commerce and industry minister Piyush Goyal said. "We have also reviewed the progress in the \$75 billion investment that was planned from UAE to India, which when we discussed today, will fructify to nearly \$100 billion investment in infrastructure, manufacturing, public markets and various other forms of investment," the minister told reporters after the 12th meeting of India-UAE High Level Task Force on Investments.

<https://www.financialexpress.com/policy/economy-uae-hikes-investment-pledge-to-100-billion-3633139/>

Malaysia terms India's import duty hike on palm oil a temporary aberration

Malaysia's Plantation and Commodities Minister Datuk Seri Johari Abdul Ghani on Tuesday termed India's recent hike in palm oil import duty as a "temporary aberration", saying demand for the commodity remains steady. Ghani dismissed speculation about arrangements between Malaysia and India for palm oil supplies in exchange for fighter aircraft transfers. India, the world's largest edible oil importer, raised import duties on palm oil and other edible oils on September 14, 2023, increasing the effective duty on crude palm oil from 5.5 per cent to 12.7 per cent and on refined oils from 13.75 per cent to 35.75 per cent.

https://www.business-standard.com/external-affairs-defence-security/news/malaysia-terms-india-s-import-duty-hike-on-palm-oil-a-temporary-aberration-124100800741_1.html