



September 21, 2023 – Thursday

Key Developments

Lok Sabha passes Women's Reservation Bill

The Lok Sabha on Wednesday passed 128th Constitution Amendment Bill to enact Nari Shakti Vandan Adhiniyam meant for providing 1/3rd seats for women in the Lok Sabha and State Assemblies with an overwhelming majority. Meanwhile, Home Minister Amit Shah announced that census and delimitation exercise, keys to implement the reservation, will soon take place after 2024 elections. This is the first Bill passed by the Lok Sabha in the new Parliament building. As it is a Bill to amend the Constitution, it was put for voting by division. Lok Sabha Speaker Om Birla announced that 454 members voted in the favour of the bill, while 2 members voted against. Rules require that such a bill need to be passed by special majority, which is 2/3rd of members present and voted.

<https://www.thehindubusinessline.com/news/lok-sabha-passes-womens-reservation-bill/article67327130.ece>

Economy

With rising population, small towns becoming avenues of growth: Kantar

With the population in Tier-2 and Tier-3 cities almost at par with Tier-1 counterparts, brands are seeing increased opportunities to tap into this growing space. According to Kantar's TGI 2023, the population of consumers between the ages of 15 and 55 in these cities has reached 139 million. This is almost at par with the Tier-1 cities.

https://www.business-standard.com/economy/news/with-rising-population-small-towns-becoming-avenues-of-growth-kantar-123092001175_1.html

ADB lowers FY24 GDP forecast to 6.3%, India Ratings raises it to 6.2%

The Asian Development Bank (ADB) on Wednesday revised India's growth forecast for FY24 to 6.3 per cent, a change of 10 basis points, attributing it to erratic monsoon patterns that are likely to affect agricultural output. Meanwhile, India Ratings and Research has increased its FY24 growth estimate for India to 6.2 per cent, up by 30 basis points, citing factors such as sustained government capital expenditure (capex), deleveraged corporate and banking balance sheets, and the likelihood of subdued global commodity prices.

https://www.business-standard.com/economy/news/adb-lowers-fy24-gdp-forecast-to-6-3-india-ratings-raises-it-to-6-2-123092001043_1.html

Ind-Ra raises GDP growth forecast for FY24 to 6.2%

India Ratings & Research (Ind-Ra) has upped India's GDP (Gross Domestic Product) growth forecast to 6.2 per cent from 5.9 per cent for FY24. This is in line with many other agencies, while the government and the Reserve Bank of India expect growth to be 6.5 per cent. Indian economy grew by 7.2 per cent in FY23.

<https://www.thehindubusinessline.com/economy/ind-ra-raises-gdp-growth-forecast-for-fy24-to-62/article67326336.ece>

Fresh formal job creation slows to 1.02 mn in July, shows EPFO data

The latest payroll data from the Employees' Provident Fund Organisation (EPFO) indicates a slight dip in the creation of new formal jobs in July, signalling stagnation in the labour market. New monthly subscribers to the employees' provident fund (EPF) declined by 1.2 per cent to 1.02 million in July, compared to 1.03 million in June.

https://www.business-standard.com/economy/news/fresh-formal-job-creation-slows-to-1-02-mn-in-july-shows-epfo-data-123092001058_1.html

Explore new financing models for skill development: FICCI-KPMG report

A report by FICCI-KPMG titled 'Skill Financing in India,' released on Wednesday, emphasised that over-reliance on government funding has led to suboptimal results in both the quantity and quality of skilled individuals. The report highlighted the urgent need to explore alternative financing models for skill development, suggesting that the government's efforts could be augmented and sustained through partnerships with the private sector.

https://www.business-standard.com/economy/news/explore-new-financing-models-for-skill-development-ficci-kpmg-report-123092001190_1.html

Slowdown & Covid hit labour market but pay gap narrowing: Azim Premji University report

The economic slowdown of 2018-2020 and the disruptions caused by the Covid-19 pandemic in 2020 and 2021 have adversely impacted India's labour market, skewing the workforce towards self-employment and disproportionately affecting women, according to a report by the Azim Premji University. According to the 'State of Working India 2023' report, gender-based earnings disparities have narrowed in India since 2017 with salaried women workers now earning 76% of what their male counterparts earn, up from 70% in 2004. The report, released Wednesday, is based on evidence from official data and the Indian Working Survey, a primary survey conducted by the university in collaboration with Initiative for What Works to Advance Women and Girls in the Economy and IIMBangalore.

<https://economictimes.indiatimes.com/news/company/corporate-trends/slowdown-covid-hit-labour-market-but-pay-gap-narrowing-azim-premji-university-report/articleshow/103819262.cms>

Banking and Finance

RBI infuses liquidity as banking system faces highest deficit since 2020

The banking system neared Rs 1.47 trillion of liquidity deficit on Monday, the highest since January 29, 2020, when the banking system liquidity deficit went up to Rs 3 trillion. The Reserve Bank of India (RBI) injected Rs 1.47 trillion on Monday and Rs 1.46 trillion on Tuesday. Market participants believed that the disbursement of Rs 25,000 crore as the second tranche of incremental cash reserve ratio (I-CRR) will not be enough, and the liquidity might tighten further to Rs 2 trillion in short term due to tax outflows and arrival of the festival season.

https://www.business-standard.com/economy/news/rbi-infuses-liquidity-as-banking-system-faces-highest-deficit-since-2020-123092001069_1.html

RBI asks CICs to prepare data quality index for commercial, microfinance segments

The Reserve Bank of India on Wednesday asked Credit Information Companies (CICs) to prepare data quality index for commercial and microfinance segments. In June 2014, the RBI had issued directions for setting out a common Data Quality Index (DQI) for assessing the quality of data submissions by Credit Institutions (CIs) to CICs, and improving them over a period of time. Currently, the DQI is being used for data submitted under the consumer segment. "With a view to enable further implementation of DQI, it has been decided that CICs shall prepare DQIs for commercial and microfinance segments also..., the central bank said in the circular. CICs have been asked to provide DQIs for commercial and microfinance segments to all CIs latest by March 31, 2024.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-asks-cics-to-prepare-data-quality-index-for-commercial-microfinance-segments/articleshow/103817439.cms>

IBBI changes its norms to simplify registration of IPs

The Insolvency and Bankruptcy Board of India (IBBI) on Wednesday announced simplified enrolment and registration process for insolvency professionals to streamline their exit and compliance obligations. The move is part of the broader efforts by authorities to expedite the insolvency resolution process and prevent erosion of stressed asset value. Through the latest changes, the IBBI has introduced a common application form for both enrolment and registration processes. It has also set a timeline of 60 days for the approval of the unified application (for enrolment)

by the insolvency professional agency (IPA) and of 30 days for forwarding the application (for registration) to the regulator.

<https://economictimes.indiatimes.com/news/economy/policy/ibbi-changes-its-norms-to-simplify-registration-of-ips/articleshow/103819190.cms>

GSTN enables geocoding of GST address for all states and UTs

The goods and services tax network (GSTN), the technology support for goods and services tax (GST), has enabled geocoding for businesses across all states and union territories, a move which will make it easier to eliminate fake registration or to locate a tax evader. "GSTN is pleased to inform that the geocoding functionality for the "Additional Place of Business" address is now active across all States and Union Territories," GSTN said in an advisory issued on Wednesday. Launched in February this functionality was running on a pilot basis in Delhi and Haryana. This technology enables tax agencies to accurately identify the geographical coordinates of properties, businesses, and taxpayers and will help them identify the exact location of the taxpayers addresses.

<https://economictimes.indiatimes.com/news/economy/policy/gstn-enables-geocoding-of-gst-address-for-all-states-and-uts/articleshow/103805704.cms>

PE-VC investments increase to USD 5.2 billion in August as large deals shoot up

Venture capital and private equity funds' investments increased to USD 5.2 billion across 67 deals in August, a report said on Wednesday. The investments are more than double of the USD 2.3 billion witnessed in August 2022, even though the number of transactions has declined from 32 in the year-ago period, as per the monthly report by industry lobby grouping Indian Private Equity and Venture Capital Association (IVCA) and consultancy firm EY. The consultancy firm's partner Vivek Soni said funds are skeptical as growth remains elusive for many startups and valuations remain high. "With many sovereign wealth funds, especially from the Gulf nations, setting up shop in India and also increasing their exposure to Indian startups, the medium to long-term outlook remains positive for the Indian startup sector despite the current short-term issues of tepid growth and governance troubles at some startups," he said.

<https://economictimes.indiatimes.com/news/economy/finance/pe-vc-investments-increase-to-usd-5-2-billion-in-august-as-large-deals-shoot-up/articleshow/103816221.cms>

Industry

Record 102,611 companies, LLPs incorporated till August

A record 102,611 companies and limited liability partnership (LLP) firms were incorporated between April and August, up 11.5% from a year before, showed the latest data compiled by the Ministry of Corporate Affairs (MCA). About 2.44 million company forms were filed on the latest version of the ministry's corporate filing portal until September 10 in this financial year, against 2.29 million a year before, the data showed. Around 306,000 LLP forms were filed on the MCA21 (Version 3 or V3) portal until September 10, up from about 233,000 a year ago.

<https://economictimes.indiatimes.com/news/economy/indicators/record-102611-companies-llps-incorporated-till-august/articleshow/103819203.cms>

Led by festival season, revenue of apparel retailers to grow 7-8% in FY24

The revenue of brick-and-mortar apparel retailers is likely to grow 7-8 per cent this year, primarily owing to the festive season and marriage season, ratings agency CRISIL said on Wednesday. The revenue density, calculated as revenue per square foot, is, however, expected to remain below the pre-pandemic level. CRISIL, in a release based on the analysis of 39 retailers, said that the sector's growth in the medium term will be helped by store expansion, including in tier 2 and 3 cities. The pace of store area addition will normalise to the pre-pandemic level of 2.2 million square feet in 2023-24 (FY24). In FY23, this was 3.7 million sq ft.

https://www.business-standard.com/industry/news/led-by-festival-season-revenue-of-apparel-retailers-to-grow-7-8-in-fy24-123092000456_1.html

Govt plans over \$2 billion in incentives for new manufacturing sectors

India is planning to offer incentives of up to 180 billion rupees (\$2.2 billion) to spur local manufacturing in six new sectors including chemicals, shipping containers and inputs for vaccines, two government officials said. The proposal

is part of the country's 1.97-trillion-rupee production-linked incentive scheme (PLI), launched in 2020 which currently targets 14 sectors ranging from electronic products to drones, but has been successful only in a handful of them.

https://www.business-standard.com/economy/news/govt-plans-over-2-billion-in-incentives-for-new-manufacturing-sectors-123092000739_1.html

Auto dealers' satisfaction improves; viability, policy concerns remain: FADA

The overall satisfaction of automobile dealers with regards to their relationship with manufacturers has improved but dealer viability and policy issues remain major concerns, Federation of Automobile Dealers Associations said on Wednesday. In its 'Dealer Satisfaction Study 2023' conducted in collaboration with PremonAsia, a consumer insights and advisory services firm, Federation of Automobile Dealers Associations (FADA) said at an aggregate industry level, the average dealer satisfaction score stood at 767 out of a maximum 1,000 points, an increase of 48 points from a year ago. Commercial Vehicle (CV) dealers were the most satisfied with 778 points, followed by mass market four-wheeler (4W) dealers at 769 points and two-wheeler (2W) dealers with 763 points.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-dealers-satisfaction-improves-viability-policy-concerns-remain-fada/articleshow/103809371.cms>

FAME II may need more fuel as EV sales rev up, heavy industries ministry seeks additional Rs 1,700 cr

The ministry of heavy industries is expected to ask the finance ministry for an additional ₹1,500-1,700 crore under the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME) scheme, senior ministry officials said. With robust electric vehicle sales, funds earmarked for the second phase are likely to be exhausted before March 2024. The heavy industries ministry was allotted ₹5,127 crore for the current fiscal year - the highest allocation since the ₹10,000-crore scheme was launched in 2019. "We are seeing a great demand for EVs. In all probability, we may run out of funds. Seeking additional funds under FAME II is under consideration," said a senior official. The ministry wants to ensure there are sufficient funds for the scheme to run its full course.

<https://economictimes.indiatimes.com/industry/renewables/fame-ii-may-need-more-fuel-as-ev-sales-rev-up-heavy-industries-ministry-seeks-additional-rs-1700-cr/articleshow/103818822.cms>

Indian diamantaires seek pause on rough stones' supply

Indian diamond houses have reached out to De Beers, Alrosa, Rio Tinto and other leading miners to persuade them to temporarily halt the sale of rough stones amid dwindling demand from affluent markets, tight monetary policy, unsettling geopolitics and sanctions, and a new craze for cheaper lab-grown diamonds that is nibbling at the market for natural stones. Indian diamantaires, whose skilled craftsmen cut nine of 10 stones mined in the world, had made a similar move in 2008 to stabilise the market in the wake of the global financial meltdown.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics-/jewellery/indian-diamantaires-seek-pause-on-rough-stones-supply/articleshow/103818217.cms>

Infrastructure

Major Port Cargo grows 4% in August, lags further behind private peers

Owing to global headwinds and a shift in industrial supply chains away from government ports, major ports recorded a 4.2 per cent growth in cargo traffic in August, continuing their tepid growth pace. During the previous month, cargo handled at India's major ports reached 65.19 million tonnes (mt). The overseas cargo handled at major ports increased by 6 per cent to 50.92 mt in August, according to provisional data from the Ministry of Ports, Shipping and Waterways.

https://www.business-standard.com/economy/news/major-port-cargo-grows-4-in-august-lags-further-behind-private-peers-123092001003_1.html

Energy

Indian gas utilities sector returning to normalcy: ICRA

The Indian gas utilities sector, after facing significant volatility in prices and issues on the availability of LNG over the last two years, is now returning to a tentative state of normalcy, said ratings agency ICRA in a note today. The gas

offtake by the domestic market is supported by softening LNG prices, uptick in domestic gas supplies, and a regulatory push by the government. The domestic production is projected to witness healthy growth in FY2024, primarily from the Krishna-Godavari Basin, which is likely to keep the reliance on LNG in check. The city gas distribution (CGD) and the fertiliser sectors will continue to drive the demand growth owing to favourable policy support.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/indian-gas-utilities-sector-returning-to-normalcy-icra/articleshow/103805092.cms>

States

TN launches revamped Startup & Innovation Policy

The revamped Tamil Nadu Startup and Innovation Policy 2023 has set a vision for the State to become one of the top 20 global start-up destinations by 2032. Launched by Chief Minister MK Stalin on Wednesday, the policy has over 50 action points to help the State become a leading start-up ecosystem. The policy period of the first Tamil Nadu Startup and Innovation Policy was 2018-23. The revamped policy will accelerate and scale start-ups and increase their share in the State's GDP and social capital. It defines and strengthens the seven determinants of the start-up ecosystem — start-up literacy; innovation landscape; start-up support centres; access to market; investment ecosystem; stakeholder engagement and equitable growth. Tamil Nadu has witnessed a notable increase in the number of registered start-ups, exceeding 7,000 in September 2023, and has attracted significant venture capital investments over the past two years. The State is now committed to attaining the top ranks in the national and international ecosystems, across measures, with the collaborative efforts of various stakeholders in the start-up ecosystem, the policy said.

<https://www.thehindubusinessline.com/news/tn-launches-revamped-startup-innovation-policy/article67325925.ece>

Healthcare

Pharma companies must adopt revised quality norms: Government

The government will shortly issue a notification making it compulsory for pharmaceutical companies to implement revised Good Manufacturing Practices (GMP) to improve quality in the face of children said to have died from toxic cough syrup and eye drops that allegedly caused infections. The notification is likely this month, people in the know told ET. "The idea is to bring in quality and reduce manufacturing of those drugs which are not of standard quality. A need has been felt to revisit and implement GMP at par with global standards. A notification will be put up soon," said a senior government official.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-companies-must-adopt-revised-quality-norms-government/articleshow/103819218.cms>

External

India counting on potash supplies despite diplomatic row with Canada

India will face little difficulty in securing potash from foreign suppliers despite a diplomatic row with Canada, one of the suppliers of the key crop nutrient, industry and government officials said on Wednesday. Potash supplies from Canada have been steady, they said.

https://www.business-standard.com/economy/news/india-counting-on-potash-supplies-despite-diplomatic-row-with-canada-123092001456_1.html

India winning global manufacturing battle, BCG report shows impact of supply chains shifting away from China

India has emerged as one of the winners in global manufacturing over the past five years, with its exports to the US surging by \$23 billion, a 44% increase from 2018 to 2022, while China experienced a 10% decline in exports to the US during this period, according to a BCG study on global manufacturing shifts. The study, titled 'Harnessing the Tectonic Shifts in Global Manufacturing', said the shifts in manufacturing and sourcing occurred in a range of industries as global companies have had to rethink their manufacturing and sourcing strategies due to trade wars, the pandemic, geopolitical tensions and supply bottlenecks. And as companies reconfigured strategies, India became one of the preferred manufacturing spots.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-winning-global-manufacturing-battle-bcg-report-shows-impact-of-supply-chains-shifting-away-from-china/articleshow/103819258.cms>

Kenya starts export of avocados to India; first shipment arrives at Mumbai

Kenya has kick-started the export of avocado fruit to India this month and the first shipment has already arrived. "The first shipment has arrived at Mumbai. We assure that many many more metric tonnes of avocados will land," Kenya Deputy High Commissioner to India Irene Oloo told PTI on the sidelines of the launch event here. This is the first "sensitive and short self life" agro-commodity the African country has got permission to export. It took eight years of negotiations to get permission on August 16, 2023, she said. Kenya exports tea and coffee which have a much longer shelf than avocado fruit. It took a long time to get approval as "we needed to meet the strict Indian quality standards when it lands here," she said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/kenya-starts-export-of-avocados-to-india-first-shipment-arrives-at-mumbai/articleshow/103808682.cms>

India's crude oil imports slip to 10-month low in August 2023

Crude oil imports by India, the world's third largest importer of the most critical fossil fuel, declined by almost 4 per cent M-o-M to 18.73 million tonnes (mt) in August largely due to production cuts by Russia and autumn refinery maintenance. However, imports last month were higher on an annual basis by more than 6 per cent from 17.64 mt in August 2022. According to the Petroleum Planning and Analysis Cell (PPAC), the in-bound shipments fell for the third consecutive month in August in line with voluntary production cuts by Russia, which also impacted its most sought after medium sour grade Ural. Urals shipments from Russia to India in August slipped to its lowest levels since January this year. The imports in August were also the lowest since November 2022. India imported 18.12 mt of crude oil in October 2022. Besides, the import of crude oil during August is the lowest in FY24 and calendar year 2023.

thehindubusinessline.com/companies/indias-crude-oil-imports-slip-to-10-month-low-in-august-2023/article67327160.ece