



October 03, 2024 – Thursday

Economy

Panel on cards to resolve internship scheme disputes

The ministry of corporate affairs (MCA) will set up a panel comprising senior government officials and industry executives to redress grievances or resolve disputes arising out of the implementation of the 'PM Internship Scheme', people aware of the development said. The ministry is set to launch a portal through which internship aspirants can apply for 500 large companies, which are selected on the basis of their average annual spending on corporate social responsibility (CSR) obligations over three years through 2022-23. The portal will be open for these companies from Thursday to allow them to create accounts and fill in relevant details. It will be rolled out for internship applicants by October 15, the people cited earlier said.

<https://economictimes.indiatimes.com/jobs/fresher/panel-on-cards-to-resolve-internship-scheme-disputes/articleshow/113884685.cms>

Company registrations decline 21% in Sept, LLPs rise 8%

New company incorporations declined almost 21% in September from a year before, the third straight month of fall and the steepest so far in this financial year, showed the latest corporate affairs ministry data. However, the registration of limited liability partnerships (LLPs) increased almost 8% year-on-year, maintaining an increase month after month except for the fall in May, the data showed. Experts said company registrations may have already peaked, blaming an unfavourable base (such incorporations had hit a record in 2022-23) for the fall this fiscal.

<https://economictimes.indiatimes.com/news/company/corporate-trends/company-registrations-decline-21-in-sept-llps-rise-8/articleshow/113884890.cms>

Raghuram Rajan warns taking food off inflation table will be the wrong recipe

With government's digital initiatives, India's financial ecosystem has undergone a paradigm shift over the last few years. A recent report by Ask Capital says with enablers like deep internet penetration efficient and cheap 4G and 5G services along with government digital initiatives India is set to become a USD 1 trillion digital economy by 2028.

<https://economictimes.indiatimes.com/news/economy/indicators/india-to-become-1-tn-digital-economy-by-2028-enabled-by-internet-4g-5g-and-digitalisation/articleshow/113875328.cms>

Finance

New external members of RBI's MPC likely to keep markets guessing

The three new external members of the Reserve Bank of India (RBI)'s Monetary Policy Committee (MPC) will be taking charge at a time when many believe the interest rate curve is at an inflection point. On Tuesday, the government notified that Director of Delhi School of Economics Ram Singh, veteran economist Saugata Bhattacharya, and Nagesh Kumar, director and chief executive, Institute for Studies in Industrial Development, will be the three new external members of the MPC.

https://www.business-standard.com/economy/news/newly-appointed-external-mpc-members-keep-the-market-players-guessing-124100200786_1.html

Lenders to focus on credit vetting of Jan Dhan accounts

Lenders have strengthened credit assessment processes, including social media analytics, before extending consumption loans to Jan Dhan account holders, people familiar with the development said. While there has been no formal government directive in this regard, banks are being cautious, they said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/lenders-to-focus-on-credit-vetting-of-jan-dhan-accounts/articleshow/113884959.cms>

Shining bright: Gold loans are the fastest growing category for NBFCs, industry data shows

Gold Loans have cornered the largest share in loans sanctions by NBFCs in the first quarter of the fiscal amid a slow down in personal loans, latest data collated by Finance Industry Development Council (FIDC) an industry lobby group showed. Total gold loans sanctioned by NBFCs increased 26% year on year at Rs79,218 crore in the first quarter of the current fiscal even as sanctions for personal loans fell by 4%, indicating the impact of higher risk weights for unsecured loans by the Reserve Bank of India (RBI).

<https://economictimes.indiatimes.com/industry/banking/finance/banking/shining-bright-gold-loans-are-the-fastest-growing-category-for-nbfc-industry-data-shows/articleshow/113880410.cms>

Lenders feel heat of climate change

Lenders are increasingly seeing adverse effects of climate risks on their loan portfolio. After heatwaves in several parts of the country impacted loan recovery in the June quarter, followed by floods and heavy rains in the September quarter, lenders now anticipate that the forecasted harsh winters in the northern parts of the country will affect their collection efficiency and sales activity in the coming months.

<https://economictimes.indiatimes.com/industry/banking/finance/lenders-feel-heat-of-climate-change/articleshow/113884313.cms>

NBFC loan sanctions rise 12% in Q1FY25, home and auto loans drive growth

The loan sanctions by non-banking finance companies (NBFCs) in the country rose by 12 per cent year-on-year (Y-o-Y) in the first quarter of the current financial year (Q1FY25) with robust growth in segments like home, auto, and personal credit. Sequentially, however, loan sanctions shrunk by 11 per cent over the quarter ended March 2024 (Q4FY24), given the seasonality of business, according to the Finance Industry Development Council (FIDC).

https://www.business-standard.com/finance/news/nbfc-loan-sanctions-rise-12-in-q1fy25-home-and-auto-loans-drive-growth-124100200693_1.html

MCA rolls back Ind AS117 implementation for insurance sector

In a huge relief for insurance companies, the Corporate Affairs Ministry (MCA) has put in abeyance implementation of a key accounting standard (Ind AS 117) for insurance sector that had aligned India with global practices with effect from April 1,2024.

<https://www.thehindubusinessline.com/economy/mca-rolls-back-ind-as117-implementation-for-insurance-sector/article68709993.ece>

Direct benefit transfers slow in first half

The Centre has transferred assorted subsidies and sops to the beneficiaries through the Direct Benefit Transfer (DBT) worth about Rs 2.3 lakh crore in the first half of the current financial year, reflecting the slow pace of government spending due to general elections and late full budget presentation. These transfers are trailing last year's achievement trend. Until November of FY24, the transfers were to the tune of Rs 3.3 lakh crore.

<https://www.financialexpress.com/policy/economy-direct-benefit-transfers-slow-in-first-half-3628816/>

Govt notifies Apr 1, 2025, as sunset date for GST anti-profiteering

The government has notified April 1, 2025, as the sunset date for the anti-profiteering clause in the GST law. Also, from October 1 all pending complaints under the anti-profiteering provisions will be handled by the Principal bench of the GST Appellate Tribunal (GSTAT), instead of the Competition Commission of India (CCI), the GST policy wing of the government said in another notification.

https://www.business-standard.com/economy/news/govt-notifies-apr-1-2025-as-sunset-date-for-gst-anti-profiteering-124100100814_1.html

DGGI sends 300 notices to cos' top brass over input tax credit

The Directorate General of Goods and Services Tax Intelligence (DGGI) has sent out over 300 show-cause notices to promoters, directors and top management of companies. It has also sought to impose penalties, as high as 100%, for wrongfully availing input tax credit. These notices, sent to top management in the first week of August for the financial years 2017-18 and 2018-19, are already being challenged by recipients who have moved various high courts seeking a stay.

<https://economictimes.indiatimes.com/industry/banking/finance/dggi-sends-300-notices-to-cos-top-brass-over-input-tax-credit/articleshow/113884813.cms>

Industry

Govt discussing proposal to formulate scheme for 'Made in India' label

The government is discussing a proposal to formulate a scheme for the 'made in India' label with a view to promote brand India in the global markets, an official said. The official said that a high-level committee is examining the details of the scheme. The objective is to create a strong brand identity for India, similar to how 'made in Japan' or 'made in Switzerland' evokes about specific images and qualities.

https://www.business-standard.com/industry/news/govt-discussing-proposal-to-formulate-scheme-for-made-in-india-label-124100200571_1.html

Traffic jam in Kirana route as q-comm industry goes jamming

India's thriving quick commerce industry is pushing fast-moving consumer goods companies to curtail sales to distributors in large cities and address an inventory glut at kiranas or small neighbourhood retail stores. Dabur has restricted supplies to the general trade in September due to enhanced inventory levels after organised channels led by quick commerce reported "disproportionately higher growth" in the last few quarters. The company, in an earnings update on Tuesday, said high stock levels were impacting distributor ROI (return on investment) which will lead to a mid-single digit decline in revenue in the September quarter. It, however, expects revenue growth to normalise this month.

<https://economictimes.indiatimes.com/industry/services/retail/traffic-jam-in-kirana-route-as-q-comm-industry-goes-jamming/articleshow/113884228.cms>

Small mobile companies pull the 'budget' trigger in fight against biggies

An intense fight is underway in the budget smartphone segment with smaller brands challenging the larger ones to gain a bigger share of this volume-heavy segment. Market trackers say the battle is a good indicator of the market recovering after a tepid few years. Smaller brands such as Nothing, Motorola and Poco are taking the challenge to the established larger competitors such as Samsung, Xiaomi, Oppo, Realme and Vivo, armed with new designs, offline expansion, and hefty discounts.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/small-mobile-companies-pull-the-budget-trigger-in-fight-against-biggies/articleshow/113884332.cms?from=mdr>

Premiumisation, pent-up demand to lead festive demand: Redseer

Premiumisation and pent-up demand will lead festive demand in 2024, a new report by consulting and analytics firm Redseer Strategy Consultants said. The report based its findings on brands looking to push premium packs at discounted prices to encourage aspirational buying and pent-up demand in categories such as mobiles, electronics and fashion. The report noted that growth of e-commerce would increase by 20% year-on-year and reach Rs 100,000-120,000 crore in terms of gross merchandise value (GMV) in the 2024 season.

<https://economictimes.indiatimes.com/industry/services/retail/premiumisation-pent-up-demand-to-lead-festive-demand-redseer/articleshow/113857876.cms>

Agriculture

Rice stocks at central pool hit highest level in two decades

The government's rice stocks have reached 31.23 million tonne (MT), highest level in the last two decades, and three times more than the buffer for October 1 because of higher procurement against allocation under the free ration scheme. The grain stocks are expected to swell further with the government aiming to procure more than 50 MT of rice in 2024-25 season (October-September) while the food corporation of India (FCI) distributes 38 MT of rice free annually to 800 million beneficiaries under Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY).

<https://www.financialexpress.com/policy/economy-rice-stocks-at-central-pool-hit-highest-level-in-two-decades-3628798/>

Monsoon rains in India record four-year high, boost for agricultural economy

India has experienced a remarkable increase in monsoon rains this season, has received 8% more downpours in comparison to the long-term average. As per India Meteorological Department's (IMD) data the country has witnessed 934.8 mm of rainfall and 108% of the long-period average (LPA). This season records the highest rainfall since 2020 and ensures a promising outlook for the agriculture sector.

<https://www.financialexpress.com/policy/economy-monsoon-rains-in-india-record-four-year-high-boost-for-agricultural-economy-3628769/>

Infrastructure

Institutional investments in real estate rise 45% in Jul-Sep: Colliers

Institutional investments in real estate grew 45 per cent to nearly \$ 1.15 billion in July-September with investors looking to encash the strong demand for premium homes and offices, according to Colliers. Consultant Colliers India data showed that the institutional investments in real estate during July-September stood at \$ 1,148.7 million as against \$ 793.4 million in the year-ago period.

https://www.business-standard.com/industry/news/institutional-investments-in-real-estate-rise-45-in-jul-sep-colliers-124100200213_1.html

Energy

Govt plans first carbon credit sale as FCI lowers emissions

The government may soon sell carbon credits for the first time, by optimising logistics activities of the Food Corporation of India (FCI) in a bid to become carbon neutral, according to a senior official. Carbon credits are a way to compensate for greenhouse gas emissions. Companies can buy carbon credits, each of which represents one metric tonne of carbon dioxide equivalent that a company is allowed to emit. As part of India's foodgrain management system, state-run FCI has large-scale logistics operations such as procurement, storage and distribution of foodgrains which involve transportation at a huge scale, adding to emission of greenhouse gases.

<https://economictimes.indiatimes.com/industry/renewables/govt-plans-first-carbon-credit-sale-as-fci-lowers-emissions/articleshow/113884123.cms>

Telecom

Gear makers' poor response to WiFi security mandate irks DoT

The Department of Telecommunications (DoT) is peeved at the "unsatisfactory effort" of telecom equipment makers such as Cisco, Nokia, Ericsson and HPE concerning security certification of Wi-Fi consumer premises equipment (CPEs) and IP routers, despite the department accommodating various industry concerns, officials told ET. The new security mandate was scheduled to be implemented from October 1 but since only a handful of companies have applied, the government has given another one-month extension for companies to apply to avoid any disruption in supplies.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/gear-makers-poor-response-to-wifi-security-mandate-irks-dot/articleshow/113884377.cms>

External

India, Brazil eye year-end date for finalising GBA headquarters, charter

India and Brazil have taken up the delay in setting up the Global Biofuel Alliance (GBA) headquarters and establishing a charter, and agreed to establish both by the end of the current year, sources said. The issue was discussed during Petroleum Minister Hardeep Singh Puri's meeting with his counterpart in Brasilia last month, they added. The GBA was launched on September 9, 2023, on the sidelines of the G20 Summit in New Delhi.

https://www.business-standard.com/economy/news/india-and-brazil-eye-year-end-date-for-finalizing-gba-headquarters-charter-124100200593_1.html

'Conflict escalation in West Asia likely to push logistics cost up'

The escalation of conflict in the West Asian region is expected to push already high logistics costs besides hurting trade in sectors such as oil, electronics and agriculture, according to exporters. They said that insurance costs for exports to the countries directly involved in the war could also go up, which will impact Indian exporters' working capital. Think tank Global Trade Research Initiative (GTRI) stated that the conflict is already hurting India's trade with countries like Israel, Jordan, and Lebanon. The Federation of Indian Export Organisations (FIEO) said the Iran-Israel conflict has the potential to significantly impact world trade and the global economy in several ways.

https://www.business-standard.com/economy/news/conflict-escalation-in-west-asia-likely-to-push-logistics-cost-up-124100200590_1.html

Anti-dumping action started in Chinese steel, industrial inputs

India has initiated separate anti-dumping probes against imports of some steel products, printer cartridges and other industrial inputs from China following complaints by local manufacturers. On an application by Posco Maharashtra Steel and CSCI Steel corporation investigation has been started by India's trade defence body Directorate General of Trade Remedies on dumping of Cold Rolled Non-Oriented Electrical Steel (CRNO) from China.

<https://www.financialexpress.com/business/industry-anti-dumping-action-started-in-chinese-steel-industrial-inputs-3628068/>

EU proposes deforestation law delay: \$1.3 billion Indian exports get relief

In a relief to around \$1.3 billion worth of Indian exports such as leather, coffee and wooden furniture to the EU, the bloc on Wednesday proposed extending the implementation of its Deforestation Regulation by one year to December 2025. The EU Deforestation Regulation (EUDR) requires firms to ensure that products exported to the EU have been grown on land which has not been deforested after December 31, 2020.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/eu-proposes-deforestation-law-delay-1-3-billion-indian-exports-get-relief/articleshow/113885759.cms>

Not just CCTVs, Indian security checks may soon be expanded to cover many other items from China

India is considering expanding its "trusted source" mandate, currently applied to CCTVs, to other electronic segments, which will essentially mean more security checks for China-made smart meters or PCs, Tol reported on October 2. This initiative aims to reduce dependency on Chinese imports and address security concerns related to smart meters, parking sensors, drone parts, laptops, and desktops, the report (by Sidhartha) said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/not-just-cctvs-indian-security-checks-may-soon-be-expanded-to-cover-many-other-items-from-china/articleshow/113870657.cms>

India, US may discuss laptop import regime, totalisation pact, non-tariff barriers at high-level meetings

India's import regime for laptops and PCs, the long-pending bilateral totalisation agreement, non-tariff barriers in agriculture and manufacturing, business visa issuance and semi-conductor fabrication are likely to come up in Commerce & Industry Minister Piyush Goyal's meetings with US Trade Representative Katherine Tai and US Commerce Secretary Gina Raimondo in Washington DC, this week, sources have said.

<https://www.thehindubusinessline.com/economy/india-us-may-discuss-laptop-import-regime-totalisation-pact-non-tariff-barriers-at-high-level-meetings/article68710515.ece>