



October 14, 2024 – Monday

Economy

Cost of imports up; RBI likely to turn cautious on Rupee

After remaining in the negative zone for several months, imported inflation or cost of imports has been slowly edging up since the beginning of this financial year. The contribution of imported inflation in the Consumer Price Index (CPI) inflation has increased by 0.5 percentage points since April, showed an analysis by the RBI. Strong foreign portfolio investment (FPI) inflows and the RBI's currency management could, however, help bolster the value of the rupee which in turn would help rein in such inflation, said experts.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/cost-of-imports-up-rbi-likely-to-turn-cautious-on-rupee/articleshow/114195548.cms>

Consumer confidence rises as inflation expectations ease, led by female respondents: RBI survey

Consumer confidence for the current period improved again after the uptrend since mid-2021 was interrupted in the previous two survey rounds, according to Reserve Bank of India's September 2024 round of its bi-monthly consumer confidence survey.

<https://www.thehindubusinessline.com/money-and-banking/consumer-confidence-rises-as-inflation-expectations-ease-led-by-female-respondents-rbi-survey/article68749003.ece>

Consultant to be hired to study impact of rural jobs scheme

The Centre will soon start evaluation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) to assess its on-ground impact and further improve the effectiveness of the scheme. The Development, Monitoring and Evaluation Office (DMEO), an attached office of NITI Aayog, has invited bids to assess the rural employment guarantee scheme, and is expected to award the contract by December 10. The consultant will be chosen through a two-tier process comprising separate technical and financial bids. The study will have a six-month duration from the date of signing of the contract.

<https://economictimes.indiatimes.com/news/economy/policy/consultant-to-be-hired-to-study-impact-of-rural-jobs-scheme/articleshow/114195483.cms>

PM Gati Shakti fast-tracking India's Viksit Bharat vision: PM Modi

Prime Minister Narendra Modi on Sunday praised the achievements of the PM Gati Shakti National Master Plan for Multimodal Connectivity, highlighting that the initiative, in its three years, has significantly boosted multimodal connectivity, accelerating infrastructure development and improving efficiency across the country.

<https://www.thehindubusinessline.com/economy/pm-gati-shakti-fast-tracking-indias-viksit-bharat-vision-pm-modi/article68749326.ece>

Finance

Banks pitch higher deposit cover for senior citizens

Banks have approached the RBI pitching for a higher deposit cover for senior citizens while seeking relief in premium payments for guaranteeing other retail deposits. This move follows an internal meeting of bankers last month, after

which the lenders collectively decided to take the matter to the RBI, according to two executives familiar with the developments. "We have had an informal discussion with the regulator and are now in the process of submitting a more detailed plan to both the government and the RBI within this month," said a senior bank executive.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-pitch-higher-deposit-cover-for-senior-citizens/articleshow/114195393.cms>

Bank margins likely to remain under pressure in Q2 amid rising deposit costs, say analysts

Increased cost of deposits is likely to keep bank margins under pressure in the second quarter though analysts will watch out for loan growth trends amid a weakness in the unsecured retail segment. Slippages may also rise as banks tighten their risk weights in unsecured loans, analysts said. Brokerage firm India Infoline expects bank net interest margins (NIMs) to contract by 2-5 basis points versus the first quarter of the fiscal due to hikes in term deposit rates as banks still reprice deposits. Limited loan yield expansion has already contracted incremental spreads by 8 basis points for private sector banks and they remain flat for PSU banks, IIFL said in a banking preview report. One basis point is 0.01 percentage point.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-margins-likely-to-remain-under-pressure-in-q2-amid-rising-deposit-costs-say-analysts/articleshow/114195628.cms>

Collateral anchor: Fintech companies steer towards secured lending

Nearly a year after the Reserve Bank of India (RBI) raised risk weights on unsecured personal loans, the country's leading fintech companies are shifting focus, expanding their portfolios to include collateral-backed credit in collaboration with lending partners. The strategy allows these firms to diversify revenue streams and offset risks from rising loan delinquencies. Leading the charge, Bengaluru-based PhonePe has launched a broad range of secured credit products, including mutual fund loans, gold loans, vehicle loans, loans against property, and education loans, significantly enhancing its credit distribution portfolio since May.

https://www.business-standard.com/finance/news/fintechs-turn-to-secured-credit-after-success-with-unsecured-loans-124101300379_1.html

Putting a leash: Govt likely to disband unit tracking pre-GST evasion

A dedicated unit of tax sleuths tracking cases of evasion in the pre-goods and services tax (GST) era may cease to exist from financial year 2025-26 (FY26). The Directorate General of GST Intelligence (DGGI) is likely to complete investigation in all tax evasion cases predating the GST regime by the end of this financial year, according to a senior government official. These cases pertain to the erstwhile service tax and central excise duties.

https://www.business-standard.com/economy/news/putting-a-leash-govt-likely-to-disband-unit-tracking-pre-gst-evasion-124101300451_1.html

Industry

Smaller cities drive premium phone sales in festive season

Steep discounts on premium handsets by Apple and Samsung among others lifted sales in smaller towns and cities, surpassing even the major metros this festive season so far, said industry executives and market trackers. The share of Tier-II cities and beyond in sales of premium smartphones, priced at above '30,000, in the first wave of sales by online retailers reached 70-80%, which is usually around 50-60% during other periods, said Counterpoint Research.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smaller-cities-drive-premium-phone-sales-in-festive-season/articleshow/114196150.cms>

Tractor sales surge in September, but H1 numbers stay flat

Tractor demand surged in September, with sales surpassing 100,000 units. Despite this strong monthly performance, tractor volumes for the entire September quarter showed only a marginal year-on-year increase. When compared to the previous quarter ending June 30, 2024, however, the figures reflected a notable decline, with volumes down by about 20 per cent.

<https://www.thehindubusinessline.com/economy/agri-business/tractor-sales-surge-in-september-but-h1-growth-stays-flat/article68748911.ece>

Consumer durables see strong sales momentum in Navratri-Dussehra period on premium products, attractive schemes

Consumer durables and electronics companies said they witnessed strong momentum in terms of demand trends during the Navratri-Dussehra period with high uptick in secondary sales.

<https://www.thehindubusinessline.com/companies/consumer-durables-see-strong-sales-momentum-in-navratri-dussehra-period-on-premium-products-attractive-schemes/article68748302.ece>

Women bring home the sales, delivering festival wins for e-commerce firms

India's e-commerce industry is increasingly offering opportunities for women and hiring them in significant numbers this festive season to cater to the huge surge in sales from millions of customers across the country. E-commerce firm Flipkart said its supply chain expansion will create over 100,000 job opportunities across India to meet the high demand during the festival season. It has launched 11 new fulfilment centres across nine cities.

https://www.business-standard.com/companies/news/how-women-drive-the-biggest-festive-sale-events-at-flipkart-amazon-myntra-124101300440_1.html

Agriculture

Soybean yield should be raised to be self-reliant on edible oils: Gadkari

Union minister Nitin Gadkari on Sunday underlined the need to increase the per-acre yield of soybeans to achieve self-sufficiency for India in the production of edible oils. He mentioned that the dependence on large-scale imports of palm oil from Indonesia and Malaysia can be reduced by promoting soybean cultivation and edible oil production on the domestic front.

https://www.business-standard.com/industry/news/soybean-yield-should-be-raised-to-be-self-reliant-on-edible-oils-gadkari-124101300563_1.html

Infrastructure

SC's tax ruling may boost commercial realty investments

The Supreme Court's recent ruling allowing claiming of input tax credit (ITC) for construction of any property meant for the supply of taxable services such as renting has brought in clarity in terms of tax liabilities and is expected to drive further investments into commercial realty, said industry officials and analysts. Reduction in tax burdens may serve as a catalyst, encouraging new investments and revitalising interest from developers and institutional investors who may have stayed away due to higher costs.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/scs-tax-ruling-may-boost-commercial-realty-investments/articleshow/114194942.cms>

Interest subsidy to be provided only once for a property under PMAY-U 2.0

Purchase of affordable houses through resale could be impacted as interest subsidy under the new Pradhan Mantri Awas Yojana - Urban 2.0 (PMAY-U 2.0) will be provided only once for a property. Concomitantly, sale could be hit as buyers will not want to buy a property on which interest subsidy has already been availed.

<https://www.thehindubusinessline.com/news/real-estate/interest-subsidy-to-be-provided-only-once-for-a-property-under-pmay-u-20/article68749123.ece>

Energy

India's renewable energy capacity crosses 200-GW mark

The total renewable energy-based electricity generation capacity (including small and large hydro, biomass and co-generation and waste-to-energy) in India crossed the 200 GW-mark in September, to reach 201,457.91 MW. Solar (90,762 MW) and wind (47,363 MW) accounted for the bulk of it. If you add 8,180 MW of nuclear capacity to this, the country's total non-fossil fuel-based power capacity stands at 46.3 per cent of the total installed electricity generation capacity. Rajasthan (31.5 GW), Gujarat (28.3 GW), Tamil Nadu (23.7 GW) and Karnataka (22.3 GW), are the top four states in renewable energy capacity, according to data provided by the Central Electricity Authority.

<https://www.thehindubusinessline.com/business-tech/indias-renewable-energy-capacity-crosses-200-gw-mark/article68748866.ece>

Telecom

TRAI's consultation process on spectrum allocation could disregard level playing field, RJio writes to Centre

With the telecom regulator hinting that it is in favour of administrative allocation of spectrum for satellite services, Reliance Jio has approached the Telecom Ministry accusing TRAI of having a predetermined mind on the issue.

<https://www.thehindubusinessline.com/info-tech/trais-consultation-process-on-spectrum-allocation-could-disregard-level-playing-field-rjio-writes-to-centre/article68748971.ece>

India advances in 6G race, ranks among top six in global patent filings

India is advancing aggressively in the race to shape the next generation of wireless technology. Based on various studies, the country ranks between fourth and sixth globally in filing patents related to 6G technology, a promising indicator of its potential influence on the 6G standard-setting process. From October 15-24, India will host the World Telecommunications Standardisation Assembly (WTSA) in Delhi providing a forum for delegates from 190 countries to discuss future standards for crucial technologies such as 6G, artificial intelligence, and big data. It is the first time that this assembly shall be held in Asia.

https://www.business-standard.com/economy/news/india-advances-in-6g-race-ranks-among-top-six-in-global-patent-filings-124101300658_1.html

Healthcare

More health packages focused on elderly care likely to be added to AB-PMJAY

The National Health Authority, the implementing agency for the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), is assessing the need to add more health packages catering to the elderly as the government is set to roll out the health coverage for all aged 70 years and above. The expanded scheme, which will benefit an estimated six crore citizens in about 4.5 crore households, is likely to be launched by the end of this month, official sources said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/more-health-packages-focused-on-elderly-care-likely-to-be-added-to-ab-pmjay/articleshow/114188539.cms>

External

Anti-dumping step: India may raise the bar to block entry of cheap steel

The government could soon expand the ambit of its stringent quality norms amid an increase in large-scale dumping of substandard steel, largely from China, said officials. It comes after a comprehensive review of local production and imports by the steel ministry in early October which revealed the sector's increased vulnerability to global trade diversions, they said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/anti-dumping-step-india-may-raise-the-bar-to-block-entry-of-cheap-steel/articleshow/114196326.cms>

Govt restricts pocket lighter part imports

The government on Sunday restricted the import of parts of pocket lighters with immediate effect. Their imports were free till now. The parts are mainly imported from China, Spain, Turkey and the UAE. "Import of parts of pocket lighters, gas fuelled, non-refillable or refillable lighters (cigarette lighters)... is restricted with immediate effect," the directorate general of foreign trade (DGFT) said in a notification. These products can be imported only against a valid license meant for restricted imports. During April-July this fiscal, the import of lighter parts was \$3.8 million. It was \$4.86 million in 2023-24.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-restricts-pocket-lighter-part-imports/articleshow/114192489.cms>

India-EU FTA: Commerce Department asks industry to point out required flexibility in rules of origin

With India and the EU focussed on lending pace to the ongoing free trade agreement (FTA) negotiations, the Commerce Department has reached out to the domestic industry to ensure that it gets the best possible flexibility under rules of origin—the criteria that determine the national source of a product and its eligibility for tariff cuts and elimination.

<https://www.thehindubusinessline.com/economy/india-eu-fta-commerce-department-asks-industry-to-point-out-required-flexibility-in-rules-of-origin/article68749466.ece>