



October 30, 2024 – Wednesday

Economy

Nearly 50% of construction workers' welfare cess funds unutilized

Nearly half of the Rs 1.12 trillion collected by states and Union Territories (UTs) as the building and other construction workers' welfare cess remained unutilised till March 31 this year, a Business Standard analysis has revealed. States and UTs are mandated to have a building and other construction worker welfare board (BOCWFB) under the Building and Other Construction Workers Act, 1996. Every construction work within a state with a total cost of more than Rs 10 lakh, excluding the cost of land, is levied a cess of 1 per cent, to be used for the welfare of workers.

https://www.business-standard.com/economy/news/nearly-50-of-construction-workers-welfare-cess-funds-unutilised-124102901356_1.html

Amid global VC slowdown due to geopolitical tensions, India's investment landscape thrives: KPMG report

Amid geopolitical tensions and seasonal downturns affecting global venture capital (VC) investment, the Indian VC market remained robust, attracting \$3.6 billion. This growth was bolstered by several successful fundraising rounds from consumer-oriented businesses, according to a report by KPMG.

<https://www.thehindubusinessline.com/news/amid-global-vc-slowdown-due-to-geopolitical-tensions-indias-investment-landscape-thrives-kpmg-report/article68811140.ece>

Finance

Cashfree Payments gains regulatory approval to operate as a PPI provider

Fintech firm Cashfree Payments on Tuesday said it has received regulatory approval to operate as a prepaid payment instrument (PPI) provider, enabling the firm to issue prepaid payment instruments like cards or digital wallets. The Bengaluru-based company has already received the Payment Aggregator (PA) and Payment Aggregator-Cross Border (PA-CB) licences from the Reserve Bank of India (RBI). Cashfree Payments has now joined the growing list of PPI providers in India, which has now soared to 46.

https://www.business-standard.com/finance/news/cashfree-payments-gains-regulatory-approval-to-operate-as-a-ppi-provider-124102901153_1.html

Pillar Two tax regime unlikely soon as India proceeds with caution

The Union government does not anticipate more than Rs 100-200 crore in additional revenue after adopting Pillar 2, and that too only under specific circumstances. Therefore, it is proceeding cautiously and is unlikely to implement the rules anytime soon, according to a senior finance ministry official who requested anonymity. "An internal analysis indicates that the government is likely to see only an additional revenue of Rs 100-200 crore after implementing Pillar 2, and that's only under certain conditions," an official stated.

https://www.business-standard.com/economy/news/pillar-two-tax-regime-unlikely-soon-as-india-proceeds-with-caution-124102901262_1.html

Growing strong: 60% gold reserves held domestically, shows RBI data

Gold reserves held domestically have increased to 60 per cent of the total holding as of September 30 as against 50 per cent at the end of March, the latest data released by the Reserve Bank of India (RBI) shows. The RBI's "Half Yearly Report on Management of Foreign Exchange Reserves" says gold held domestically rose more than 100 tonnes between April and September to 510.46 metric tonnes against 408 metric tonnes at the end of March. As of September 30, the RBI held 854.73 tonnes of gold against 822.10 tonnes at the end of the previous financial year.

https://www.business-standard.com/economy/news/india-s-domestic-gold-reserves-rise-to-60-of-total-holdings-says-rbi-data-124102901367_1.html

Industry

FMCG, auto companies step up ad spends to revive demand

Nearly a dozen consumer and automobile companies, such as Nestle, Colgate-Palmolive, Godrej Consumer Products, Maruti Suzuki, Volkswagen, Skoda and Tata Motors, have stepped up advertising and marketing spends in September quarter, and some of them said they will continue to increase spending through the December quarter to help revive demand. Toothpaste maker Colgate increased marketing and ad spending by 17.8% in the July-September period to ₹242 crore and expects the momentum to continue, while Godrej Consumer Products said in a post-earnings call that it will continue to incrementally increase ad spends as it did in the past quarter. Colgate in a management commentary said a step up in ad spends, which were nearly a percentage point higher from a year earlier, were on account of innovation in the quarter.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-auto-companies-step-up-ad-spends-to-revive-demand/articleshow/114745400.cms>

Payments of ₹21,108 cr to small firms pending: MSME Samadhaan portal

Payments totalling ₹21,108 crore to micro, small and medium enterprises (MSMEs) are pending across 90,000 applications, as per the latest data from the MSME Samadhaan portal. Already, 40,000 applications, amounting to ₹13,199 crore, have been converted into cases by the Micro and Small Enterprises Facilitation Council. The MSME Samadhaan portal monitors payments pending to MSMEs by the government, including state governments, statutory bodies, state-run firms and other government entities.

<https://economictimes.indiatimes.com/news/economy/finance/payments-of-21108-cr-to-small-firms-pending-msme-samadhaan-portal/articleshow/114743675.cms>

Framework on sustainability for textile industry on cards amid global focus

The Centre is working towards a framework on sustainability for the textiles industry amid a rising global focus, especially among developed nations, to incorporate sustainable initiatives in production and trade of textiles. Government officials believe that a shift towards sustainability in the textiles sector is crucial for maintaining a competitive edge in the global market. The ministry of textiles is preparing the framework and has been in consultations with the industry to take into consideration its views.

https://www.business-standard.com/industry/news/framework-on-sustainability-for-textile-industry-on-cards-amid-global-focus-124102901487_1.html

Agriculture

In a first, govt inks deal for contract farming of pulses

The government, for the first time, has entered into contract farming deals with farmers in states including Tamil Nadu, Bihar, Jharkhand and Gujarat to grow pulses (tur and masur) on 1,500 hectares of farmland. The pilot deal is part of a plan to achieve self-sufficiency in pulses by expanding cultivation in states where farmers are traditionally not inclined to grow pulses, a senior official aware of the development told ET.

<https://economictimes.indiatimes.com/news/economy/agriculture/in-a-first-govt-inks-deal-for-contract-farming-of-pulses/articleshow/114743546.cms>

Centre procures 60.63 lakh tonnes of paddy so far in Punjab; Rs 1,22,00 cr paid to farmers till Oct 28

The Centre on Tuesday said it has procured 60.63 lakh tonnes of paddy so far in Punjab and it has already made payments of Rs 12,200 crore to farmers in the state as of October 28. In an official statement, the union food ministry

said, "as of 28th October 2024, a total quantity of 65.75 lakh tonnes of paddy has arrived in the mandis out of which 60.63 lakh tonnes have been procured by state agencies and Food Corporation of India (FCI)."

<https://economictimes.indiatimes.com/news/economy/agriculture/centre-procures-60-63-lakh-tonnes-of-paddy-so-far-in-punjab-rs-12200-cr-paid-to-farmers-till-oct-28/articleshow/114739575.cms>

Sugar industry calls for price hike to Rs 39.14 per kg to help cut losses

Sugar industry body ISMA has demanded that the minimum selling price (MSP) of the sweetener should be increased to Rs 39.14 per kg from the current Rs 31 per kg as millers are facing losses due to high production cost. In a statement on Tuesday, the Indian Sugar and Bio-Energy Manufacturers Association (ISMA) called for an increase in the Minimum Sale Price (MSP) of sugar, which has remained unchanged at Rs 31 per kg since February 2019. During this period, it said the Fair and Remunerative Price (FRP) of sugarcane has increased five times, with the FRP now standing at Rs 340 per quintal for the 202425 sugar season.

https://www.business-standard.com/industry/news/sugar-industry-calls-for-price-hike-to-rs-39-14-per-kg-to-help-cut-losses-124102901363_1.html

Infrastructure

Network Planning Group under PM GatiShakti evaluates 7 infrastructure projects

The Network Planning Group (NPG) under the PM GatiShakti initiative has evaluated seven infrastructure projects, including road and rail projects, an official statement said on Tuesday. The projects were evaluated for their alignment with the principles of integrated planning outlined in the PM GatiShakti National Master Plan (NMP), it said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/network-planning-group-under-pm-gatishakti-evaluates-7-infrastructure-projects/articleshow/114736504.cms>

Energy

Govt proposes 15-year PPA for FDRE projects with battery storage

The Power Ministry has proposed a 15-year power purchase agreement (PPA) for tariff-based competitive bidding of 15 years in (TBCB) projects aimed at supplying firm and dispatchable power from grid-connected renewable energy (FDRE) projects with Energy Storage Systems (ESS).

<https://www.thehindubusinessline.com/economy/policy/govt-proposes-15-yrs-ppa-for-fdre-projects-with-battery-storage/article68810766.ece>

Delays in India's carbon trading scheme raise concerns amid UN warning

India may announce a new carbon trading regime, covering less than a third of its rapidly multiplying emissions, only in late 2025 or 2026, nearly three years after approval, according to several officials who spoke to Business Standard. A senior official from a state energy company, who attended a recent meeting with officials from Niti Aayog and the Bureau of Energy Efficiency (BEE), an arm of the power ministry, which is tasked with overseeing the carbon credit trading scheme (CCTS), said that a programme to trade carbon credits will be in place by late 2025.

https://www.business-standard.com/economy/news/delays-in-india-s-carbon-trading-scheme-raise-concerns-amid-un-warning-124102901214_1.html

Spanish President affirms aid for India's energy security, green transition

Spanish President Pedro Sanchez on Tuesday affirmed Madrid's commitment to help New Delhi enhance its energy security and green transition. He also said that the country is eager to advance negotiations for a free trade agreement (FTA) between India and the European Union. Addressing a business meeting in India's financial capital, the President of EU's fourth-largest economy spoke strongly for greater partnerships on the digitalization front between India and Spain, and also bought a Ganesh idol using the Unified Payment Interface (UPI) at a merchant here.

https://www.business-standard.com/economy/news/spanish-president-affirms-aid-for-india-s-energy-security-green-transition-124102901281_1.html

Significant growth opportunity for renewables sector in India: SEforALL

There is significant growth opportunity for renewable energy sector in India, as the country's growing energy demand along with rapid industrialization needs all resources of energy, including solar and wind, according to an international sustainable development agency in Vienna. The Indian government has shown both a deep as well as a continued commitment to renewable energy, said Kanika Chawla, Director and Chief of Staff at Sustainable Energy For All' (SEforALL).

https://www.business-standard.com/industry/news/significant-growth-opportunity-for-renewables-sector-in-india-seforall-124102900355_1.html

Telecom

Trai extends deadline for traceability mandate on OTPs to December 1

The Telecom Regulatory Authority of India (Trai) has extended the deadline for implementing a traceability requirement on commercial messages, including one-time passwords (OTPs), to December 1, 2024. This mandate aims to prevent the misuse of messaging services for spam and phishing, according to a report by The Economic Times. Trai's decision to extend the deadline followed concerns raised by telecom operators about potential service disruptions. Telecom companies warned that enforcing the traceability rule from November 1 could lead to large-scale message blockages, as many businesses, including banks and telemarketers, are not yet technically prepared for the changes.

https://www.business-standard.com/industry/news/trai-extends-deadline-for-traceability-mandate-on-otps-to-december-1-124102900960_1.html

Updated regulation on curbing spam calls likely by Jan: TRAI Chairman

The Telecom Regulatory Authority of India (TRAI) expects to finalise by January, updated and tighter regulations on curbing spam calls and messages after holding extensive discussions on its recent consultation paper, Chairman Anil Kumar Lahoti has said. Lahoti further said based on a recent reference from Telecom Department, TRAI will prepare and float a consultation paper on regulatory framework for telemarketers. The TRAI Chief said series of measures taken over the past months by the regulator to combat spam calls and malicious/fraudulent messages is leading to "significant and perceptible clean up of the system" but noted that "more needs to be done".

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/updated-regulation-on-curbing-spam-calls-likely-by-jan-trai-chairman/articleshow/114736488.cms>

Healthcare

NPPA asks pharma manufacturers to cut price of 3 anti-cancer drugs

The government has asked the companies to reduce prices of three anti-cancer drugs to pass on the benefit of customs duty exemption and GST reduction to the consumers. In line with the government's commitment to ensure the availability of drugs at affordable prices, the National Pharmaceutical Pricing Authority (NPPA) has issued an office memorandum directing the concerned manufacturers to reduce the MRP on three anti-cancer drugs, Trastuzumab, Osimertinib and Durvalumab. This is in pursuance to the announcement made in the Union Budget for the year 2024-25 exempting these three anti-cancer medicines from customs duty, the Ministry of Chemicals and Fertilisers said in a statement.

https://www.business-standard.com/industry/news/nppa-asks-pharma-manufacturers-to-cut-price-of-3-anti-cancer-drugs-124102901040_1.html

External

India, Taiwan get time till Apr'25 to resolve ICT dispute at WTO

In a breather for manufacturers of mobiles and components in India, the World Trade Organization's dispute settlement body (DSB) has accepted a request from India and Taiwan to further defer the adoption of the ruling against New Delhi's import duties on certain information and technology products till April 25 next year.

The two were earlier given time until September 19, 2023 then December 18, then April 26, 2024 and then October 31 to resolve the dispute regarding New Delhi's import duties on certain information and technology products.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-taiwan-get-time-till-apr25-to-resolve-ict-dispute-at-wto/articleshow/114739927.cms>

China's greater integration with ASEAN worries India in its FTA review

The ASEAN's deeper economic integration with China in the last 15 years since India's free trade agreement (FTA) with the bloc was forged has thrown a big challenge for the country in the ongoing review of the pact, sources said.

<https://www.thehindubusinessline.com/economy/chinas-greater-integration-with-asean-worries-india-in-its-fta-review/article68811408.ece>