



November 27, 2024 – Wednesday

Economy

Govt working on integrated platform for insolvency ecosystem: Official

The government is working on an integrated platform for the insolvency ecosystem covering key stakeholders that will also help speed up resolution processes. The Insolvency and Bankruptcy Code (IBC), which came into force in 2016, aims to provide market-linked and time-bound resolution of stressed assets. However, there have been delays in the resolution process. Anita Shah Akella, Joint Secretary at the Ministry of Corporate Affairs (MCA), on Tuesday emphasised that IBC is not a recovery mechanism but a rescue mechanism.

<https://economictimes.indiatimes.com/news/economy/policy/govt-working-on-integrated-platform-for-insolvency-ecosystem-official/articleshow/115703754.cms>

Finance

FinMin issues advisory to banks to promote transparency in transfer policy

The Finance Ministry on Tuesday issued a host of suggestions with regard to 'Transfer Policy' of public sector banks with an aim to promote greater transparency. According to an advisory issued to heads of public sector banks (PSBs), the Department of Financial Services asked lenders to incorporate advices suitably in their respective 'Transfer Policy' with the approval of their boards and take immediate action for its implementation and compliance from 2025-26. "PSBs are also advised to send a copy of the policy, so modified, to this Department, at the earliest," the communication said.

https://www.business-standard.com/industry/banking/finmin-issues-advisory-to-banks-to-promote-transparency-in-transfer-policy-124112601354_1.html

Govt plans insurance law changes for unified licence, hiking FDI limit

The Indian government plans to amend insurance laws in the ongoing session of Parliament to facilitate a unified licence for insurers and raise the foreign direct investment (FDI) limit to 100 per cent from 74 per cent, two government sources said on Tuesday. A single licence for insurers and higher FDI limit could boost investments and improve insurance penetration in the country, which stood at 3.8 per cent of GDP in 2023 according to research firm Swiss Re Institute. A unified licence or "composite licence" will allow insurers to provide life, general and health insurance under a single entity. Currently, life insurance companies cannot sell products such as health insurance, while general insurers are allowed to sell products ranging from health to marine.

https://www.business-standard.com/finance/news/govt-plans-insurance-law-changes-for-unified-licence-hiking-fdi-limit-124112600570_1.html

RBI injects ₹6,956 crore as liquidity turns to deficit

After running surplus liquidity of about ₹1.4 lakh crore for over two months, the banking system saw a decline in cash, prompting the Reserve Bank of India to inject ₹6,956 crore on Monday. The liquidity deficit was because of the balance of payments turning negative in the ongoing quarter at \$23 billion, due to persistent outflows from foreign portfolio investors (FPI) and the RBI selling dollars in the market to support the rupee, economists said.

<https://economictimes.indiatimes.com/news/economy/finance/rbi-injects-6956-crore-as-liquidity-turns-to-deficit/articleshow/115706959.cms>

Credit-deposit growth gap narrows to 90 bps in September

The gap between credit and deposit growth in the banking system narrowed in September to 90 basis points from 330 basis points in June in an indication that the RBI's November 2023 move to increase risk weights on unsecured consumer credit and bank credit to non-banking finance companies (NBFCs) is bearing fruit, with credit growth moderating in these segments.

<https://www.thehindubusinessline.com/money-and-banking/credit-deposit-growth-gapnarrows-to-90-bps-in-september/article68915139.ece>

ARCs to witness recovery from stressed roads rising by 700-1000 bps this fiscal, says CRISIL

Asset reconstruction companies (ARCs) are expected to witness their cumulative recovery rate for stressed road projects rising by 700-1000 basis points (bps) this fiscal after doubling to 50-55 per cent last fiscal, stated a report by CRISIL Ratings. This, it added, will be driven by faster completion or descoping of pending construction resulting in start of annuities by the National Highways Authority of India (NHAI), thereby enabling quicker resolutions or restructuring of debt. Also, a healthy increase in toll collections is expected to support recoveries.

<https://www.financialexpress.com/business/industry-arcs-to-witness-recovery-from-stressed-roads-rising-by-700-1000-bps-this-fiscal-says-crisil-3677560/>

Indian banks write off Rs 1.7 trillion in loans in FY24, shows govt data

Indian banks have written off loans worth Rs 1.7 trillion in financial year 2023-24 (FY24), compared to Rs 2.08 trillion in FY23, according to data shared by Pankaj Chaudhary, Union Minister of State for Finance, in response to a question in the Lok Sabha. Loan write-offs by banks in FY24 are the lowest in the last five years. In FY20, banks had written off loans worth Rs 2.34 trillion; in FY21, they wrote off Rs 2.03 trillion; and in FY22, the number was Rs 1.75 trillion, the data showed. In FY24, Punjab National Bank wrote off the highest amount of loans worth Rs 18,317 crore, followed by Union Bank of India (Rs 18,264 crore) and State Bank of India (Rs 16,161 crore).

https://www.business-standard.com/finance/news/indian-banks-write-off-rs-1-7-trillion-in-loans-in-fy24-shows-govt-data-124112601126_1.html

Infra bond issuances by banks set to cross Rs 1 trillion in FY25

Infrastructure bond issuances by commercial banks in the current financial year (FY25) are likely to surpass Rs 1 trillion, almost double that of FY24, market participants said. So far this financial year, banks have raised Rs 74,256 crore via infra bonds. In FY24, the total issuances stood at around Rs 51,081 crore. State-owned banks have increasingly tapped the domestic capital market to raise funds through infra bonds to fund credit growth as deposit mobilisation has been a challenge. Banks such as State Bank of India, Bank of Baroda, Canara Bank, Bank of Maharashtra, Bank of India, and Indian Bank have also raised sizable amounts through infra bonds in the current financial year.

https://www.business-standard.com/finance/news/infra-bond-issuances-by-banks-set-to-surpass-rs-1-trillion-in-fy25-124112601083_1.html

Industry

FMCG companies quick to profit from rising star of ecommerce

Consumer goods companies are earning higher profits from quick commerce than other channels such as kiranas, grocery retail chains or regular ecommerce, according to the chief executives of majors such as Colgate-Palmolive India, Godrej Consumer Products, Dabur and Adani Wilmar. The superior margins come from higher sales of premium products, lower cost of distribution and shorter credit period in quick commerce, spurring consumer goods makers to bypass distributors and sell products directly to quick commerce firms, they said. "While quick commerce is growing eight times as fast as the rest of the company, the channel is also more profitable," Prabha Narasimhan, managing director at oral care firm Colgate-Palmolive India, told ET.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-companies-quick-to-profit-from-rising-star-of-ecommerce/articleshow/115707994.cms>

India's commercial vehicle makers see sales back on road to recovery in 2nd half

India's leading truck and bus makers Tata Motors, Ashok Leyland and VE Commercial Vehicles expect sales to recover in the second half of the fiscal year backed by improved freight movement, resumption of construction and mining operations with the end of monsoons, and renewed government spending on infrastructure projects. Girish Wagh, executive director at Tata Motors said kilometre usage by commercial vehicles, which fell by up to 17% in the September quarter, picked up in October. This, along with improved buyer sentiment, stable diesel prices and overall economic growth are expected to support fleet expansion and replacement in the coming months, said Wagh.

<https://economictimes.indiatimes.com/industry/auto/lcv-hcv/indias-commercial-vehicle-makers-see-sales-back-on-road-to-recovery-in-2nd-half/articleshow/115708007.cms>

Indian PC market shipments reach all-time high in Q3 of CY2024: IDC report

India shipped a record 4.49 million units of personal computers (PCs), which includes desktops, notebooks, and workstations, in the third quarter (Q3) of calendar year (CY) 2024, up a marginal 0.1 per cent year-on-year (Y-o-Y), according to a report. Q2 had seen 7.1 per cent growth in shipment at 3.39 million. In Q3, the notebook and workstation categories saw growth of 2.8 per cent and 2.4 per cent Y-o-Y, respectively, while the desktop category declined by 8.1 per cent Y-o-Y.

https://www.business-standard.com/economy/news/indian-pc-market-shipments-reach-all-time-high-in-q3-of-cy2024-idc-report-124112601009_1.html

Temporary hiring gains momentum as over 12% IT professionals prefer flexible roles, report shows

Contractual staffing or temporary hiring has grown significantly over the past five years, with employers and employees inclined towards temporary arrangements, according to a report by talent solutions provider Careernet. The report highlights that 12-15 per cent of IT professionals now prefer temporary roles over permanent positions, and this percentage is expected to increase.

<https://www.thehindubusinessline.com/economy/temporary-hiring-gains-momentum-as-over-12-it-professionals-prefer-flexible-roles-report-shows/article68914378.ece>

Agriculture

Govt to soon provide long-term finance via PACS to empower farmers: Shah

Cooperation Minister Amit Shah on Tuesday said the government will soon provide long-term finance through Primary Agricultural Credit Societies (PACS) to further empower the farming community. Speaking at the National Federation of State Co-operative Banks Ltd (NAFSCOB)'s Diamond Jubilee Celebration, Shah also directed the National Federation of State Co-operative Banks to prioritise making PACS more viable, transparent, and modern. The minister stressed the strengthening of the spirit of cooperation while expressing concern over the "dilution" of this spirit in state and district-level cooperative banks in many places.

https://www.business-standard.com/finance/news/govt-to-soon-provide-long-term-finance-via-pacs-to-empower-farmers-shah-124112601242_1.html

Milk production annual growth rate slips further to 3.78% in FY24

India's annual growth rate in milk production has slowed down further to 3.78 per cent in 2023-24, though the country continues to remain the world's largest producer at 239.3 million tonnes, latest government data showed.

The growth rate in milk production was 6.62 per cent in financial year 2017-18 (FY18); 6.47 per cent in FY19; 5.69 per cent in FY20; 5.81 per cent in FY21; and 5.77 per cent in FY22. In FY23 it came down to 3.83 per cent and 3.78 per cent in FY24, the animal husbandry statistics 2024 released today said.

https://www.business-standard.com/industry/news/milk-production-annual-growth-rate-slips-further-to-3-78-in-fy24-124112601313_1.html

Meat production rises 5 pc to 10.25 mn tonnes in FY24; egg output up 3 pc: Government data

India's meat production rose nearly 5 per cent to 10.25 million tonnes in the last fiscal, according to the government data released on Tuesday. "The total meat production in the country is estimated as 10.25 million tonnes during 2023-24 and registered a growth of 4.85 per cent over the past 10 years as compared to the estimates of 6.69 million

tonnes in 2014-15. Further, the production was increased by 4.95 per cent in 2023-24 over 2022-23," an official statement said. Major contribution in the total meat production comes from West Bengal with 12.62 per cent share and it was followed by Uttar Pradesh (12.29 per cent), Maharashtra (11.28 per cent), Telangana (10.85 per cent) and Andhra Pradesh (10.41 per cent).

<https://economictimes.indiatimes.com/news/economy/agriculture/meat-production-rises-5-pc-to-10-25-mn-tonnes-in-fy24-egg-output-up-3-pc-government-data/articleshow/115704422.cms>

UP achieves record paddy procurement under Kharif season 2024-25

Under the Kharif procurement season for 2024-25, agencies have procured over 7.28 lakh metric tons of paddy. The UP government has claimed it as an achievement in the agriculture sector of the state. According to a press release, issued by the state government, this is a significant increase compared to the previous year, where by November 25, 2023, agencies had procured 5.79 lakh metric tons of paddy. The purchase of an additional 1.49 lakh metric tons is an achievement, the release mentioned.

<https://economictimes.indiatimes.com/news/economy/agriculture/up-achieves-record-paddy-procurement-under-kharif-season-2024-25/articleshow/115704522.cms>

Infrastructure

Manufacturing sector drives warehousing demand as Q3 2024 leasing hits 14.65 mn sq ft: Knight Frank India

The warehouse transactions across eight key Indian markets, including Pune and Chennai, reached 14.65 mn sq ft in Q3 2024 (July–September) Notably, 41 per cent of these transactions involved Grade A spaces. The manufacturing sector outperformed the 3PL sector in leasing volume, marking a significant shift, as 3PL has traditionally dominated the Indian warehousing market. Manufacturing industries accounted for 37 per cent of total transactions, leasing 14 mn sq ft from January–September 2024.

<https://www.thehindubusinessline.com/news/knight-frank-indias-q3-2024-report-shows-manufacturing-sector-surpassing-3pl-in-indian-warehousing-market-transactions-reflecting-growth-and-investments/article68914293.ece>

Telecom

Govt's nod for bank guarantee waiver will reduce telcos' burden: COAI

Industry body COAI on Tuesday said the Cabinet nod for bank guarantee waiver for past spectrum purchases is a "landmark decision" that would help reduce financial burden on telecom operators in the country. The association - whose members include Vodafone Idea, Bharti Airtel and Reliance Jio - further said the move will enhance cash flow, free up capital and enable capital investments in network expansion and technology upgrades. This, COAI said, will ensure a stronger and robust rollout of telecom networks in the future.

https://www.business-standard.com/industry/news/govt-s-nod-for-bank-guarantee-waiver-will-reduce-telcos-burden-coai-124112600696_1.html

Telecom tower companies to dial in capex of Rs 21,000 crore over fiscal 2025 and 2026

Independent telecom tower companies are expected to spend Rs 21,000 crore over a period between fiscals 2025 and 2026 in order to support the telecom companies in expanding rural networks and also improving service quality in urban areas, stated a report by CRISIL Ratings. Over the past two fiscals, the push for better coverage and connectivity, along with rollout of 5G, had driven a capital expenditure (capex) of around Rs 23,000 crore.

<https://www.financialexpress.com/business/industry-telecom-tower-companies-to-dial-in-capex-of-rs-21000-crore-over-fiscal-2025-and-2026-3677766/>

India leads in 5G growth with 270 million users expected by end of 2024

India is projected to have 270 million 5G subscribers by the end of 2024, making up 23 per cent of the country's mobile subscriptions, according to Ericsson's latest mobility report. This represents a significant rise from the 110–120 million 5G users recorded in 2023. While 5G adoption is surging, 4G remains the dominant mobile subscription type, accounting for 54 per cent of total subscriptions. However, with the ongoing 5G rollout, 4G subscriptions are

expected to decline sharply, from 640 million in 2024 to just 240 million by 2030, representing 18 per cent of total subscriptions.

https://www.business-standard.com/industry/news/india-leads-in-5g-growth-with-270-million-users-expected-by-end-of-2024-124112600688_1.html

States

Rajasthan to set up new IT city, 50 kms from Gurugram

Rajasthan has rolled down the red carpet for the first big company to start its new IT city, 50 kilometres away from Gurugram, State's Industry and IT Minister Rajyavardhan Singh Rathore has said. In an interview with businessline, Rathore also said that the State government, in association with the Tata Group, will start work on upgrading 100 ITIs in the State to ensure a skilled labour force for industries. Excerpts:

<https://www.thehindubusinessline.com/news/national/rajasthan-to-set-up-new-it-city-50-kms-from-gurugram/article68914492.ece>

External

India red-flags non-tariff barriers, wants EU focus on market access

India has sought certainty from the European Union that the bloc will not impose new non-tariff barriers in future hurting the country's interests. India's insistence on such an assurance comes as the two sides assess the progress of their free trade agreement (FTA) negotiations, which restarted two years ago. "We have said that any new regulations may bring uncertainty for us. This is something they recognise and agree with," said an official.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-red-flags-non-tariff-barriers-wants-eu-focus-on-market-access/articleshow/115708151.cms>