



January 06, 2025 – Monday

Economy

Achieving Budget Estimates for Corporate Tax, Union Excise Duty poses tough challenge

Meeting Budget Estimates (BE) related to collection of Corporate Tax and Union Excise Duty would be a tough task, latest trends show. Revised number for both the levies will be provided in the Union Budget for Fiscal Year 2025-26 to be presented on February 1. Data from Income Tax Department shows actual growth rate in net Corporate Tax (CT) has been around 8.6 per cent as against targeted growth rate of 10.5 per cent (FY25's Budget Estimate of ₹10.20 lakh crore as against FY 24's Revised Estimate of ₹9.23 lakh crore). Though the department has not given any specific reason for lower actual growth than required growth rate, it appears that slowdown in urban demand, lower Government spending on account of model code of conduct in April-June quarter and monsoon-related disruptions in July-September quarter impacted corporate profitability which, in turn, had some effect on CT.

<https://www.thehindubusinessline.com/economy/achieving-budget-estimates-for-corporate-tax-union-excise-duty-poses-tough-challenge/article69064430.ece>

Sectoral needs to drive data localisation; restrictions to be applied only where needed: Govt

The government's approach to data localisation will be guided by sectoral requirements, ensuring restrictions are imposed only where necessary. A balanced framework is being put in place to safeguard critical personal data while avoiding disruption to industries. A government-appointed committee will act as a central body to evaluate any localisation needs raised by sectoral ministries. This committee will consult industry stakeholders before making any recommendations.

<https://www.financialexpress.com/life/technology-sectoral-needs-to-drive-data-localisation-restrictions-to-be-applied-only-where-needed-govt-3707437/>

DPDP Rules: Data localisation will be a curveball for businesses, say experts

Companies transferring personal data of Indian users across international borders will soon have to navigate data localisation norms under the draft Rules of the Digital Personal Data Protection Act. These provisions that call for additional government restrictions on companies to transfer specific data will complicate business operations, policy experts and lawyers told businessline.

<https://www.thehindubusinessline.com/info-tech/dpdp-rules-data-localisation-will-be-a-curveball-for-businesses-say-experts/article69064687.ece>

Social security net to be spread wider for unorganised workers

The labour and employment ministry will implement a series of measures this calendar year aimed at enhancing social security coverage for unorganised workers while ensuring ease of living for an estimated more than 380 million unorganised workers in the country. Top on the reforms agenda is the introduction of a common application form on the e-Shram portal, targeted enrolment of gig and platform workers through a dedicated module, and bringing on board building and construction workers for social security coverage, labour secretary Sumita Dawra told ET.

<https://economictimes.indiatimes.com/news/economy/policy/social-security-net-to-be-spread-wider-for-unorganised-workers/articleshow/116971140.cms>

Finance

Review of PSU General insurers on cards to gauge capital needs

The government is set to review the financial and operational performance of state-run general insurers, a senior official told ET, adding the exercise is aimed at helping North Block determine the need for capital infusion to strengthen the solvency ratios of these companies. "The financial performance of these companies has significantly improved. But their solvency ratios are still below the regulatory requirements. A decision will be made based on projections, and some amount may be allocated in the budget," he said. The three general insurers, Oriental Insurance, National Insurance, and United India Insurance, have solvency ratios below the stipulated 1.50.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/review-of-psu-general-insurers-on-cards-to-gauge-capital-needs/articleshow/116971333.cms>

Most banks see slower loan growth amid weak demand

Slower consumer demand, risk aversion to unsecured loans, and tepid deposit growth until late into the December quarter have meant that a majority of lenders clocked slower credit growth in the just concluded three-month period. Some banks such as HDFC Bank, which had an acute credit to deposit (C/D) ratio problem, have aggressively sold loans during the quarter, resulting in a loan growth of a mere 3% compared with a 15% deposit growth. Only IDBI Bank and IndusInd Bank reported loan growth in excess of deposits during the quarter, provisional data published by banks showed.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/most-banks-see-slower-loan-growth-amid-weak-demand/articleshow/116972072.cms>

Industry

Govt to launch another round of PLI scheme for steel sector on Monday

To encourage domestic production of specialty steel and lower imports by drawing in capital investments, the government had earlier introduced the PLI scheme for specialty steel. The scheme has attracted investments worth Rs 27,106 crore, envisaging creation of 14,760 direct employment opportunities with an estimated production of 7.90 million tonnes of specialty steel. The government will launch another round of production-linked incentive scheme for the steel sector on Monday.

https://www.business-standard.com/industry/news/govt-to-launch-another-round-of-pli-scheme-for-steel-sector-on-monday-125010500284_1.html

Govt to give 80% subsidy for EV fast chargers under PM E-Drive scheme

The central government will provide an 80 per cent or higher subsidy (which could increase to 100 per cent in exceptional cases) on the upstream infrastructure required to set up electric public fast charging stations across the country under the Rs 2,000 crore PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM eDRIVE) scheme (which replaced the Faster Adoption and Manufacturing of [Hybrid &] Electric Vehicles in India schemes).

https://www.business-standard.com/industry/auto/govt-to-give-80-subsidy-for-ev-fast-chargers-under-pm-e-drive-scheme-125010500371_1.html

Auto component companies focus on new markets, products as growth slows

As the Indian auto components sector faces a projected revenue slowdown to 6-8 per cent this and the next financial year due to softening of demand and sluggish global markets, industry players are actively diversifying their markets to mitigate the impact. According to a recent CRISIL report, while replacement demand will provide some support, export growth is expected to taper compared to the previous year. This has prompted several players to explore new avenues for growth.

https://www.business-standard.com/industry/auto/autocomp-cos-focus-on-new-products-and-markets-as-growth-slows-125010500096_1.html

Indian Space Association in favour of pricing satcom spectrum based on end use

Indian Space Association, which represents the interests of players like L&T, Godrej, Tata Group and Bharti, has asked the telecom regulator to adopt differential pricing for satellite spectrum based on end-use. The industry body has warned against large players who can launch predatory pricing if spectrum is given cheaply.

<https://www.thehindubusinessline.com/info-tech/indian-space-association-in-favour-of-pricing-satcom-spectrum-based-on-end-use/article69064815.ece>

Textile Ministry aims for \$300 billion market and 6 crore jobs by 2030: Textile Minister

Union Minister of Textiles Giriraj Singh stated that the textile ministry is committed to helping the industry to reach the market size of \$300 billion in year 2030 and provide employment to 6 crore persons in textile value chain, the Ministry stated in a release on Sunday. Textiles Minister Singh inaugurated the new permanent campus of the Indian Institute of Handloom Technology at Fulia, Nadia, West Bengal. The new campus of the institute has been constructed using state-of-the-art technology in a sprawling campus of 5.38 acres of land with the expenditure of ₹75.95 crore.

<https://www.thehindubusinessline.com/economy/textile-ministry-aims-for-300-billion-market-and-6-crore-jobs-by-2030-textile-minister/article69064198.ece>

Indian IT sector poised for steady YoY growth despite Q3FY25 seasonal headwinds

Indian IT companies are set to announce their third-quarter earnings for FY25 in January. While H2 is typically ridden with the usual seasonal factors like furloughs, analysts forecast that an improvement in the growth momentum on a YoY basis is likely to continue in Q3. After a decent Q2, seasonal furloughs will weigh on growth for the IT sector in Q3FY25. However, beyond this seasonality, macro uncertainty is gradually easing, as pointed out in a Motilal Oswal Financial Services (MOFSL) report, with the outlook for technology spending expected to improve in CY25.

<https://www.thehindubusinessline.com/info-tech/indian-it-sector-poised-for-steady-yoy-growth-despite-q3fy25-seasonal-headwinds/article69064831.ece>

FMCG makers expect inflation to hit volume growth, operating profit in Q3

Hit by inflation, higher input costs and pricing measures, fast-moving consumer goods companies are expected to see a contraction in their gross margin and a modest-to-flat operating profit in the October-December quarter. Several FMCG makers are likely to log a low single-digit rise in their revenue, returning to the cycle of value-driven growth. One of the reasons could be that a number of companies have opted for a price hike in the December quarter due to rising costs of input items such as copra, vegetable oil, and palm oil.

https://www.business-standard.com/industry/news/fmcm-makers-expect-inflation-to-hit-volume-growth-operating-profit-in-q3-125010500170_1.html

Q3 preview: Capital goods, engineering cos to maintain steady profitability

For India's capital goods and engineering firms, analysts expect a steady profitability streak for the December 2024-ended quarter (Q3FY25) even as a slump in stock market valuation is seen over order book growth concerns. The Bloomberg analysts' consensus shows a double-digit growth likely for all three metrics — net sales, earnings before interest, taxation, depreciation and amortisation (Ebitda) and profit after tax (PAT), for most companies in this segment (see chart).

https://www.business-standard.com/markets/news/q3-preview-capital-goods-engineering-cos-to-maintain-steady-profitability-125010500353_1.html

Agriculture

Agriculture credit growth may surpass 13% in FY25: Nabard chairman

“Over the past decade, agricultural credit has consistently grown at an average rate of 13 per cent. In FY25, we anticipate reaching around Rs 27-28 trillion in agricultural credit, higher than growth rates in other sectors. Moreover, this growth reflects a more granular approach — the reliance on informal credit sources is declining significantly. This shift indicates a trend towards the formalisation of rural credit, which benefits rural communities. Accessing formal credit sources generally leads to lower interest rates, resulting in better margins for these individuals compared to relying on informal lenders,” said Shaji. The government sets annual targets for ground-

level credit (GLC) in the agriculture sector for scheduled commercial banks (SCBs), regional rural banks (RRBs), and rural cooperative banks (RCBs).

https://www.business-standard.com/industry/agriculture/agriculture-credit-growth-may-surpass-13-in-fy25-nabard-chairman-125010500422_1.html

Indian cashew industry needs to adopt best practices of the Vietnam sector

India is one of the largest producers and processors of cashew in the world. However, in the last decade, India's cashew export dropped drastically from 43 per cent to 8 per cent. The decline has hurt the Indian cashew industry. States such as Maharashtra have to improve the infrastructure.

<https://www.thehindubusinessline.com/economy/agri-business/indian-cashew-industry-needs-to-adopt-best-practices-of-the-vietnam-sector/article69062105.ece>

Infrastructure

New office space supply falls 6% across top 8 cities in 2024: Report

India's eight major office markets saw a 6 per cent annual decline in fresh supply of workspaces during 2024, even as the demand hit an all-time high, according to Cushman & Wakefield. Real estate consultant Cushman & Wakefield (C&W) data showed that new supply of office space stood at 451.5 lakh square feet in 2024 as against 477.9 lakh sq ft in the preceding year. New supply declined in Delhi-NCR, Pune, Chennai, Hyderabad, Kolkata and Ahmedabad, while it jumped in Mumbai and rose marginally in Bengaluru.

https://www.business-standard.com/industry/news/new-office-space-supply-falls-6-pc-to-451-5-lakh-sq-ft-across-top-8-cities-in-2024-c-w-report-125010500190_1.html

Energy

India plans fund to secure critical minerals abroad, boost global mining ventures

As part of its policy to secure critical and strategic minerals, Mines Ministry is planning to establish a fund to support exploration, acquisitions, and investment opportunities, while also setting up mineral processing facilities abroad.

<https://www.thehindubusinessline.com/economy/india-plans-fund-to-secure-critical-minerals-abroad-boost-global-mining-ventures/article69064696.ece>

Telecom

Tighter anti-spam norms in a myth; TRAI pilot soon to onboard past user consents onto digital system

TRAI will start, this month, a pilot to onboard paper-based and past permissions given by customers for receiving commercial communications onto its digital distributed ledger technology (DLT) platform, a process that in the long-run would include scrubbing and verifying their current validity and offering opt-outs to those keen on it, Chairman Anil Kumar Lahoti said, adding that tighter regulations on curbing spam as well as new consultation examining an authorisation framework for telemarketers can also be expected in coming weeks. Telecom Regulatory Authority of India (TRAI) has also ruled out any rethink on its latest regulation that mandates service providers to offer separate special tariff vouchers (STV) for voice calls and SMS.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/tighter-anti-spam-norms-in-a-mth-tra-pilot-soon-to-onboard-past-user-consents-onto-digital-system/articleshow/116964483.cms>

States

MSMEs to get instant loans: Punjab & Sind Bank rolls out Rs 25 lakh scheme

State-owned Punjab & Sind Bank is set to launch an instant loan scheme for the MSME sector this month, offering loans of up to Rs 25 lakh. This initiative aims to enhance credit access through the bank's digital platform. Additionally, the bank has introduced digital home and vehicle loan schemes, providing in-principle approvals within just 15 minutes.

<https://www.financialexpress.com/business/sme-msmes-to-get-instant-loans-punjab-amp-sind-bank-rolls-out-rs-25-lakh-scheme-3707682/>

Healthcare

Weakening rupee may not be shot in the arm for India's pharma exporters

The recent depreciation of the Indian rupee against the US dollar may not necessarily bode well for India's pharmaceutical exporters in the immediate term, experts said. While some believe the devaluing rupee will have little immediate impact on exports due to annual contracts being hedged against currency fluctuations, others warn that smaller players may lower prices in response to the currency tailwind, potentially triggering price renegotiations. Exporters note the higher import costs for active pharmaceutical ingredients (APIs) could offset the gains from the export surge.

https://www.business-standard.com/economy/news/weakening-rupee-may-not-be-shot-in-the-arm-for-india-s-pharma-exporters-125010500409_1.html

External

Commerce ministry, Indian mission officials of 20 nations to discuss ways to boost exports in Jan 6-8 meet

Senior officials from the commerce ministry, and commercial wings of Indian Missions of 20 countries will hold a three-day meet, beginning here on Monday, to discuss ways to promote exports of goods and services, an official said. Commerce and Industry Minister Piyush Goyal will also interact with these commercial representatives on January 6. The issues, which would come up during the three-day celebration included opportunities and challenges and the way ahead in six focus sectors (of goods and services each) in 20 countries of significance; non-tariff barriers; logistics; WTO (World Trade Organisation) matters; and role and importance of MAI (market access initiative), the official said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/commerce-ministry-indian-mission-officials-of-20-nations-to-discuss-ways-to-boost-exports-in-jan-6-8-meet/articleshow/116969170.cms>

FDI in India surging as global investors see top destination: Piyush Goyal

FDI inflows into the country are surging, with investors from the Middle East, Japan, European Union, and the US recognising India's status as a top investment destination, driving rapid economic growth and generating millions of new jobs, Commerce and Industry Minister Piyush Goyal has said. He said that global investors are showing keen interest in India as the country offers several advantages such as strong domestic market, skilled and talented workforce and rule of law. He added that India's stable and predictable regulatory framework, coupled with a favourable business environment and progressive policies aimed at enhancing ease of doing business, is attracting an increasing number of investors from around the world.

https://www.business-standard.com/economy/news/fdi-in-india-surging-as-global-investors-see-top-destination-piyush-goyal-125010500370_1.html

Govt launches 2 special categories visas for international students

India has launched two special category visa for international students intending to pursue higher education in academic institutions in the country. The 'e-student visa' and 'e-student-x' visa have been introduced by the Ministry of Home Affairs and all applicants will have to use the 'Study in India' (SII) portal launched by the government, officials said. The e-student visa facility can be availed by eligible foreign students registered on the SII portal while e-student-x visa is offered to the dependents of those holding e-student visas, they said.

https://www.business-standard.com/india-news/govt-launches-2-special-categories-visas-for-international-students-125010500131_1.html