

Daily Economic News Summary: 9 August 2016

1. Modi to push China for NSG entry, investments

Source: **Hindu Business Line** ([Link](#))

Prime Minister Narendra Modi will be pushing for India's membership of Nuclear Suppliers Group (NSG) when he meets his Chinese counterpart Li Keqiang next month even as he will focus on expediting the \$20 billion investments that the Chinese had promised. Modi will be holding a bilateral meeting with Li on the sidelines of the G-20 meeting on September 4-5, being held in Hangzhou, China. He is expected to focus mainly on persuading China to agree on India's NSG membership by linking it with China's application at the Missile Technology Control Regime (MTCR), of which India is a member. *"The NSG will be top on the PM's agenda, while all other issues of bilateral importance will be discussed. The Prime Minister is also going to urge the Chinese to expedite their investment promise of \$20 billion, announced when their President was here,"* a top official told *BusinessLine* requesting anonymity.

2. E-Filing of IT returns rises by 9.8%

Source: **Hindu Business Line** ([Link](#))

In a thumbs-up to the Income-Tax Department's taxpayer friendly initiatives, electronic filing of returns jumped up by nearly 10 per cent this fiscal. Nearly 2.27 crore income tax returns were e-filed in 2016-17 as compared to 70.97 crore for the same period last fiscal. *"The growth is over 9.8 per cent even if comparison is made with E-returns filed of 2.06 crore as on 7th September 2015, which was the extended due date in 2015-16,"* said the Central Board of Direct Taxes on Monday. Over 75.3 lakh have also used the facility of e-verification of income tax returns this fiscal, as against 32.95 lakh taxpayers last year till September 7, 2015, it said.

3. Spectrum auction to start on 29 September

Source: **Live Mint** ([Link](#))

Spectrum worth Rs.5.63 trillion at the base price will go under the hammer in India's largest auction of mobile airwaves—an exercise that some analysts see as overambitious. Bidding will begin on 29 September, with 2,354.55 megahertz (MHz) of spectrum up for grabs, the department of telecommunications (DoT) said on Monday.

The government expects telecom companies to bid aggressively in the auction as they seek to improve the quality of their service. The sale of spectrum will expand bandwidth and improve the ability of telecom companies to service consumers and address problems such as call drops.

For the government, the auction receipts, to be accrued over the years, will alleviate fiscal pressure. *“The amount of spectrum being put on auction is more than any previous auction. It will give telecom companies an opportunity to bid and acquire a chunk of spectrum which would enable them to provide international-quality services,”* said DoT secretary J.S. Deepak at a press conference where he released a notice inviting applications for the auction. The auction should help telecoms improve quality of service, given that the ecosystem of data consumption in the telephony space is driven by content. Telecom companies have been found wanting in numerous test drives conducted by the Telecom Regulatory Authority of India, which showed that most telecom operators failed to meet benchmarks.

4. Anti-Dumping duty levied on steel products from six nations

Source: **Live Mint** ([Link](#))

India on Tuesday slapped anti-dumping duty on import of hot-rolled steel products from six nations, including China and South Korea, in a bid to shield domestic manufacturers against cheaper inward shipments. An anti-dumping duty of \$474-\$557 per tonne was imposed on ‘hot-rolled flat products of alloy or non-alloy steel’ import from China, Japan, South Korea, Russia, Brazil and Indonesia, the Department of Revenue in the ministry of finance said in a notification. The duty would be in force for six months till 7 February 2017.

The anti-dumping duty was imposed on recommendation of the directorate general of anti dumping (DGAD). An anti-dumping duty of \$474 per tonne was imposed on import of hot-rolled flat products of alloy or non-alloy steel of a width up to 2100 mm and thickness up to 25 mm from Korea and Japan. Korean firms attracting the anti-dumping duty are Hyundai Steel Company and POSCO. A similar anti-dumping duty was slapped on import of similar products from China, the exporter company being Angang Steel Company Ltd and Zhangjiagang. Imports of the same from Indonesia, Russia and Brazil too attracted \$474 per tonne duty.

5. RBI keeps Repo rate unchanged at 6.50%

Source: **Live Mint** ([Link](#))

The Reserve Bank of India (RBI) left its key policy rate unchanged on Tuesday, taking cognizance of the recent rise in inflation which puts the consumer price index uncomfortably close to the upper tolerance threshold of 6% as mandated by the government. The RBI, however,

reiterated that its stance remains accommodative, while adding that it will focus on providing adequate liquidity which is helping to improve the pass-through of past rate cuts. *“The stance of monetary policy remains accommodative and will continue to emphasise the adequate provision of liquidity. Easy liquidity conditions are already prompting banks to modestly transmit past policy rate cuts through their MCLR (marginal cost lending rates) and pro-active liquidity management should facilitate more pass-through,”* said the RBI in its monetary policy statement.

The central bank has cut rates by 150 basis points (bps) since the start of 2015. Bank rates, however, have fallen by about 90 bps in response to the policy rate cuts. One bps is one-hundredth of a percentage point. Following Tuesday’s monetary policy announcement, the repo rate remains steady at 6.50%. Consequently, the reverse repo rate will remain at 6%, the bank rate and marginal standing facility rate at 7%. The cash reserve ratio was also kept unchanged at 4%. A *Mint* poll of 10 economists and bankers had shown that most expected the RBI to leave rates unchanged.

6. India’s home to Accenture’s 37% staff

Source: **Times of India** ([Link](#))

In the 2015 fiscal, Accenture’s digital revenue grew 35% to become a \$7 billion business. It has invested \$2.5 billion in 38 acquisitions in the last three years- 70% of that in just the last fiscal. In an interview to TOI, Rekha Menon, CMD of Accenture India, talks about the \$32 billion company’s first mover advantage in digital and India’s crucial role in it.

Excerpts:

A quarter may be a third of your work-force is in India. How has the Indian operations grown in the past few years?

Rekha Menon: *We’re more than 1,40,000 in India and we’re 3,75,000 employees across the world. But the story for is not headcount anymore. It was important in the years past-remember, we came into the game later in India, all our competitors were already here. And we were at that time written off, saying we could never crack it. But we’ve cracked it. The important story for us now is that India is the powerhouse in terms of what we’re providing for our clients globally.*

BY Harsha Hazarika