

Daily Economic News Summary: 26 September 2018

1. Good News! India's Economy On Robust Growth Path As GST, Demonetisation Effects Abate, Says ADB

Source: Financial Express ([Link](#))

India's economy continues on a robust growth path, the Asian Development Bank (ADB) said Wednesday while maintaining the growth forecast for the current fiscal at 7.3 per cent. However, depreciation of the rupee and volatile external financial markets pose challenges, the multilateral lending agency added, in an update of its flagship annual economic publication, the Asian Development Outlook (ADO) 2018. Growth remains stable across most of developing Asia due to robust domestic demand, buoyant oil and gas prices and a consolidation of India's growth rebound, it said. "But escalating trade tensions will test the region's resilience, underscoring the importance of efforts to bolster trade ties among its countries," it added.

2. Supreme Court Declares Aadhaar As Constitutionally Valid

Source: The Hindu, Business Line ([Link](#))

The Supreme Court on 26 September declared the Centre's flagship Aadhaar scheme as Constitutionally valid. The apex court's five-judge Constitution bench headed by Chief Justice Dipak Misra said Aadhaar is meant to help benefits reach the marginalised sections of the society and takes into account the dignity of people not only from personal but also from community point of view. The top court said Aadhaar is serving much bigger public interest and Aadhaar means unique and it is better to be unique than being best. There are three sets of judgements being pronounced on the issue. The first of the three verdicts was pronounced by Justice A K Sikri who wrote the judgement for himself, CJI and Justice A M Khanwilkar. Justice Sikri said robust data protection regime has to be brought in place as early as possible.

3. India To Cut Iran Oil Import In Nov; Tehran May Lose Another Major Customer

Source: Business Standard ([Link](#))

India is not planning to buy any crude oil from Iran in November, raising the prospect that Tehran will lose another major customer as U.S. sanctions hit. Indian Oil Corp. and Bharat Petroleum Corp. haven't asked for any Iranian cargoes for loading in November, according to

officials at the companies. Nayara Energy also doesn't plan any purchases, said an industry executive. Mangalore Refinery and Petrochemicals Ltd. hasn't made any nominations for that month, but may do so later, a company official said. Final decisions on purchases aren't due until early October, so the refiners could still change their minds. The company officials and industry executive asked not to be named citing internal policies.

4. RBI Report Twice Said IL&FS Financial Services' Net-Owned Funds Were Wiped Out
Source: The Economic Times ([Link](#))

The Reserve Bank of India had expressed concerns about the operations of IL&FS Financial Services (IFIN), pointing out in its report three years ago that the net-owned funds of the finance company had been wiped out and that it was over-leveraged. Yet, the top management of the finance company declined to take corrective measures, two senior officials from the banking circles told ET. IL&FS was downgraded from triple A to a defaulting status in a span of 45 days after it failed to repay Rs 1,000 crore by way of loans to Sidbi. The default also created a massive crisis of confidence in the equities market, with speculation that most non-banking finance companies (NBFC) are facing a liquidity problem.

5. Cyrus, Shapoor Mistry Debut In Rich List; Mukesh Ambani Retains Top Spot
Source: Business Standard ([Link](#))

The Mistry brothers of the Pallonji Mistry Family, the largest shareholders of Tata Sons, have broken into the Top 10 list of rich people in India, according to a new report by Hurun. Released on 25 September, the Barclays Hurun India Rich List 2018, ranks Cyrus Mistry, erstwhile chairman of Tata Sons, who was ousted in a 2016 boardroom battle, ninth along with his elder brother Shapoor Mistry. Their wealth stands at Rs 694 billion each, ahead of Patanjali co-founder Acharya Balkrishna, who has slipped to the eleventh spot on the list. Balkrishna's wealth this year stands at Rs 570 billion, below Rs 700 billion that was reported last year.

6. Tata Motors' Sanand Plant Contractual Workers Protest Against Termination

Source: Financial Express ([Link](#))

As Tata Motors has terminated the contractual workers from its Sanand plant in Gujarat, about 160 workers have staged a protest at the collector office of Ahmedabad and gave a presentation against the company on 26 September. According to the workers, the company has dismissed their service and appointed new workers with lower salary which is illegal. Workers had presented their issue to the labour commissioner four months ago but as no result-oriented steps were taken, they chose to protest. According to the workers, contractual workers get about `12,000-13,000 salary while the permanent ones get around `25,000-28,000 per month. To avoid paying higher salary, the company is hiring workers on contract.

7. Unfazed By Rafale Fire, France Offers Fighter For Navy

Source: The Economic Times ([Link](#))

Undeterred by the controversy over the Rafale deal, France is pitching the fighter jet as a contender for the Indian Navy's requirement of carrier-borne combat aircraft, with a top officer saying that it's battle proven. Pointing to operations against ISIS using the Rafale, the French Navy feels it will be suitable for India and can be easily integrated onboard the aircraft carrier under construction at Cochin Shipyard. "We have used the aircraft carrier in the fight against ISIS and have used sophisticated armaments from the Rafale that demonstrates that it works very well," Rear Admiral Gilles Boidevezi, in charge of foreign relations for the French Navy, told ET.

8. India Among Top Countries To Incur Most Loss From Climate Change, Finds Research

Source: Livemint ([Link](#))

India is among the top countries to face maximum economic loss from climate change, says a new research, estimating the total price that emissions would have to the country's economy. The findings which were published in the scientific journal, Nature Climate Change, highlighted that United States, India and Saudi Arabia are the top three countries with the most to lose from climate change, followed by Brazil and world's largest CO2 emitter - China. It is for the first time that researchers developed a data set quantifying the country-level contributions to the social cost of carbon (SCC), which is a measure of the economic harm from carbon dioxide emissions for at least 169 countries across the globe.

9. Traders Give Call For Bharat Bandh On Friday To Oppose Walmart-Flipkart Deal

Source: The Economic Times ([Link](#))

Demanding scrapping of the US-based Walmart's deal to buy Indian e-tailer Flipkart, the Confederation of All India Traders (CAIT) has given a call for Bharat bandh on September 28. The Swadeshi Jagran Manch (SJM), an affiliate of the Rashtriya Swayamsevak Sangh, has backed the call for nationwide shutdown, terming the deal a backdoor entry of foreign direct investment (FDI) in multi-brand retail. "The Flipkart-Walmart deal flouts the FDI policy of India. It is going to affect about seven crore traders and small businesses in the country," said CAIT general secretary Praveen Khandelwal. Traders have demanded creation of a level playing field to compete with foreign capital. Ajit Setia, coordinator, CAIT (west zone) said, "We do not want to oppose the entry of FDI in India just for the sake of it. All that we demand is a level playing field for Indian traders before forcing them to compete with Walmart and Amazon."