

DAILY UPDATES

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RBI TELLS BANKS TO IMPROVE EFFECTIVENESS OF TECH SOLUTIONS FOR COMPLIANCE

“The review brought out that automation of the compliance monitoring process in SEs (supervised entities) remains a work in progress with various aspects of this function being carried out with significant manual intervention,” the RBI said on Wednesday.

GST COLLECTIONS RISE 10.4% TO RS 1.72 TRN IN JANUARY, SECOND HIGHEST-EVER

This is the second-highest monthly collection ever and marks the third month in this financial year with a collection of Rs 1.70 lakh crore or more

GOVT SLASHES IMPORT DUTY ON MOBILE PARTS

The Indian government has cut import taxes on some components of mobile phones in a bid to make the local industry more competitive. The move will help the likes of Apple and Samsung to ramp up exports, according to exports. The India Cellular and Electronics Association (ICEA) had earlier submitted a report comparing import duties among India, China, Vietnam and other countries, where they flagged a steep cost disability due to high tariffs on input parts.

RBI ORDERS PAYTM PAYMENTS BANK TO STOP DEPOSITS AND CREDIT TRANSACTION AFTER FEBRUARY 29

The RBI order further read that withdrawal or utilisation of balances by the bank's customers from their accounts including savings bank accounts, current accounts, prepaid instruments, FASTags, National Common Mobility Cards, etc. will be permitted without any restrictions, upto their available balance.

GOVT MULLS TWEAKS TO PLI FOR TEXTILE, PHARMA & FOOD PROCESSING

The government is in the process of modifying the production-linked incentive (PLI) schemes for textiles, food processing, and pharmaceuticals. A cabinet note has been finalized to make these sectors more attractive for companies participating in the PLI program. The move aims to enhance investment in sectors beyond electronics, pharma, food processing, and telecom, which have been the primary beneficiaries of the PLI schemes so far. A ₹1.97 lakh crore PLI scheme covering 14 sectors, including textiles and pharmaceuticals, was announced in 2021.

SOCIAL SECTOR INFRASTRUCTURE TO BE PART OF PM GAKISHAKTI PLAN: DPIIT SECRETARY

The government is expanding its infrastructure plans to include social sectors such as hospitals, Anganwadi, schools, and colleges. The PM GatiShakti National Master Plan aims for integrated and synchronised implementation of projects, breaking departmental silos. Last-mile connectivity and area planning will be prioritized, ensuring saturation coverage and better planning across the country.

TRANSMISSION OF POLICY RATES BETTER IN DEPOSITS THAN LOANS

Transmission of policy rates improved more for deposits than loans in December. The 250 bps hike in policy rates are not fully transmitted by the commercial banks since the Reserve Bank of India started raising policy rates from May 2022. Weight average deposit rates rose for both fresh and outstanding deposits, while only weighted average lending rates on outstanding deposits rose in December according to the latest data released by the Reserve Bank of India

NOVEMBER MEASURES ON UNSECURED LENDING TRIMS GROWTH

The Reserve Bank of India's tightening measures on unsecured loans and credit card outstanding are impacting growth. Unsecured loans are growing at a slower pace of 22.9%, down from 24.3% prior to the central bank's actions. The outstanding unsecured loans amount to 13.33 lakh crore as of December. Credit card outstanding growth has also slowed to 32.6% from 34.2%. Overall retail loans growth has decreased to 17.7% in December. The Reserve Bank of India's actions have had an impact on the lending market.

GOVT APPOINTS 3 FULL-TIME, 1 PART-TIME MEMBER OF 16TH FINANCE COMMISSION

The commission includes full-time members such as Ajay Narayan Jha, a former expenditure secretary and ex-member of the 15th Finance Commission, along with Annie George Mathew, who previously served as a special secretary for expenditure, and Niranjana Rajadhyaksha, the executive director at Artha Global.

Additionally, Soumya Kanti Ghosh, the group chief economic advisor for the State Bank of India (SBI), has been named as a part-time member.

The Sixteenth Finance Commission has been tasked to submit its recommendations by October 31, 2025. These recommendations, covering five years starting April 1, 2026, will include a proposed distribution formula for tax revenues between the central government and states.

Recently, the government appointed Arvind Panagariya, a former vice-chairman of NITI Aayog and a professor at Columbia University, as the chairman of the 16th Finance Commission (FC).