



April 15, 2024 – Monday

## Economy

### 'World Bank's biz-ready formula & startup concerns on budget agenda'

The Department for Promotion of Industry and Internal Trade (DPIIT) will take up for discussions lingering concerns of startups on issues around Angel tax, taxation of Employee Stock Option Plans and bank guarantee commitments in tenders in the upcoming budget to be presented after the general elections. Further, the Centre is gearing up for a new World Bank assessment framework called Business Ready (B-READY), which would assess countries on everything from the start to the closure of a business. "There are four or five elements which they (startups) are a little concerned about. Mainly these are on issues like Angel tax, TDS ( tax deducted at source) there is some software related issue, on ESOP... getting into some kind of double taxation," DPIIT secretary Rajesh Kumar Singh told ET in an interview.

<https://economictimes.indiatimes.com/news/economy/policy/world-banks-biz-ready-formula-startup-concerns-on-budget-agenda/articleshow/109293553.cms>

## Finance

### RBI steps up gold buying amid US dollar volatility

The Reserve Bank of India (RBI) has stepped up gold purchases to help diversify its foreign exchange reserves base amid US dollar volatility. The rise in the value of outstanding gold reserves made up more than four-fifths of the near \$3-billion increase in forex reserves at a record \$ 648.5 billion as of April 5. In January-February this year the RBI bought 0.43 million troy ounce, or close to 13.3 tonnes of gold, from the market. That is over 80% of the total gold purchases of 0.52 million troy ounce in 2023 by the central bank. "We are building up gold reserves, the data is released from time-to-time" said RBI governor Shaktikanta Das at the post policy media conference on April 5. "All aspects while building up the reserves are assessed and then we make a decision."

<https://economictimes.indiatimes.com/news/economy/finance/rbi-steps-up-gold-buying-amid-us-dollar-volatility/articleshow/109294141.cms>

### Banks' margins to shrink but loan growth, lower credit cost to aid PAT

Banks profitability is seen moderating in Q4 FY24 to around 10 per cent y-o-y, on the back of muted NII (net interest income) growth and further shrinking of margins. Margins are expected to shrink 3-12 bps on quarter due to increase in banks' cost of funds, decline in credit to deposit ratio, and back-book deposit re-pricing, according to analysts. "Deposit growth has picked-up to 13.5 per cent yoy due to RBI's nudge on higher systemic LDR. However, such growth has come on the back of high-cost retail and bulk deposits, which coupled with some moderation in LDR and unsecured loan growth, could put pressure on margins in Q4," Emkay Global Financial said in a note.

<https://www.thehindubusinessline.com/money-and-banking/banks-margins-to-shrink-but-loan-growth-lower-credit-cost-to-aid-pat/article68065287.ece>

### Finmin pitches for enhanced KYC, due diligence for merchants, business correspondents

In a bid to check incidence of financial frauds, the finance ministry has made a case for an enhanced KYC procedure and extensive due diligence by banks and financial institutions for onboarding merchants to safeguard customers

against cyber risks, sources said. Appropriate due diligence of merchants and business correspondents (BCs) who offer banking services in rural and remote areas is necessary not only to check frauds but also to fortify the financial ecosystem, sources said. According to sources, there is a need to strengthen data security and data protection at the level of merchants and BCs as chances of compromise are higher at that level.

<https://economictimes.indiatimes.com/news/economy/policy/finmin-pitches-for-enhanced-kyc-due-diligence-for-merchants-business-correspondents/articleshow/109294234.cms>

#### **States fiscal deficits for FY24 likely to be close to 3.1% of GDP: Citi**

The actual fiscal deficit of states for the financial year 2023-24 (FY24) is expected to be closer to the original budgeted estimate of 3.1 per cent of the Gross Domestic Product (GDP) instead of the revised estimate of 3.5 per cent, with both revenue and expenditure showing a lower growth than estimated, an analysis of 22 state Budgets by Citi Research showed.

[https://www.business-standard.com/economy/news/states-fiscal-deficits-for-fy24-likely-to-be-close-to-3-1-of-gdp-citi-124041400251\\_1.html](https://www.business-standard.com/economy/news/states-fiscal-deficits-for-fy24-likely-to-be-close-to-3-1-of-gdp-citi-124041400251_1.html)

#### **FPIs infuse Rs 13,300 cr in April so far amidst bullish economic outlook**

Foreign investors have infused over Rs 13,300 crore in Indian equities in the first two weeks of the month owing to a resilient domestic economy with promising growth prospects. Going ahead, concerns over changes in India-Mauritius tax treaty will weigh on Foreign Portfolio Investor (FPI) inflows in the near-term till clarity emerges on details of the new treaty, V K Vijayakumar, Chief Investment Strategist, Geojit Financial Services, said.

[https://www.business-standard.com/markets/news/fpis-infuse-over-rs-13-300-cr-in-april-so-far-amidst-economic-outlook-124041400134\\_1.html](https://www.business-standard.com/markets/news/fpis-infuse-over-rs-13-300-cr-in-april-so-far-amidst-economic-outlook-124041400134_1.html)

### **Industry**

#### **India looks to rehaul its steel import reporting mechanism**

India's Steel Ministry is working on strengthening reporting norms for import shipments, and the reporting portal is being ramped up. This comes in the wake of several "suspected" instances of misreporting or under-reporting of shipment details, an official aware of the plans told businessline.

<https://www.thehindubusinessline.com/economy/india-looks-to-rehaul-its-steel-import-reporting-mechanism/article68061548.ece>

#### **Weak demand trends to continue for apparel sector retailers in Q4**

Weak demand continues to persist for the apparel sector during the January-March quarter due to lower disposable incomes coupled with a high base from the same quarter last year. Brokerages said demand in January and February was muted on account of fewer weddings. Jewellery companies are expected to witness strong growth in the top line due to higher gold prices in the quarter.

[https://www.business-standard.com/industry/news/weak-demand-trends-to-continue-for-apparel-sector-retailers-in-q4-124041400572\\_1.html](https://www.business-standard.com/industry/news/weak-demand-trends-to-continue-for-apparel-sector-retailers-in-q4-124041400572_1.html)

#### **Commercial AC market has significant growth potential, says CEAMA president**

Commercial air-conditioning (AC) market holds "significant promise" and is witnessing growth, driven by rapid urbanisation, infrastructural development and growing emphasis on comfort in commercial spaces, said Sunil Vachani, president of electronics and appliances manufacturers' body CEAMA. The commercial (Heating, Ventilation, and Air Conditioning) segment is witnessing a shift with its wide array of applications, with infrastructure growth including offices, retail spaces, healthcare facilities, hospitality establishments, and educational institutions, said the president of Consumer Electronics and Appliances Manufacturers Association (CEAMA).

[https://www.business-standard.com/industry/news/commercial-ac-market-has-significant-growth-potential-says-ceama-president-124041400161\\_1.html](https://www.business-standard.com/industry/news/commercial-ac-market-has-significant-growth-potential-says-ceama-president-124041400161_1.html)

### **Agriculture**

#### **Potato costlier by 10% as output falls**

Potato prices have risen sharply on account of lower yield due to the damage caused to crops by erratic rains in November last year. The all-India retail price for potato was Rs 26 per kg on Saturday, up 10.18% month-on-month and 32% year-on-year, showed data from the Department of Consumer Affairs. The wholesale prices of the kitchen staple stood at Rs 1,944 per quintal on Saturday, 11.44% higher month-on-month and 33.18% higher than last year. The output has fallen in two major producing states of Uttar Pradesh and West Bengal, said potato traders.

<https://economictimes.indiatimes.com/news/economy/agriculture/potato-costlier-by-10-as-output-falls/articleshow/109293598.cms>

## Infrastructure

### Real estate Q4 preview signals strong foundations despite presales dip

Leading real estate companies are expected to report a 9-19.2 per cent growth in revenue for the fourth quarter ended March, driven by continued demand and timely completion of projects. Motilal Oswal expects presales to moderate due to a lack of launches. The brokerage firm anticipates its coverage universe to report presales of Rs 25,000 crore, up 4 per cent year-on-year (Y-o-Y) but down 11 per cent quarter-on-quarter (Q-o-Q) in the fourth quarter (Q4) of 2023-24 (FY24).

[https://www.business-standard.com/industry/news/real-estate-firms-may-report-strong-q4-with-some-moderation-in-pre-sales-124041400267\\_1.html](https://www.business-standard.com/industry/news/real-estate-firms-may-report-strong-q4-with-some-moderation-in-pre-sales-124041400267_1.html)

## Energy

### Summer electricity demand surge: Govt asks all gas-based power plants to be operational from May 1 to June 30

Meteorological Department (IMD) projecting a hot summer, with above-normal temperatures and an above-normal number of heatwave days from March to May, the Government of India has decided to operationalize gas-based power plants. The Ministry of Power on Saturday said that the government has directed all gas-based power generating stations to operationalise their plants from May 1 to June 30 in view of rise in electricity demand. A significant portion of the Gas-Based Generating Stations (GBSs) is currently unutilized, primarily due to commercial considerations.

<https://www.financialexpress.com/business/industry-summer-electricity-demand-surge-govt-asks-all-gas-based-power-plants-to-be-operational-from-may-1-to-june-30-3455885/>

### India adds record 18 GW renewable energy capacity in FY24, shows data

India has added a record renewable energy capacity of 18.48 GW in 2023-24, which is over 21 per cent higher than 15.27 GW a year ago, according to the latest data of the Ministry of New & Renewable Energy. However, industry experts said there is a need to add at least 50 GW of renewable energy capacity annually for the next six years to meet the ambitious target of 500 GW of renewables by 2030.

[https://www.business-standard.com/industry/news/india-adds-record-18-gw-renewable-energy-capacity-in-fy24-shows-data-124041400147\\_1.html](https://www.business-standard.com/industry/news/india-adds-record-18-gw-renewable-energy-capacity-in-fy24-shows-data-124041400147_1.html)

## Telecom

### DoT to seek Trai's view on satcom spectrum allocation, licensing process

The Department of Telecommunications (DoT) is expected to approach Trai this month to seek the regulator's views on method and pricing for allocation of spectrum and scope of licences to be issued for satcom services, according to sources. The Telecom Regulatory Authority of India (Trai) had floated a consultation paper on "Assignment of Spectrum for Space-based Communication Services" on April 6, 2023 but returned the reference back to DoT after announcement of new Telecommunication Act.

[https://www.business-standard.com/industry/news/dot-to-seek-trai-s-view-on-satcom-spectrum-allocation-licensing-process-124041400389\\_1.html](https://www.business-standard.com/industry/news/dot-to-seek-trai-s-view-on-satcom-spectrum-allocation-licensing-process-124041400389_1.html)

## External

### Automobile exports from India dip 5.5% in FY24

Automobile exports from India declined 5.5 per cent in FY24 due to the monetary crisis in various overseas markets, according to the latest data shared by industry body SIAM. Overall exports stood at 45,00,492 units in the last fiscal compared to 47,61,299 units in FY23. Commenting on the drop in overseas shipments last fiscal, SIAM President Vinod Aggarwal said the situation remains volatile in various overseas markets. "Some of the countries, where we are very strong with commercial vehicle and two-wheeler exports, have been facing foreign exchange-related issues," he noted. The last fiscal saw a sizeable drop in commercial vehicle, two-wheeler and three-wheeler shipments, although passenger vehicles grew marginally. However, in the January-March quarter this year, we have seen good recovery, especially for two-wheelers, indicating better potential for the rest of the year, he said. <https://economictimes.indiatimes.com/industry/auto/auto-news/automobile-exports-from-india-dip-5-5-in-fy24/articleshow/109284365.cms>

#### **Govt simplifies payment process for merchant importing pulses from Myanmar**

The government announced on Saturday, April 13, that it has streamlined and simplified the payment process for merchants who import pulses from Myanmar. According to a statement from the consumer affairs ministry, importers have been asked to use the Rupee/Kyat direct payment mechanism through Punjab National Bank's Special Rupee Vostro Account (SRVA).

<https://www.financialexpress.com/business/industry-govt-simplifies-payment-process-for-merchant-importing-pulses-from-myanmar-3455880/>

#### **India's exports to Europe may be affected due to Iran-Israel conflict**

Exporters are in a wait-and-watch mode as they expect air freight volume to Europe to rise 10-15%, logistics and insurance costs to rise and engineering exports demand to Europe to get impacted following Iran's attack on Israel. Already, the unfolding crisis in the Red Sea region is leading to shifting of large amount of cargo traffic to air mode such as leather goods, which were traditionally sent by ships, pushing up air freight volume. This has led to a surge in air cargo cost to Europe to about ₹140 per kg from ₹35 just three months ago. "Air freight from India to Europe will rise 10-15%. Flying time will rise because you can't fly over Iran," said Ajay Sahai, director general, FIEO.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-exports-to-europe-may-be-affected-due-to-iran-israel-conflict/articleshow/109294304.cms>

#### **Rice exporters face Rs 2,000 crore tax bill**

Customs authorities in India have demanded additional duty payments from about 45 major rice exporters due to imposition of 20% export duty, potentially disrupting future rice shipments from the country. The department has issued notices to these exporters for the September 2022 to January 30, 2023 period, and the tax demand could be about Rs 2,000 crore, said people aware of the development. Some port authorities are also asking rice exporters to pay customs duty before clearing shipments, the people said. ET has seen some of the notices. Several members of the All India Rice Exporters Association (AIREA) separately confirmed the notices. The association is likely to convey the exporters' grievances to the government before seeking legal remedy.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/rice-exporters-face-rs-2000-crore-tax-bill/articleshow/109293550.cms>

#### **India's pharma exports to US surge 15% in 11 months of FY24**

After a lull, India's pharma exports to the US have surged 15% in the first 11 months of the last financial year despite regulatory challenges and rising pricing pressures. The pace of exports has more than doubled from the 6.18% growth in the same period of FY23, according to estimates by Pharmaceutical Export Promotion Council (Pharmexcil). Exports to the US climbed to \$7.83 billion during the April-February period from \$6.8 billion in the same period in FY23. India's total pharmaceutical exports increased 9.34% at \$25.04 billion from \$22.9 billion during the period under review. US contributes about 30% of India's total pharma exports.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-pharma-exports-to-us-surge-15-in-11-months-of-fy24/articleshow/109294213.cms>

#### **Indian exporters revisit pacts amid disruption at high sea**

Indian exporters, particularly those exporting to Europe and northern or eastern African countries are reaching out to lawyers to revisit their contracts and agreements in the wake of recent attacks on merchant ships by Houthi rebels

in the Red Sea and Somali pirates in the Indian Ocean. Exporters and shipping companies are revisiting clauses that deal with grounds of termination, indemnifications, limitations of liabilities and damages, carve-outs about any losses, delays, claims, defaults etc. arising due to such unforeseen events introduced to safeguard the interest of the exporters and shipping companies. Exporters have also sought lawyers' help to strengthen the 'force majeure' clauses.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-exporters-revisit-pacts-amid-disruption-at-high-sea/articleshow/109293986.cms>