



April 30, 2024 – Tuesday

Economy

India Inc's revenue growth weakest since September 2021: CRISIL report

India Inc is likely to log 4-6 per cent revenue growth in the January-March quarter of 2023-24, marking the slowest quarterly growth since recovery from the Covid-19 pandemic which began in September 2021, said a Crisil report. The report is based on an analysis of 350 companies which exclude financial services and oil and gas sectors firms.

https://www.business-standard.com/economy/news/india-inc-s-revenue-growth-weakest-since-september-2021-crisil-report-124042900490_1.html

Rising heat wave unlikely to scorch growth: Experts

Intensifying heatwave is unlikely to significantly dent India's growth, even though it could cause some disruption in construction and farm activity, said experts. "Construction and agriculture are likely to be impacted more. Within agriculture, the vegetable output might get impacted more, as most of the cereal sowing will start later," said Sunil Kumar Sinha, principal economist, India Ratings and Research.

https://economictimes.indiatimes.com/news/company/corporate-trends/rising-heat-wave-unlikely-to-scorch-growth-experts/articleshow/109671368.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Indian economy on upward trajectory: NCAER's cites favorable above-normal monsoon forecast

The Indian economy's recent performance has been strong, with promising signs for the future, according to the National Council of Applied Economic Research (NCAER). In its April 2024 Monthly Economic Review (MER), the NCAER highlighted several key indicators showing the economy's resilience. The Purchasing Managers' Index (PMI) for manufacturing, for example, reached a 16-year high, indicating robust growth.

https://economictimes.indiatimes.com/news/economy/indicators/indian-economy-on-upward-trajectory-ncaers-cites-favorable-above-normal-monsoon-forecast/articleshow/109699227.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cpst

Finance

RBI asks all regulated entities to review their lending practices

The Reserve Bank of India (RBI) on Monday directed all regulated entities (REs) to review their lending methods, including the mode of disbursements and application of interest and other charges, to ensure fairness and transparency. The regulator has also asked the entities to take corrective measures, including system-level changes. The direction comes after RBI's onsite examination of these entities showed several instances where lenders were resorting to unfair practices while charging interest. The examination was conducted during the period ended March 31, 2024.

https://www.business-standard.com/industry/news/rbi-asks-all-regulated-entities-to-review-their-lending-practices-124042901138_1.html

Banks fail to meet RBI mandate on CRR multiple times

In an unusual occurrence, the average fortnightly cash balances of banks kept with the Reserve Bank of India (RBI) fell short of the central bank's mandated cash reserve requirement (CRR) 15 times in the past year alone, an analysis of daily data released by the banking regulator showed. The shortfall in the fortnightly CRR, one of the key regulatory reserve requirements set out by the RBI, could be broadly attributed to two factors, according to people familiar with the matter.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-fail-to-meet-rbi-mandate-on-crr-multiple-times/articleshow/109671503.cms>

RBI issues draft framework for electronic trading platforms

The Reserve Bank of India on Monday proposed a revised regulatory framework for Electronic Trading Platforms (ETPs) in the wake of increased integration of the onshore forex market with offshore markets. Market makers too have been requesting the Reserve Bank to allow access to offshore ETPs offering Indian Rupee (INR) products.

<https://economictimes.indiatimes.com/markets/stocks/news/rbi-issues-draft-framework-for-electronic-trading-platforms/articleshow/109701738.cms>

PFRDA implements transparency measures in rule-making process

Pension regulator PFRDA has now implemented a mechanism for making and reviewing regulations, bringing more transparency and certainty in the rule-making process. This mechanism among other things provides that the regulator would be guided by an "economic analysis" of the proposed regulations before they are accepted and operationalised. The "economic analysis" would include expected direct and indirect costs and benefits to subscribers, the economy, and society, due to the proposed regulation.

<https://www.thehindubusinessline.com/money-and-banking/pfrda-implements-transparency-measures-in-rule-making-process/article68120223.ece>

Getting future-ready: Govt may tweak IBC to factor in climate change

The government is contemplating changes to the Insolvency and Bankruptcy Code (IBC) to deal with environmental claims and liabilities of defaulting companies to make the law future-ready and meet climate action goals, sources told Business Standard. Currently, the IBC has various categories of claims and creditors, including those related to environmental liabilities. Experts, however, pointed out that it did not provide for any special treatment for such liabilities which were treated as ordinary trade liabilities.

https://www.business-standard.com/industry/news/getting-future-ready-govt-may-tweak-ibc-to-factor-in-climate-change-124042900975_1.html

UPI credit line: NPCI may go easy on interchange fee for transactions

To increase the adoption of credit on United Payments Interface (UPI), National Payments Corporation of India (NPCI) is looking at an interchange fee for transactions lower than that for a credit-card transaction. Sources in the know said these charges could be 1-1.2 per cent. Fintech participants concur with the view that the interchange fee is expected to be lower than that for a credit-card transaction.

https://www.business-standard.com/finance/news/npci-likely-to-look-at-1-1-2-interchange-fee-for-credit-line-on-upi-124042900801_1.htmlhttps://www.business-standard.com/finance/news/npci-likely-to-look-at-1-1-2-interchange-fee-for-credit-line-on-upi-124042900801_1.html

Cash in circulation more than doubles since FY17 on consumption demand

Despite phasing out Rs 2000 notes, cash in circulation has more than doubled since FY'2016-17, the year of demonetisation and launch of UPI. Tracking HSBC PMI and CMS cash index shows that they have moved in tandem indicating that cash is also as important as digital modes of transactions. The currency in circulation has more than doubled from Rs 13.35 lakh crore in March 2017 to Rs 35.15 lakh crore in end March 2024. Significantly the currency in circulation has happened despite the central bank deciding to withdraw the Rs 2000 denomination banknotes from circulation from May 2023 which resulted in the central bank getting 97.83 percent of Rs 3.56 lakh crore worth notes back to the banking system.

https://economictimes.indiatimes.com/news/economy/finance/cash-is-king-along-with-upi/articleshow/109670328.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Industry

Semiconductors likely in for another massive boost as India tries to make up for lost time in chipmaking

In a serious attempt to make up for lost time in semiconductor manufacturing, the Indian government has started working on a huge new package over and above the Rs 76,000-crore incentives already given out, Tol reported on April 29. The 76,000-crore incentive package was launched in December 2021 to support companies making semiconductors and investing in them. That amount has been nearly exhausted, necessitating a fresh boost for India's big chip plan.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/semiconductors-likely-in-for-another-massive-boost-as-india-tries-to-make-up-for-lost-time-in-chipmaking/articleshow/109684002.cms>

Government likely to release guidelines on new EV policy in next 3-4 weeks

The government is likely to come out with guidelines on the new electric vehicle (EV) policy in the coming days after which it can become fully functional in the next few months. Sources in the know have told businessline that some of the manufacturers have requested the government to include brownfields also in the definition of investment and not only greenfields (new plant) so that they can benefit under the scheme.

<https://www.thehindubusinessline.com/economy/policy/government-likely-to-release-guidelines-on-new-ev-policy-in-next-3-4-weeks/article68121433.ece>

Travel, tourism sector expected to add 58.2 mn jobs by 2033: NLB Services

With a continued growth momentum, the travel and tourism sector is all set to add 5.82 crore jobs across the country by 2033, a top executive of global technology and digital talent solutions provider NLB Services said on Monday. "The growing synergy of the sector has led to steadfast employment generation across the country both in tier I and II locations. In the pandemic year 2020, the tourism sector accounted for 39 million jobs, constituting 8 per cent of the nation's total workforce. Post the pandemic recovery tenure, this was one of the sectors that saw the quickest recovery," NLB Services CEO Sachin Alug said in a statement.

https://www.business-standard.com/industry/news/travel-tourism-sector-expected-to-add-58-2-mn-jobs-by-2033-nlb-services-124042900887_1.html

Agriculture

ICAR-CIFT plans to promote entrepreneurship for millet based ready-to-eat fish products

Aimed at harnessing the potential of millets and fish for both nutritional and economic advancement, ICAR-Central Institute of Fisheries Technology is looking at entrepreneurship development for millet based ready-to-eat functional foods with fish protein and lipid. To address nutritional deficiencies, the institute organised a one-day workshop focussing on aqua-millets with a grant from Department of Science and Technology under Science Heritage and Research Initiative. As many as 19 participants comprising entrepreneurs and farmers attended the workshop to know potential of millet-based RTE smart functional foods fortified with fish protein and lipid.

<https://www.thehindubusinessline.com/economy/agri-business/icar-cift-plans-to-promote-entrepreneurship-for-millet-based-ready-to-eat-fish-products/article68120125.ece>

Areca nut gains as prevailing drought, climate change impact

Areca nut prices are witnessing uptrend due to shortage of stocks with growers and in the market. Stakeholders in the areca nut sector feel that the climate change in the recent years and drought have impacted the production of the commodity. Prices of red variety sees 10% jump, while that of white variant stable.

<https://www.thehindubusinessline.com/economy/agri-business/areca-nut-gains-as-prevailing-drought-climate-change-impact/article68120808.ece>

Late duration and climate-resilient varieties drive India's wheat output to exceed 115 million tonnes

Wheat production may be over 115 million tonnes (mt) this year, exceeding the government's second advance estimates of 112.02 mt and also the target of 114 mt due to 4-5 per cent rise in yield. But procurement issues persist in states other than Punjab and Haryana.

<https://www.thehindubusinessline.com/economy/agri-business/late-duration-and-climate-resilient-varieties-drive-indias-wheat-output-to-exceed-115-million-tonnes/article68121782.ece>

Infrastructure

Self-healing roads may soon be a reality: NHAI

Roads that repair themselves could soon become a reality in the country, with the National Highways Authority of India (NHAI) beginning work on adopting a new technology for the purpose, said people familiar with the

matter. The technology allows asphalt, used to build roads, to self-heal and address the issue of potholes, one of the key reasons for road accidents and deaths in the country, they said. "We are considering ingenious and unconventional methods to improve durability and to address the issue of potholes," said a senior government official, who did not wish to be identified.

https://economictimes.indiatimes.com/industry/transportation/roadways/self-healing-roads-may-soon-be-a-reality-nhai/articleshow/109671277.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Construction sector firms' revenues to see 12-15% growth this fiscal: ICRA

India's construction sector entities' revenues are likely to grow by 12-15 per cent in the current financial year, while margins will expand by 25-50 bps, rating agency ICRA said on Monday. It further said that the government's infrastructure push will result in double-digit revenue growth for the construction industry in FY2025. The rating agency said it maintains a stable outlook on the sector with steady growth in operating income, moderate leverage, and healthy coverage metrics.

https://www.business-standard.com/industry/news/construction-sector-firms-revenues-to-see-12-15-growth-this-fiscal-icra-124042900838_1.html

Realtors retool pricing strategies amid rising cost of construction

Escalating construction costs are forcing real estate players to optimise their expenditures and readjust their pricing strategies to strike a balance between profitability and meeting customer requirements. A recent JLL report stated that the overall construction cost in the country will experience an average increase of 6 per cent across various sectors in 2023–24 (FY24).

https://www.business-standard.com/industry/news/rising-costs-strategy-refresh-realtors-reframe-pricing-in-blueprint-124042900700_1.html

Energy

India's natural gas consumption to surpass 64 BCM in 2024

Natural gas consumption in India is expected to grow by 7 per cent y-o-y to 64.35 billion cubic meters (BCM) in the current calendar year aided by lower prices and rising demand from power and industrial sectors. The world's fourth largest importer of liquefied natural gas (LNG), India, consumed 66.63 BCM natural gas in FY24, compared to 59.97 BCM and 64.16 BCM in FY23 and FY22, respectively.

<https://www.thehindubusinessline.com/economy/indias-natural-gas-consumption-to-surpass-64-bcm-in-2024/article68120120.ece>

NTPC Group installed capacity crosses 76GW mark; begins operation of 57-MW Rajasthan solar project

State-owned power giant NTPC Group's installed power generation capacity has crossed the 76 GW-mark with commissioning of a 57-MW solar power energy capacity in Rajasthan. "Consequent upon successful commissioning and due approvals, first part capacity of 57 MW out of 90 MW Anta Solar PV Project at Anta, Rajasthan, is declared on commercial operation with effect from 00:00 hours of April 26, 2024," according to a regulatory filing.

<https://economictimes.indiatimes.com/industry/energy/power/ntpc-group-installed-capacity-crosses-76gw-mark-begins-operation-of-57-mw-rajasthan-solar-project/articleshow/109694306.cms>

India may become 3rd largest market for utility-scale batteries by 2030: IEA

India is likely to become the world's third-largest market for utility-scale batteries by 2030 with capacity additions projected to accelerate considerably over the next seven years to reach nearly 9 GW, supported by cost reductions, according to a report by IEA (International Energy Agency). Solar PV plus battery storage is already more cost-competitive than coal in India, a trend expected to continue. The country's increasing PV capacity will lead to higher short-term flexibility requirements, boosting the utility of energy storage. The government has mandated that wind and solar PV projects must incorporate at least 5 per cent of their installed capacity with storage.

<https://www.thehindubusinessline.com/economy/india-may-become-3rd-largest-market-for-utility-scale-batteries-by-2030-iea/article68121799.ece>

Telecom

Telecom operators seek ban on illegal WiFi devices running on 6 GHz

In a move that may widen the gulf between telecom operators and illegal WiFi routers that run on the lucrative 6 GHz spectrum band and are being sold on e-commerce sites, the telecom industry body Cellular Operators Association of India (COAI) has written to the Department of Telecommunications (DoT). It has sought an immediate ban on the sale of all routers operating on the band. The 6 GHz band represents the largest block of unused spectrum and is being fought over by telcos and tech companies due to its significant potential for both 5G connectivity and WiFi expansion. The band allows precise positioning of a large amount of signals and has very low latency or wait time.

https://www.business-standard.com/industry/news/telecom-operators-seek-ban-on-illegal-wifi-devices-running-on-6-ghz-124042901029_1.html

States

MahaRERA proposes to make developers mention amenity details with deadlines

Developers in Maharashtra may soon have to mention the finer details of amenities at housing projects and a deadline by when they will be available for use to buyers, the state's real estate regulator said on Monday. MahaRERA, the real estate watchdog, has proposed the norms to put an end to the uncertainty of guaranteed facilities and amenities in housing projects, according to a statement.

https://www.business-standard.com/industry/news/maharera-proposes-to-make-developers-mention-amenity-details-with-deadlines-124042900646_1.html

Healthcare

Indian pharmaceutical industry set for major transformation: Dilip Shanghvi

India's pharmaceutical industry is set for a significant transformation from being a producer of generic drugs to high-value innovative products. Dilip Shanghvi, MD of Sun Pharma, said the change will be visible in the next two to three years as more companies invest in science and advanced technologies.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/indian-pharmaceutical-industry-set-for-major-transformation-dilip-shanghvi/articleshow/109704121.cms>

External

Increasing global uncertainties may impact demand, India's exports: FIEO

The escalating geopolitical tension may have implications for the country's exports in the first quarter of 2024-25 as it is likely to impact global demand, apex exporters body FIEO said. The global uncertainties caused by continuing war between Russia and Ukraine has impacted India's outbound shipments in 2023-24, which recorded a decline of 3.11 per cent to \$437 billion. Imports too dipped by over 8 per cent to \$677.24 billion.

https://www.business-standard.com/industry/news/increasing-global-uncertainties-may-impact-demand-india-s-exports-fieo-124042900442_1.html

Exporters urge government to extend interest equalisation scheme

Exporters have urged the government to extend the interest equalisation scheme (IES) that is set to expire on June 30, to offer a lifeline to small exporters grappling with high interest rates and faltering exports. Through the IES, banks provide loans to exporters at reduced interest rates, and the lenders are thereafter compensated by the government. IES was launched close to a decade ago to reduce stress among exporters, particularly in labour-intensive industries as well as micro, small and medium enterprises (MSMEs).

https://www.business-standard.com/economy/news/exporters-urge-government-to-extend-interest-equalisation-scheme-124042900974_1.html

Services exports may rise to \$800 bn by 2030: Goldman Sachs report

Goldman Sachs predicts that India's services exports will rise to \$800 billion by 2030, up from \$340 billion in 2023. This growth is expected to make India's external sector more resilient to supply-side shocks and reduce rupee volatility. The country's foreign trade policy aims to achieve \$1 trillion in service exports by 2030. The report also suggests that India's high-value services will drive top-end discretionary consumption and demand in commercial and residential real estate.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/services-exports-may-rise-to-800-bn-by-2030-goldman-sachs->

report/articleshow/109703662.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cpsst