



May 21, 2024 – Tuesday

## Economy

### **Sweltering heatwave intensifies vegetables & pulses' price surge in India**

The ongoing heatwave in certain regions of India is anticipated to exacerbate the existing price inflation for vegetables and pulses, which have been steadily increasing for a while. In recent months, increasing demand and limited supplies have led to a significant surge in vegetable prices, particularly for potatoes, tomatoes, onions, ginger, and garlic, resulting in higher household food expenses. Heatwave conditions have been observed in various states across the east, north, and southern regions, with temperatures exceeding 45 degrees Celsius in some areas. The volatility in vegetable prices is attributed to unpredictable weather patterns, including heatwaves, irregular rainfall, and pest infestations, which have disrupted supplies and contributed to the price hikes.

<https://economictimes.indiatimes.com/news/economy/indicators/sweltering-heatwave-intensifies-vegetables-pulses-price-surge-in-india/articleshow/110272012.cms>

### **DMEO, an attached office of NITI Aayog, to evaluate the roll-out and implementation status of e-Vidhan project**

The government will soon assess the implementation status and issues impacting the roll-out of the e-Vidhan project, envisaged for all state legislatures, and suggest correct measures, wherever needed. The e-Vidhan - a mission mode project for state legislatures was launched under the Digital India Programme and the ministry of parliamentary affairs is the nodal department for its implementation. The mission is to make all the states/UTs legislatures as paperless legislatures, streamlining all the processes for information exchange with the different state government departments and to publish the contents on the public portal as it happens.

<https://economictimes.indiatimes.com/news/economy/policy/dmeo-an-attached-office-of-niti-aayog-to-evaluate-the-roll-out-and-implementation-status-of-e-vidhan-project/articleshow/110267960.cms>

### **Retirement fund body EPFO adds 1.44 million net members in March 2024**

Retirement fund body EPFO has recorded a net addition of 1.44 million members in March this year, according to the latest payroll data released on Monday. The payroll data highlighted that approximately 1.18 million members exited and subsequently rejoined the EPFO (Employees' Provident Fund Organisation), a labour ministry statement said.

[https://www.business-standard.com/economy/news/retirement-fund-body-epfo-adds-1-44-million-net-members-in-march-2024-124052001188\\_1.html](https://www.business-standard.com/economy/news/retirement-fund-body-epfo-adds-1-44-million-net-members-in-march-2024-124052001188_1.html)

### **India needs to create 115 million jobs by 2030, research shows**

India needs to create 115 million jobs by 2030 as more people enter the workforce, a study showed, suggesting the South Asian nation has to boost services and manufacturing to keep the economy expanding. Asia's third largest economy will need to generate 16.5 million jobs each year, up from 12.4 million annually in the last decade, Trinh Nguyen, a senior economist at Natixis SA, wrote in a report Monday. About 10.4 million jobs will need to be from the formal sector, she added.

<https://economictimes.indiatimes.com/news/economy/indicators/india-needs-to-create-115-million-jobs-by-2030-research-shows/articleshow/110274050.cms>

## Finance

### **Project loan provisions to impact earnings due to limited pass-through: Banks to RBI**

Banks will have only a 'limited ability' to pass on the impact of the proposed increase in project loan provisions due to the intense competition among lenders and the pressure to maintain relationships with large corporates. Officials from some of the large banks conveyed this to the Reserve Bank of India (RBI) last week, people with knowledge said. "Ideally, when the RBI increases provisions on any sector, lenders pass on the impact to the borrower by a proportionate hike in lending rate," said a senior bank official.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/project-loan-provisions-to-impact-earnings-due-to-limited-pass-through-banks-to-rbi/articleshow/110281395.cms>

### **Clarification likely on GST on NBFC co-lending**

The government has assured non-banking financial companies (NBFCs) that it will examine the concerns around levy of goods and services tax (GST) on their co-lending arrangements with banks. A clarification could be issued after the issue is looked into, officials said. At a meeting with finance ministry officials last week, banks and NBFCs raised the issue of GST authorities serving notices, saying it would lead to distortion and raise the cost of lending for the companies.

<https://economictimes.indiatimes.com/news/economy/policy/clarification-likely-on-gst-on-nbfc-co-lending/articleshow/110281351.cms>

### **GST dept developing registration system for shared warehouse for e-commerce**

GST authorities are working out a mechanism to deal with the taxation and registration issues related to shared warehouses maintained by e-commerce companies, where multiple suppliers store their goods for the last mile delivery, an official said. The issue of taxation for warehouses has cropped up after multiple suppliers have geo-tagged the same warehouse as their 'additional place of business' under the Goods and Services Tax (GST) rules.

[https://www.business-standard.com/industry/news/gst-dept-working-on-taxation-on-shared-warehouse-for-e-commerce-suppliers-124052000670\\_1.html](https://www.business-standard.com/industry/news/gst-dept-working-on-taxation-on-shared-warehouse-for-e-commerce-suppliers-124052000670_1.html)

### **Short-term govt bond yield may fall on Rs 60,000 crore T-bill supply cut**

Short-term government bond yields are expected to fall on Tuesday after the Reserve Bank of India (RBI) announced a revised issuance calendar for Treasury bills (T-bills), market participants said. The updated schedule for the May 22 to June 26 period of the current year includes a reduction of Rs 60,000 crore in the issuance of T-bills.

[https://www.business-standard.com/economy/news/short-term-govt-bond-yield-may-fall-as-rbi-cuts-t-bill-supply-by-rs-60k-cr-124052001067\\_1.html](https://www.business-standard.com/economy/news/short-term-govt-bond-yield-may-fall-as-rbi-cuts-t-bill-supply-by-rs-60k-cr-124052001067_1.html)

### **IFSC regulator looking to allow NBFCs operate as risk aggregators**

At a time when trade in offshore interest rate derivatives in Gujarat International Finance Tec-City (GIFT City) is gaining momentum, the International Financial Services Centres Authority is working on a proposal to let non-bank financial players set up shop as risk aggregators for small customers, the head of the regulatory body told ET. "One idea that is currently under examination is permitting non-banks to set up as risk aggregators, who would create a market for small customers (whom banks would not generally be on board as a counterparty) to undertake FX transactions and after aggregating such volumes set the same off with a bank on a net basis," said K Rajaraman, chairperson of IFSCA.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/ifsc-regulator-looking-to-allow-nbfc-operate-as-risk-aggregators/articleshow/110281360.cms>

## Industry

### **Centre to conduct second round of consultation for new EV schemes**

The Centre plans to conduct a second round of consultations with the automotive industry stakeholders for its flagship scheme to promote investments in electric vehicle (EV) manufacturing through import concessions, the

Scheme to Promote the Manufacturing of Electric Passenger Cars in India, within a month. The Ministry of Heavy Industries will release policy guidelines and start accepting applications after July 15.

[https://www.business-standard.com/industry/news/centre-to-conduct-second-round-of-consultation-for-new-ev-schemes-124052001413\\_1.html](https://www.business-standard.com/industry/news/centre-to-conduct-second-round-of-consultation-for-new-ev-schemes-124052001413_1.html)

### **India's cement industry's goes ahead with expansion plans amidst elections**

India's cement industry is going ahead with expansion plans and capacity additions, despite dampened demand expected to persist through H1FY25. Cement giants foresee a modest 7-10 per cent volume growth this fiscal, the sluggish start marked by a pricing downturn notwithstanding. Majors during their earnings call have guided for "moderation in demand" in the first six months, stemming from elections and subsequent labour shortages. This will be followed by monsoons, and pricing sentiments are expressed to be torpid. "Going forward, there might be some amount of moderation (demand) in FY25.....Our belief is that the slowdown should be shorter than earlier years, primarily because private sector housing has also picked up momentum,". Atul Daga, CFO, UltraTech Cement said during a recent earnings call. Cement prices have corrected sharply in Q4FY24, and is expected to remain stable "with no significant improvements in the near term".

<https://www.thehindubusinessline.com/companies/building-through-the-ballot-indias-cement-industrys-goes-ahead-with-expansion-plans-amidst-elections/article68196897.ece>

### **Intellectual property rights' filing on rise amid local defence push**

Indian companies' intellectual property rights (IPR) filings are on the rise. There have been nearly 5884 Intellectual Property Rights (IPR) filings and over 2,567 successful applications so far, according to Department of Defence Production data. HAL leads among DPSUs with a total of 2413 IPRs filed, and it needs to file 177 more IPRs to meet the target of 2530 IPRs. The target set till March 2025 for IPR is 6900 for all the organisations.

[https://www.business-standard.com/industry/news/intellectual-property-rights-filing-on-rise-amid-local-defence-push-124052000349\\_1.html](https://www.business-standard.com/industry/news/intellectual-property-rights-filing-on-rise-amid-local-defence-push-124052000349_1.html)

### **India's tyre capacity sufficient, no need for liberalising imports: ATMA**

India has sufficient tyre manufacturing capacity and imports should not be liberalised through FTAs by way of duty concessions, industry body Automotive Tyre Manufacturers' Association said on Monday. The automotive tyres rank at the forefront of those sectors where domestic manufacturing capabilities can render imports unnecessary, Automotive Tyre Manufacturers' Association (ATMA) has communicated to the Centre.

[https://www.business-standard.com/industry/auto/india-s-tyre-capacity-sufficient-no-need-for-liberalising-imports-atma-124052000650\\_1.html](https://www.business-standard.com/industry/auto/india-s-tyre-capacity-sufficient-no-need-for-liberalising-imports-atma-124052000650_1.html)

### **Global glut takes shine off Indian lab-grown diamonds**

Prices of Indian lab-grown diamonds (LGDs) have crashed by 45% in FY24 due to overproduction in the global markets. In FY24 global production of lab-grown diamonds stood at 40 million carats, which is almost 33% higher than FY23 production. Indian LGD exports have dropped by 18.2% in April to \$83.77 million in value terms compared to April FY23 as prices have fallen but demand at the home is increasing in tandem with rising gold prices prompting consumers to look at LGDs to bring down the overall cost of the jewellery. In FY24, India produced 16 million carats of LGDs.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/global-glut-takes-shine-off-indian-lab-grown-diamonds/articleshow/110281133.cms>

### **Retailers cut stocks of impacted spice brands like MDH and Everest**

About a third (32%) of retailers are limiting stocks of branded packaged spices that are alleged to have contaminants, according to grocery retail networking platform Kirana Club, which has 1.8 million kirana stores on its network. Hong Kong, Singapore and Nepal have put restrictions on the sale of some variants of spices from the MDH and Everest brands, alleging that these have more than the permissible level of ethylene oxide. In terms of sales, though, the controversy has had limited impact on overall branded spices as a category, said Anshul Gupta, founder of Kirana Club. "The issue hasn't reached widespread awareness yet. Those who are informed tend to associate the problem with two specific brands rather than the entire category," Gupta said. He said a few retailers are keeping limited stocks of the two affected brands until the situation cools down.

<https://economictimes.indiatimes.com/industry/services/retail/retailers-cut-stocks-of-impacted-spice-brands-like-mdh-and-everest/articleshow/110281323.cms>

### **CCI in process of notifying merger control norms, says Ravneet Kaur**

Competition Commission of India (CCI) Chairperson Ravneet Kaur on Monday said the regulatory body was in the process of notifying the new merger control and the deal value threshold.

She highlighted that there is a significant shift as countries revamp their competition laws to address the complexities introduced by new-age markets. “There has been a marked increase in scrutiny of major technology companies by competition authorities around the globe... Our goal is to ensure that competition law enforcement evolves in tandem with these innovations, safeguarding the interests of consumers,” Kaur said.

[https://www.business-standard.com/industry/news/digital-economy-has-challenged-traditional-competition-law-cci-chief-124052001255\\_1.html](https://www.business-standard.com/industry/news/digital-economy-has-challenged-traditional-competition-law-cci-chief-124052001255_1.html)

## **Agriculture**

### **India poised to surpass last year's wheat procurement record**

Government agencies are set to exceed last year's wheat procurement figure of 262 lakh tonnes in the coming days, with current purchases reaching around 261 lakh tonnes as of Saturday. However, the total is expected to fall short of the initial estimate of 300-310 lakh tonnes. Madhya Pradesh, experiencing a nearly 33% decrease in procurement compared to last year, has extended its procurement period to May 31. Meanwhile, Punjab and Haryana have recorded higher purchases than last year, with totals of 124 lakh tonnes and 71.4 lakh tonnes, respectively.

<https://economictimes.indiatimes.com/news/economy/agriculture/india-poised-to-surpass-last-years-wheat-procurement-record/articleshow/110266209.cms>

### **Over 7,000 farmer groups sell on ONDC platform**

More than seven thousand farmers' collectives across various states are now able to sell unique agricultural products including rice, pulses, millets, honey, mushrooms, spices, and value-added products on the government's e-commerce platform — Open Network for Digital Commerce (ONDC). ONDC is being promoted as an alternative to global e-commerce giants such as Amazon and Walmart, supporting small enterprises.

<https://www.financialexpress.com/policy/economy-over-7000-farmer-groups-sell-on-ondc-platform-3493983/>

### **Govt procures over 26 MT wheat**

After a sluggish start following a delayed harvest, the purchase of wheat by government agencies in the current rabi marketing season – 2024-25 (April-June) – has crossed 26 million tonnes (MT) and is likely to surpass last year's purchase of 26.2 MT in the next couple of days. Officials said that overall procurement this season by the Food Corporation of India (FCI) and state government agencies is likely to be around 27 MT, adequate to meet requirements for supplies under the Pradhan Mantri Garib Kalyan Anna Yojana and maintain a buffer.

<https://www.financialexpress.com/policy/economy-govt-procures-over-26-mt-wheat-3493876/>

## **Infrastructure**

### **Optimism in real estate industry stakeholders highest in 10 years: Report**

On the back of stable economic fundamentals, sustained post-pandemic momentum, and increased transaction volumes, the optimism in the real estate industry stakeholders in India touched a decadal high in the first quarter of 2024, a report released on Monday said. The “Current Sentiment Index Score”, which reflects the stakeholders' current outlook compared to the preceding six months, touched 72 in the quarter, the highest in the last 10 years, according to the Knight Frank-NAREDCO Real Estate Sentiment Index Q1 2024 (January–March) report. In the previous quarter, it was 69.

[https://www.business-standard.com/industry/news/optimism-in-real-estate-industry-stakeholders-highest-in-10-years-report-124052000402\\_1.html](https://www.business-standard.com/industry/news/optimism-in-real-estate-industry-stakeholders-highest-in-10-years-report-124052000402_1.html)

## **Energy**

### **Peak power demand in May near projected 235 GW amid severe heatwave**

India's peak power demand is hovering near the projected 235 GW level in May, following excessive use of cooling appliances like air conditioners and desert coolers amid severe heat waves in the country. According to the power ministry data, the peak power demand met or the highest supply in the day has already reached 233 GW on May 6 compared to 221.42 GW recorded a year ago. Earlier in the month, the power ministry estimated that the power demand would peak at 235 GW during the daytime, and 225 GW during evening hours in May; and 240 GW during daytime and 235 GW during evening hours in June 2024.

[https://www.business-standard.com/economy/news/peak-power-demand-in-may-near-projected-235-gw-amid-severe-heatwave-124052001079\\_1.html](https://www.business-standard.com/economy/news/peak-power-demand-in-may-near-projected-235-gw-amid-severe-heatwave-124052001079_1.html)

## **Telecom**

### **Telcos to snap 1.8 million mobile connections in cybercrime crackdown**

In an unprecedented countrywide operation, telecom operators are set to disconnect approximately 1.8 million mobile connections in one go to curb cybercrime and online fraud, reported The Economic Times (ET), citing officials. This move follows an extensive investigation by various law enforcement agencies to track the misuse of mobile connections for cybercrime and financial fraud.

[https://www.business-standard.com/industry/news/telcos-to-snap-1-8-million-mobile-connections-in-cybercrime-crackdown-124052000376\\_1.html](https://www.business-standard.com/industry/news/telcos-to-snap-1-8-million-mobile-connections-in-cybercrime-crackdown-124052000376_1.html)

### **DoT aims to notify rules under Telecom Act soon**

The Department of Telecommunications (DoT) aims to notify the rules under the Telecommunications Act, 2023 within 100 days of the new government taking charge. "We plan to notify rules under various sections of the Telecommunications Act by September 15. The rules will streamline the regulatory framework and ensure compliance," a person familiar with the details told ET. He added that notification of rules is one of the key targets of the 100-day agenda of DoT.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-aims-to-notify-rules-under-telecom-act-soon/articleshow/110281009.cms>

## **External**

### **Govt comes out with detailed guidelines to prevent EtO contamination in spices exports: Official**

India has come out with detailed guidelines to prevent EtO (ethylene oxide - a carcinogenic chemical) contamination in spices for exports, an official said on Monday. The government has put in place other preventive measures like mandatory testing of spices being exported to Singapore and Hong Kong, the official added. The steps assume significance amid reports on the recall of two Indian spice brands' -- MDH and Everest -- products in Singapore and Hong Kong due to the presence of EtO residue in certain spices. "Mandatory pre-shipment sampling and testing for EtO for Singapore and Hong Kong has been started; and guidelines have been put in place for all exporters to avoid possible contamination of EtO - covering all stages (sourcing, packaging, transportation, testing) of supply chain, for all jurisdictions," the official said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-comes-out-with-detailed-guidelines-to-prevent-eto-contamination-in-spices-exports-official/articleshow/110277194.cms>