



June 19, 2024 – Wednesday

## Economy

### **No income growth for three-fourths of low-rung households in five years**

Approximately 77% of low-income households reported no increase in income over the past five years, a survey by Redseer Strategy Consultants has found. Moreover, any slight increases in income were often offset by rising inflation, particularly in essential areas like food, housing, healthcare, and transportation. Further, the survey revealed that the majority of low-income individuals work in informal or unregulated sectors with irregular income streams, leading to instability in their financial situation. The limited access to formal banking and financial services further intensifies their challenges, preventing efficient saving and investment.

<https://www.financialexpress.com/policy/economy-no-income-growth-for-three-fourths-of-low-rung-households-in-five-years-3527359/>

### **73% of Indian workers surveyed content with their salary: ADP Survey**

Nearly three out of four respondents or 73 per cent Indian workers are content with their salary, a significant leap from the 49 per cent reported in 2023, a report claimed. This is the highest percentage globally among the 18 countries surveyed. ADPs' annual flagship survey, 'People at Work 2024: A Global Workforce View', reveals that salary continues to be the most important factor for Indian workers surveyed in a job (55 per cent).

[https://www.business-standard.com/industry/news/73-of-indian-workers-surveyed-content-with-their-salary-adp-survey-124061800456\\_1.html](https://www.business-standard.com/industry/news/73-of-indian-workers-surveyed-content-with-their-salary-adp-survey-124061800456_1.html)

### **Rising vegetable prices strain household budgets across India: Survey**

A survey conducted by LocalCircles, a social media platform, shows that 16% of household consumers surveyed cutting consumption or feeling the pinch of rising prices of onion, potato and tomato and another 31% are likely to be impacted once per kg prices cross INR 50 for these items. 2 in 3 household consumers surveyed confirmed paying Rs 25/kg or more for tomato, Rs 30/kg or more for potato and Rs 35/kg or more for onion. While tomatoes are still affordable at these prices, potatoes and onions are now selling at much higher rates than their average price of Rs20/kg.

<https://economictimes.indiatimes.com/news/economy/indicators/survey-shows-rising-vegetable-prices-strain-household-budgets-across-india/articleshow/111092175.cms>

### **Centre plans to hold training for states on labour code sensitization**

In a move to familiarise state governments with the new labour codes, the Ministry of Labour & Employment plans to conduct a training workshop for state government labour officials in the coming months, according to sources familiar with the matter. "In our discussions with state officials, it has become evident that many have yet to fully grasp the objectives and complexities of the new labour codes. In some states, the draft rules formulated under these codes diverge in nature and scope from the central laws, rendering the entire exercise redundant. Therefore, a workshop to acclimatise and sensitise officials to the new codes is being considered in the coming months," the source said.

[https://www.business-standard.com/economy/news/labour-ministry-to-organise-training-workshop-for-states-on-labour-codes-124061801024\\_1.html](https://www.business-standard.com/economy/news/labour-ministry-to-organise-training-workshop-for-states-on-labour-codes-124061801024_1.html)

### **India must avoid 'adventurism', focus on bringing down inflation: RBI chief**

India should avoid "adventurism" and continue to focus on bringing down inflation towards the target of 4% despite the growing clamour to signal a pivot in monetary policy, Reserve Bank of India Governor Shaktikanta Das said on Tuesday. "At this point there is again clamour that one should change the stance. But we want clear evidence that inflation should moderate and perhaps a little faster. It will be too premature to talk in terms of changing the stance," Das said at an ET Now Leadership Dialogues event.

[https://www.business-standard.com/economy/news/india-must-avoid-adventurism-focus-on-bringing-down-inflation-rbi-chief-124061800828\\_1.html](https://www.business-standard.com/economy/news/india-must-avoid-adventurism-focus-on-bringing-down-inflation-rbi-chief-124061800828_1.html)

## **Finance**

### **Banks draw attention of Govt, RBI to ATM shortage**

Banks have sounded out the government and the banking regulator Reserve Bank about shortage in supply of automated teller machines (ATMs) while making a case for clarity in norms for procurement via the government e-marketplace, or GeM portal, people familiar with the matter said. Leading bankers had flagged the issue in a meeting with officials last month, they said. "We have discussed the issue internally... It was highlighted that one big issue is that ATM vendors do not have the capacity," said a senior bank executive, adding that accordingly, representations were made both to the government and the RBI.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-draw-attention-of-govt-rbi-to-atm-shortage/articleshow/111093742.cms>

### **Credit funds, family offices fill void left by banks at AIFs**

Private wealth funds and family offices are stepping in to fill the gap left by banks and non-banking finance companies (NBFCs) in investments into alternative investment funds (AIFs) following the Reserve Bank of India's tightened norms for financial institutions investing in AIFs. Vivriti Asset Management, which had a 15% share of banks in its first fund and 10% in the second, has not seen any participation from banks and NBFCs in the latest fund. The entire fund is made up of private wealth investments. Banks and NBFCs now must ensure that the investments they make into AIFs are compliant with the RBI's latest norms.

<https://economictimes.indiatimes.com/industry/banking/finance/credit-funds-family-offices-fill-void-left-by-banks-at-aifs/articleshow/111093478.cms>

### **Budget to usher in minimum corporate tax rule under 'Pillar-2'**

The Central government is likely to announce India's adoption of "Pillar-2" tax regime anchored by the Organisation for Economic Cooperation and Development (OECD) in the coming Budget, as part of the country's efforts to support and benefit from the global system combating tax avoidance. The Finance Bill, 2024, passed after the interim Budget presentation, will be amended after the tabling of the full Budget in the second half of July to this effect, an official said, on condition of anonymity. The provisions, however, will be notified and come into effect only from September, the person added.

<https://www.financialexpress.com/business/industry-budget-to-usher-in-minimum-corporate-tax-rule-under-pillar-2-3527378/>

### **Higher UPI transactions failure in mid-sized banks**

UPI transaction failure occurs because of two reasons – technical decline (TD) and business decline (BD). While BD occurs on account of customer error such as entering an invalid pin and incorrect beneficiary account, or due to other business reasons such as exceeding per transaction limit. TD occurs due to network issues on part of the bank or NPCI's side. On June 7, the Reserve Bank of India (RBI) governor Shaktikanta Das, in a post-monetary policy committee press meet, said whenever any outage in UPI services happens, the problem does not arise from NPCI or UPI's end, but from the bank's end. He also mentioned that the banking regulator is working with banks on this issue.

<https://www.financialexpress.com/business/industry-higher-upi-transactions-failure-in-mid-sized-banks-3527401/>

### **Digital loans up 49% in FY24 by value, Rs 1.46 trn disbursed: Industry body**

Amid wide ranging concerns about digital lending, an industry body on Tuesday said its 37 member entities witnessed a 49 per cent surge in disbursements at Rs 1.46 trillion in financial year 2023-24. According to Fintech Association for Consumer Empowerment (FACE), the number of loans disbursed grew by 35 per cent to over 10 crore borrowings in FY24.

[https://www.business-standard.com/industry/banking/digital-loans-up-49-in-fy24-by-value-rs-1-46-trn-disbursed-industry-body-124061801088\\_1.html](https://www.business-standard.com/industry/banking/digital-loans-up-49-in-fy24-by-value-rs-1-46-trn-disbursed-industry-body-124061801088_1.html)

#### **April-June direct tax mopup rises 21% to Rs 4.62 lakh cr**

The government's direct tax collection in the April 1-June 17 period, net of refunds, increased 20.99% year-on-year to ₹4.62 lakh crore, showed official data released on Tuesday. Net tax collection stood at ₹3.82 lakh crore in the year-ago period. The net direct tax collection comprised ₹1.81 lakh crore as corporate income tax and ₹2,81,013 crore as personal income tax, including securities transaction tax. The growth was backed by buoyant advance tax collection of ₹1.48 lakh crore for 2024-25, up 27.34% from ₹1.16 lakh crore a year ago.

<https://economictimes.indiatimes.com/news/economy/finance/april-june-direct-tax-mopup-rises-21-to-rs-4-62-lakh-cr/articleshow/111093671.cms>

#### **Law committee recommends amendment to CGST law to quash retro tax notice**

The law committee under the goods and services tax (GST) council has recommended an amendment to GST act to raise tax notices where the low tax was paid due to interpretation of law or lack of clarity, ET has learnt. The recommendation, if approved by the council may give relief to a large number of industries including online gaming industry, which was seeking relief from retrospective tax notice.

<https://economictimes.indiatimes.com/news/economy/policy/law-committee-recommends-amendment-to-cgst-law-to-quash-retro-tax-notice/articleshow/111093759.cms>

### **Industry**

#### **MeitY hears out industry associations' concerns on draft Digital Competition Bill**

Domestic industry stakeholders on Tuesday pitched for a comprehensive legal framework to protect them from any anti-competitive conduct of Big Tech in the booming digital markets. At a consultative meeting convened by the Ministry of Electronics and Information Technology (MeitY), various industry segments, however, came up with mixed views on whether the proposed Digital Competition Bill should encompass an EU-like ex-ante framework to regulate the large systemically important digital players. Tuesday's meeting was chaired by MeitY Secretary S Krishnan and attended by representatives of Competition Commission of India (CCI) and Ministry of Corporate Affairs (MCA).

<https://www.thehindubusinessline.com/economy/meity-hears-out-industry-associations-concerns-on-draft-digital-competition-bill/article68304945.ece>

#### **Consumer Affairs Ministry cautions e-commerce platforms against deceptive dark patterns**

The Department of Consumer Affairs cautioned e-commerce platforms on Tuesday against use of use of deceptive user interface designs also known as "dark patterns" as it will be considered as "unfair trade practice" and violation of consumer rights. Addressing a stakeholder session, Nidhi Khare, Secretary, DoCA stressed on the need to refrain from using such deceptive designs that may mislead consumers into making unintended purchases or subscriptions. She suggested improvements like relying on consumer feedback, monitoring user satisfaction and repeat customers, using app features to identify non-compliant patterns, and self-auditing specified dark patterns, an official statement added.

<https://www.thehindubusinessline.com/economy/consumer-affairs-ministry-cautions-e-commerce-platforms-against-deceptive-dark-patterns/article68304929.ece>

#### **Anti-dumping duty on PCBs hits IT hardware PLI beneficiaries**

Companies making IT hardware under the production-linked incentive (PLI) scheme are hurt by an anti-dumping duty on bare printed-circuit boards (PCBs) that, many industry executives said, is making their products uncompetitive globally. India imposed a 30% anti-dumping duty (ADD) on bare PCBs – an essential component in any electronics product – for five years in March on the commerce ministry's recommendations following complaints

from six local PCB makers, represented by the Indian Printed Circuit Association, over cheap inbound shipments from China and Hong Kong.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/pcb-dumping-duty-hits-it-hardware-making-under-pli/articleshow/111093438.cms>

#### **Jewellery consumption growth to moderate to 6-8% in FY25 on elevated gold prices, says ICRA**

The domestic jewellery consumption growth (in terms of value) is expected to moderate to 6-8 per cent in FY2025, stated a report by ICRA. The growth moderation, it added, will be on the back of sharp rise in gold prices in recent months and the consequent impact on consumer sentiments of postponing non-essential purchases, from the sharp expansion of around 18 per cent in FY2024. After a muted volume growth of around 2 per cent and 4 per cent in FY2023 and FY2024 respectively, ICRA is forecasting a volume contraction in FY2025.

<https://www.financialexpress.com/business/industry-jewellery-consumption-growth-to-moderate-to-6-8-in-fy25-on-elevated-gold-prices-says-icra-3527798/>

#### **AC, ice-cream companies see record summer sales**

Companies manufacturing air conditioners, air coolers, ice-creams and colas will close the April-June period with a sales growth of 40-50% versus last year due to a prolonged heatwave in many parts of the country. Besides, the southwest monsoon is yet to pick up in the west, north, central and eastern regions. In 2023, unseasonal rain during the summer resulted in weak sales for these products. This year the situation is exactly the opposite.

<https://www.financialexpress.com/business/industry-ac-ice-cream-companies-see-record-summer-sales-3527447/>

#### **Govt plans telecom PLI scheme revamp, may focus on MSMEs and exports**

With an eye to quickly boosting export of telecom equipment, and incorporating more MSMEs into the telecom manufacturing sector, the Department of Telecommunications (DoT) is planning to revamp the existing Production Linked Incentive (PLI) scheme for the sector, officials said. Funding for the expanded scheme may not be a challenge since the DoT has surplus funds of more than Rs 1,000 crore for the purpose, they pointed out. The move to expand the scheme stems from the increasing need to set up a full-scale telecom manufacturing ecosystem in the country, and covering a larger set of network equipment will be key to it, the officials said. The scheme aims to promote domestic manufacturing of telecom and networking products.

[https://www.business-standard.com/industry/news/govt-plans-to-expand-pli-scheme-for-telecom-sector-to-boost-exports-124061800995\\_1.html](https://www.business-standard.com/industry/news/govt-plans-to-expand-pli-scheme-for-telecom-sector-to-boost-exports-124061800995_1.html)

### **Infrastructure**

#### **NHAI to offer Rs 44,000 cr worth of BOT road projects in FY25; PPP mode may return to fast lane**

The National Highways Authority of India (NHAI) plans to offer 15 road projects worth Rs 44,000 crore, covering 900 km, for bids under the build-operate-transfer (BOT) mode in FY25. If successful, this could mark the comeback of public-private-partnership projects in highways. The government earlier this year amended the model concession agreement to make it attractive for the private sector to invest in road construction. The 15 projects for this fiscal year are a part of the government's plan to offer 53 projects worth over ` 2.2 lakh crore, covering route length of 5,200 km, under BOT mode over the next three to five years.

<https://economictimes.indiatimes.com/industry/transportation/roadways/nhai-to-offer-rs-44000-cr-worth-of-bot-road-projects-in-fy25-ppp-mode-may-return-to-fast-lane/articleshow/111093670.cms>

#### **NHAI to undertake Miyawaki plantations along national highways to restore green cover**

The National Highways Authority of India (NHAI) will go the Japanese way for greening of national highways. To begin with, NHAI will undertake Miyawaki plantations, a unique Japanese approach to ecological restoration and afforestation, on 53 acres of land parcel adjacent to national highways in and around Delhi and the national capital region. Based on the success of Miyawaki plantation in Delhi-NCR, the similar pattern will be replicated across the country, NHAI said in a statement on Tuesday. According to NHAI, ground preparation has already started at the selected sites and plantations shall be taken up during the upcoming monsoon season and is scheduled to be completed by the end of August 2024.

<https://economictimes.indiatimes.com/news/economy/infrastructure/nhai-to-undertake-miyawaki-plantations-along-national-highways-to-restore-green-cover/articleshow/111090799.cms>

### **Investments in renewable energy, roads, real estate to grow by 38% in fiscals 2025 and 2026, says Crisil Ratings report**

Key infrastructure sectors including renewable energy and roads and real estate are expected to see an investment growth of approximately 38 per cent in fiscals 2025 and 2026, in comparison to previous two fiscals to Rs 15 lakh crore, stated a report by CRISIL Ratings. The surge, per the report, will be aided by India's need for creation of sustainable infrastructure by adding more green power to the energy mix, improving physical connectivity through a denser road network, as well as rising demand for residential and commercial real estate.

<https://www.financialexpress.com/business/industry-investments-in-renewable-energy-roads-real-estate-to-grow-by-38-in-fiscals-2025-and-2026-says-crisil-ratings-report-3527911/>

### **India's warehousing sector to cross 300 MSF mark by 2025, reveals report**

Responsible for storage facilities of goods, not only does the manufacturing and services sector but the whole economy depends upon the warehousing industry as it is counted as an integral part of import-export activities. The warehousing sector of India is set to cross the 300 million square feet (MSF) mark by 2025, according to a report jointly launched by CREDAI and CRE Matrix. This is due to the rapid industrial growth and emergence of real estate segments in the country.

<https://www.financialexpress.com/business/industry-indias-warehousing-sector-to-cross-300-msf-mark-by-2025-reveals-report-3527695/>

### **Rents in India have increased by up to 64% in last five years: Report**

The average rent for a standard two-bedroom house spread over 1,000 square feet in seven major cities in India has increased by up to 64 per cent since 2019, said a report on Tuesday. Rent growth slowed down in the April-June quarter of FY24 when supply increased robustly, according to real estate consultancy Anarock.

[https://www.business-standard.com/industry/news/rents-in-india-have-increased-by-up-to-64-in-last-five-years-report-124061800368\\_1.html](https://www.business-standard.com/industry/news/rents-in-india-have-increased-by-up-to-64-in-last-five-years-report-124061800368_1.html)

## **Energy**

### **Govt aims to eliminate coal imports by FY26**

The coal ministry will seek to reduce the import of the dry fuel to nil by FY26. To achieve the same, it will operationalise 20 new mines in the current fiscal year, including 12 with a total capacity of 58 million tonnes in the first 100 days of the new government. The government is confident of producing 1.08 billion tonnes of coal in the current financial year while reducing imports. In FY24, the country's coal sector companies cumulatively imported 265 million tonnes of coal, up from 245 million tonnes in FY23, as per official data.

<https://www.financialexpress.com/business/industry-govt-aims-to-eliminate-coal-imports-by-fy26-3527349/>

### **Govt in talks to revamp SHAKTI policy for coal linkage process**

The government is discussing to revamp the Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI) policy under which private electricity projects, whose power purchase agreements (PPAs) were signed before May 17, 2017, may have to go the auction route to get coal linkage, which is at premium, instead of getting it at notified price. Such projects are currently required to give additional discount on tariff to get coal linkage at notified price of Coal India Ltd. The aim is to simplify the coal linkage policy, according to people aware of the development.

<https://economictimes.indiatimes.com/news/economy/policy/govt-in-talks-to-revamp-shakti-policy-for-coal-linkage-process/articleshow/111093705.cms>

## **Healthcare**

### **Expert panel to soon weigh plan to use generics for prescription drugs**

An expert committee is likely to meet soon to deliberate on a contentious proposal to assess the feasibility of allowing generic substitutions for prescription drugs, said people familiar with the matter. The proposal has become a bone of contention between the Indian Pharmaceutical Alliance (IPA), which represents the country's big drug makers, and the All India Drug Action Network (AIDAN), a network of several health organisations. The IPA is opposing the proposal to allow government-run Jan Aushadhi Kendras to dispense substitutes of prescription medications, claiming that it would open floodgates of similar demands by trade channels, such as general pharmacy stores, "which will not be in the ..

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/expert-panel-to-soon-weigh-plan-to-use-generics-for-prescription-drugs/articleshow/111093605.cms>

## External

### **Government proposes export obligation period review for certain sectors**

The government on Tuesday proposed to amend the export obligation period for wheat, raw sugar, natural rubber, spices, pharmaceuticals and tea, among other sectors to facilitate their exports. India allows duty free import of inputs used for manufacturing for exports subject in advance authorisation to export obligation period in which exporters have to ship the goods within a stipulated time period otherwise they're penalised.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/government-proposes-export-obligation-period-review-for-certain-sectors/articleshow/111092947.cms>

### **Export duty on onions to stay as domestic prices recover**

The central government is not likely to remove the 40% export duty on onions imposed last month as onion prices in the domestic markets have almost doubled in the last one month, said trade sources who met commerce minister Piyush Goyal in the capital on Tuesday. "The government is in the mood to observe the movement of onion prices for a couple more weeks before it takes any decision on the export duty," said an onion trader, who requested not to be identified. The average rate of onions at the benchmark Lasalgaon APMC was Rs 28/kg on Tuesday, up 40% during the last 15 days and double of what it was exactly a month ago.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/export-duty-on-onions-to-stay-as-domestic-prices-recover/articleshow/111091168.cms>

### **US cotton body seeks removal of 11% import duty on short staple cotton**

US agri trade body Cotton Council International has pushed for the removal of the 11% import duty on shorter staple cotton below the length of 32 mm. The import duty came into effect in 2021. The US is a key supplier of this cotton to India. "One of the issues that is a challenge to us is the import duty of about 11% which is applied to the imports of cotton coming from the US," said Marc A Lewkowicz President and CEO, Supima.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-cotton-body-seeks-removal-of-11-import-duty-on-short-staple-cotton/articleshow/111090004.cms>

### **Don't extend ban on de-oiled rice bran beyond July, says SEA**

Cooking oil industry body Solvnt Extractors' Association has requested the central government to not extend the ban on export of de-oiled ricebran beyond July 31. India usually export about 5 to 6 lakh tons of Deoiled Ricebran mainly to Vietnam, Thailand and other Asian countries. The Government prohibited export of De-oiled Ricebran on July 28, of last year attributing it to the high fodder prices as De-oiled Ricebran is a major component. The ban, which was initially till March 31, 2024, was later extended up to July 31, 2024.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/dont-extend-ban-on-de-oiled-rice-bran-beyond-july-says-sea/articleshow/111078991.cms>