



July 09, 2024 – Tuesday

Economy

India's employment provisionally grew at 6% in FY24, shows RBI data

India's central bank said on Monday the country added 46.7 million jobs in the fiscal year ended March, far exceeding numbers in private surveys that point to high unemployment rates in the South Asian nation. The employment growth rate was 6 per cent in 2023/24 versus 3.2 per cent in 2022/23, the Reserve Bank of India's (RBI) data on measuring industry level productivity and employment showed.

https://www.business-standard.com/economy/news/india-s-employment-provisionally-grew-at-6-in-fy24-shows-rbi-data-124070800663_1.html

Final call soon for states and UTs to avail of MSME scheme benefits

The Central government is planning to issue a final call to four states and seven Union Territories (UTs) which are yet to submit their strategic investment plan (SIP) to avail funds to revitalise the micro, small and medium enterprises (MSMEs), a senior government official said. In her 2022 Budget speech, Union Finance Minister Nirmala Sitharaman had announced the Raising and Accelerating MSME Performance (RAMP) scheme as part of the government's effort to revive the MSME sector after the pandemic shock. All States and UTs were told to develop and submit a strategic investment plan (SIP) to get benefit under the RAMP scheme.

https://www.business-standard.com/economy/news/msme-ministry-to-send-final-call-to-remaining-states-uts-for-ramp-scheme-124070800863_1.html

PM Modi to chair NITI Aayog Governing Council meet on 'Vikshit Bharat@2047' on July 27

Prime Minister Narendra Modi is scheduled to chair NITI Aayog's ninth Governing Council meeting on July 27, focusing on the 'Vikshit Bharat@2047' document aimed at transforming India into a developed nation, as confirmed by a senior government official on Monday. The Governing Council, comprising state chief ministers, lieutenant governors of Union Territories, and several Union ministers, serves as the apex body of NITI Aayog, with Modi serving as its Chairman.

<https://www.financialexpress.com/policy/economy-pm-modi-to-chair-niti-aayog-governing-council-meet-on-vikshit-bharat2047-on-july-27-3547523/>

Projects delayed? Ministries likely to face question hour

The Centre is working on a new set of norms that will make it mandatory for ministries and departments to provide detailed reasons for execution delays in case a project's cost exceeds the original estimate by 15% for infrastructure projects, people familiar with the development told ET. The proposed norms being discussed are aimed at making ministries and departments more accountable by introducing rigorous cost analysis while ensuring that projects are executed efficiently without unnecessary escalation in cost, they said. Out of 1,873 infrastructure projects, 449 were hit by cost overruns amounting to ₹5.01 lakh crore and 779 projects were delayed till March 2024, according to the ministry of statistics and programme implementation (MoSPI). These infrastructure projects had a project cost of more than ₹150 crore.

<https://economictimes.indiatimes.com/news/economy/policy/projects-delayed-ministries-likely-to-face-question-hour/articleshow/111587245.cms>

ONDC hits 10 million monthly transaction milestone in June : Equirius Securities Report

According to a report published by Equirius Securities, the Open Network for Digital Commerce achieved a new milestone in June: 10 million monthly transactions. The report noted that ONDC's non-mobility segment transactions were pegged at 6.1 million and have been rapidly growing by over 46 per cent quarter-on-quarter.

<https://www.thehindubusinessline.com/economy/ondc-hits-10-million-monthly-transaction-milestone-in-june-equirius-securities-report/article68381639.ece>

Finance

Bulk of rise in forex reserves in Q1 due to gold

Gold accounted for 69 percent of reserves pile-up for the Reserve Bank of India during the April-June quarter benefitting from both volumes in terms of gold purchases and valuation gains due to price rise. Reserve Bank of India added \$5.6 billion to its stock of reserves in the June quarter, the latest Reserve Bank of India data indicated. Of this while foreign currency assets rose \$1.9 billion during the quarter, the value of gold in reserves rose \$3.8 billion during the quarter. India's foreign currency reserves are at \$652 billion as of June 28.

<https://economictimes.indiatimes.com/news/economy/finance/bulk-of-rise-in-forex-reserves-in-q1-due-to-gold/articleshow/111582353.cms>

RBI to hand-deliver a message of zero tolerance on lapses

The Reserve Bank of India (RBI) will meet the chief financial officers (CFOs) and external auditors of commercial banks on Tuesday to send across a message of zero tolerance towards compliance and regulatory lapses, said people aware of the matter. The people said two deputy governors of RBI - M Rajeshwar Rao and J Swaminathan - will address the CFOs and auditors. The RBI may sensitise CFOs and auditors about their responsibility to ensure that the balance sheets accurately reflect the picture of the banks' financials.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-to-hand-deliver-a-message-of-zero-tolerance-on-lapses/articleshow/111587175.cms>

After strengthening capital, RRBs to focus on product diversification

After consolidating capital adequacy, improving profitability and asset quality, regional rural banks (RRBs) will now focus on diversification of lending products to small and medium enterprises (SMEs) for value addition in agriculture chain and allied sectors. The top priority will be upgrading the technology platform for digital banking for retaining existing customers and attracting new ones in rural areas.

https://www.business-standard.com/industry/banking/after-strengthening-capital-rrbs-to-focus-on-product-diversification-124070700351_1.html

Tightened system liquidity likely to prompt greater offshore bond issuance by NBFIs: Fitch Ratings

Tightened system liquidity in India, amid sustained bank and non-bank financial institutions' (NBFIs') credit growth, is likely to prompt greater offshore bond issuance by NBFIs in the near to medium term, according to a Fitch Ratings report.

<https://www.thehindubusinessline.com/money-and-banking/tightened-system-liquidity-likely-to-prompt-greater-offshore-bond-issuance-by-nbfis-fitch-ratings/article68381738.ece>

India's high public debt offers limited space for welfare spending: Report

India's high public debt offers limited fiscal space to undertake welfare measures which can help stimulate the economy, a foreign brokerage said on Monday. In a report that comes weeks ahead of the presentation of the budget, Goldman Sachs said Finance Minister Nirmala Sitharaman may continue on the fiscal consolidation roadmap, sticking to the 5.1 per cent fiscal deficit target announced in the interim budget. It said investors are expecting from the budget some relaxation in fiscal consolidation path and a shift in focus to welfare spending from capital expenditure.

<https://economictimes.indiatimes.com/news/economy/finance/indias-high-public-debt-offers-limited-space-for-welfare-spending-report/articleshow/111577268.cms>

Life insurance companies' new business premium up nearly 23% in Q1FY25

First-year premium of life insurance companies posted nearly 23 per cent year-on-year (Y-o-Y) growth in the April-June period of the current financial year (FY25), tracking healthy double-digit growth among the public and private sector insurers. According to the data released by the Life Insurance Council, the new business premium (NBP) increased by 22.91 per cent Y-o-Y to Rs 89,726.7 crore in Q1 FY25 from Rs 73,004.87 crore in Q1 FY24.

https://www.business-standard.com/finance/insurance/life-insurance-companies-new-business-premium-up-nearly-23-in-q1fy25-124070800568_1.html

Atal Pension may double minimum payout to Rs 10k

The government could double the minimum guaranteed amount under its key social security scheme, Atal Pension Yojana, to Rs 10,000 in the upcoming budget, said people familiar with the matter. It is assessing a proposal in this regard in view of its fiscal impact and a decision would be taken closer to the budget, which is to be presented on July 23, they said. There is a growing view in the government about deepening the social security framework in the country as it prepares the ground for rolling out the labour code on social security, according to the people.

<https://economictimes.indiatimes.com/news/economy/policy/budget-2024-atal-pension-may-double-minimum-payout-to-rs-10k/articleshow/111587041.cms>

Industry

Compliances cut, MCA gets tough on flouting companies law

Arms of the ministry of corporate affairs (MCA) have stepped up enforcement action in recent quarters to ensure stricter conformity to rules even as the government has reduced the compliance burden of India Inc. Various Registrars of Companies (RoCs) issued a total of 321 orders against firms in the June quarter, citing alleged lapses under the Companies Act, about a fourth higher than in the previous quarter, which, too, had seen heightened action, according to an analysis of the orders made public.

<https://economictimes.indiatimes.com/news/company/corporate-trends/compliances-cut-mca-gets-tough-on-flouting-companies-law/articleshow/111587201.cms>

Govt to reopen application window for PLI scheme for ACs, LED lights

The government on Monday said it will reopen the application window for the PLI scheme for white goods, including ACs and LED lights, for 90 days from July 15. "The industry has an appetite to invest more under the production linked incentive (PLI) scheme," the commerce and industry ministry said. The application window shall remain open from July 15 to October 12. No application shall be accepted after the closure of the application window.

https://www.business-standard.com/economy/news/govt-to-reopen-application-window-for-pli-scheme-for-acs-led-lights-124070800490_1.html

Market concentration increased across India's key industries in FY24

Market concentration continued to increase in India's key industries as top players grabbed a larger share of the business in 2023-24 (FY24) either through organic growth or acquisition. As a result, the Herfindahl-Hirschman Index (HHI), a common measure of market concentration in an industry, reached a new high in FY24 in industries such as telecom, airlines, cement, steel, and tyres.

https://www.business-standard.com/economy/news/market-concentration-increases-across-india-s-key-industries-in-fy24-124070700462_1.html

Two-wheeler sales expected to sustain steady volume growth in FY25: Report

The two-wheeler industry is expected to sustain a steady volume growth this fiscal driven by improved domestic sales and good traction in executive and premium segment motorcycles, a report said on Monday. According to CareEdge Ratings, post-Covid, sales volume of two-wheelers had consistently declined during FY20, FY21 and FY22 before starting to recover from FY23, with sales momentum continuing in FY24 as well.

https://www.business-standard.com/industry/auto/two-wheeler-sales-expected-to-sustain-steady-volume-growth-in-fy25-report-124070800709_1.html

Commercial vehicle sales surpass expectations, indicating strong economic activity

Sales of commercial vehicles - a barometer of economic activity - surpassed expectations last quarter driven by strong replacement demand and continued government spending on infrastructure. As per industry estimates, more than 234,000 trucks and buses were sold in the local market in the three months ended June, a 4.5% rise from 224,000 vehicles sold a year earlier. CV makers like Tata Motors and Ashok Leyland said the industry had expected sales to decline in the fiscal first half due to the implementation of the election model code of conduct and perceived slowdown in infrastructure activity in an election year.

<https://economictimes.indiatimes.com/industry/auto/auto-news/commercial-vehicle-sales-surpass-expectations-indicating-strong-economic-activity/articleshow/111585271.cms>

Guidelines for Centre's EV policy likely to roll out by September-end

Policy guidelines on the Centre's "Scheme to Promote Manufacturing of Electric Passenger Cars in India" (SPMEPCI), which include provisions for reduced customs duties on imported cars if there is a concomitant investment commitment in India, are expected to come by September, according to officials. According to government officials working on the scheme, the portal for original equipment manufacturers (OEMs) to submit applications will open only after the guidelines are released. Guidelines for Centre's EV policy likely to roll out by September-end.

https://www.business-standard.com/industry/auto/policy-guidelines-for-electric-car-manufacturing-scheme-likely-by-sept-end-124070801114_1.html

Price cuts fail to speed up FMCG sales as urban India takes it slow

Sales growth of fast-moving consumer goods (FMCG) slowed down by both value and volume during the first two months of June quarter compared to a year ago, an early indication that demand has not recovered despite price cuts, industry executives said citing NielsenIQ, which is yet to tabulate June sales numbers. While the overall FMCG market growth rate nearly halved in April and May at 4%, the slowdown is more pronounced in urban areas. Rural has fallen by value too although it slightly outpaced last year's growth in volume.

[https://economictimes.indiatimes.com/industry/cons-products/fmkg/price-cuts-fail-to-speed-up-fmkg-sales-as-urban-india-takes-it-slow/articleshow/111587111.cms](https://economictimes.indiatimes.com/industry/cons-products/fmcg/price-cuts-fail-to-speed-up-fmkg-sales-as-urban-india-takes-it-slow/articleshow/111587111.cms)

Mobile phone retailers call out rampant fraud, press no on easy EMIs for phones

Mobile phone retailers have called for scrapping of the popular financing schemes without down payments saying 10-12% of all such purchases were fraudulent, resulting in financial losses, boosting grey market sales, and retailers being banned by non-banking financial companies (NBFCs). They have also demanded enforcement of open-box deliveries with documentary evidence of handing handsets over to customers along with biometric verification when processing loans in a bid to curb misuse.

<https://economictimes.indiatimes.com/industry/services/retail/retailers-call-out-rampant-fraud-press-no-on-easy-emis-for-phones/articleshow/111587009.cms>

Agriculture

Paddy sowing up 19 pc so far, arhar & urad acreage rises sharply

New Delhi: Area sown to paddy has increased by 19.35 per cent to 59.99 lakh hectare so far in the ongoing 2024-25 kharif (summer) season, the agriculture ministry said on Monday. In the year-ago period, area under paddy was 50.26 lakh hectare. Sowing of paddy, the main kharif crop, begins with the onset of southwest monsoon from June, and harvesting takes place from September. Additionally, area sown to pulses also increased to 36.81 lakh hectare till July 8 of the ongoing season, from 23.78 lakh hectare in the same period last year, the ministry said in a statement.

<https://economictimes.indiatimes.com/news/economy/agriculture/paddy-sowing-up-19-pc-so-far-arhar-urad-acreage-rises-sharply/articleshow/111584461.cms>

As state polls loom, Centre buys Maharashtra onions at 74% higher price

The Centre is procuring onions at a price 74% higher than last year in Maharashtra, India's primary onion growing region, ahead of assembly polls later this year. "While last year, the average rate at which onions were procured was Rs 16.93 per kg, this year, procurement is happening at around Rs 29.5 per kg via direct benefit transfer (DBT)," an official said, adding the government plans to spend Rs 1,500 crore to buy onions from Maharashtra alone this fiscal. <https://economictimes.indiatimes.com/news/economy/agriculture/as-state-polls-loom-centre-buys-maharashtra-onions-at-74-higher-price/articleshow/111587291.cms>

Tea prices soar as heatwaves, floods slash output in key producing regions

India's tea prices have been soaring and are expected to stay high as heatwaves and floods during the peak harvesting season slash output in key producing regions. The price rise could support the beleaguered Indian tea industry, which has been struggling with rising production costs amid a negligible rise in tea prices in the past decade. "Extreme weather events are hurting tea production. Excessive heat in May, followed by ongoing flooding in Assam, are reducing output," said Prabhat Bezboruah, a senior tea planter and former chairman of India's Tea Board. https://www.business-standard.com/industry/news/tea-prices-soar-as-heatwaves-floods-slash-output-in-key-producing-regions-124070800404_1.html

Infrastructure

Nod sought to expedite award of road projects

The ministry of road transport and highways has begun seeking special permission to award road projects after the pace of awards slowed down considerably since November 2023 in the absence of a new scheme to replace the Bharatmala Pariyojana. The National Highways Authority of India, under the ministry of road transport and highways, has invited bids for two stretches of greenfield access controlled highways in Jharkhand on the hybrid annuity model (HAM).

<https://economictimes.indiatimes.com/industry/transportation/roadways/nod-sought-to-expedite-award-of-road-projects/articleshow/111587259.cms>

National-level builder-buyer agreements for realty to be a reality soon

In a hint that uniform national-level builder-buyer agreements in India may be made public soon, the Centre on Monday said that it has submitted a model of it to the Supreme Court for its approval. In a hearing in the apex court, a bench presided over by Chief Justice of India DY Chandrachud said that the buyers are being "defrauded" by the builders and that there has to be some "uniformity" in these agreements. To this, the Centre said that it has developed a model agreement with the Confederation of Real Estate Developers' Associations of India (Credai) and various state governments and has submitted it for approval.

https://www.business-standard.com/industry/news/national-level-builder-buyer-agreements-for-realty-to-be-a-reality-soon-124070800751_1.html

Truck rentals dip marginally, used truck prices jump in June: Report

Rentals in the majority of the key truck routes dropped marginally or remained flat in June versus May 2024, said Shriram Mobility Bulletin, a monthly logistics research report by Shriram Finance, with experts calling it a temporary blip. On the other hand, average price of used commercial vehicles saw a considerable rise across categories in June with 31 to 36-ton category seeing a sharp 43 per cent jump and 1.5 to 2-ton posting a 38 per cent jump compared to June 2023, posting the maximum rise.

https://www.business-standard.com/industry/auto/truck-rentals-dip-marginally-used-truck-prices-jump-in-june-report-124070800313_1.html

Energy

Exploration licensing bid date pushed

The government has once again extended the deadline for bids in the latest exploration licensing round. The ninth round of the Open Acreage Licensing Policy (OALP), which was launched at the beginning of the year, was to close on February 29 but has been extended multiple times. The latest deadline of July 15 has now been extended to

August 31, according to a notification by the Directorate General of Hydrocarbons (DGH), the oil ministry arm that auctions licences.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/exploration-licensing-bid-date-pushed/articleshow/111586967.cms>

Petroleum products demand up 2.6% in June

Domestic demand for petroleum products rose 2.6% year-on-year in June, helped by growth in petrol and jet fuel. Petrol sales grew 4.6% on-year in June while diesel sales expanded only 1%, according to the oil ministry data. Diesel accounts for 40% of the sales volume of petroleum products in the country. Petrol makes up 17% while LPG accounts for 12%. LPG, used mostly as cooking gas in the country, grew 3.2% in sales in June. Jet fuel consumption grew 10%, helped by a rise in holiday travel in June. Sales of bitumen, used mainly in building roads, grew 4.2% while the use of polluting petcoke rose 2%.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/petroleum-products-demand-up-2-6-in-june/articleshow/111586946.cms>

India-Russia to push long-term arrangement for crude supplies at annual summit

New Delhi and Moscow during PM Narendra Modi's visit (July 8-9) will push for a long-term arrangement for crude supplies from Russia to India in the backdrop of rising Russian oil exports. The need for a long-term arrangement enabling smooth supply of Russian crude to India at discounted rates has been under discussion between the two sides.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-russia-to-push-long-term-arrangement-for-crude-supplies-at-annual-summit/articleshow/111584810.cms>

Telecom

Duty relief, tax rebate on telecom wishlist

Budget Expectations: India's top mobile carriers are seeking a customs duty waiver on 4G and 5G network gear in the upcoming Union Budget to lower high network rollout costs and accelerate expansion of telecom connectivity across the country. The operators will also push for suspension of 5% of adjusted gross revenue (AGR) contribution towards the universal service obligation fund (USOF) till the latter's Rs 79,638.31 crore corpus is fully utilised, according to a pre-budget wish list that will be sent to the finance ministry shortly.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/budget-2024-duty-relief-tax-rebate-on-telecom-wishlist/articleshow/111587080.cms>

Despite telecom PLI, India exports seven times the telecom equipment it imports

India's imports of telecom products exceeded its exports by seven times in FY24. According to the data provided by the Department of Telecommunications, India imported telecom products exceeding ₹1,46,000 crore in the last fiscal year, meanwhile export of telecom products was valued at approximately ₹20,000 crore during the same period.

<https://www.thehindubusinessline.com/info-tech/despite-telecom-pli-india-exports-seven-times-the-telecom-equipment-it-imports/article68381275.ece>

States

Big savings for car buyers: Uttar Pradesh government scraps registration tax on strong hybrid cars

In a significant boost for green vehicles, the Uttar Pradesh government has reportedly decided to waive the registration tax on strong hybrid cars. According to The Hindu Business Line, the government, through a July circular, implemented a policy to give a 100 percent waiver on the registration fee of strong hybrid vehicles with immediate effect. This move will primarily benefit manufacturers like Maruti Suzuki, Toyota Kirloskar Motor, and Honda Cars India. As per the report, customers can save up to Rs 3.5 lakh. Uttar Pradesh levies an 8 percent road tax on vehicles priced below Rs 10 lakh and a 10 percent tax on vehicles priced above Rs 10 lakh (ex-showroom). The road tax waiver, however, is not expected to significantly impact the state exchequer due to the currently low sales of hybrid vehicles.

<https://economictimes.indiatimes.com/industry/renewables/big-savings-for-car-buyers-uttar-pradesh-government-scrap-registration-tax-on-strong-hybrid-cars/articleshow/111594003.cms>

Goa tourism dept's proposed bill aims at plugging revenue leakages, regulating sector: Minister

The draft bill for promoting tourism in Goa aims to plug revenue leakages and bring discipline to the sector, meeting stakeholder expectations, state tourism minister Rohan Khaunte said on Monday. Addressing a press conference in Panaji, Khaunte addressed concerns raised by opposition MLAs who had labelled the proposed Goa Tourism Promotion Management and Regulation Bill, 2024, as anti-tourism industry. He accused the Opposition of spreading false propaganda by stating that the tourism department would levy tax on organising events, including marriages, in the state. The minister clarified that the bill aims to charge fees for tourism-related events.

<https://economictimes.indiatimes.com/industry/services/travel/goa-tourism-depts-proposed-bill-aims-at-plugging-revenue-leakages-regulating-sector-minister/articleshow/111585927.cms>

External

Govt considers easing rice export limitations in boon to world buyers

India, the world's top rice shipper, may relax restrictions on exports of some varieties to avoid a glut in the country before the new crop arrives in the market in October, according to people familiar with the matter. The government is considering allowing white rice shipments with a fixed duty, said the people, who asked not to be identified as the talks are confidential. The authorities may also scrap a 20% tax on parboiled rice exports and impose a fixed levy instead to discourage under-invoicing of cargoes, they said.

https://www.business-standard.com/economy/news/govt-considers-easing-rice-export-limitations-in-boon-to-world-buyers-124070801050_1.html