



July 18, 2024 – Thursday

## Key Developments

### Centre overhauls beneficial ownership disclosure norms

In a move that would help enhance corporate transparency and regulatory compliance, the Corporate Affairs Ministry (MCA) has overhauled the disclosure requirements for beneficial ownership and their changes. It has in two separate notifications come up with two new forms detailing the information on 'Significant Beneficial Ownership' (SBO) and 'Beneficial Ownership' that need to be filed with the Registrar of Companies (RoC). With the new forms (BEN-2 and MGT-6), companies can easily update or change the SBO details and also change the particulars of the holding reporting company. This latest MCA move is expected to facilitate regulatory scrutiny of beneficial ownership and their changes. It comes on the heels of RoCs cracking down on large corporations as well as certain global private equity firms (funds) in relation to compliance with the SBO declarations.

<https://www.thehindubusinessline.com/economy/corporate-affairs-ministry-mca-has-overhauled-the-disclosure-requirements-on-beneficial-ownership-and-their-changes/article68414910.ece>

## Economy

### Strong fiscal position likely to enhance India's growth, says ADB

India's stronger-than-expected fiscal position could provide a further boost to its growth, the Asian Development Bank (ADB) said on Wednesday while keeping the Gross Domestic Product (GDP) growth projection for the current financial year (FY25) unchanged at 7 per cent. The Manila-based bank, however, said in its report that this must be "weighed against downside risks" arising from weather events and geopolitical shocks.

[https://www.business-standard.com/economy/news/india-s-strong-fiscal-position-may-boost-further-growth-says-adb-124071700658\\_1.html](https://www.business-standard.com/economy/news/india-s-strong-fiscal-position-may-boost-further-growth-says-adb-124071700658_1.html)

### IMF raises India's GDP growth forecast for FY25 to 7%

The International Monetary Fund (IMF) Tuesday raised India's FY25 growth projection to 7% from 6.8% forecast in April, retaining the country's fastest-growing economy tag. The latest upgrade reflects carryover from upward revisions in 2023 and takes into account improved prospects for private consumption, particularly in rural areas. It retained the country's growth forecast for FY26 at 6.5%. In its World Economic Outlook Update, the IMF said the growth forecast for emerging markets and developing economies is revised to 4.3% from 4.2% earlier.

<https://economictimes.indiatimes.com/news/economy/indicators/upward-march-imf-raises-indias-gdp-growth-forecast-for-fy25-to-7/articleshow/111792050.cms>

### Cabinet nod soon for India to join US-led IPEF trade pact

The Union cabinet may soon take up a proposal from the commerce and industry ministry, seeking approval for the country to sign the clean-economy and fair-economy agreements of the Indo Pacific Economic Framework for Prosperity (IPEF), a senior official said. "Inter-ministerial consultations are complete. The commerce ministry has sent both the pacts to the Cabinet Secretariat," the official added.

<https://www.financialexpress.com/policy/economy-cabinet-nod-soon-for-india-to-join-us-led-ipef-trade-pact-3556674/>

### **Selection of PSUs for listing in the works to unlock value**

The government has initiated a process to identify state-run companies that can be listed, as it seeks to unlock their potential value after increasing investor appetite for scrips of its listed firms drove up their market valuations to fresh highs, said people aware of the development. National Seeds Corporation and Central Warehousing Corporation could be among the first set of candidates for listing, as per preliminary discussions, according to the people. Meanwhile, the proposed listing of ECGC, which has an 85% share in India's export credit insurance market, is being expedited, they said. There are 170 unlisted non-financial central public sector enterprises (CPSEs), according to the Department of Investment and Public Asset Management (DIPAM) data.

<https://economictimes.indiatimes.com/news/economy/policy/selection-of-psus-for-listing-in-the-works-to-unlock-value/articleshow/111816733.cms>

## **Finance**

### **Fintech Budget wishlist: Simplified tax structures, regulatory clarity**

The fintech industry, which has been caught between the Reserve Bank of India's (RBI's) higher scrutiny and a severe funding winter, is looking at Budget 2025 with hope. The industry is seeking a favourable tax framework for startups, along with exemption and incentives to reduce their capital costs. Players that Business Standard spoke to said they expect better clarity on guidelines by regulators such as the RBI, the Securities and Exchange Board of India (Sebi) and the Insurance Regulatory and Development Authority of India (Irdai), among others.

[https://www.business-standard.com/economy/news/fintech-budget-wishlist-simplified-tax-structures-regulatory-clarity-124071700630\\_1.html](https://www.business-standard.com/economy/news/fintech-budget-wishlist-simplified-tax-structures-regulatory-clarity-124071700630_1.html)

### **SEBI to float consultation paper on F&O norms**

The Securities and Exchange Board of India may soon float a consultation paper outlining steps to curb retail frenzy in F&O trading. This follows a meeting of the regulator's 17-member Secondary Market Advisory Committee (SMAC) on Monday to discuss proposals put forth by an expert panel led by former Reserve Bank of India Executive Director G Padmanabhan.

<https://www.thehindubusinessline.com/markets/sebi-to-float-consultation-paper-on-f-o-norms/article68414718.ece>

### **Gift City: Expert panel recommends setting up of an IFSC International Court**

An IFSC International Court — having powers similar to a High Court — should be set up for dealing with all alternate dispute resolution matters arising out of international financial services centres in the country, according to a report from an expert committee set up by IFSCA for drafting rules for an International Arbitration Centre at Gift City. Laying down several guidelines and suggestions for setting up of an “autonomous” Alternative Dispute Resolution Centre or ADRC in Gift City, the panel stated that a bench of the Gujarat High Court should be designated to deal with matters arising out of the ADRC in the Gift City in Phase-1, immediately after constitution of an ADRC.

<https://www.thehindubusinessline.com/economy/gift-city-expert-panel-recommends-setting-up-of-an-ifsc-international-court/article68414425.ece>

## **Industry**

### **Cos now have to make detailed disclosures on financial dealings with MSEs**

To ensure greater transparency and accountability in financial dealings with medium and small enterprises (MSEs), the ministry of corporate affairs (MCA) has now mandated all companies to disclose information on payments made or overdue to such firms on a half-yearly basis. According to the latest notification, the new micro, small and medium enterprise-1 (MSME-1) form on MCA V3 must be submitted by all companies dealing with MSEs. This is irrespective of whether they have payments overdue or not for more than 45 days to any such supplier.

[https://www.business-standard.com/industry/news/companies-now-have-to-make-detailed-disclosures-on-dues-pending-to-msmes-124071601324\\_1.html](https://www.business-standard.com/industry/news/companies-now-have-to-make-detailed-disclosures-on-dues-pending-to-msmes-124071601324_1.html)

### **MCA eases KYC rules for basic details of company directors**

The Ministry of Corporate Affairs (MCA) has notified its decision to relax KYC (know-your customer) rules pertaining to directors of companies, enabling them to change basic details, such as their email IDs or mobile numbers, multiple times in a year. The Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2024, will take effect from August 1, the ministry said in the notification. At present, directors are required to file their KYC with the MCA every year when they can update their mobile numbers and email IDs. Once the KYC is filed, the details can't be changed until the next financial year.

<https://economictimes.indiatimes.com/news/economy/policy/mca-eases-kyc-rules-for-basic-details-of-company-directors/articleshow/111814318.cms>

### **Indian, Chinese companies' JV proposals may get quicker nods**

The government has informed companies including electronics and automobile manufacturers that it is considering setting up an inter-ministerial panel to expedite approval of investment proposals by Chinese firms in Indian companies, said a person aware of the matter. The committee is likely to function under the chairmanship of Union home secretary, the person said. Proposals under Press Note 3 will be expedited only when certain conditions are met. First, the Indian company has to make a case that the technology required and investment proposed is critical for developing the local manufacturing supply chain in areas such as hi-tech components. Second, the management and board of the investee company should not have any Chinese nationals in key roles such as MD/CEO and finance chief, and the Chinese partner can only have a minority stake in any partnership.

<https://economictimes.indiatimes.com/news/economy/policy/indian-chinese-companies-jv-proposals-may-get-quicker-nods/articleshow/111817395.cms>

### **Labour productivity shrank in 9 industries during FY23: RBI's KLEMS data**

As many as nine out of 27 industries saw their labour productivity contract in FY23 compared to the preceding year, with eight of these industries belonging to the manufacturing sector, thus highlighting India's lack of competitiveness in industrial sectors, an analysis of the latest KLEMS (Capital, Labour, Energy, Material and Service) database released by the Reserve Bank of India (RBI) showed. Labour productivity is an important metric in an economy as it measures the efficiency with which inputs are used to produce goods and services, and it offers a measure of economic growth, competitiveness, and living standards within a country.

[https://www.business-standard.com/economy/news/labour-productivity-shrank-in-9-industries-during-fy23-rbi-s-klems-data-124071700676\\_1.html](https://www.business-standard.com/economy/news/labour-productivity-shrank-in-9-industries-during-fy23-rbi-s-klems-data-124071700676_1.html)

### **From back offices to strategic hubs, GCCs in India shaping MNC operations**

Global roles in India-based Global Capability Centres (GCCs) have surged from just 175 in 2015 to an impressive 6,500 by 2023, according to a report by consultancy firm Zinnov. The report, titled 'India GCCs: A Sandbox for Global Leadership', also predicts that global roles in India are likely to surpass 20,000 by 2030. This trend, say experts, is transforming GCCs in India from effective back offices into pivotal centres that significantly influence the strategic decision-making of multinational companies. This evolution is enhancing the centres' prominence, securing them substantial representation at the board table, Karthik Padmanabhan, managing partner for globalisation excellence practice at Zinnov, told The Economic Times.

[https://www.business-standard.com/industry/news/from-back-offices-to-strategic-hubs-gccs-in-india-shaping-mnc-operations-124071700240\\_1.html](https://www.business-standard.com/industry/news/from-back-offices-to-strategic-hubs-gccs-in-india-shaping-mnc-operations-124071700240_1.html)

### **Framework for e-comm hubs by Sept**

The regulatory framework to enable the setting up and functioning of e-commerce export hubs will be ready by September, commerce secretary Sunil Barthwal said on Tuesday. "A meeting was held with different departments concerned like revenue to discuss the framework. Even the industry representatives from areas like logistics and marketplace platforms participated in the meeting," Barthwal said on the sidelines of an Indian Institute Foreign Trade event.

<https://www.financialexpress.com/business/industry-framework-for-e-comm-hubs-by-sept-3555787/>

### **India emerges as key destination for Swiss watchmakers: Deloitte report**

Swiss watchmakers are turning towards India as it emerges as a lucrative market for premium watches, according to the 'Deloitte Swiss Watch Industry Insights 2024: Spotlight on India' report released Wednesday. According to the

report, fueling this trend are young generations of Gen Z customers and millennials, who prefer discretionary spending inclusive of fashion and luxury experiences and products. They have also developed a passion for timepieces, further driving the watch market, Deloitte stated.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/india-emerges-as-key-destination-for-swiss-watchmakers-deloitte-report/articleshow/111809695.cms>

## Agriculture

### **Cotton yarn industry expected to spin back to recovery in FY25: ICRA**

The domestic cotton spinning industry will recover in FY25, growing 6-8 per cent, rating agency ICRA said on Wednesday. The recovery will be aided by 4-6 per cent volume growth and mild-realisation gains, the rating agency said. The estimated recovery would follow two consecutive years of de-growth on the back of subdued domestic demand and falling yarn realisations.

[https://www.business-standard.com/industry/news/cotton-yarn-industry-expected-to-spin-back-to-recovery-in-fy25-icra-124071700671\\_1.html](https://www.business-standard.com/industry/news/cotton-yarn-industry-expected-to-spin-back-to-recovery-in-fy25-icra-124071700671_1.html)

### **Need to have higher yields of pulses, oilseeds: Chauhan to ICAR scientists**

Agriculture minister Shivraj Singh Chauhan on Tuesday called upon scientists to work towards increasing the yield of pulses and oilseeds to reduce import dependence. "How can we end the import dependency of pulses? Why is our soyabean yield lower than other countries? You need to find these answers," Chauhan said at the 96th anniversary of the Indian Council of Agricultural Research (ICAR).

<https://www.financialexpress.com/policy/economy-need-to-have-higher-yields-of-pulses-oilseeds-chouhan-to-icar-scientists-3555772/>

### **Poultry industry demands maize imports at zero duty under OGL**

India's poultry industry, hurt by record-high prices of maize due to its increased diversion for ethanol production, has sought permission to import the commodity at zero duty under open general licence (OGL). The poultry industry consumes nearly 60% of the maize produced in the country. A section of the industry has also demanded that the government should supply rice at concessional rates to make up for the shortage of maize.

<https://economictimes.indiatimes.com/news/economy/agriculture/poultry-industry-demands-maize-imports-at-zero-duty-under-ogl/articleshow/111816234.cm>

## Infrastructure

### **Ambitious Delhi-Mumbai expressway project misses revised 2024 target, delayed further to 2025**

The ambitious Delhi-Mumbai expressway project, touted as a game-changer for Indian infrastructure, faces significant delays primarily due to land-related challenges in Gujarat. According to Times of India sources, two crucial segments totaling 62 kilometers in Gujarat only saw bidding commence in November 2023, while construction on one of these segments began in April this year, and the other started just this month. Initially slated for completion by January 2023, the project has encountered multiple setbacks, pushing the revised target to March 2024, which has also been missed. Sources reveal that constructing each stretch requires a minimum of eighteen months. To expedite progress, the project was divided into smaller 'packages' for faster execution. Officials assure that all outstanding land acquisition issues are being actively addressed.

<https://economictimes.indiatimes.com/news/economy/infrastructure/ambitious-delhi-mumbai-expressway-project-misses-revised-2024-target-delayed-further-to-2025/articleshow/111803533.cms>

### **India gears up for seaplane charter flights amid growing industry support**

The Union government is set to introduce commercial charter operations for seaplanes across the country. Guidelines for non-scheduled operator permits are expected to be released soon, according to a report by Financial Express. The report quoted sources as saying, "These new guidelines have been framed with industry's inputs, and are in line with the new level of regulatory compliance for the segment." Several companies such as SpiceJet, Maritime Energy Heli Air Services Private Ltd (Mehair), and Heritage Aviation, along with international OEMs, have

expressed interest in this sector. There is also an expectation that global entities such as De Havilland Aircraft and Cessna may join in, the report said.

[https://www.business-standard.com/industry/news/india-gears-up-for-seaplane-charter-flights-amid-growing-industry-support-124071700233\\_1.html](https://www.business-standard.com/industry/news/india-gears-up-for-seaplane-charter-flights-amid-growing-industry-support-124071700233_1.html)

## Energy

### Consumption of natural gas rises 7.1% YoY in June

Domestic natural gas consumption increased 7.1% year-on-year in June, aided by an 11.3% surge in imports. India imported 2,648 million metric standard cubic metres (MMSCM) of liquefied natural gas (LNG) in June, according to the petroleum and natural gas ministry data. Total domestic gas consumption was 5,594 MMSCM, also aided by a 2.9% expansion in domestic gas production to 2,993 MMSCM. Domestic natural gas consumption increased 7.1% year-on-year in June, aided by an 11.3% surge in imports. India imported 2,648 million metric standard cubic metres (MMSCM) of liquefied natural gas (LNG) in June, according to the petroleum and natural gas ministry data. Total domestic gas consumption was 5,594 MMSCM, also aided by a 2.9% expansion in domestic gas production to 2,993 MMSCM.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/consumption-of-natural-gas-rises-7-1-yoy-in-june/articleshow/111816366.cms>

## Telecom

### Telcos to report ARPU improvement in range of Rs 225-230 by next fiscal, growth to be driven by tariff hike, data consumption surge

The recent tariff hike by telecom operators in the range of 10-25 per cent and also growing data consumption will lift the average revenue per user per month (ARPU) of Indian telecom companies by approximately 25 per cent in fiscal 2026 as compared to fiscal 2024, said CRISIL Ratings. This, along with moderation in capital expenditure on account of lower network investments after completion of 5G rollouts and limited spectrum renewals, CRISIL added, will enhance return on capital employed (RoCE) and support deleveraging in the industry, thereby improving credit profiles.

<https://www.financialexpress.com/business/industry-telcos-to-report-arpu-improvement-in-range-of-rs-225-230-by-next-fiscal-growth-to-be-driven-by-tariff-hike-data-consumption-surge-3555965/>

### Private telcos' tariff hike call has a surprise beneficiary – BSNL

Bharat Sanchar Nigam Ltd (BSNL) is believed to be an initial beneficiary of the recent tariff hikes by private telcos as many low-income as well as other prepaid subscribers are joining the state-run company, allowing it to curb the consistent net loss of customers for the past many months. As per information shared by BSNL with ET, since July 3-4, when the hike by three private players-Reliance Jio, Bharti Airtel and Vodafone Idea-came into effect, some 250,000 customers have ported to the state-run firm from other operators by utilising mobile number portability (MNP).

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/private-telcos-tariff-hike-call-has-a-surprise-beneficiary-bsnl/articleshow/111816419.cms>

## States

### Karnataka temporarily suspends job quota bill after backlash from industry

The Siddaramiah-led Congress government in Karnataka late on Wednesday night suspended the introduction and implementation of a proposed jobs quota bill for locals in the private sector after backlash from the industry. In a social media post, the CM claimed that the bill was still under preparation but gave no explanation on why if this was the case so, it had been passed by the cabinet on Monday. Earlier in the day industry leaders and associations hit out at the government in Karnataka and finally, the state government went into damage control mode.

<https://www.thehindubusinessline.com/economy/policy/karnataka-temporarily-suspends-job-quota-bill-after-backlash-from-industry/article68415432.ece>

### **Maharashtra government launches scheme to boost youth employability**

In a bid to tackle unemployment among the youth, the Government of Maharashtra has unveiled the Mukhyamantri Yuva Karya Prashikshan Yojana (Chief Minister Youth Work Training Scheme) aiming to provide valuable internship opportunities, equipping young individuals with essential skills and enhancing their employability in a competitive job market.

<https://www.thehindubusinessline.com/news/national/maharashtra-government-launches-scheme-to-boost-youth-employability/article68414315.ece>

### **'Arunachal to constitute committee for drafting new industrial policy soon'**

Arunachal Pradesh will soon constitute a committee to draft a new industrial policy aimed at attracting investments to the state, Industries Minister Nyato Dukam said. The minister made the announcement during a review meeting with senior officers of the Industries, IPR and Printing, Trade and Commerce, Skill Development and Entrepreneurship, Labour and Employment, Textile and Handicrafts, and Sericulture departments on Tuesday.

[https://www.business-standard.com/economy/news/arunachal-to-constitute-committee-for-drafting-new-industrial-policy-soon-124071700390\\_1.html](https://www.business-standard.com/economy/news/arunachal-to-constitute-committee-for-drafting-new-industrial-policy-soon-124071700390_1.html)

### **External**

### **EU's carbon tax mechanism expected to cost India 0.05% of GDP: Report**

The European Union's Carbon Border Adjustment Mechanism (CBAM) will impose additional 25 per cent tax on energy-intensive goods exported from India to the EU, a new report said on Wednesday. This tax burden would represent 0.05 per cent of India's GDP, according to the report titled "The Global South's response to a changing trade regime in the era of climate change" by independent think tank Centre for Science and Environment (CSE).

[https://www.business-standard.com/economy/news/eu-s-carbon-tax-mechanism-expected-to-cost-india-0-05-of-gdp-report-124071700953\\_1.html](https://www.business-standard.com/economy/news/eu-s-carbon-tax-mechanism-expected-to-cost-india-0-05-of-gdp-report-124071700953_1.html)

### **Piyush Goyal for collaboration in smooth supply of critical minerals, semicon, pharma, green energy**

Commerce and Industry Minister Piyush Goyal has called for enhancing collaborations among trusted partner countries for smooth supply of critical minerals, semiconductors, pharmaceuticals, and green energy, an official statement said on Wednesday. The minister proposed this collaboration during the G7 Trade Ministers' meeting at Reggio Calabria, Italy. He also highlighted the importance of analyzing global supply chains' robustness in times of crisis like pandemic, Ukraine-Russia conflict, and Red Sea crisis.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/piyush-goyal-for-collaboration-in-smooth-supply-of-critical-minerals-semicon-pharma-green-energy/articleshow/111814237.cms>

### **Oil import bill up 11% in June on reduced Russian discounts**

India's crude import bill increased 10.9% in June to \$11.1 billion even as the imports volume declined by 5.6%, data from the Petroleum Planning and Analysis Cell showed. The increase in import bill can be attributed to the lowering of discounts offered by Russia on its crude oil. The country imported 18.5 million tonnes of crude oil in June compared with 19.6 million tonne in the corresponding period of last fiscal.

<https://www.financialexpress.com/policy/economy-oil-import-bill-up-11-in-june-on-reduced-russian-discounts-3555630/>

### **India's oilmeals export down 9% in Q1 as shipments of rapeseed, castorseed oilmeals dip**

India exported 11.02 lakh tonnes (lt) of oilmeals during the first three months of 2024-25 against 12.10 lt in the corresponding period of the previous fiscal, registering a decline of 9 per cent.

<https://www.thehindubusinessline.com/economy/agri-business/indias-oilmeals-export-down-9-in-q1-as-shipments-of-rapeseed-castorseed-oilmeals-dip/article68413769.ece>

### **Indian exports show resilience amid global challenges in first quarter: CRISIL report**

Despite geopolitical tensions in Europe and the Middle East, India's merchandise exports grew by 5.8 percent to USD 109.96 billion compared to USD 103.9 billion in the same period last year, according to a CRISIL report. The report states that the deceleration in the growth momentum of exports in June compared to May was largely due to an

18.2 percent contraction in oil exports. The growth momentum slowed down in June, with merchandise exports increasing by only 2.6 percent year-on-year, down from 9.1 percent in May.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-exports-show-resilience-amid-global-challenges-in-first-quarter-crisil-report/articleshow/111805999.cms>