



July 10, 2023 – Monday

Economy

Monsoon rains swing from 10 per cent deficit to surplus in eight days

The bountiful rains in many parts of India in the first eight days of July have bridged the rainfall deficit for the entire country, according to the India Meteorological Department (IMD). The cumulative rainfall in the monsoon season has reached 243.2 mm, which is 2 per cent above the normal of 239.1 mm. However, there are large-scale regional variations in rainfall. While the eastern and northeastern region has recorded a deficiency of 17 per cent (375.3 mm against a normal of 454 mm), north India has witnessed 59 per cent excess rainfall (199.7 mm against a normal of 125.5 mm), the latest IMD data showed. Central India, where a large number of farmers rely on monsoonal rains, has recorded 264.9 mm rainfall against a normal of 255.1 mm, an excess of 4 per cent.

<https://economictimes.indiatimes.com/news/economy/agriculture/monsoon-rains-swing-from-10-per-cent-deficit-to-surplus-in-eight-days/articleshow/101617397.cms>

E-way bill generation declines in June, may impact GST collection in July

E-way bill generation came down to 8.60 crore in June as against 8.81 crore in May, but still higher than in April. This may have some impact on GST collection in July, for which data will be out on August 01. E-way bill is an electronic document generated on a portal evidencing movement of goods and indicating whether tax has been paid. As per Rule 138 of the CGST Rules, 2017, every registered person who causes the movement of goods (which may not necessarily be on account of supply) of consignment value more than ₹50,000 is required to generate an e-way bill. This is required for movements between two states as well within a state. However, a State or UT with the legislature, can decide the threshold for the value of goods to be applicable for movement within its boundary.

<https://www.thehindubusinessline.com/economy/e-way-bill-generation-declines-in-june-may-impact-gst-collection-in-july/article67060067.ece>

National Pension Scheme to add 1.3 million new subscribers in FY24

The National Pension Scheme (NPS) is expected to add 13 lakh new subscribers in the current financial year, PFRDA chairman Deepak Mohanty said on Friday. The number of new subscribers under the NPS was over 10 lakh last year, he said. "The onboarding by the corporate is large, but the take up by the employees is less," Mohanty said in an interaction with the media. The subscription by corporate entities witnessed around 31 per cent growth on a year on year basis.

https://www.business-standard.com/finance/news/national-pension-scheme-to-add-1-3-million-new-subscribers-in-fy24-123070700812_1.html

Banking and Finance

Market regulator SEBI enhances accountability of mutual fund Trustees

Amidst the growing scale of the mutual fund industry, capital markets regulator Sebi on Friday increased the role and accountability of the Trustees in a bid to safeguard unitholders' interest. In addition, the regulator said that a unit holder protection committee (UHPC) by the board of an AMC would be constituted. This is part of Sebi's attempt

to have an independent review mechanism for the decisions of AMC from the perspective of the unit holders' interest across all products and services.

https://www.business-standard.com/markets/news/market-regulator-sebi-enhances-accountability-of-mutual-fund-trustees-123070700680_1.html

Banks' borrowings touch 8-month high of ₹5.05 lakh crore as of Jun 16

Borrowings of banks touched an eight month high of ₹5.05 lakh crore as of June 16, the highest since October 21, as per data in the Reserve Bank of India's weekly bulletin. The surge is expected to have been driven by short-term fund requirement of banks owing to quarterly advance tax payments, market participants said. Tighter liquidity conditions had pushed up money market rates in June, leading to an increase in banks' borrowing costs. Even so, strong demand for credit, especially short-term loans, amid lagging deposit growth has ensured a rise in banks' need for and dependence on short-term fund raising over the last year for their asset-liability management.

<https://www.thehindubusinessline.com/money-and-banking/banks-borrowings-touch-8-month-high-of-505-lakh-crore-as-of-jun-16/article67060671.ece>

Public sector banks likely to be the stars of Q1 show

Indian banks are set to report more than 50% growth in earnings led by high operating profit and a decline in provisions, analyst estimates show. Earnings are expected to be aided by healthy business growth and benign credit costs, but margin pressure stoked by deposit repricing and elevated operating expenses may affect the overall growth trajectory. "We expect banks under coverage to report nearly 60% on-year earnings growth led by 35% year-on-year operating profit growth and 20% YoY decline in provisions," said MB Mahesh, executive director at Kotak Securities. "We expect solid net interest income growth at 22% on the back of 16% YoY loan growth. We don't expect discussions on asset quality to emerge this quarter as well, as the portfolio appears to be holding up well across banks and product portfolios."

<https://economictimes.indiatimes.com/markets/stocks/earnings/public-sector-banks-likely-to-be-the-stars-of-q1-show/articleshow/101619340.cms>

New GST rules on anvil; biz may have to explain discrepancy in ITC claims

The GST Council is likely to decide on a new rule in GST law under which businesses would be required to explain the reasons for excess input tax credit (ITC) claimed or deposit the amount with the exchequer, sources said. They said the Law Committee, comprising tax officers from Centre and states, has opined that where the ITC availed in GSTR-3B return exceeds the amount of ITC available in accordance with the auto-generated statement GSTR-2B by a specified threshold, the registered person may be intimated on the portal about such difference and be directed to either explain the difference or pay the excess ITC along with interest.

<https://economictimes.indiatimes.com/news/economy/policy/new-gst-rules-on-anvil-biz-may-have-to-explain-discrepancy-in-itc-claims/articleshow/101609426.cms>

Industry

Strategic investment targets initiative: DPIIT identifies 106 companies across sectors from 30 countries

The Department for Promotion of Industry and Internal Trade (DPIIT) has identified as many as 106 companies across sectors from 30 countries under its strategic investment targets initiative, an official said. The initiative is aimed at promoting investments in the country. The initiative was recently discussed during a meeting convened by the Commerce and Industry ministry with industry and exporters.

<https://www.financialexpress.com/industry/strategic-investment-targets-initiative-dpiit-identifies-106-companies-across-sectors-from-30-countries/3161810/>

Private players to get limited access to GatiShakti masterplan: DPIIT

The Department for Promotion of Industry and Internal Trade (DPIIT) will give limited access to the GatiShakti national masterplan to the private sector. It has been holding inter-ministerial meetings to examine the matter. "There is a geospatial policy of the science and technology department, within the framework of which we have to go ahead. The Ministry of Electronics and Information Technology (MeitY) is also an important stakeholder because of issues such as data security," DPIIT Special Secretary Sumita Dawra told reporters.

https://www.business-standard.com/economy/news/govt-plans-to-open-gatishakti-national-masterplan-for-private-sector-123070700763_1.html

EV two-wheeler sales dip 56% in June on FAME-II subsidy cut: Fada

The government's decision to slash the FAME-II subsidy of electric two-wheelers has led to a fall of 56.3 per cent in its sales during the month of June, compared to May this year. However, on a year-on-year basis, it saw a marginal increase of 3.21 per cent, said data shared by the Federation of Automobile Dealers' Associations (Fada) on Friday. Interestingly, the share of EVs in the overall two-wheeler sales for the month was seen at 3.5 per cent, compared to 7 per cent in May 2023 and 3.6 per cent in June 2022.

https://www.business-standard.com/economy/news/fame-ii-subsidy-impact-ev-two-wheeler-sales-dip-56-in-june-says-fada-123070700712_1.html

Demand recovers in June quarter: Listed consumer firms

Stock exchange-listed consumer-facing companies said the sequential moderation of inflation in the June quarter lifted consumer spending and demand though unseasonal rains in north India dented demand for summer products. In their June quarter review, Dabur, Godrej Consumer Products and Adani Wilmar said sales volume growth improved due to a further drop in product prices and stability in demand. Volume growth was more prominent in categories where the price fall was sharp such as edible oil and spread across both rural and urban markets. "During the quarter, trends in both urban and rural India have shown signs of improvement," said fast-moving consumer goods (FMCG) company Dabur India. "Sequential moderation in inflation has positively impacted consumer spending power and is resulting in gradual improvement in offtakes in the industry."

<https://economictimes.indiatimes.com/markets/stocks/news/demand-recovers-in-june-quarter-listed-consumer-firms/articleshow/101622048.cms>

After a lull, IT hiring mandates are up 10% in July

After months of slowdown in tech hiring, the IT sector has started seeing some green shoots of demand starting July, according to staffing firms. There has been a 10% increase in the overall hiring requirements in July compared to last month, they added, signalling good news for the IT sector and some pick-up in demand in the coming quarter after a long lull. The growth in headcount, however, will only be reflected in the October-December quarter, said experts. The increased demand is led by companies having better visibility of demand. Despite the pick-up, the rate of recovery is still slower than anticipated, and significantly lower than the peak demand witnessed in 2021, they added.

<https://economictimes.indiatimes.com/jobs/hr-policies-trends/after-a-lull-it-hiring-mandates-are-up-10-in-july/articleshow/101619201.cms>

Indian startup funding in H1CY23 drops 36% to lowest in 4 yrs: PwC

Funding to the Indian startup ecosystem dipped 36 per cent to just 3.8 billion across 298 deals in the first half (H1) of 2023 compared to the second half of the previous calendar year, which saw \$5.9 billion in investments, according to a recent report by PwC. Fintech, Software-as-a-Service (SaaS) and D2C continued to be the most funded sectors in H1 CY23.

https://www.business-standard.com/industry/news/indian-start-up-funding-in-h1-cy23-drops-36-to-lowest-in-last-4-yrs-pwc-123070900468_1.html

Agriculture

Kharif sowing falls 9% even as rains pick up across most parts of India

The acreage under kharif crops was almost 8.6 per cent less year-on-year (YoY) until the week ended Friday, despite a pick-up in monsoon rainfall across most parts of India. Acreage is significantly down for kharif crops like rice, pulses (arhar or tur, and urad), soybean, and cotton. But, with monsoon rainfall showing a strong uptick since the middle of last month, there is hope the YoY gap in acreage with respect to some major crops will shrink in the coming weeks. Also, if sowing takes during the ideal planting period, the drop in yields may not be significant.

https://www.business-standard.com/india-news/kharif-sowing-still-lags-despite-monsoon-pick-up-across-most-parts-of-india-123070700777_1.html

Infrastructure

Rail freight sees first YoY decline since Covid in June; sea cargo flat

Freight volumes for the national transporter, Indian Railways, contracted year-on-year for the first time since the coronavirus outbreak, shows the data for June released by the Ministry of Railways. The Railways ferried 123 million tonnes (mt) of goods last month, almost 2 per cent less than in June 2022. Before this, railway freight volumes had been witnessing YoY growth for the past 36 months, after they drastically declined between March 2020 and July 2020 amid Covid-19 restrictions. Earnings from freight operations in June also decreased 0.95 per cent YoY to Rs 13,316 crore.

https://www.business-standard.com/india-news/railway-freight-drops-for-the-first-time-since-covid-pandemic-outbreak-123070700858_1.html

Advance cargo info system in works

India is working on an advance cargo information system on the lines of the advance passenger information system put in place by the US after 9/11 that will allow immediate customs clearance of imports with scrutiny limited to a risk-based assessment of shipments. Such a system would allow customs authorities to know beforehand the contents and arrival time of cargo. The information can then be used to pre-clear the consignments or keep them for further checks based on the contents and the information thrown up by the risk-assessment system. Various agencies that are involved in vetting import cargo such as plant quarantine can also carry out their checks on the basis of data.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/advance-cargo-info-system-in-works/articleshow/101618746.cms>

NHB operationalises ₹10,000-crore Urban Infrastructure Development Fund

The National Housing Bank (NHB) said it has operationalised the ₹10,000-crore Urban Infrastructure Development Fund (UIDF) announced in this year's Budget for creation of urban infrastructure in tier-2 and tier-3 cities. The initial corpus for this fund — managed by NHB — is ₹10,000 crore. UIDF has been launched to supplement efforts of the State governments by providing stable and predictable source of finance for creation of urban infrastructure in tier-2 and tier-3 cities. As many as 459 tier-2 cities with population of 50,000 to less than a lakh and 580 tier-3 cities with population of one lakh to less than a million as per 2011 census are being covered under UDIF as of now.

<https://www.thehindubusinessline.com/economy/nhb-operationalises-10000-crore-urban-infrastructure-development-fund/article67061221.ece>

NITI Aayog to examine viability of UDAN scheme

The Development Monitoring and Evaluation Office (DMEO), an attached office of NITI Aayog, will evaluate the regional connectivity scheme popularly known as UDAN. The monitoring body has issued an RfP for evaluation of the scheme which is expected to kick-start later this year. UDAN is the government's regional airport development program and part of the Regional Connectivity Scheme (RCS) of upgrading under-served air routes. Its goal is to make air travel affordable and improve economic development in India. As per the RfP document, the evaluation study will include identifying gaps and challenges in issues related to operations, management and development of airports while providing research and economic perspectives on all aspects of the project

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/niti-aayog-to-examine-viability-of-udan-scheme/articleshow/101616901.cms>

India's office market shows resilience amid global headwinds, snaps 6-quarter declining trend

The commercial real estate net absorption across India's top seven property markets broke the six-quarter declining trend by making a recovery in the quarter ended June supported by demand for global capability centers across Industries. While occupiers remain slightly bearish on expansion activity, India continues to see growth from its domestic corporations and global occupiers moving ahead with their expansion plans in a steady manner. The gross leasing activity in the top seven cities of India reached 12.7 million sq ft during the quarter, demonstrating a stable market sentiment in comparison to the previous quarter, showed data from JLL India. Additionally, despite the global headwinds, the gross leasing activity in the first half of 2023 grew 2.5% from a year ago.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/indias-office-market-shows-resilience-amid-global-headwinds-snaps-6-quarter-declining-trend/articleshow/101614450.cms>

Energy

India's fuel demand slips by 3.7% in June as monsoon restricts mobility

India's fuel demand eased 3.7% in June month-on-month, government data showed on Friday, as monsoon rains restricted mobility in the world's third-biggest oil consumer. Consumption of fuel, a proxy for oil demand, totalled 19.31 million tonnes in June, down from 20.06 million tonnes in May, data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry showed.

https://www.business-standard.com/economy/news/india-s-fuel-demand-slips-by-3-7-in-june-on-monsoon-restricts-mobility-123070700941_1.html

Multilateral development banks pledge upto \$27 bn for India's green growth

The European Investment Bank (EIB) has pledged one billion euros to develop a large-scale hydrogen industry hub, while the Asian Development Bank (ADB) intends to provide \$20-\$25 billion over five years to support India's green growth during International Conference on Green Hydrogen (ICGH-2023), held between July 5 and July 7 in India. The World Bank has also approved \$1.5 billion to aid India's low-carbon transition journey. "The European Investment Bank (EIB) will be our Hydrogen ally and would support for developing large scale Industry hub with a funding of 1 billion Euros. The Asian Development Bank (ADB) has recently conveyed their intent to provide \$20-\$25 billion over five years to aid India's aspirations for green growth. That's not all, The World Bank has approved \$1.5 Billion in Financing to Support India's Low-Carbon transition journey", said Hardeep Singh Puri.

https://www.business-standard.com/india-news/multilateral-development-banks-pledge-upto-27-bn-for-india-s-green-growth-123070700708_1.html

Russia oil discount to India shrinks to \$4, delivery charges remain opaque

The steep discounts on Russia crude oil that India gorged on since the Ukraine war, have plunged but the shipping rates charged by Russia-arranged entities continues to remain 'opaque' and higher than normal, sources said. Russia bills Indian refiners at a price shade less than the USD 60 per barrel price cap imposed by the West but charges anything between USD 11 to USD 19 per barrel, twice the normal rate, for delivery from the Baltic and Black Sea to the west coast, three sources with knowledge of the matter said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/russia-oil-discount-to-india-shrinks-to-4-delivery-charges-remain-opaque/articleshow/101609149.cms>

Telecom

DoT to approach Trai for auction of new spectrum bands this week

The Department of Telecom is likely to approach sector regulator Trai this week for auction of a set of spectrum bands as well as radio waves held by permits that are due to expire in 2024, an official source said. The source said that DoT is expected to hold the auction in the March quarter of the current fiscal. "DoT will send reference to Trai in a couple of days for auction of 37 GHz band and radio waves of telecom licenses that are due for renewal in 2024," the source told PTI on condition of anonymity. The reference is likely to include the auction of spectrum in 600 megahertz band as well as the frequency that remained unsold in the auction held in 2022.

<https://economictimes.indiatimes.com/industry/telecom/dot-to-approach-trai-for-auction-of-new-spectrum-bands-this-week/articleshow/101615466.cms>

Trai to start consultation on regulation of OTT apps soon: Report

The Telecom Regulatory Authority of India (Trai) will start a consultation process on the regulation of over-the-top (OTT) apps like WhatsApp and Telegram, The Economic Times (ET) reported on Friday. The Trai's major concerns are: are any regulations required for these apps, and which class of OTT apps must be brought under its ambit? Moreover, the consultation will also look into the definition of OTT, the demand for a level playing ground for telcos and existing international practices.

https://www.business-standard.com/industry/news/trai-to-start-consultation-on-regulation-of-ott-apps-soon-report-123070700227_1.html

States

Rajasthan govt to spend Rs 200 crore to ramp up infra in industrial hubs

The Rajasthan government plans to spend around Rs 200 crore to ramp up infrastructure in several industrial hubs to attract a slew of investments in the state, an official said. "The state government's aim is to bring more investment to the state. This can be done by developing world-class infrastructure facilities in industrial hubs and also by announcing investor-friendly policies," the official said.

https://www.business-standard.com/economy/news/rajasthan-govt-to-spend-rs-200-crore-to-ramp-up-infra-in-industrial-hubs-123070701024_1.html

External

Piyush Goyal to visit UK for FTA negotiations, review progress of TEPA

Commerce and Industry minister Piyush Goyal will embark on a two-day visit to the United Kingdom (UK) from Monday to assess the progress of the Free Trade Agreement (FTA) between the two nations. India and the UK began negotiations on the FTA in January 2022, and set a Diwali deadline last year for the trade pact.

https://www.business-standard.com/economy/news/piyush-goyal-to-visit-uk-for-fta-negotiations-review-progress-of-tepa-123070900430_1.html

Govt, retailers, Indian toy makers to discuss ways to promote exports

The government will hold discussions with global retailers and domestic toy manufacturers on ways to promote toy exports from India in a meeting on Saturday, an official said. The official said that top retailers, including Hasbro, Walmart, Spinmaster, Ikea, Lego, Simba Dickie, IMC, Hamleys, Lulu, and Sanrio, have been invited for the deliberations.

https://www.business-standard.com/economy/news/govt-retailers-indian-toy-makers-to-discuss-ways-to-promote-exports-123070700779_1.html

NITI Aayog assessing impact of climate change, labour issues on exports

The government is assessing the country's preparedness to counter the impact of non-trade related issues such as labour, gender balance, deforestation, climate change and sustainable development being used by many countries to impose restrictions or additional tariffs on exports. NITI Aayog is holistically looking at these issues and their implications on exports and will soon firm up its recommendations to ensure India maintains its export growth momentum, a senior government official told ET.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/niti-aayog-assessing-impact-of-climate-change-labour-issues-on-exports/articleshow/101618676.cms>

Plastic industry should focus on manufacturing quality, exports: Goyal

Commerce and Industry minister Piyush Goyal on Friday urged the plastic industry players to focus on manufacturing quality and sustainable products with new technology and innovation to become globally competitive and increase exports. "...we are introducing quality checks and quality control on orders to stop the production or consumption, whether domestic or imported, of sub-standard and low quality, under-priced goods, which tend to hurt the plastic industry, our consumer interests and hamper the overall reputation and image of our country," the minister said at the 2nd 'Technology Conference for Growth of Plastic Industry' organised by industry body AIPMA.

https://www.business-standard.com/economy/news/plastic-industry-should-focus-on-manufacturing-quality-exports-goyal-123070700603_1.html