



July 31, 2023 – Monday

Economy

PMJDY accounts set to touch 50 crore mark

As the Pradhan Mantri Jan Dhan Yojana (PMJDY) completes nine years in few weeks, the total number of beneficiaries is set to cross the 50 crore mark, making it the world's largest scheme for financial inclusion. The number of total account holders under PMJDY, which was launched on August 15, 2014, has reached 49.56 crore as on July 19, 2023, with a total outstanding of over ₹2-lakh crore. Of this, 27.56 crore are women from both rural and urban areas. On average, 5.5 crore people have been brought under the purview of the scheme, the pace of which gained momentum during recent years, especially after Covid. For instance, the number of beneficiaries stood at 35 crore in April 2019, which rose to 42.20 crore in April 2021 and touched 45 crore in April 2022. At present, it stands at 49.56 crore.

<https://www.thehindubusinessline.com/specials/pmjdy-accounts-set-to-touch-50-crore-mark/article67134983.ece>

Per capita income to grow nearly 70% to \$4,000 by FY30 from \$2,450 in FY23.

The country's per capita income is likely to grow by close to 70 per cent to USD 4,000 by fiscal 2030 from USD 2,450 in fiscal 2023, helping it become a middle-income economy with USD 6-trillion GDP, more than half of which will be coming in from household consumption, says a research report. Per capita income/GDP has risen from USD 460 in fiscal 2001 to USD 1,413 in fiscal 2011 and further to USD 2,150 in fiscal 2021.

https://www.business-standard.com/economy/news/per-capita-income-to-grow-nearly-70-to-4-000-by-fy30-from-2-450-in-fy23-123073000344_1.html

Banking and Finance

Remittances overseas, travel spends soared in May to beat TCS hit

Resident Indians have front loaded their overseas spends under LRS including travel abroad to save taxes on such outflows that would be effective later. Outward remittances jumped 40% (y-o-y) in May this year to \$ 2.9 billion during the month even as the economy is still not out of the woods and the rupee also weak against the dollar. Significantly RBI data indicates a surge under all major heads of eligible transactions. But Spends on overseas travel which accounts for over half of LRS or liberalised remittances scheme rose 50 percent in May to \$1.5 billion.

<https://economictimes.indiatimes.com/nri/latest-updates/resident-indians-frontload-lrs-spends/articleshow/102253956.cms>

NBFCs maintain growth in Q1, wary of rising unsecured retail leverage

Non-banking financial companies (NBFCs) maintained their growth momentum in Q1 FY24 led by strong demand for retail, especially unsecured, loans and a pick-up in the rural and semi-urban economy. Most major diversified lenders continued to post record retail disbursements in Q1 on the back of broad-based growth across segments such as housing, vehicle, SME, microfinance, gold and personal loans. Industry leader Bajaj Finance said that the growth in personal loans is across the industry and is being driven by increased penetration in tier-2 and tier-3 cities from where demand continues to rise. Growth is also being led by increased adoption of digital channels for distribution,

which have been seeing an increase in their contribution to overall customer sourcing and revenue income, industry players said.

<https://www.thehindubusinessline.com/money-and-banking/nbfc-maintain-growth-in-q1-wary-of-rising-unsecured-retail-leverage/article67139057.ece>

SEBI may bring equity derivatives segment under long-term additional surveillance measures

After asking stockbrokers to display 'risk disclosures' for F&O clients, SEBI is now planning to put equity derivatives segment under long-term additional surveillance measures (ASM). ASM framework already exists for the equity markets, and it protects investor interest by placing scrips under restriction to prevent market speculation and manipulations. The stocks are moved to the ASM category based on certain criteria.

<https://www.thehindubusinessline.com/news/sebi-may-bring-equity-derivatives-segment-under-long-term-additional-surveillance-measures/article67139214.ece>

Over 50 million income tax returns filed till July 27; 88% e-verified

The income tax department on Friday said that more than 50.3 million income tax returns (ITRs) have been filed till July 27, of which 44.6 million (88 per cent) have been e-verified. Out of the e-verified ITRs, more than 26.9 million ITRs have already been processed. "We urge all those who haven't filed ITR for assessment year (AY) 2023-24, to file their ITR at the earliest to avoid last minute rush," the income tax department said in a tweet. The last date for filing ITRs by salaried employees and those who do not have to get their accounts audited for AY 2023-24 is July 31. The department reached the milestone of 50 million ITRs on July 27, three days earlier this year, compared to the preceding year.

https://www.business-standard.com/economy/news/over-50-million-income-tax-returns-filed-till-july-27-88-e-verified-123072800892_1.html

Industry

Companies may get to defer import duty in new economic hubs

The government is likely to offer tax sops and concessions for its proposed economic hubs - which seek to transform the existing export-focussed special economic zones (SEZs) - as India pushes to become a part of the global value chains and attract manufacturing into the country. The finance, commerce and industry ministries have firmed up the contours of Development of Enterprise and Service Hubs, or DESH, which could allow companies to defer their import duty liabilities, among other concessions, officials privy to the deliberations told ET. "Contours of the framework have been firmed up...", a senior government official said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/companies-may-get-to-defer-import-duty-in-new-economic-hubs/articleshow/102254481.cms>

Healthy balance sheets, cash flows lift India Inc's capex spends

India Inc is gradually stepping up capital expenditure, buoyed by improving balance sheets and rising cash flows, an ETIG analysis shows. Three out of every four companies from a sample of 373 constituents of the S&P BSE 500 index, for which audited and unaudited numbers for FY23 were available, reported year-on-year improvement in gross fixed assets (GFA). Companies from capital-intensive sectors including oil and gas, metals, and power form a major chunk of incremental GFA. The sample excludes banking, finance, insurance, IT, jewellery, ecommerce, and trading companies.

<https://economictimes.indiatimes.com/industry/banking/finance/healthy-balance-sheets-cash-flows-lift-india-incs-capex-spends/articleshow/102258108.cms>

FMCG companies see strong growth in digital revenues in Q1

An uptick in digital demand and sales through e-commerce and quick commerce led to strong revenue growth of Fast-Moving Consumer Goods (FMCG) players in the first quarter of FY24. During the quarter, Tata Consumers registered a 28 per cent revenue growth through e-commerce while 22 per cent growth was registered through modern trade.

<https://www.thehindubusinessline.com/economy/fm-cg-companies-see-strong-growth-in-digital-revenues-in-q1/article67138357.ece>

Sales of cars and utility vehicles are expected to remain strong for 4th straight month in July

Sales of cars and utility vehicles are expected to remain strong for the fourth straight month in July, amid improved supplies and sustained demand in the local market. Around 345,000-346,000 vehicles are expected to be sold in the domestic market by the close of this month, compared with 342,000 units a year earlier. This would be the highest July sales on record in the Indian market. The highest monthly passenger vehicle sales were 355,000 units, recorded in September 2022.

<https://economictimes.indiatimes.com/industry/auto/auto-news/sales-of-cars-and-utility-vehicles-are-expected-to-remain-strong-for-4th-straight-month-in-july/articleshow/102253299.cms>

Indian Web3 startups' growth stalls in bear market amid regulation uncertainty

Even though the Indian Web3 space has all the apparent and basic requirements for a vibrant startup ecosystem, the country has seen only 95 startups in the sector being founded in the last year, according to latest data available. This is a 63.6 per cent drop from 2021, which saw 261 startups being founded in the region, according to data sourced from startup data platform Tracxn. The declining trend still continues, as only 12 startups have been founded by halfway through 2023. To be sure, the Web3 startup industry is still nascent in India. According to Tracxn, the region has a total of 550 active startups currently. The Web3 startup industry, although was thriving in its infancy, now faces an uncertain regulatory environment, lack of ease of doing business, a slowdown in funding, and a looming bear market as possible deterrents to the birth of newer Web3 startups, as industry stakeholders note.

<https://www.thehindubusinessline.com/economy/indian-web3-startups-growth-stalls-in-bear-market-amid-regulation-uncertainty/article67138375.ece>

Agriculture

Rice planting gathers pace as monsoon rains revive

Indian farmers have planted 23.7 million hectares with summer-sown rice so far, according to the farm ministry's latest data, up 1.71% year-on-year, as crucial monsoon rains revived in July and helped farmers accelerate sowing. Higher rice planting in India, the world's second biggest producer of the grain, will ease concerns about the lower output of the staple. Earlier this month, India ordered a halt to its largest rice export category - a move that will roughly halve shipments by the world's largest exporter of the grain.

<https://economictimes.indiatimes.com/news/economy/agriculture/rice-planting-gathers-pace-as-monsoon-rains-revive/articleshow/102258609.cms>

State govts, oil palm firms launch mega drive till Aug 12 to increase oil palm cultivation

State governments along with oil palm processing firms have launched a mega drive till August 12 to increase the area under oil palm cultivation in the country, the Agriculture Ministry said on Sunday. The major oil palm growing states, namely, Andhra Pradesh, Telangana, Tamil Nadu, Odisha, Karnataka, Goa, Assam, Tripura, Nagaland, Mizoram, and Arunachal Pradesh will be participating in this initiative, it said. The mega plantation drive commenced on July 25 and will continue till August 12, the ministry said in a statement. Oil palm cultivation is being promoted under the central scheme National Mission for Edible Oils- Oil Palm which was launched in August 2021.

<https://economictimes.indiatimes.com/news/economy/agriculture/state-govts-oil-palm-firms-launch-mega-drive-till-aug-12-to-increase-oil-palm-cultivation/articleshow/102253303.cms>

Infrastructure

Centre sanctions upgradation of 91 roads, 30 bridges in Arunachal under PMGSY: Rijju

Union Minister Kiren Rijju on Sunday said the Centre has sanctioned the upgradation of 91 roads covering a length of 720.75 kilometres and 30 long-span bridges in Arunachal Pradesh under the Pradhan Mantri Gram Sadak Yojana. In a statement, Rijju, the minister of earth sciences, said the total estimated cost of these projects is Rs 757.58 crore. Emphasising on the early completion of these projects sanctioned by the Union Rural Development Ministry, he said this development work would improve rural connectivity in 500 habitations in various districts such as Changlang, Dibang Valley, East Kameng, East Siang, Kamle, Kra Daadi, Kurung Kumey, Lepa Rada, Lohit, Longding and Lower Dibang Valley.

<https://economictimes.indiatimes.com/news/economy/infrastructure/centre-sanctions-upgradation-of-91-roads-30-bridges-in-arunachal-under-pmgsy-rijiju/articleshow/102252958.cms>

393 infra projects show cost overruns of Rs 4.64 lakh cr in June

As many as 393 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.64 lakh crore in June 2023, an official report said. According to the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects worth Rs 150 crore and above, out of 1,643 projects, 393 reported cost overruns and as many as 815 projects were delayed. "Total original cost of implementation of the 1,643 projects was Rs 23,86,687.07 crore and their anticipated completion cost is likely to be Rs 28,51,556.84 crore, which reflects overall cost overruns of Rs 4,64,869.77 crore (19.48 per cent of original cost)," the ministry's latest report for June 2023 said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/393-infra-projects-show-cost-overruns-of-rs-4-64-lakh-cr-in-june/articleshow/102249642.cms>

40% work on Zojila tunnel over; terrain, weather challenges push completion deadline to 2030

Difficult terrain and weather challenges have pushed the deadline for completion of the Zojila tunnel, which will provide all-weather connectivity between the Kashmir valley and the Ladakh region, to December 2030, according to officials. The tunnel, said to be the longest of its kind in Asia and at the highest altitude, will significantly cut down the time to cross the Zojila pass from four hours to just 15 minutes, they said. Officials said that while 40 per cent of work on the 13-km-long tunnel is already over, the challenges posed by the terrain and weather are such that the rest of the work is taking so much time.

<https://economictimes.indiatimes.com/news/economy/infrastructure/40-work-on-zojila-tunnel-over-terrain-weather-challenges-push-completion-deadline-to-2030/articleshow/102246271.cms>

Energy

India second country after China to burn one billion tonnes of coal: IEA

India has become the second country after China to burn more than one billion tonnes (BT) of coal in 2022, as demand grew at 8 per cent, according to the International Energy Agency (IEA), a Paris-based intergovernmental organisation. The agency's latest report showed that demand rose by 5.5 per cent in the first half of 2023 on continued strong economic growth and reliance on coal, according to a report in The Times of India (TOI).

https://www.business-standard.com/industry/news/india-second-country-after-china-to-burn-one-billion-tonnes-of-coal-iea-123072800273_1.html

Power Ministry notifies rules for streamlining accounting, billing & subsidy payments by States

The Power Ministry has notified rules for streamlining the process of accounting, reporting, billing and payment of subsidy by states to the Discoms in a bid to improve financial health of the sector. The Rules, which were notified on July 26, mandate that a quarterly report shall be submitted by the Discoms within 30 days from end date of the respective quarter and the State Electricity Regulatory Commission (SERC) shall examine the report and issue it within 30 days of submission of the quarterly report, the Ministry said.

<https://www.thehindubusinessline.com/economy/power-ministry-notifies-rules-for-streamlining-accounting-billing-subsidy-payments-by-states/article67138538.ece>

States

Electric vehicle policy boosts sales to record high in Chhattisgarh

The Chhattisgarh government's policy for electric vehicles (EVs) has helped the state register more than 100 per cent growth in sales in the last one year compared to the vehicles sold in a decade, senior officials have said. Chhattisgarh transport department officials have attributed the state's EV policy for the push. The policy, which was introduced in July last year, aims at making the state an EV manufacturing hub, creating employment, and reducing environmental degradation.

https://www.business-standard.com/industry/news/electric-vehicle-policy-boosts-sales-to-record-high-in-chhattisgarh-123072800945_1.html

ADB, India Sign \$200 million loan to expand urban services in Rajasthan

The government and the Asian Development Bank (ADB) have inked a \$200 million loan agreement to bolster the ongoing Rajasthan Secondary Towns Development Sector Project. The project's objective is to expand water supply and sanitation systems, while also enhancing urban resilience and promoting heritage conservation in selected towns. The loan agreement was signed by Vumlunmang Vualnam, Additional Secretary of the Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India, and Takeo Konishi, the country director of ADB's India Resident Mission, representing ADB.

https://www.business-standard.com/india-news/adb-india-sign-200-million-loan-to-expand-urban-services-in-rajasthan-123072800535_1.html

Healthcare

Top drugmakers bet on trade generics to grow beyond metros

Trade generics is seeing a lot of action in recent times with the entry of large domestic pharmaceutical companies, who want to expand beyond metros and other top cities where they see potential growth in years to come. Trade generics are branded medicines that are not promoted to physicians but are directly sold through retailers and distributors. In India, trade generics have a market share of 20% by volume and 5-6% by value, according to data and analytics firm IQVIA. The segment is growing around 14-15% per annum.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/top-drugmakers-bet-on-trade-generics-to-grow-beyond-metros/articleshow/102255444.cms>

External

India-UK FTA: Next meet looks to build consensus on rules of origin, IPR

With the 12th round of negotiation a few days away, India and the United Kingdom (UK) hope to build consensus on three key issues — rules of origin (ROO), intellectual property rights (IPR), and investment treaty — in the proposed free trade agreement (FTA) between both nations. The negotiations are currently at a crucial stage, with the next round of negotiation expected in the second week of August.

https://www.business-standard.com/economy/news/india-uk-fta-aim-to-build-consensus-on-investment-pact-ipr-in-next-meet-123072800716_1.html

India, US collaboration has extended to new areas: Jaishankar

The collaboration between India and US in Micron Technology, Lam Research and Applied Materials deals with New Delhi extended to a new initiative and additional domains and can be expected to grow steadily, External Affairs Minister said at the SemiconIndia Conference on Sunday. Jaishankar said that during Prime Minister Narendra Modi's visit to the US, specific commitments were made with regard to Micron Technology, Lam Research and Applied Materials, and they have been the subject of deliberations as well.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/india-us-collaboration-has-extended-to-new-areas-jaishankar/articleshow/102246655.cms>

India-Canada early FTA to exclude difficult areas of IPR, digital, labour

The India-Canada Early Progress Trade Agreement (EPTA) being negotiated between the two countries will exclude all “difficult areas” such as labour, environment, intellectual property rights and digital trade so that a pact in the core areas of goods, services and investments can be wrapped up on time, sources have said. “In the early harvest pact, India has managed to convince Canada to exclude areas that India has traditionally not been including in its FTAs such as labour, environment, IPR and digital trade. The areas where both sides stand to gain such as goods, services, and investments are all included,” a source tracking the matter told businessline.

<https://www.thehindubusinessline.com/economy/india-canada-early-fta-to-exclude-difficult-areas-of-ipr-digital-labour/article67138877.ece>

China's Q1FY24 steel exports to India highest since FY20

India's steel imports from China are at a five-year high and the latter is now the largest exporter of steel to India in value terms, overtaking Korea. Nearly 0.41 million tonnes (mt) of steel has come in from China in Q1FY24, indicating a 30 per cent jump since Q1FY20's 0.30 mt and 60 per cent up YoY from 0.26 mt in Q1FY23, even as Indian traders continued buying deep-discounted Chinese offerings across categories like cold rolled coils, sheets and plates.

<https://www.thehindubusinessline.com/economy/chinas-q1fy24-steel-exports-to-india-highest-since-fy20/article67136681.ece>