



March 15, 2024 – Friday

Key Developments

Companies under recast get more time to file modified income returns

In a major relief to companies undergoing business reorganisation such as amalgamation, merger or demerger, the Central Board of Direct Taxes (CBDT) has allowed them to file modified returns of income with an extended deadline. Companies undergoing business reorganisation, particularly those involved in schemes of amalgamation, merger, or demerger or succession post insolvency sanctioned by competent authorities, after June 2016 but prior to April 1, 2022, may now file modified return up to June 30, CBDT said in an order issued on Thursday. Experts said the CBDT decision underscores the government's commitment to a business-friendly ecosystem as it brings relief to companies whose reorganisation orders were issued before the implementation of the Finance Bill 2022.

<https://economictimes.indiatimes.com/news/economy/finance/cos-under-recast-get-more-time-to-file-modified-income-returns/articleshow/108503461.cms>

Economy

Wholesale inflation eases to 0.2% in Feb, food inflation rises marginally

The wholesale price index (WPI)-based inflation eased in January to 0.2 per cent from 0.27 per cent in the preceding month. The WPI inflation was in the negative zone from April to October and had turned positive in November at 0.26 per cent." The annual rate of inflation based on all India Wholesale Price Index (WPI) number is 0.20 per cent (provisional) for the month of February, 2024 (over February, 2023)," the commerce and industry ministry said in a statement on Wednesday.

https://www.business-standard.com/economy/news/wholesale-inflation-eases-to-0-2-in-feb-food-inflation-rises-marginally-124031400320_1.html

India shows progress on UN's HDI 2022, ranks 134 out of 193 countries

India's ranking on the United Nations Human Development Index (HDI) improved by one position in 2022 to 134 out of 193 countries ranked compared to 135 out of 191 countries in 2021. On the Gender Inequality Index (GII) 2022, India has been ranked at 108 out of 193 countries with a score of 0.437. Its rank was 122 out of 191 countries with a score of 0.490 in the GII-2021.

https://www.business-standard.com/india-news/india-shows-progress-on-un-s-hdi-2022-ranks-134-out-of-193-countries-124031400598_1.html

India plans new population census, economic data improvements

India's government is planning a number of steps to improve the quality of its economic data, including kicking off a long-delayed population census, according to people familiar with the matter. The Statistics Ministry has made a number of proposals that have been discussed by Prime Minister Narendra Modi's office in the past month, the people said, asking not to be identified as the discussions are private. These include reviving its survey of businesses, last released in 2014, and publishing the household consumption survey on an annual basis, the people said. It also

plans to introduce a uniform base year for key indicators and update the basket of goods for calculating inflation, they said.

<https://economictimes.indiatimes.com/news/economy/indicators/population-census-india-plans-economic-data-improvements-new-population-census-after-lok-sabha-elections/articleshow/108488520.cms>

Fitch raises GDP growth estimates for FY24, FY25, tempers view on rate cuts

Rating agency Fitch, on Thursday, raised its estimate for India's economic growth for this fiscal year and next due to strong domestic demand and persistent growth in business and consumer confidence levels, but tempered its view on rate cuts. Fitch expects the Indian economy to continue its strong expansion, with real gross domestic product forecast to increase by 7.0 per cent in fiscal 2025, which starts in April, a 50 basis points (bps) increase from its December forecast, it said in a report.

https://www.business-standard.com/economy/news/fitch-raises-gdp-growth-estimates-for-fy24-fy25-tempers-view-on-rate-cuts-124031400333_1.html

Deloitte pegs average corporate salary increment in India at 9% in 2024

Corporate executives in India are likely to get an average salary hike of 9 per cent in 2024, said Deloitte in a report on Monday, projecting a figure that's a tad lower than last year. Deloitte India's projection is lower than the 9.6 per cent pegged by EY in a report earlier this month. Deloitte India had forecast a 9.2 per cent salary hike in 2023. Increments in 2024 will be better than pre-pandemic levels in all sectors except information technology (IT) and business process outsourcing (BPOs), according to the 'Deloitte India Talent Outlook 2024' report.

https://www.business-standard.com/india-news/deloitte-india-pegs-2024-average-salary-increment-lower-than-ey-at-9-124031400712_1.html

Higher empowerment helping women influence major consumption decisions: Report

Women are emerging as a major force to reckon when it comes to influencing consumption decisions. This trend is expected to impact major consumption segments said a report by JP Morgan. The categories where women are expected to spend more or trade up and seek convenience include Packaged Foods & Beverages, Apparel & Footwear, Beauty & Personal Care, Health & Wellness, Food/Grocery delivery and Home Improvement. With 37 percent labor force participation rate, 35 percent of bank accounts, they are exercising greater influence in the Indian consumption ecosystem, the report said. An analysis by senior analyst Latika Chopra pointed that this is due to rising educational levels, changing family structure, more workforce participation, improving healthcare and progressive government initiatives.

<https://economictimes.indiatimes.com/news/economy/indicators/higher-empowerment-helping-women-influence-major-consumption-decisions-report/articleshow/108500701.cms>

Finance

5 PSU banks to reduce govt shareholding to meet SEBI's MPS norms: DFS Secy

Five public sector lenders, including Bank of Maharashtra, IOB and UCO Bank are planning to reduce government stake to less than 75 per cent to comply with Sebi's minimum public shareholding (MPS) norms, Financial Services Secretary Vivek Joshi has said. Out of 12 public sector banks (PSBs), four were complying with MPS norms as on March 31, 2023.

https://www.business-standard.com/industry/banking/5-psu-banks-to-reduce-govt-shareholding-to-meet-sebi-s-mps-norms-dfs-secy-124031400593_1.html

Centre may save ₹45k cr on lower capex by states, subsidy payout

The Central government's fiscal 2024 spending is expected to be about ₹45,000 crore less than the revised estimates presented with the budget on February 1, because of lower capital expenditure and subsidy pay-out. The savings could mainly come from the subsidy bill on account of softening fertiliser prices, under-utilisation of funds by states, including for their capital spending and interest from states on money parked in single nodal agency accounts, a senior official told ET. The government, in the budget presented last month, had revised its 2023-24 expenditure estimate to ₹44.90 lakh crore from the previously budgeted ₹45.03 lakh crore.

<https://economictimes.indiatimes.com/news/economy/finance/centre-may-save-45k-cr-on-lower-capex-by-states-subsidy-payout/articleshow/108503447.cms>

Govt, ADB ink \$23 million loan agreement to strengthen fintech ecosystem

The government and the Asian Development Bank (ADB) on Thursday signed a \$23 million loan agreement to enhance access to quality fintech education, research, and innovation at the Gujarat International Finance Tec-City. GIFT City is an initiative of the Centre and the Gujarat government to foster India's financial services and fintech ecosystem, the finance ministry said in a statement. As per the loan agreement, a fintech institute will be set up at GIFT City. The pact was signed by Finance Ministry Joint Secretary Juhi Mukherjee and Officer-in Charge of ADB's India Resident Mission Rajesh Vasudevan.

https://www.business-standard.com/industry/news/govt-adb-ink-23-million-loan-agreement-to-strengthen-fintech-ecosystem-124031400858_1.html

Industry

Govt puts 7 critical and strategic mineral blocks up for bid again

The Centre on Thursday launched the third round of auctions for critical and strategic minerals, putting a total of seven mineral blocks on bidding blocks that received fewer than three bids in the first tranche. All the blocks are being put up for auction as a composite licence. The outcomes of the initial two tranches are still pending. The first round of auctions for 20 critical minerals in the country began on November 29. Subsequently, a total of 18 mineral blocks were put up for auction on February 29.

https://www.business-standard.com/industry/news/seven-critical-and-strategic-mineral-blocks-on-bidding-block-again-124031401137_1.html

Localisation, warranty norms stricter in Electric Mobility Promotion Scheme

Electric vehicle (EV) makers will need to ensure a high degree of localisation for the models subsidised under the Electric Mobility Promotion Scheme (EMPS). They also need to provide a three-year or 20,000-km comprehensive warranty to two-wheeler buyers — and an 80,000-km warranty on three-wheelers — to be eligible for the scheme. “The manufacturers’ comprehensive warranty will have to cover the EV battery, the most crucial component of the vehicle, besides ensuring that there are adequate facilities for after-sales service for the life of sold vehicles,” a senior government official told ET.

<https://economictimes.indiatimes.com/industry/renewables/localisation-warranty-norms-stricter-in-electric-mobility-promotion-scheme/articleshow/108503643.cms>

Gem, jewellery industry expects India-EFTA trade deal to boost exports

The Trade and Economic Partnership Agreement between India and the European Free Trade Association (EFTA) is expected to boost gem and jewellery exports to Switzerland, Iceland, Norway and Liechtenstein to \$1 billion in the coming years from the current \$335 million, the Gem & Jewellery Export Promotion Council (GJEPC) said. “The \$100 billion bilateral trade pact has opened up immense opportunities for Indian gem and jewellery manufacturers to broaden their export prospects in the EFTA region,” GJEPC chairman Vipul Shah said. “It will also pave the way for new and larger FTAs with many other European countries ... I believe there is a huge scope for exporting fine gold jewellery and silver jewellery with high gloss and matte finishes, as well as luxurious diamond and coloured gemstone jewellery.”

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/gem-jewellery-industry-expects-india-efta-trade-deal-to-boost-exports/articleshow/108501861.cms>

Infrastructure

Road ministry sanctions Rs 1,385.60 cr for 295 road development projects

The road ministry has sanctioned Rs 1,385.60 crore for the enhancement and reinforcement of 295 road development projects, spanning a total length of 2,055.62 km across various districts in Karnataka. According to an official statement, this endeavour not only aims to upgrade infrastructure, but also promises to ameliorate connectivity, thereby fostering socio-economic development. As per another statement, the Ministry of Road

Transport and Highways (MoRTH) has also sanctioned Rs 850 crore for the widening and strengthening of 31 state road projects, encompassing a total length of 435.29 Km in Telangana.

<https://economictimes.indiatimes.com/news/economy/infrastructure/road-ministry-sanctions-rs-1385-60-cr-for-295-road-development-projects/articleshow/108492537.cms>

National highways construction up, but govt may miss award target

With a month from the close of the financial year, construction of national highways (NH) in the country in FY24 has been nearly 13 per cent higher than the last financial year at 9,088 kilometres (km), data by the ministry of road transport and highways shows. However, the government is likely to miss its target of awarding highway projects by a massive margin, despite a late push in February. The ministry awarded nearly 1,400 km of projects in the previous month to take its FY24 total to 4,872 km, which is 48 per cent of its revised target of 10,000 km. At the same time last year, the ministry had awarded 7,497 km of highways, which means that this financial year, it has awarded 35 per cent fewer projects (in km terms). After the awarding of new highway projects halved in 2023-24, the MoRTH had conveyed to the Union Cabinet the lag in approving the revised proposal of its flagship highway development programme, Bharatmala Phase-1, in which the estimated cost had doubled to more than Rs 10 trillion.

https://www.business-standard.com/industry/news/national-highways-construction-up-but-govt-may-miss-award-target-124031401152_1.html

India set to become exporter of forged wheels used in railways: Ashwini Vaishnav

Sixty to seventy years after being an importer of forged wheels used in the railways, India is all set to become an exporter of the train component, Union Minister of Railways Ashwini Vaishnav said here on Thursday. The minister, who also holds the portfolio of Electronics and Information Technology, was here to inaugurate the Chennai Design Centre of US-based semiconductor manufacturer Qualcomm, when he said that construction activities for setting up a plant to produce forged wheels for the railways has commenced in Tamil Nadu. The railways has entered into a joint venture with Ramakrishna Forgings Ltd to set up the manufacturing facility at Gummidipoondi near Chennai, at an outlay of Rs 650 crore in the first phase. "As you are aware, Vande Bharat trains have been very successful. The wheels that are used in Vande Bharat trains are of special quality. They undergo a special manufacturing process. The wheels that we use in the wagons undergo a casting process," he told reporters.

<https://economictimes.indiatimes.com/industry/transportation/railways/india-set-to-become-exporter-of-forged-wheels-used-in-railways-ashwini-vaishnav/articleshow/108493367.cms>

Market size for flexible office spaces in India to double by 2030: Anarock

The market size of flexible office spaces will grow from 55 mn sq ft to 100-140 MSF by 2030, said a report on Thursday as demand for co-working facilities becomes the top choice of industry professionals. As many as 54 per cent of Indian companies are opting for co-working spaces to reduce expenses, said real estate consultancy Anarock in the report called 'Navigating Flex -- Indian Coworking Market Analysis in 2024' report. Offering employees more workspace choices, business continuity, productivity and market expansion were other reasons.

https://www.business-standard.com/industry/news/market-size-for-flexible-office-spaces-in-india-to-double-by-2030-anarock-124031400478_1.html

Energy

Oil marketing companies cut petrol, diesel prices after 22 months

Oil marketing companies (OMC) have reduced pump prices of petrol and diesel after a record 22 months, both of which will be cheaper by Rs 2 in the national capital beginning Friday, the government announced on Thursday. Taking Delhi as an example, petrol and diesel prices last saw a revision back on April 6, 2022, when prices of both were raised by 80 paise a litre. Since then, pump prices haven't changed despite major volatility in global oil prices as a result of the war in Ukraine, strife in the Middle East, and piracy in the Red Sea and the Indian Ocean.

https://www.business-standard.com/economy/news/oil-marketing-companies-cut-petrol-diesel-prices-after-22-months-124031401167_1.html

Peak power demand up to 220 GW as temperatures rise

Peak power demand in India touched 220.55 GW on March 13 as temperatures rose across the country, much higher than the 206.8 GW on the corresponding day last year. It also surpassed the 209-GW level recorded a year back in the same month. The peak demand so far in the month, is however, lower than that estimated by the power ministry at 231 GW for the ongoing month. "From next week, this demand will pick up," a government official told ET. "March 18 onwards temperature is expected to rise which is when we expect higher peak demand," the person said. <https://economictimes.indiatimes.com/industry/energy/power/peak-power-demand-up-to-220-gw-as-temperatures-rise/articleshow/108502973.cms>

Four states account for over half of India's renewable potential: MoSPI

Four states accounted for over half of the country's renewable energy potential, with Rajasthan having the highest share, followed by Maharashtra, Gujarat and Karnataka, according to data released by the Ministry of Statistics and Programme Implementation Thursday. "The geographic distribution of the estimated potential of renewable power shows that Rajasthan has the highest share of about 20.3%," the ministry stated in the Energy Statistics 2024. Maharashtra, Gujarat and Karnataka have a 32% share. India had utilised just 8% of its total estimated renewable power potential of 2,109.7 GW in FY23, with nearly a quarter of small hydro and biomass energy in place compared to the potential.

<https://economictimes.indiatimes.com/industry/renewables/four-states-account-for-over-half-of-indias-renewable-potential-mospi/articleshow/108499832.cms>

Elections, harvesting activities to raise diesel demand, says S&P Global

The upcoming Lok Sabha elections and rise in harvesting activities will expand the demand for gasoil (diesel) in India by 75,000 barrels per day (bpd) during April-June, S&P Global Commodity Insights said in a report on Thursday. Diesel demand had risen by 60,000 bpd in the first 3 months of 2024, the report said. According to the report, overall demand for oil products rose by 132,000 bpd or 2.4 per cent in February, as compared to the same period last year. Demand for the product in February was also up by 256,000 bpd, with a rise in consumption of all products except fuel oil and other minor products.

https://www.business-standard.com/economy/news/elections-harvesting-activities-to-raise-diesel-demand-s-p-global-124031400853_1.html

States

Centre approves Rs 114.8 crore to develop MSME sector in Rajasthan

The central government has approved a sum of Rs 114.80 crore for Rajasthan under the Raising and Accelerating MSME Performance (RAMP) programme, Chief Minister Bhajanlal Sharma said on Thursday. The funds will give impetus to MSME enterprises of the state and help enhance their capacity. The funding will also help in meeting the financial needs of micro, small and medium enterprises towards achieving the goals of Developed India-Developed Rajasthan, the chief minister said.

https://www.business-standard.com/industry/news/centre-approves-rs-114-8-crore-to-develop-msme-sector-in-rajasthan-124031400880_1.html

Healthcare

Prices of 800 essential drugs to increase a tad from April 1

Prices of essential medicines including painkillers, antibiotics and anti-infectives are set to see a minuscule increase from April 1. In line with the annual change in the wholesale price index (WPI), the government is set to allow a .0055% increase in prices of drugs under the National List of Essential Medicines (NLEM). After massive annual increases of 12% and 10% in prices on record last year and in 2022, this will be a meagre increase for the pharma industry. The adjusted prices will cover more than 800 drugs on the National List of Essential Medicines. Price changes for scheduled drugs are allowed once a year.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/prices-of-800-essential-drugs-to-increase-a-tad-from-april-1/articleshow/108503283.cms>

External

Govt, RBI in talks to ease Fema guidelines for boosting e-commerce exports

The commerce ministry is in discussions with the Reserve Bank of India (RBI) to facilitate e-commerce exports by liberalising the Foreign Exchange Management Act (FEMA) guidelines, Santosh Kumar Sarangi, Director General of Foreign Trade (DGFT) said on Thursday. "A few days back we had a meeting with the entire team of RBI officials who deal with this. There is a lot of liberalisation which is coming in the RBI guidelines and we should be seeing the results in next two to three months with regard to ecommerce (export) policies," Sarangi said at the 1st Asia Pacific e-commerce policy summit organised by economic think tank ICRIER.

https://www.business-standard.com/industry/news/govt-rbi-in-talks-to-ease-fema-guidelines-for-boosting-e-commerce-exports-124031401224_1.html

Govt imposes minimum export price of \$2,000 per tonne on honey till Dec

The government on Thursday imposed a minimum export price (MEP) of \$2,000 per tonne on natural honey till December this year. The notification will be effective immediately. Exports below this MEP value will not be permitted. "Export of natural honey is free. Minimum export price (MEP) of \$2,000 per metric ton is imposed till December 31, 2024, or until further orders, whichever is earlier," the Directorate General of Foreign Trade said in a notification. During April-January this fiscal, natural honey exports stood at \$153.21 million. It was \$203 million in 2022-23.

https://www.business-standard.com/industry/news/govt-imposes-minimum-export-price-of-2-000-per-tonne-on-honey-till-dec-124031400990_1.html

India's diesel exports to Europe see nearly three-fold jump in February

Diesel exports to Europe quadrupled in February over the previous month as enhanced margins on the fuel lured more Indian cargoes into the continent. Indian refiners exported 204,000 barrels per day (bpd) of diesel to Europe in February, up from 56,000 bpd in January, according to energy cargo tracker Vortexa. The sharp rise in supplies to Europe increased India's overall exports of diesel to 600,000 bpd in February, up from 450,000 bpd in January. No diesel was exported to the US and supplies to other destinations remained steady in February.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-diesel-exports-to-europe-see-nearly-three-fold-jump-in-february/articleshow/108502971.cms>

India invites investors from IPEF nations to invest in \$1 trillion clean economy opportunity

India has invited investors from Indo-Pacific Economic Framework (IPEF) partners to invest and benefit from the trillion-dollar-plus opportunity that India provides in the clean economy domain. The 14-countries of the IPEF Thursday announced plans to provide \$33 million in initial grant funding for the IPEF Catalytic Capital Fund for climate infrastructure projects. The fund is proposed under the Pillar III Clean Economy Agreement of the framework. "The Fund's founding supporters include Australia, Japan, the Republic of Korea, and the US," the commerce and industry ministry said in a statement. The statement was issued after commerce and industry minister Piyush Goyal met US Secretary of Commerce Gina Raimondo, Thai Deputy Prime Minister and Foreign Minister Parnpree Bahiddha-Nukara, along with the ministers from the other IPEF partners, in their first ministerial meeting this year.

<https://economictimes.indiatimes.com/news/economy/finance/india-invites-investors-from-ipef-nations-to-invest-in-1-trillion-clean-economy-opportunity/articleshow/108501866.cms>