



April 22, 2024 – Monday

## Economy

### India's fresh formal job creation slowed to three-month low in February

The country's formal labour market witnessed a slowdown in February, with fewer fresh jobs being created, the latest payroll data released by the Employee Provident Fund Organisation (EPFO) showed on Saturday. The number of new monthly subscribers to the Employees' Provident Fund (EPF) declined nearly 3.7 per cent in February to 777,717 from 807,865 the previous month. This is crucial, as only the formal workforce enjoys social security benefits and is protected by labour laws. By comparison, 764,106 subscribers had joined the EPF in February 2023.

[https://www.business-standard.com/economy/news/india-s-fresh-formal-job-creation-slowed-to-three-month-low-in-february-124042000662\\_1.html](https://www.business-standard.com/economy/news/india-s-fresh-formal-job-creation-slowed-to-three-month-low-in-february-124042000662_1.html)

### FDI reform 2.0: Banking, defence, insurance reforms on table

The government is examining if foreign direct investment norms (FDI) for banking, insurance and defence can be further liberalised, after rules were relaxed for the space and satellite sectors recently. Officials said that although the bulk of the heavy lifting in terms of FDI reforms has been completed, talks are ongoing to see if conditions for these key sectors can be further eased. Any changes will be made after the elections that end on June 1. "Some areas in finance and insurance, (and) even in defence, could still be looked at in terms of further reduction. Brainstorming is going on, but it has not reached anywhere," said an official aware of deliberations. A final call will be taken after consultations among officials and with stakeholders.

<https://economictimes.indiatimes.com/news/economy/finance/fdi-reform-2-0-banking-defence-insurance-reforms-on-table/articleshow/109481950.cms>

### DPDP rules, IT rules amendment on MeitY's 100-day agenda after LS polls

Focusing on privacy and data security, the Union government plans to notify rules for the Digital Personal Data Protection Act (DPDPA) and introduce an amendment to the IT rules within the first 100 days of the next government, a senior government official told Business Standard. While the rules for DPDPA are long overdue and will provide enforcement for the eight-month-old data privacy law, the IT rules amendment will address governing critical areas such as Artificial Intelligence-led misinformation and deep fakes until a comprehensive Digital India Act is crafted, the official said.

[https://www.business-standard.com/industry/news/dpdp-rules-it-rules-amendment-on-meity-s-100-day-agenda-after-elections-124042100232\\_1.html](https://www.business-standard.com/industry/news/dpdp-rules-it-rules-amendment-on-meity-s-100-day-agenda-after-elections-124042100232_1.html)

### Govt aims to make India attractive for manufacturing, services: Sitharaman

Union Finance Minister Nirmala Sitharaman on Saturday said the Centre has tailored policies to make India an attractive destination for manufacturing and services, and the aim was to produce not just for the domestic market but for exports as well. She was responding to a query on American tech billionaire Elon Musk postponing his meeting with Prime Minister Narendra Modi. "Policies have been made to attract investments. We want manufacturers and investors to come and produce not just for India but also for exports. We will try to attract manufacturers and investors through policies," she told reporters.

[https://www.business-standard.com/economy/news/govt-aims-to-make-india-attractive-for-manufacturing-services-sitharaman-124042000463\\_1.html](https://www.business-standard.com/economy/news/govt-aims-to-make-india-attractive-for-manufacturing-services-sitharaman-124042000463_1.html)

## Finance

### Track fishy transactions, RBI tells payment firms

The Reserve Bank of India has directed all regulated payment companies to track high-value or suspicious transactions during the course of general elections, according to multiple senior executives in the know. In a letter dated April 15, the RBI asked payment system operators (PSOs) to prevent any potential misuse of electronic fund transfer mechanisms to influence voters or indirectly fund poll candidates. ET has seen a copy of the letter. "The regulator wants payment companies to track high-value merchant payments specifically. Also recurring person-to-person payments can be brought under scrutiny," one of the executives cited above said.

<https://economictimes.indiatimes.com/tech/technology/track-fishy-transactions-rbi-tells-payment-firms/articleshow/109481215.cms>

### Inflation sustainably moving towards RBI target enough for a rate cut: Ashima Goyal

Consumer price index (CPI) inflation does not have to touch the Reserve Bank of India's 4% target, but sustainably move towards that mark for interest rates to be lowered, Ashima Goyal, external member of the central bank's monetary policy committee (MPC), told ET. "Headline inflation does not have to reach target but has to durably approach it for the MPC to cut rates," Goyal said in an interview after the release of the MPC's April 3-5 minutes. "If expected headline inflation stays persistently below 4.5%, our current real repo rate would be too high." She said she would look for more confirmation of India's resilience to supply shocks and the anchoring of inflation expectations, while citing global risks, domestic political flux and the progress of the monsoon as uncertainties that shaped her view of a status quo on rates in April.

<https://economictimes.indiatimes.com/news/economy/indicators/inflation-sustainably-moving-towards-rbi-target-enough-for-a-rate-cut-ashima-goyal/articleshow/109481893.cms>

### Industry keenly awaiting implementation of 30% UPI market share cap by NPCI

With extended deadline for 30 per cent UPI market ceiling by NPCI approaching, industry players are keenly awaiting the implementation and measures to achieve the cap from January 1. The National Payments Corporation of India (NPCI) in December 2022 extended the deadline for third-party UPI players to meet its 30 per cent volume cap in digital payment transactions by two years to end December 2024.

[https://www.business-standard.com/industry/news/industry-keenly-awaiting-implementation-of-30-upi-market-share-cap-by-npci-124042100140\\_1.html](https://www.business-standard.com/industry/news/industry-keenly-awaiting-implementation-of-30-upi-market-share-cap-by-npci-124042100140_1.html)

### Net direct tax mop-up surpasses RE in FY24; corp tax receipts miss target

Direct tax collection, net of refunds, moderately exceeded the revised estimates (RE) for the financial year 2023-24 (FY24) on the back of personal income tax revenues, but corporation tax receipts fell short of the RE. Net direct tax collection stood at Rs 19.58 trillion in FY24, surpassing the RE of Rs 19.45 trillion by Rs 13,000 crore, or 0.7 per cent. The government had revised up FY24 projections for personal income tax by 13.5 per cent over the Budget estimates (BE) of Rs 9 trillion, at Rs 10.22 trillion. The actual collection (including securities transaction tax), however, exceeded the RE by 2.1 per cent at Rs 10.44 trillion. On the other hand, the RE for corporation tax was kept at the same level as the BE, at Rs 9.23 trillion for the year. Even then, the mop-up fell short of the estimates by Rs 12,000 crore, or 1.3 per cent, at Rs 9.11 trillion.

[https://www.business-standard.com/economy/news/net-direct-tax-mop-up-surpasses-re-in-fy24-corp-tax-receipts-miss-target-124042100498\\_1.html](https://www.business-standard.com/economy/news/net-direct-tax-mop-up-surpasses-re-in-fy24-corp-tax-receipts-miss-target-124042100498_1.html)

### IRDAI removes age limit of 65 yrs for buying health insurance policies

With a view to widen the market and foster adequate protection from healthcare expenses, insurance regulator IRDAI has removed the age limit of 65 years for individuals buying health insurance policies. This marks a significant departure from the conventional constraints that limited individuals in securing comprehensive coverage. As per the earlier guidelines, individuals were allowed to purchase a new insurance policy only till the age of 65. However, with

the recent amendment, which has been effective from April 1, anyone, regardless of age, is eligible to buy a new health insurance policy.

[https://www.business-standard.com/industry/news/irdai-removes-age-limit-of-65-yrs-for-buying-health-insurance-policies-124042100219\\_1.html](https://www.business-standard.com/industry/news/irdai-removes-age-limit-of-65-yrs-for-buying-health-insurance-policies-124042100219_1.html)

## Industry

### **Sugar & chemicals in food: FMCGs' biggest risk is not inflation but what they mix in what we eat**

The concerns raised last week over the safety of baby foods, protein powders and spices in India do not augur well for the country's fast-moving consumer goods (FMCG) industry. Increased public and regulatory scrutiny of the levels of sugar and chemicals in food products and the health claims made by companies hold a bigger and more immediate risk than macro concerns like inflation and plastic packaging. While the latter are systemic concerns impacting the entire industry, the former is brand- and company-specific. Product safety concerns invite regulatory action in the immediate term and consumer mistrust over the medium to longer term. Besides, there are several obvious and not-so-obvious ramifications for consumer companies. The value erosion on the bourses is an obvious and a more quantifiable outcome. For instance, the shares of Nestle India dropped 4.6% over two trading sessions after the findings of a Swiss NGO became public.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/increased-scrutiny-red-flags-bigger-risks-for-fm-cos/articleshow/109481833.cms>

### **Rising mercury cranks up the heat in AC market**

Sweltering heat in the south, east and west of the country has led to unprecedented demand for air-conditioners early in the season, taking the industry by surprise. Installations are taking up to two weeks in some areas and companies are facing the prospect of stocks running out. Sales have surged as much as three times from the year before and that too in markets where demand has traditionally been low, with temperatures at 40 degrees Celsius and above. And this before the advent of harsher summer temperatures in the north. "No one in the industry anticipated this high sale — it's a record year," said Daikin India managing director KJ Jawa. Retail chain Girias, which has 150 stores in Karnataka, Tamil Nadu and Puducherry, used to sell 500-600 ACs a day during peak summer. That number is up to 1,500 units a day.

<https://economictimes.indiatimes.com/industry/cons-products/durables/rising-mercury-cranks-up-the-heat-in-ac-market/articleshow/109482009.cms>

### **Indian wear business slows down in times of fast fashion**

Danish fashion retailer Bestseller is shutting down its Indian ethnic wear brand Indifusion, which it had acquired three years ago, amid mounting losses and falling demand. The move also signals a larger slowdown trend in the overall ethnic wear segment since last year, said retailers and mall owners. Bestseller said the brand's sales did not meet expectations or ambitions and, therefore, they decided to make strategic adjustments and realign its focus. Bestseller, known for its western casual brands such as Jack and Jones and Vero Moda, purchased Indifusion in a distress sale during the peak of the pandemic but had no prior experience in operating an Indian wear label. "For a western brand company, understanding the Indian wear segment is challenging and time consuming too. Also, there has been a general slowdown in the discretionary segment including apparel, which worsened its revival plan," said an industry executive.

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/indian-wear-business-slows-down-in-times-of-fast-fashion/articleshow/109481898.cms>

## Agriculture

### **High demand, dip in production push millet prices up 17%**

A combination of high demand, government push, social media trends and a marginal decline in production has driven up millet prices. Data released last week showed that inflation in ragi and ragi products accelerated in March to 16.6% - the second highest in over six years. The highest was 16.7% in February. "For millet, output has been flattish but higher demand due to several food industries using them has pushed up prices," said Madan Sabnavis, chief economist, Bank of Baroda. Despite the government's push, the area under ragi decreased to 1.04 million

hectares in 2023-24 from 1.16 million hectares in 2022-23. According to government data, this led to a decline in production to about 1.39 million tonnes in 2023-24 from 1.69 million tonnes in 2022-23. Ragi inflation has been accelerating in double digits for the past seven months and pace picked up further since January.

<https://economictimes.indiatimes.com/news/economy/agriculture/high-demand-dip-in-production-push-millet-prices-up-17/articleshow/109481625.cms>

## Infrastructure

### Cost and speed top priorities for logistics sector, says report

Cost and speed has now become the top priority of the firms engaged in logistics business for the last-mile delivery of goods and growth of the sector, a report has said. According to the Last-Mile Trends Report 2024, earlier the top priority was cost and satisfaction. "In last-mile delivery now top priority is cost and speed. The needle has shifted from cost and satisfaction to cost and speed," it said. The report was unveiled during 'The Last Mile Leaders Event' organised by technology platform FarEye in collaboration with Microsoft this week. Kushal Nahata, CEO of FarEye, said that within the next five years, autonomous drones will handle 30% of urban deliveries, reducing delivery times and costs dramatically.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/cost-and-speed-top-priorities-for-logistics-sector-says-report/articleshow/109481639.cms>

### Indian Railways to run 43% more trains to combat the summer rush

Amid severe criticism of the Indian Railways this week, the ministry of railways said on Friday that the national transporter is running 43 per cent more trips than the summer of 2023 to ensure that passenger convenience is not compromised. Over the past few days, numerous videos have surfaced on social media, showing the plight of passengers. Many were cramped in the alleys between coach doors, some with reserved seats struggled to board trains and a few of them stood inside the train toilet due to lack of space.

[https://www.business-standard.com/india-news/summer-rush-and-crowds-push-indian-railways-to-run-the-extra-mile-124041901097\\_1.html](https://www.business-standard.com/india-news/summer-rush-and-crowds-push-indian-railways-to-run-the-extra-mile-124041901097_1.html)

### Companies now investing in premium office fit-outs

Companies are increasingly investing in office fit-out, prioritising higher specifications to enhance employee engagement and wellbeing, aiming to boost attendance, retention and attract new talent, according to experts. Data from Savills India shows a significant shift in office fit-outs, with about 35% now categorised as standard, 50% as mid-grade and 15% as high-grade, compared with pre-pandemic figures of 60%, 30%, and 10%, respectively, indicating a growing preference for premium spaces. "This trend supports the hypothesis that office occupiers are placing greater emphasis on higher-spec offices compared to a decade ago, with the aim of attracting and retaining talent by offering superior work environments," Savills India chief executive Anurag Mathur said.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/companies-now-investing-in-premium-office-fit-outs/articleshow/109481559.cms>

## Energy

### India may need \$500 billion capex in power transmission by FY50

India's power transmission capex requirement will be over \$500 billion by FY50, 30% of the overall energy transition capital outlay, Goldman Sachs estimates. "Power transmission is key to India's energy transition and global new energy cost leadership ambitions. India's large, highly integrated grid enables the utilisation of least-cost renewable generation sites, and by keeping the central grid access free, the government is assisting the viability of renewable projects via indirect financial support worth \$270 billion," Goldman Sachs said in a report.

<https://www.financialexpress.com/business/industry-india-may-need-500-billion-capex-in-power-transmission-by-fy50-3462673/>

### Poor storage infra at OMCs hurting supplies, say grain ethanol makers

The grain-based ethanol makers have complained that they are being forced to shut down some of their units as inadequate decantation and tankerage infrastructure at the depots of oil marketing companies (OMCs) is affecting the supply chains. The Grain Ethanol Manufacturers Association (GEMA), in a recent letter to the Ministry of Petroleum and Natural Gas, also said that all the existing storage facilities at the units are full and no further tankerage is available.

[https://www.business-standard.com/economy/news/grain-ethanol-makers-say-poor-storage-infra-at-omcs-hurting-supplies-124041901044\\_1.html](https://www.business-standard.com/economy/news/grain-ethanol-makers-say-poor-storage-infra-at-omcs-hurting-supplies-124041901044_1.html)

#### **Indian Biogas Association joins hands with HAI to promote hydrogen**

Indian Biogas Association (IBA) has partnered with Hydrogen Association of India (HAI) to promote bio-based energy solutions with a special emphasis on green and blue hydrogen. Talking to PTI, IBA Chairman Gaurav Kedia said, "IBA and HAI have signed a memorandum of understanding (MoU) aimed at promoting the production of green energy within the nation". This strategic alliance will facilitate comprehensive measures -- including training, capacity building, and policy advocacy -- directed towards catalysing the promotion and advancement of bio-based energy solutions with a special focus on green and blue hydrogen.

<https://economictimes.indiatimes.com/industry/renewables/indian-biogas-association-joins-hands-with-hai-to-promote-hydrogen/articleshow/109471326.cms>

#### **Telecom**

#### **TRAI dials handset cos, telcos, digital platforms to discuss RCS messaging**

The Telecom Regulatory Authority of India (Trai) has started discussions with some handset makers, telecom operators as well as platform providers like Google regarding rich communication services (RCS) messaging, which is gaining pace in India and also contributing to increasing online frauds and spam. "We are aware about the issue and have started discussions with stakeholders, including some handset makers. We will look into the issue and decide what needs to be done," an official told ET on condition of anonymity. The main issue to be deliberated by the regulator is around differentiating between RCS messages and a normal SMS. "To remove the ambiguity, we are working it out. We will discuss with stakeholders and take a call," a second official said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-dials-handset-cos-telcos-digital-platforms-to-discuss-rcs-messaging/articleshow/109464275.cms>

#### **Tech start-ups can seek DoT nod directly for beta testing services: TRAI**

Soon tech start-ups can start testing their services and products on a telecom network without getting into a bilateral deal with a specific operator. The telecom regulator has suggested that a start-up with interesting products and services that will benefit users at large can seek direct permission from the Department of Telecom for conducting trials. This is part of the TRAI's recommendation on framework for setting a Regulatory Sandbox (RS) for digital services.

<https://www.thehindubusinessline.com/info-tech/tech-start-ups-can-seek-dot-nod-directly-for-beta-testing-services-trai/article68091404.ece>

#### **States**

#### **Textiles exports from Tamil Nadu saw a slight drop in FY24**

Textile exports from Tamil Nadu -- India's top textile exporting state -- saw a slight drop to \$7.1 billion in FY24 as against \$7.9 billion in the previous fiscal.

<https://www.thehindubusinessline.com/economy/textiles-exports-from-tamil-nadu-saw-a-slight-drop-in-fy24/article68090837.ece>

#### **Healthcare**

#### **HHCN engages with states to boost preventive care for treating Haemophilia**

The Haemophilia and Health Collective of North (HHCN), a registered body of healthcare professionals working in the domain of haemophilia care, will engage in discussions with several state governments to adopt prophylaxis as the standard care practice for treating Haemophilia. An official with the body said that HHCN is advocating the inclusion of prophylaxis as the standard of care for Haemophilia A patients in India.

[https://www.business-standard.com/health/hhcn-engages-with-states-to-boost-preventive-care-for-treating-haemophilia-124042100229\\_1.html](https://www.business-standard.com/health/hhcn-engages-with-states-to-boost-preventive-care-for-treating-haemophilia-124042100229_1.html)

## External

### India widens its share in China's imports in FY24

Even though China's imports from the world declined last fiscal, India managed to increase its exports to its northern neighbour by 8.07% on year in 2023-24 to \$16.67 billion, according to the commerce ministry data. India's imports from China recorded a moderate growth of 3.29% to \$ 101.75 billion in the last financial year. In calendar year 2023, while China's merchandise imports fell 5.5%, India's exports to the country went up by 7.1% on year.

<https://www.financialexpress.com/policy/economy-india-widens-its-share-in-chinas-imports-in-fy24-3462640/>

### Gems and jewellery exports in FY24 down 12.17% at Rs 2.65 trillion: GJEPC

Gems and jewellery exports declined by 12.17 per cent to Rs 2,65,187.95 crore (USD 32,022.08 million) during 2023-24, compared to the previous financial year due to high interest rates in the US and slow recovery in China, Gem and Jewellery Export Promotion Council (GJEPC) data showed. Gems and jewellery exports in FY23 stood at Rs 3,01,925.97 crore (USD 37,646.17 million), according to GJEPC data.

[https://www.business-standard.com/industry/news/gems-jeweller-exports-in-fy24-dip-by-12-17-pc-to-rs-2-65-lakh-cr-gjepc-124042000526\\_1.html](https://www.business-standard.com/industry/news/gems-jeweller-exports-in-fy24-dip-by-12-17-pc-to-rs-2-65-lakh-cr-gjepc-124042000526_1.html)

### Farm exports flat in FY24 as rice shipments plunge

India's exports of agricultural and processed food products fell marginally – 0.55% on year – to \$ 24.02 billion during 2023-24, primarily because rice shipments plunged amid restrictions. However, in an year when overall goods exports of the country declined 3.1% on year, shipment of meat & dairy products and fruits & vegetables witnessed double-digit growth rates.

<https://www.financialexpress.com/policy/economy-farm-exports-flat-in-fy24-as-rice-shipments-plunge-3462594/>