



May 27, 2024 – Monday

## Economy

### Government to evaluate four financial sector schemes of finance ministry

The Development, Monitoring and Evaluation Office of NITI Aayog will soon undertake evaluation of the four key financial sector schemes run by the department of financial services under the ministry of finance. These include the Pradhan Mantri Jan Dhan Yojana (PMJDY) launched in 2014, the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Pradhan Mantri Suraksha Bima Yojana (PMSBY) launched in 2015 and the Stand-up India (SUPI) scheme launched in 2016. The idea is to evaluate the schemes in terms of their outreach and benefits to the targeted population and whether there is a need to enhance the benefits under the insurance scheme. DMEO has invited bids for undertaking the evaluation of the schemes to be completed in six months after the award of the project.

<https://economictimes.indiatimes.com/news/economy/policy/government-to-evaluate-four-financial-sector-schemes-of-finance-ministry/articleshow/110436758.cms>

### India's GDP growth in Q4 likely slowed to at least a four-quarter low

After experiencing strong growth rates of above 8 per cent for three consecutive quarters, economic growth is expected to have moderated to at least a four-quarter low in the March quarter of FY24 due to a sequential slowdown in key growth drivers, according to analysts. During the first three quarters of FY24, the economy grew 8.2 per cent, 8.1 per cent, and 8.4 per cent, respectively. The National Statistical Office (NSO) has projected the FY24 growth rate at 7.6 per cent, implicitly assuming 5.9 per cent growth in the fourth quarter of FY24.

[https://www.business-standard.com/economy/news/india-s-gdp-growth-likely-slowed-to-four-quarter-low-in-q4-of-fy24-124052600651\\_1.html](https://www.business-standard.com/economy/news/india-s-gdp-growth-likely-slowed-to-four-quarter-low-in-q4-of-fy24-124052600651_1.html)

## Finance

### Govt's cash balance surges, banks starve

The ongoing general elections have thrown up a problem of plenty for the government - its cash balances are much higher than before the previous two Lok Sabha polls, but curbs on spending mean that banks are parched of funds while the Centre tries hard to prevent the money from sitting idle. The adoption of more efficient fund management practices by the Centre, healthy tax collections and a build-up of cash by state governments have resulted in overall government cash balances swelling past ₹3 lakh crore and locking out funds from the banking sector.

<https://economictimes.indiatimes.com/news/economy/finance/govts-cash-balance-surges-banks-starve/articleshow/110444996.cms>

### PSBs seek changes to rules for Infra loans, may approach govt

State-owned lenders plan to approach the government seeking changes to terms governing performance bank guarantees (PBGs), timely compensation from concessioning authorities, and greater immunity for board members sanctioning funds for infrastructure projects as they firm up their response to Reserve Bank of India (RBI) draft rules on project financing that call for higher provisioning. "If banks have to continue their support to the infrastructure sector, then these issues need to be resolved," said a public sector bank (PSB) senior executive. PSBs had discussed

the issue at a meeting last week and decided to approach the finance ministry to point out their concerns, the executive said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/psbs-seek-changes-to-rules-for-infra-loans-may-approach-govt/articleshow/110444910.cms>

#### **Limited interest, low recoveries: Prepack insolvency scheme in slow lane**

In the three years since its launch, the prepackaged insolvency resolution process has had a slow start, with limited interest from micro, small, and medium enterprises (MSMEs) and lower recoveries than the normal corporate insolvency resolution process. In 2021 when the country was reeling from the Covid-19 pandemic, the government promulgated an ordinance and amended the insolvency law to help MSMEs avoid bankruptcy. However, the prepack scheme has not attracted many takers due to lack of advocacy, awareness, and a structure more formal than intended.

[https://www.business-standard.com/economy/news/limited-interest-low-recoveries-prepack-insolvency-scheme-in-slow-lane-124052600722\\_1.html](https://www.business-standard.com/economy/news/limited-interest-low-recoveries-prepack-insolvency-scheme-in-slow-lane-124052600722_1.html)

#### **'Most SFBs would not clamour to become universal banks if RBI eases curbs'**

Highlighting the importance of small finance banks (SFBs) in fostering financial inclusion, former Financial Services Secretary D K Mittal said most of them would not clamour to become universal banks if some restrictions are eased by the Reserve Bank. To promote financial inclusion in the country, RBI, in 2014, issued the guidelines for licensing of small finance banks (SFBs) in the private sector. Following this, RBI granted licences to a dozen entities.

[https://www.business-standard.com/finance/news/most-sfbs-would-not-clamour-to-become-universal-banks-if-rbi-eases-curbs-124052600281\\_1.html](https://www.business-standard.com/finance/news/most-sfbs-would-not-clamour-to-become-universal-banks-if-rbi-eases-curbs-124052600281_1.html)

#### **SEBI cuts commodity delivery period in derivatives to three**

In a bid to improve liquidity in delivery-based commodity derivatives, market regulator SEBI has reduced the deliverable period to three days from five days. Based on representations received from market participants and deliberations by Commodity Derivatives Advisory Committee, the Minimum duration of staggered delivery stands revised to three working days, said SEBI in a circular. The circular shall be effective from July 1, for contracts where staggered delivery is scheduled after this date, it added.

<https://www.thehindubusinessline.com/markets/sebi-cuts-commodity-delivery-period-in-derivatives-to-three/article68217931.ece>

#### **Centre sanctions Rs 21,253 crore to tackle Kerala's economic crisis**

Prime Minister Narendra Modi has come forward to assist Kerala in a bid to alleviate the state from the economic crisis as the Centre has sanctioned borrowings up to Rs 21,253 crores. Minister of State for Electronics and Information Technology, Rajeev Chandrasekhar took to social media platform X to announce financial support from the Centre to Kerala. In a post on X on Saturday, Chandrasekhar mentioned, "PM @narendramodiji's govt steps up to assist Kerala's economic crisis Government of India sanctions borrowings up to Rs 21,253 crores till December 2024....."

<https://economictimes.indiatimes.com/news/economy/finance/centre-sanctions-rs-21253-crore-to-tackle-keralas-economic-crisis/articleshow/110440587.cms>

### **Industry**

#### **Push for premium prompts growth in FMCG ad spends**

FMCG ad spends are expected to see mild recovery in 2024, as brands push for visibility of their premium products. This comes even as FMCG ad expenditure has seen a drastic reduction in spends in the recent years. Indication of a mild recovery was noted in Zee's analyst call for Q4FY24. Speaking to the investors, Punit Goenka, noted that they were noting recovery in ad spends for the FMCG vertical. Consequently, Zee saw a 10.6 per cent growth in ad revenue year on year in Q4FY24. FMCG vertical is the most crucial vertical for broadcasters since it accounts for nearly a third of the commercial ad spends in the TV industry. In the past few years, FMCG brands have cut down spending drastically. FMCG brands usually spent 7-12 per cent of their revenues on ads, that number has gone down to 5-7 per cent in 2023.

<https://www.thehindubusinessline.com/companies/fmcg-ad-spends-push-for-premium-prompts-growth-in-fmcg-ad-spends/article68218194.ece>

#### **CCI extends deadline of bidding for AI impact research to June 28**

Fair trade regulator CCI has issued clarifications on the bidding for conducting the study on artificial intelligence and its impact on competition and has extended the deadline for submission of bids till June 18. Earlier, the deadline for the bids was June 3. In a set of clarifications, the Competition Commission of India (CCI) said bids cannot be submitted through a consortium or a joint venture.

[https://www.business-standard.com/technology/tech-news/cci-extends-deadline-of-bidding-for-ai-impact-research-to-june-28-124052600411\\_1.html](https://www.business-standard.com/technology/tech-news/cci-extends-deadline-of-bidding-for-ai-impact-research-to-june-28-124052600411_1.html)

#### **Electronics companies seek Rs 35,000-crore incentive plan for components**

The electronics manufacturing industry is urging the government for a ₹30,000-₹35,000 crore production-linked incentive (PLI) scheme for components and sub-assemblies, along with capital expenditure backup to support surging exports of mobile phones and other electronics. "The incentive scheme is needed to support growing demand for electronics components to the tune of \$75-\$80 billion by 2026, and \$300 billion by 2032 to support \$300 billion worth of electronics products manufacturing by 2026 and \$1.2 trillion by 2032," the India Cellular & Electronics Association (ICEA), which represents top smartphone brands and manufacturing companies, said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/electronics-companies-seek-rs-35000-crore-incentive-plan-for-components/articleshow/110444865.cms>

#### **FAME-III scheme unlikely to extend benefits to hybrid vehicles as govt focuses on EVs, cabinet note ready**

The third Faster Adaption of Manufacturing of Electric Vehicles (FAME-III) scheme is unlikely to extend benefits to hybrid vehicles, sources said. This is because of the prevailing thinking in the government that continuation of purely electric vehicles (EVs) as opposed to promoting hybrids is more workable even though Road and Transport Minister Nitin Gadkari has been pushing for incentives on hybrid vehicles.

<https://www.thehindubusinessline.com/economy/policy/fame-iii-scheme-unlikely-to-extend-benefits-to-hybrid-vehicles-as-govt-focuses-on-evs-cabinet-note-ready/article68217808.ece>

### **Agriculture**

#### **Assam small tea growers face uncertainty as factories to stop production**

Small tea growers in Assam, who account for nearly half of the tea grown in this North Eastern state, are staring at uncertainty with the bought leaf tea factories (BLFs) to stop procuring their green leaves from next month over quality compliance regulations. The Assam Bought Leaf Tea Manufacturers Association (ABLTMA) had announced shutting down its factories from June one as it is not possible to produce FSSAI-compliant teas from untested green leaves provided by small growers.

[https://www.business-standard.com/industry/news/assam-small-tea-growers-face-uncertainty-as-factories-to-stop-production-124052600209\\_1.html](https://www.business-standard.com/industry/news/assam-small-tea-growers-face-uncertainty-as-factories-to-stop-production-124052600209_1.html)

### **Infrastructure**

#### **Centre targets Rs 10,000 crore from monetisation of ports in FY25**

With the aim of increasing the share of public-private partnership (PPP) in ports, the Centre will look to monetise assets worth Rs 10,000 crore in 2024-25 (FY25), according to multiple sources familiar with the developments. The Ministry of Ports, Shipping and Waterways has submitted a monetisation pipeline of Rs 10,000 crore, consisting of five-seven projects, to NITI Aayog — the central think tank and nodal government body for asset monetisation — according to a senior government official.

[https://www.business-standard.com/industry/news/centre-targets-rs-10-000-crore-from-port-monetisation-in-in-2024-25-124052600355\\_1.html](https://www.business-standard.com/industry/news/centre-targets-rs-10-000-crore-from-port-monetisation-in-in-2024-25-124052600355_1.html)

#### **'Domestic airfares on northward trajectory; still among lowest globally'**

Domestic airfares are sailing northwards, surging up to 40 per cent in key routes on higher traffic and capacity constraints in the last six quarters. Still, ticket prices are among the lowest in the world, according to experts. India is one of the world's fastest growing civil aviation markets and on average, 4.5 lakh passengers travel on domestic flights daily. While only a small percentage of the country's population travels by air, capacity constraints are a key challenge as many aircraft are grounded mainly due to supply chain issues.

[https://www.business-standard.com/industry/news/domestic-airfares-on-northward-trajectory-still-among-lowest-globally-124052600317\\_1.html](https://www.business-standard.com/industry/news/domestic-airfares-on-northward-trajectory-still-among-lowest-globally-124052600317_1.html)

### **New supply of homes fall 38% across top 8 cities in Jan-Mar: PropEquity**

New supply of affordable homes -- priced up to Rs 60 lakh each, declined 38 per cent across eight major cities to 33,420 units during January-March this year, with builders focusing on developing luxury flats, according to PropEquity. Real estate data analytic firm PropEquity attributed the fall in new supply to sharp rise in land and construction costs, which has made development of affordable housing projects less profitable or unviable.

[https://www.business-standard.com/industry/news/new-supply-of-homes-fall-38-across-top-8-cities-in-jan-mar-propequity-124052600170\\_1.html](https://www.business-standard.com/industry/news/new-supply-of-homes-fall-38-across-top-8-cities-in-jan-mar-propequity-124052600170_1.html)

## **Energy**

### **India sets sights on global renewable ammonia market, takes strides towards sustainable energy leadership**

India is positioning itself as a key player in the renewable ammonia market with several international trade agreements already inked and more on the horizon. According to S&P Global Commodity Insights, however, industry insiders emphasize the need for greater policy clarity and price stability to transform these agreements into binding deals.

<https://economictimes.indiatimes.com/industry/renewables/india-sets-sights-on-global-renewable-ammonia-market-takes-strides-towards-sustainable-energy-leadership/articleshow/110440470.cms>

## **Telecom**

### **Govt directs telecom industry to block incoming international spoofed calls**

The government has directed telecom operators to block all incoming international spoofed calls that display Indian mobile numbers, an official statement said on Sunday. The Department of Telecom (DoT) said that it has been reported that fraudsters are making international spoofed calls displaying Indian mobile numbers to Indian citizens and committing cyber-crime and financial frauds.

[https://www.business-standard.com/industry/news/govt-directs-telecom-industry-to-block-incoming-international-spoofed-calls-124052600365\\_1.html](https://www.business-standard.com/industry/news/govt-directs-telecom-industry-to-block-incoming-international-spoofed-calls-124052600365_1.html)

## **External**

### **India in trade deficit with 9 of top 10 trading partners in 2023-24: Data**

India has recorded a trade deficit, the difference between imports and exports, with nine of its top 10 trading partners, including China, Russia, Singapore, and Korea, in 2023-24, according to official data. The data also showed that the deficit with China, Russia, Korea, and Hong Kong increased in the last fiscal compared to 2022-23, while the trade gap with the UAE, Saudi Arabia, Russia, Indonesia, and Iraq narrowed.

[https://www.business-standard.com/economy/news/india-in-trade-deficit-with-9-of-top-10-trading-partners-in-2023-24-data-124052600247\\_1.html](https://www.business-standard.com/economy/news/india-in-trade-deficit-with-9-of-top-10-trading-partners-in-2023-24-data-124052600247_1.html)

### **India initiated efforts to create FTA between 2 nations: Maldives minister**

Maldives on Saturday said India has initiated efforts to create a Free Trade Agreement between the two countries and deliberations are ongoing for achieving it. They (India) want there to be a Free Trade Agreement with Maldives, in addition to SAFTA (South Asian Free Trade Agreement), Minister of Economic Development and Trade Mohamed Saeed told a press conference here.

[https://www.business-standard.com/external-affairs-defence-security/news/india-initiated-efforts-to-create-fta-between-2-nations-maldives-minister-124052501265\\_1.html](https://www.business-standard.com/external-affairs-defence-security/news/india-initiated-efforts-to-create-fta-between-2-nations-maldives-minister-124052501265_1.html)

### **Global pact on genetic resources, associated traditional knowledge big win for India: Govt**

India on Sunday touted a new global treaty on intellectual property, genetic resources and associated traditional knowledge (ATK) as a “significant win” for countries of the global South and for itself. Members of the Geneva-based World Intellectual Property Organization (WIPO) have concluded an agreement that creates a mandatory disclosure requirement on the patent applicant, when a claimed invention is based on genetic resources. Countries would need to make changes in their existing legal framework for enforcing disclosure of origin obligations on patent applicants. The treaty will provide additional protection for Indian genetic resources and traditional knowledge besides safeguarding and protecting biodiversity and increasing transparency in the patent system.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/global-pact-on-genetic-resources-associated-traditional-knowledge-big-win-for-india-govt/articleshow/110443004.cms>