



June 05, 2024 – Wednesday

## Economy

### **Nomura says India's economic fundamentals remain robust**

India's economic fundamentals remain robust, investment bank Nomura said on Wednesday after the results of the country's general elections paved the way for Prime Minister Narendra Modi's third consecutive term in office. Modi is poised to form the government for a third consecutive term with the BJP-led National Democratic Alliance (NDA) getting a majority in the Lok Sabha, notwithstanding crushing losses in three Hindi heartland states after a bitterly fought election that was projected as a referendum on his popularity. "Our assessment is that India's economic fundamentals remain robust. Reforms in India have generally survived the test of politics and we expect the government to continue the pace of governance and administrative reforms, leaving states to work around the more intractable reforms around land and labour," Nomura said.

<https://economictimes.indiatimes.com/news/economy/indicators/lok-sabha-election-results-nomura-says-indias-economic-fundamentals-remain-robust/articleshow/110717853.cms>

## Finance

### **CBIC unveils new draft, set to replace 8-decade old central excise regime**

The Central Board of Indirect Taxes and Custom (CBIC) has come out with a draft Central Excise Bill, 2024, which seeks to replace the eight-decade old Central Excise Act, 1944. The move could pave the way for petroleum products to come under the ambit of Goods and Services Tax (GST). "The indirect tax apex body has released a draft of a new Bill. It aims to enact a comprehensive modern Central Excise law with an emphasis on promoting ease of doing business and repealing old and redundant provisions," CBIC stated.

[https://www.business-standard.com/economy/news/cbic-unveils-new-draft-set-to-replace-8-decade-old-central-excise-regime-124060401836\\_1.html](https://www.business-standard.com/economy/news/cbic-unveils-new-draft-set-to-replace-8-decade-old-central-excise-regime-124060401836_1.html)

### **CPSEs' capex rise 6.5% to Rs 50,206 crore in April**

Despite the ongoing general elections, the Central public-sector entities' – companies and departmental agencies – investment rose 6.5% on-year to Rs 50,206 crore in April, reflecting the government's thrust on investment-led economic growth. The Railway Board invested Rs 26,641 crore in projects in April, 10% more than in the year-ago month. The Railways have been investing heavily in capacity improvement works such as doubling/quadrupling, electrification and introducing high-speed trains.

<https://www.financialexpress.com/business/industry-cpses-capex-rise-6-5-to-rs-50206-crore-in-april-3511555/>

### **SEBI forms panel for reviewing economic structure of clearing corporations**

SEBI has formed an ad-hoc Committee under Usha Thorat, to review the ownership and economic structure of clearing corporations, and to suggest measures to ensure that clearing corporations function as resilient, independent, and neutral risk managers. The 2018 report of the Committee on review of regulations and relevant circulars pertaining to Market Infrastructure Institutions (MIIs), headed by R Gandhi (referred to as Gandhi Committee), had noted that the ownership of MIIs should be dispersed and should be widely held. With respect to clearing corporations, the committee has specifically noted that while most clearing corporations in India were 100

per cent owned by a single exchange, given that clearing corporations are risk bearing MIs, it is highly desirable that they should be widely held. Further, the Gandhi Committee had also noted that with the clearing corporations being sensitive and high risk-bearing and risk managing entities, listing of clearing corporations should not be permitted. <https://www.thehindubusinessline.com/economy/sebi-forms-panel-for-reviewing-economic-structure-of-clearing-corporations/article68250768.ece>

## Industry

### Industry pins hope on support for deep-tech, digital, AI from new govt

With AI and new-age technologies set to drive transformation agenda across sectors, the new government would need to steer ahead with unwavering focus on tech and digital innovation to sustain robust growth and to realise ambitions of a 'Viksit Bharat' by 2047, experts say. Analysts believe that Centre will continue to build on its storied success around electronics and semiconductor manufacturing, as well as digital public infrastructure while according high-priority to AI, and deep-tech domains, notwithstanding a weaker mandate for the BJP-led NDA.

[https://www.business-standard.com/industry/news/industry-pins-hope-on-support-for-deep-tech-digital-ai-from-new-govt-124060401492\\_1.html](https://www.business-standard.com/industry/news/industry-pins-hope-on-support-for-deep-tech-digital-ai-from-new-govt-124060401492_1.html)

### GST probe wing set to widen scrutiny of pharma companies

The Directorate General of GST Intelligence (DGGI) is set to intensify the scrutiny of suspected tax evasion by pharmaceutical companies, over non-payment of dues. In addition to the notices sent already, the DGGI is likely to ask many more companies to explain what it perceives as under-payment of tax by them in the current year, FE has learnt. The notices could pertain to non-payment of GST on brand transfer sales, claiming fake input tax credit (ITC) on expired drugs and for business support services, and non-payment under the reverse charge mechanism, according to official sources.

<https://www.financialexpress.com/business/industry-gst-probe-wing-set-to-widen-scrutiny-of-pharma-companies-3511579/>

## Agriculture

### Kharif MSP hikes likely in 5-10% range

The government may announce generous 5-10% increases in minimum support price (MSP) of kharif crops – paddy, pulses, oilseeds and coarse cereals for 2024-25 season (June-July) to incentivise farmers to boost output. Sources told FE the MSP for pulses varieties like tur and urad is expected to see a hike of 8- 10%, while MSP for moong dal which was the highest amongst the pulses variety in previous season, is likely to witness a moderate increase.

<https://www.financialexpress.com/policy/economy-kharif-msp-hikes-likely-in-5-10-range-3511593/>

### Total foodgrain products in 2023-24 lower than 2022-23: Third Advance Estimate

The total foodgrain production in India is estimated at 3,288.52 lakh tonne in 2023-24, which is lower than 3,296.87 lakh tonnes of foodgrain production of 2022-23, according to the third advance estimates of production released by agriculture ministry on Tuesday. The final estimates of production of major crops released for the year 2022-23 showed total foodgrain production at 3,296.87 lakh tonnes. Commodity wise, total rice production is estimated at 1,367.00 lakh tonne as compared to 1,357.55 lakh tonne in 2022-23, showing an increase of 9.45 lakh tonne.

<https://economictimes.indiatimes.com/news/economy/agriculture/total-foodgrain-products-in-2023-24-lower-than-2022-23-third-advance-estimate/articleshow/110707464.cms>

## Infrastructure

### Indian Railways registers highest ever freight loading in May 2024

Beating the slowdown expected during an election month, the Indian Railways continued to register highest ever freight loading in May 2024. An official statement said the national transporter carried 139.16 million tonnes (MT) of freight in May 2024. This is 3.6% higher than 134.16 MT loading achieved in May 2023. An official statement said, Rs 15,230.90 crore freight revenue was clocked during May 2024, up from Rs 14,641.83 crore in the same month of fiscal 2023-24.

<https://economictimes.indiatimes.com/industry/transportation/railways/indian-railways-registers-highest-ever-freight-loading-in-may-2024/articleshow/110706390.cms>

## Telecom

### **Spectrum auction postponed by 20 days, now scheduled for June 25: DoT**

The department of telecommunications (DoT) on Tuesday postponed the spectrum auction by 19 days to June 25. This is the second rescheduling of the auction, after it was pushed from May 20 to June 6. While no official reason was cited, the move is expected to give the new, incoming government more time.

[https://www.business-standard.com/industry/news/spectrum-auction-postponed-by-20-days-now-scheduled-for-june-25-dot-124060401538\\_1.html](https://www.business-standard.com/industry/news/spectrum-auction-postponed-by-20-days-now-scheduled-for-june-25-dot-124060401538_1.html)

## States

### **New rainwater harvesting rules for all plot owners in Rajasthan**

Rajasthan State Industrial Development & Investment Corporation (RIICO) has issued a circular stating that all plot lessees with an area of 500 square metres and above will have to construct rainwater harvesting structures (RWHS) in their premises for water conservation and increasing the level of groundwater. According to Government of Rajasthan data, the state, one of the country's driest regions, has always faced water scarcity.

[https://www.business-standard.com/india-news/new-rainwater-harvesting-rules-for-all-plot-owners-in-rajasthan-124060400011\\_1.html](https://www.business-standard.com/india-news/new-rainwater-harvesting-rules-for-all-plot-owners-in-rajasthan-124060400011_1.html)

## External

### **Big export push on top of govt agenda**

The government is considering setting up a dedicated overseas market development body—IndTrade— and a national branding division to get to the goal of \$ 2 trillion in exports by 2030. IndTrade would work for trade promotion and the branding division will work along with the export strategy to promote “Made in India” as a global brand, a senior official said.

<https://www.financialexpress.com/business/industry-big-export-push-on-top-of-govt-agenda-3511653/>

### **Netherlands emerges as India's 3rd largest export destination in 2023-24**

The Netherlands has emerged as India's third largest export destination after the US and UAE during 2023-24, even as the country's merchandise shipments dipped by over 3 per cent, according to the commerce ministry data. The main commodities which registered healthy exports growth in the Netherlands include petroleum products (USD 14.29 billion), electrical goods, chemicals, and pharmaceuticals in the last fiscal.

[https://www.business-standard.com/economy/news/netherlands-emerges-as-india-s-3rd-largest-export-destination-in-2023-24-124060401072\\_1.html](https://www.business-standard.com/economy/news/netherlands-emerges-as-india-s-3rd-largest-export-destination-in-2023-24-124060401072_1.html)

### **India to drag Australia to WTO arbitration on services trade commitments**

In a first, India has dragged Australia to arbitration at the World Trade Organization (WTO) as Canberra is making changes to its commitments which New Delhi believes could impact its services trade. These commitments seek to mitigate unintended trade restrictive effects or measures relating to licensing and qualification requirements. The new disciplines on services domestic regulation is expected to lower trade costs by over \$125 billion globally and around 70 countries have committed to them. “Australia was making changes to its services commitments which India believes affects its rights and obligations at WTO,” said an official. WTO disputes can be resolved through the arbitration process. An arbitration can be initiated at any stage of a dispute, including on appeal from a panel decision.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-drag-australia-to-wto-arbitration-on-services-trade-commitments/articleshow/110712728.cms>