



June 25, 2024 – Tuesday

Economy

S&P Global Ratings retains India's growth forecast for FY25 at 6.8%

The S&P Global Ratings on Monday retained its growth forecast for India at 6.8 per cent for FY25, citing high interest rates and lower fiscal boost tempering demand in the non-agricultural sectors. "India's economic growth continues to surprise on the upside. GDP growth for FY24 was revised up to 8.2 per cent. We expect growth to moderate to 6.8 per cent this financial year, with high interest rates and lower fiscal spur tempering demand in the non-agricultural sectors," the rating agency said in its economic outlook for the Asia Pacific region.

https://www.business-standard.com/economy/news/s-p-global-ratings-retains-india-s-growth-forecast-for-fy25-at-6-8-124062400716_1.html

Vegetables to stay dearer till new crop arrives

Consumers may have to shell out more for buying their daily vegetables till about mid-August when the new crop, which is now being planted, will start arriving in the market, agricultural experts said. Severe heat waves in May and June have impacted the production of vegetables in most parts of the country. Prices of common summer vegetables like ridged gourd, pointed gourd, okra and leafy vegetables are up 20-25% from this time last year and 10-15% from last month.

<https://economictimes.indiatimes.com/news/economy/agriculture/vegetables-to-stay-dearer-till-new-crop-arrives/articleshow/111239608.cms>

India starts preparing for a China-like population problem

Looking beyond the country's present demographic dividend, the Indian government is beginning to plan for an aging India which could be a reality within a decade or two. The government is considering policy measures for senior care that aim at providing health, financial, social and digital support to its aging population, ET has reported. All stakeholder ministries, including the ministry of health and family welfare, the ministry of social justice and empowerment, ministry of finance and NITI Aayog are deliberating on the policy contours for elderly care, a senior government official has told ET. The full budget next month could unveil the government's action plan for senior care, they said.

<https://economictimes.indiatimes.com/news/economy/policy/india-starts-preparing-for-a-china-like-population-problem/articleshow/111227546.cms>

Finance

Finance Ministry calls meeting with PSBs to review financial inclusion schemes ahead of budget

The finance ministry has called a meeting with heads of state-owned banks and financial institutions on Tuesday to review the progress of the government's flagship financial inclusion schemes such as the Jan Dhan Yojana, Jan Suraksha Yojana, and Mudra Yojana ahead of the budget. The meeting will be chaired by financial services secretary Vivek Joshi. "Other financial inclusion-related issues may also be discussed," an official aware of the developments said.

<https://economictimes.indiatimes.com/news/economy/policy/finance-ministry-calls-meeting-with-psbs-to-review-financial-inclusion-schemes-ahead-of-budget/articleshow/111239554.cms>

Banks in a GST fix over RBI's directive to levy penal charges

The ban on 'penal interest' on borrowers is posing a tax dilemma for banks. Banks fear that the Reserve Bank of India's (RBI) directive to levy penalty only in the form of 'penal charges' as against the hitherto practice of imposing 'penal interest' would attract the goods and services tax (GST) on such levies. While interest rates are spared of GST, the indirect tax is applicable on some of the other fees for services like processing loan proposals. Banks have asked the tax authorities last month to spell out their stand on the issue, two senior industry officials told ET.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-in-a-gst-fix-over-rbis-directive-to-levy-penal-charges/articleshow/111239778.cms>

RBI's overseas gold holding touches a six-year low

The Reserve Bank of India's gold reserves parked overseas dropped to the lowest in six years at the end of March--47% of the total—since it started accumulating the precious metal in December 2017. Data show that the RBI started bringing the gold to India in March 2022, coinciding with the start of the Russia-Ukraine war. This is in line with the trend of central banks globally that have turned cautious after the US government froze Russian foreign currency assets as the conflict began in February 2022.

<https://economictimes.indiatimes.com/news/economy/indicators/rbis-overseas-gold-holding-touches-a-six-year-low/articleshow/111232591.cms>

SEBI to step up vigil on i-bankers

The Securities and Exchange Board of India (SEBI) may turn on the heat on investment bankers, with more frequent inspections of past deals, said two people in the know. All back-up documents for deals, including initial public offerings and qualified institutional placements, may now be required to be uploaded on a cloud-based repository maintained by exchanges 10-15 days after the draft prospectus is filed. These are essentially documents that support claims made in the offer documents about the capital structure, promoter disclosures, objects of the issue and company's order books, among other things.

<https://www.thehindubusinessline.com/markets/sebi-to-tighten-rules-on-banker-inspections/article68328087.ece>

SEBI rolls back diktat to end special rights before IPO

SEBI has backtracked on its advisory asking that special rights of shareholders be extinguished before filing the updated draft red herring prospectus (UDRHP). As reported by businessline, investment bankers had taken up this issue with the regulator earlier this month. An email sent to bankers on Monday, said that the paragraph 13 of the advisory would be modified based on the feedback received from the industry and read as: "All special rights granted to shareholders under AoA, SHA or through any arrangement or agreement shall lapse on the date of listing."

<https://www.thehindubusinessline.com/markets/sebi-rolls-back-diktat-to-end-special-rights-before-ipo/article68328367.ece>

Sebi weighs tighter checks for stocks at F&O entry gate

The Securities and Exchange Board of India (Sebi) will consider a proposal to tighten rules on the inclusion of stocks in the derivatives segment at its board meeting on June 27. This will be one of the main points of discussion, said a person close to the development, as the capital market regulator looks to address concerns over excessive and risky bets on illiquid equity derivative contracts. In its June 8 consultation paper, Sebi had sought feedback from market participants for its plan to revise the eligibility criteria for stocks to be a part of the futures and options (F&O) segment. The regulator wants stocks that are part of the derivatives market to be more liquid and traded by a wide set of market participants to prevent manipulation and lower risks to the system.

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-weighs-tighter-checks-for-stocks-at-fo-entry-gate/articleshow/111243853.cms>

FinMin to meet CEOs of PSBs on Jun 25, review financial inclusion schemes

The finance ministry has called a meeting of heads of Public Sector Banks (PSBs) on Tuesday to review progress of various financial inclusion schemes, including PM Vishwakarma, Jan Suraksha and Mudra Yojana. The meeting is

scheduled to be chaired by Financial Services Secretary Vivek Joshi. According to sources, the meeting would review the progress of various flagship schemes, including PM Vishwakarma, StandUp India, PM SVANidhi , among others. https://www.business-standard.com/industry/banking/finmin-to-meet-ceos-of-psbs-on-jun-25-review-financial-inclusion-schemes-124062400423_1.html

Finance Commission to address issues of freebies, compensation for green cover: Chairman Panagariya

The 16th Finance Commission would address the issues pertaining to the distribution of freebies and compensation for providing green cover, Chairman Arvind Panagariya said on Monday. Speaking with reporters here after deliberations with the Himachal Pradesh government, Panagariya said that expectations and needs of the state have been discussed and a 90-slide presentation was given by the officials which emphasized that the cost of everything is much higher in the state due to its difficult terrain.

<https://economictimes.indiatimes.com/news/economy/policy/finance-commission-to-address-issues-of-freebies-compensation-for-green-cover-chairman-panagariya/articleshow/111235930.cms>

Industry

Passenger vehicle sales to see moderate 3-5% growth this fiscal: Report

Passenger vehicle sales is projected to grow at a moderate 3-5 per cent this financial year on account of a high-base effect of FY24, shrinking order book and subdued demand for entry-level variants, a report said on Monday. According to the report by credit ratings agency CareEdge, following robust growth of 90 per cent with volumes at 90,432 units in FY24, with an improving penetration rate, electric car sales in the passenger vehicle (PV) segment is likely to clock volume of around 1.30-1.50 lakh units in FY25.

https://www.business-standard.com/industry/auto/passenger-vehicle-sales-to-see-moderate-3-5-growth-this-fiscal-report-124062400422_1.html

PLI scheme review committee raises concern over delays in payments

A high-level government committee has raised concern over continued delays in payment to companies in the production-linked incentive (PLI) schemes, Business Standard has learnt. The committee has called for “corrective steps” across departments for smooth implementation of the Centre’s flagship scheme to boost domestic manufacturing. The government had allocated Rs 1.97 trillion for 14 PLI schemes three years ago in sectors as diverse as mobiles, drones, solar, telecom, textile, and automobiles. As of December 2023, investment worth Rs 1.06 trillion has been made and nearly 500,000 jobs created, according to government data.

https://www.business-standard.com/economy/news/pli-scheme-review-committee-raises-concern-over-delays-in-payments-124062300240_1.html

Capital goods companies expected to post 9-11% revenue growth rate in FY25

Capital goods companies are expected to achieve 9-11% revenue growth rate in FY25 on the back of government’s capex push compared 13% growth in FY 24. “Capital goods makers are likely to see revenue rise by 9-11% in fiscal 2025, led by continued significant outlays towards railways (including metros), defence, conventional and renewable sectors”, a Crisil report said. Monday. In fiscal 2024, government increased its capex spending on railways by 28% and on defence by 10%. As per the analysis, operating margin could moderate 80-100 basis points to 12-13% in fiscal 2025 as the market scenario continues to be highly competitive and exports remain sluggish, it said.

<https://economictimes.indiatimes.com/news/economy/indicators/capital-goods-companies-expected-to-post-9-11-revenue-growth-rate-in-fy25/articleshow/111230838.cms>

Fuelled by PLI, Indian automakers eye global EV space, targeting Europe & other developed markets

Domestic auto makers are grabbing the export opportunity presented by a growing preference for cleaner mobility in developed markets, as well as government support, to supply electric vehicles (EV) at competitive costs. Maruti Suzuki is set to start shipments of its first electric SUV to Europe early next year, while Hero MotoCorp is readying for launch of its VIDA V1 electric scooter in France, Spain and the UK over the next few months. TVS Motor, which is exporting electric scooter iQube to a few Asian countries, is preparing to head to the European Union.

<https://economictimes.indiatimes.com/industry/renewables/revving-up-fuelled-by-pli-indian-automakers-eye-global-ev-space-targeting-europe-other-developed-markets/articleshow/111246135.cms>

'Cultural integration, regulatory compliance top challenges for new GCCs'

New global capability centre (GCC) entrants in India face top challenges like cultural integration (84 per cent) and regulatory compliance (55 per cent), requiring them to invest in cultural training programmes, empower local leadership, and establish robust compliance frameworks, according to a new study commissioned by CaptiveAide, a consulting services provider, in collaboration with research firm Feedback Insights. “Cultural nuances, language barriers, and differing work practices can become hurdles, impeding collaboration and cohesion within the organisational ecosystem,” the report stated.

https://www.business-standard.com/industry/news/cultural-integration-regulatory-compliance-top-challenges-for-new-gccs-124062400690_1.html

Agriculture

Centre imposes stock limit on wheat to curb hoarding, stabilise prices

Centre has imposed a stockholding limit on wheat for retailers, wholesalers, processors and big-chain retailers from Monday, to check the hoarding of the foodgrain and to ensure price stability, a senior official said on Monday. Single retailers, big-chain retailers, processors and wholesalers will disclose wheat stocks every Friday, said Union Food Secretary Sanjeev Chopra in a press briefing here.

https://www.business-standard.com/economy/news/centre-imposes-stock-limit-on-wheat-to-curb-hoarding-stabilise-prices-124062400441_1.html

Infrastructure

Certification to be must for road expansion joints

The road transport and highways ministry will soon make it mandatory for road contractors to get all expansion joints on bridges and roads certified to avoid mishaps arising out of premature failure or deterioration of joints which may result in accidents. Though this would mean additional compliance, the government feels it will significantly enhance user experience, bring down accidents and ensure longevity of expansion joints on elevated roads, highways and bridges, a senior official told ET.

<https://economictimes.indiatimes.com/industry/transportation/roadways/certification-to-be-must-for-road-expansion-joints/articleshow/111239664.cms>

Realtors want government to rationalise taxes, allot more for SWAMIH

Real estate developers are seeking slew of measures including rationalisation of taxes, further allocation to the Special Window for Affordable and Mid-Income Housing (SWAMIH) fund and continuation in the government's support for affordable housing in the upcoming Union Budget to help the sector sustain growth by supporting demand creation. The developers are seeking from the finance ministry an increase in the corpus of SWAMIH fund besides relaxations including input tax credit under Goods & Services Tax (GST) and incentives for rental housing to help achieve the government's 'Housing for All' target.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/budget-wish-list-realtors-want-government-to-rationalise-taxes-allot-more-for-swamih/articleshow/111239677.cms>

Under-construction housing prices increase 15.2% in June quarter

Supply of residential real estate rose at the fastest pace in two years in the June quarter, driven by increasing availability of under-construction properties, according to the Magicbricks PropIndex Report. During the quarter, the supply of under-construction properties and prices increased 11.7% and 15.2% sequentially. This has resulted in prices of these properties surpassing those of ready-to-move-in ones in places such as Gurugram, Mumbai, Noida and Thane, according to the report for the April-June 2024 quarter.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/under-construction-housing-prices-increase-15-2-in-june-quarter/articleshow/111238973.cms>

Energy

India powers up energy network for its hotspots

The government has begun discussions on ways of ensuring that power projects, including those fuelled by renewable energy, can function during the kind of heatwaves that have swept India this summer, with temperatures nudging 50 degrees Celsius, said a top government official. "The Central Electricity Authority is already on the job in the sector of wind turbine generation," the official said. A joint study group report had recommended raising their heat tolerance level to 45 degrees Celsius or higher, he said.

<https://economictimes.indiatimes.com/industry/energy/power/india-powers-up-energy-network-for-its-hotspots/articleshow/111239657.cms>

India's LNG demand surge supports Asia's declining imports in June

Asia's imports of liquefied natural gas (LNG) are expected to dip slightly in June from May, with strength in India holding up the top-buying region's appetite for the super-chilled fuel. Asia is on track to import 23.18 million metric tonnes of LNG in June, down a touch from May's 23.55 million, but up 8.9 per cent from the 21.28 million from June last year, according to data compiled by commodity analysts Kpler.

https://www.business-standard.com/economy/news/india-s-lng-demand-surge-supports-asia-s-declining-imports-in-june-124062400201_1.html

Govt cancels 14 critical mineral block auctions launched in second tranche

India has cancelled the auction for 14 blocks of critical minerals launched in the second tranche of such auctions, a notice by government agency MSTC showed. India, in February, had launched the second part of its critical minerals auction worth an estimated \$362 billion, listing 18 critical mineral blocks across eight states. The auctions are a part of Prime Minister Narendra Modi-led government's bid towards clean energy transition. In a notice dated June 21, the ministry of mines said that the auction process for five blocks in states of Arunachal Pradesh, Maharashtra and Rajasthan was annulled as no bids were received. These blocks contained minerals such as vanadium, graphite, chromium and potash.

https://www.business-standard.com/industry/news/govt-cancels-14-critical-mineral-block-auctions-launched-in-second-tranche-124062400672_1.html

High installation cost barrier to adopting solar rooftop power: Report

High cost of installation and lack of skilled workforce are among the top three barriers to adoption of rooftop solar power in India, according to a survey. The survey was conducted by Luminous Power Technologies, involving 4,318 respondents from 5 metros and 8 non-metro cities.

https://www.business-standard.com/industry/news/high-installation-cost-barrier-to-adopting-solar-rooftop-power-report-124062400539_1.html

Telecom

Telecom dept to begin auctions for Rs 96,318 crore spectrum on Tuesday

The Department of Telecommunications (DoT) will begin the auction of Rs 96,317.65 crore of spectrum on Tuesday. With telecom operators making the lowest earnest money deposit (EMD) in the last six auction rounds, and companies announcing they will mostly focus on spectrum renewals, analysts say the auctions would be a muted affair. On February 8, the Union Cabinet approved the auction of 10,523.15 megahertz (MHz) of spectrum across bands at a reserve price of Rs 96,317.65 crore. All unsold spectrums from the last sale will be up for bidding again. Airwaves in the 800, 900, 1800, 2100, 2300, 2500, 3300 MHz and 26 GHz bands, covering a large chunk of voice and data spectrum, are up for sale.

https://www.business-standard.com/industry/news/telecom-dept-to-begin-auctions-for-rs-96-318-crore-spectrum-on-tuesday-124062400968_1.html

Submit monthly data on spam complaints, Trai tells telecom companies

The Telecom Regulatory Authority of India (TRAI) has also made it clear that all access providers will be required to submit a performance monitoring report on a monthly basis, as opposed to the previous quarterly reporting cycle.

As part of two directions announced on Monday, TRAI also mandated telcos to enhance their mobile apps and web portals to make them more user-friendly for registration of spam complaints and setting of preferences.

https://www.business-standard.com/industry/news/submit-monthly-data-on-spam-complaints-trai-tells-telecom-companies-124062401144_1.html

States

Trade bodies ask Rajasthan govt to focus on ease of doing business

Trade bodies and chambers of commerce & industry have requested the state government to stress more on ease of doing business in Rajasthan. In a pre-Budget meeting held a few days ago, these bodies presented various suggestions to make the state investor friendly. President of the Federation of Rajasthan Trade and Industry (FORTI) Suresh Agarwal said 20-point Budget suggestions have been prepared for the overall development of the state.

https://www.business-standard.com/industry/news/trade-bodies-ask-rajasthan-govt-to-focus-on-ease-of-doing-business-124062400681_1.html

Healthcare

US lawmakers questions FDAs drug inspection programme in India and China

Three top American lawmakers have questioned the foreign drug inspection programme of the Food and Drug Administration in India and China. In a letter to FDA commissioner Robert Califf, the lawmakers on Monday wrote that the difference in inspection outcomes appears to be just another example of institutional weaknesses and dysfunction in the FDA's foreign drug inspection programme.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/us-lawmakers-questions-fdas-drug-inspection-programme-in-india-and-china/articleshow/111245016.cms>

Government considers ban on two antibiotics

The government is considering banning the production, import and distribution of the chloramphenicol and nitrofurans classes of antibiotics for use in any food-producing animal rearing system, after it has been found that these drugs are misused in poultry and other animal feed supplements. Both are commonly used antibiotics to treat bacterial and urinary infections in humans. The Drugs Technical Advisory Board (DTAB) - India's top drug advisory body - will soon take up the issue of imposing a total ban on the import and production of chloramphenicol and nitrofurans drugs for use in the food-producing systems, people in the know told ET.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/government-considers-ban-on-two-antibiotics/articleshow/111239773.cms>

External

Pre-Budget meet: Exporters to seek support measures to boost exports

Exporters are likely to seek fiscal support measures in their pre-budget meeting with Finance Minister Nirmala Sitharaman here on Tuesday to increase the country's exports to USD 2 trillion by 2030, an industry official said. The country's exports of goods and services have increased to USD 778 billion in 2023-24 from USD 478 billion in 2017-18. Exporters are likely to seek fiscal support measures in their pre-budget meeting with Finance Minister Nirmala Sitharaman here on Tuesday to increase the country's exports to USD 2 trillion by 2030, an industry official said. The country's exports of goods and services have increased to USD 778 billion in 2023-24 from USD 478 billion in 2017-18.

<https://economictimes.indiatimes.com/news/economy/policy/pre-budget-meet-exporters-to-seek-support-measures-to-boost-exports/articleshow/111238370.cms>

DGTR for continuation of duty on some steel pipes from China, Vietnam

The commerce ministry's investigation arm DGTR has recommended the continuation of countervailing or anti-subsidy duty on welded stainless steel pipes and tubes from China and Vietnam to guard domestic players. In a notification, the Directorate General of Trade Remedies (DGTR) has said that there is a likelihood of injury to the domestic industry in the event of cessation of present countervailing duty on the imports from these two nations.

https://www.business-standard.com/industry/news/dgtr-for-continuation-of-duty-on-some-steel-pipes-from-china-vietnam-124062400617_1.html

Current account balance posts surplus of 0.6% of GDP in Jan-Mar 2024: RBI

India's current account balance posted a surplus of \$ 5.7 billion or 0.6 per cent of gross domestic product (GDP) during the fourth quarter ended March 2024 (Q4FY24). This comes after a gap of 10 quarters on the back of a surge in services exports, latest data released by the Reserve Bank of India (RBI) showed. There was a current account deficit (CAD) of \$1.3 billion (0.2 per cent of GDP) during the fourth quarter of the previous financial year.

https://www.business-standard.com/economy/news/current-account-balance-posted-surplus-of-0-6-of-gdp-in-jan-mar-2024-rbi-124062401058_1.html

Gem, jewellery exports down 6% in May on weak demand

Gem and jewellery export last month was down 6 per cent to \$2.48 billion (₹20,713 crore) against \$2.65 billion (₹21,796 crore) for the same period last year due to the economic uncertainties in the global markets.

<https://www.thehindubusinessline.com/markets/commodities/gem-jewellery-exports-down-6-in-june-on-weak-demand/article68327936.ece>

South Korea trade: India did better on manufactured goods, grew at 6.4%

India's exports of manufactured goods to South Korea have grown at a faster rate than imports from financial year 2010-11 (FY11) to FY24, since the two countries signed a trade agreement more than a decade ago. India's export of manufactured goods to South Korea grew at 6.4 per cent, compared to a 4.3 per cent increase in overall exports to the country since FY11, shows a Business Standard analysis of trade data from the Centre for Monitoring Indian Economy (CMIE).

https://www.business-standard.com/economy/news/south-korea-trade-india-did-better-on-manufactured-goods-grew-at-6-4-124062400920_1.html

India buys record amount of sunflower oil as Ukraine-Russia fight for market share cuts price

Indians bought a record 500,000 metric tons of sunflower oil for June delivery, as competition between leading suppliers Russia and Ukraine made it cheaper than soyoil and palm oil, two leading buyers and a customs official told Reuters. Higher sunflower oil purchases by the world's biggest importer of vegetable oils will help to reduce sunflower oil inventories in the Black Sea region and lift sunoil prices.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-buys-record-amount-of-sunflower-oil-as-ukraine-russia-fight-for-market-share-cuts-price/articleshow/111233637.cms>