



July 10, 2024 – Wednesday

Economy

June retail inflation may remain unchanged at 4.7%

India's retail inflation likely remained unchanged at 4.7% in June, after easing to 4.75% in May, the median forecast of 10 economists polled by ET showed. June forecasts ranged from 4.5% to 5.19%, with experts pointing to unrelenting heatwaves, below-normal monsoon rains, and higher fruit and vegetable prices as the major drivers.

<https://economictimes.indiatimes.com/news/economy/june-retail-inflation-may-remain-unchanged-at-4-7/articleshow/111615067.cms>

Govt may relax 45-day payment rule for MSMEs in Union Budget 2024

The government may relax the requirement of making payments to MSMEs within 45 days of buying goods and services to check large corporate from looking at other sourcing avenues, sources said. The announcement to this effect could be made in the Budget likely to be presented on July 23. "The government is considering suggestions regarding changes to Section 43B(h) of the Income Tax Act made by MSMEs during pre-Budget consultations," sources said. The government in last year's Budget added a new clause under Section 43B of the Income Tax Act to address the challenge of delayed payments faced by MSMEs in the country.

https://www.business-standard.com/budget/news/govt-may-relax-45-day-payment-rule-for-msmes-in-union-budget-2024-124070900712_1.html

16th Finance Commission constitutes five-member advisory council

The Sixteenth Finance Commission on Tuesday constituted an advisory council with five members to advise the Commission on any of the Terms of Reference (ToR) or related subjects, a press statement said. Poonam Gupta, Director General of the National Council of Applied Economic Research, has been appointed as the convenor of the Advisory Council. The other members include economists D.K. Srivastava, Neelkanth Mishra, Pranjul Bhandari, and Rahul Bajoria.

https://www.business-standard.com/economy/news/16th-finance-commission-constitutes-five-member-advisory-council-124070901072_1.html

Strict compliance, reporting rules making tax function difficult: PwC India

Advanced technologies and international data-sharing mechanisms have improved transparency and efficiency in taxation in India, but strict compliance and complexities have made it more challenging, according to a new study by PwC India. "Be it in India or other global economies, tax authorities are leveraging advanced technologies to streamline tax administration and combat tax evasion effectively," it said, adding that international data-sharing mechanisms, including bilateral tax treaties and multilateral initiatives, are facilitating cross-border information exchange.

https://www.business-standard.com/economy/news/strict-compliance-reporting-rules-making-tax-function-difficult-pwc-india-124070900939_1.html

Finance

Financial inclusion index rises with growth across all segments, says RBI

The Reserve Bank's FI-Index, capturing the extent of financial inclusion across the country, rose to 64.2 in March 2024, showing growth across all parameters. The index captures information on various aspects of financial inclusion in a single value ranging between 0 and 100, where 0 represents complete financial exclusion and 100 indicates full financial inclusion.

https://www.business-standard.com/finance/news/financial-inclusion-index-rises-with-growth-across-all-segments-says-rbi-124070900694_1.html

Loan Rates: RBI's new diktat lowers loan costs for you, but banks lose hundreds of crores

Banks and non-bank financing companies are likely to report a dip in their profitability in the June quarter due to the impact of the Reserve Bank of India (RBI) directive on charging interest on loans only from the date of actual disbursement. Lenders typically earn hundreds of crores of rupees by charging interest even before the customer realises the cheque, often from the date of sanction of the loan, industry insiders said.

<https://economictimes.indiatimes.com/industry/banking/finance/loan-diktat-directive-on-interest-to-hit-bank-nbfc-profitability-in-q1/articleshow/111615515.cms>

Increase participation in financial inclusion schemes: FinMin to pvt banks

The Department of Financial Services (DFS) on Tuesday told private banks to increase their participation in financial inclusion schemes. DFS Secretary Vivek Joshi chaired a meeting with senior executives of private sector banks to review the progress and performance of financial inclusion schemes, including PM SVANidhi, PM Vishwakarma, and Jan Samarth Portal.

https://www.business-standard.com/economy/news/increase-participation-in-financial-inclusion-schemes-finmin-to-pvt-banks-124070901160_1.html

Domestic financial conditions improved in June after weakening over past two months: Crisil index

With the suspense over new government formation ending and the monetary policy landscape unchanged, domestic financial conditions, as measured by CRISIL's Financial Conditions Index (FCI), improved in June after weakening over the past two months. CRISIL FCI, a summary indicator that captures key parameters across India's major market segments, rose to 0.7 in June from 0.2 previous month.

<https://www.thehindubusinessline.com/economy/domestic-financial-conditions-improved-in-june-after-weakening-over-past-two-months-crisil-index/article68385044.ece>

Gross written premiums of general insurers up 13.3% in Q1

India's general insurance industry reported an 8.76% increase in gross premium written for June and a 13.33% increase for the first quarter of the financial year, driven by rising demand for motor and health insurance policies. The health insurance segment has been growing faster than others, riding on growth in the retail health segment. General insurance companies, excluding standalone health insurers, reported a 7.13% increase in June and a 12.42% increase for the first quarter. The total gross premium of the industry stood at ₹72,757 crore, up from ₹64,198 crore at the end of June 2024.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/gross-written-premiums-of-general-insurers-up-13-3-in-q1/articleshow/111615210.cms>

At ₹40,608 crore, MFs asset and equity inflows hit a new high in June

Inflows into the equity mutual fund hit a record high of ₹40,608 crore in June on back of buoyant equity market and huge fund raise through new fund offer. The equity fund inflows were up 17 per cent compared to ₹34,697 crore logged in May, according to the Association of Mutual Funds in India data released on Tuesday. Mutual funds have collected ₹15,227 crore through 17 new fund offers. Of the ₹14,370 crore was raised through 11 equity NFOs. While nine thematic funds mopped-up ₹12,976 crore, one each of multi-cap and small-cap NFOs raised ₹1,051 crore and ₹345 crore.

<https://www.thehindubusinessline.com/markets/at-40608-crore-mfs-asset-and-equity-inflows-hit-a-new-high-in-june/article68385075.ece>

Divestment, dividend targets for FY25 likely to be retained

The government is unlikely to alter, in the full budget, its revenue mop-up target of close to ₹1 lakh crore for FY25 from disinvestment & asset monetisation, and dividends from non-financial central public sector enterprises (CPSEs), senior officials said. In a rare move, the interim budget in February clubbed the government's disinvestment and asset monetisation targets under the 'miscellaneous capital receipts' head, instead of declaring them separately. The combined realisation for this fiscal was pegged at ₹50,000 crore, against the curtailed FY24 revised estimate of ₹30,000 crore.

<https://economictimes.indiatimes.com/news/economy/finance/budget-2024-25-divestment-dividend-targets-for-fy25-likely-to-be-retained/articleshow/111615133.cms>

Industry

Budget Watch: Steel Inc wants fair trade, and focus on infra, manufacturing

India's leading steel companies hope the Modi 3.0 Budget will continue the massive capital expenditure currently underway, focusing on infrastructure development, manufacturing, and fair trade. The infrastructure segment is the largest steel user, and the Indian government's focus has fuelled steel consumption even as international markets have underperformed.

https://www.business-standard.com/budget/news/budget-watch-steel-inc-wants-fair-trade-and-focus-on-infra-manufacturing-124070900081_1.html

86% prioritise quality when shopping groceries online: Survey

Product quality has emerged as the paramount criterion for 86% of online grocery buyers in India when selecting platforms, according to a study by LocalCircles. The nationwide study, based on over 70,000 responses from 227 districts across India, revealed that value for money and delivery time are also significant factors, with 73% of respondents citing these as important criteria.

<https://www.financialexpress.com/business/industry-86-prioritise-quality-when-shopping-groceries-online-survey-3547754/>

Budget 2024 wish list: ATMA urges govt to restrict import of waste tyres

The Automotive Tyre Manufacturers' Association (ATMA) on Tuesday said there is a need to restrict import of waste tyres into India, saying the country is becoming a 'dumping ground' for scrap tyres. The import of waste/scrap tyres into India has increased by more than five times since FY20-21, ATMA said in its pre-budget submission to the finance ministry. "Such indiscriminate import of waste/scrap tyres is not only an environmental and safety concern but also undermines the very purpose of Extended Producers Responsibility (EPR) Regulation on Waste Tyres which is in place since July 2022," it added.

https://www.business-standard.com/budget/news/budget-2024-wish-list-atma-urges-govt-to-restrict-import-of-waste-tyres-124070900568_1.html

In the making: Govt plans to launch new portal for all MSMEs queries

The central government is working on a web portal, Udyami Bharat, where entrepreneurs of micro, small and medium enterprises (MSMEs) can access details of all schemes related to the sector run by different ministries, a senior government official privy to the development said. "The MSME ministry is planning to create a new portal for entrepreneurs with an investment of Rs 130 crore, where they can find all details related to their field after entering their Udyam registration number," said the official.

https://www.business-standard.com/industry/news/govt-plans-to-launch-new-portal-for-msmes-124070900944_1.html

Indian food services sector to grow by 8.1% from 2024 to 2028: Report

Indian food services sector is expected to grow at a CAGR (compounded annual growth rate) of 8.1 per cent between 2024 and 2028 on the back of rapid urbanisation, robust GDP growth, a rising younger population, and greater exposure among consumers, said a new report. The India Food Services Report-2024, brought out by the National Restaurants Association of India (NRAI), states that the sector contributes 1.9 per cent to India's GDP and is projected to grow to Rs 7.76 trillion by 2028 from Rs 5.69 trillion currently.

https://www.business-standard.com/industry/news/indian-food-services-sector-to-grow-by-8-1-from-2024-to-2028-report-124070900997_1.html

Centre releases draft guidelines for 'responsible and sustainable' mining

In a bid to kick-start offshore mineral auctions, the Centre has released the Draft Offshore Areas Mineral Conservation and Development Rules 2024. Dated July 2, these rules provide a framework for preparation and approval of exploration and production plans. The comprehensive regulations also include guidelines for operating mines, covering mineral deposit development, safety measures, and pollution control protocols. The rules come on the backdrop of the Ministry of Mines' proposed launch of offshore mineral auctions by July.

https://www.business-standard.com/industry/news/centre-releases-draft-rules-for-sustainable-offshore-mineral-mining-124070900907_1.html

Agriculture

Kharif sowing up 14%, paddy area rises 19%

Thanks to the monsoon rains in the 'active' phase in the last fortnight, sowing of kharif crops has picked up pace. At 37.87 million hectare (MH) or 35% of the normal sown area, the combined sown area of key crops – paddy, pulses, oilseeds, sugarcane and cotton – was up 14% on year on Monday, according to data released by the agriculture ministry. This to the largest extent would dispel fears of spurt in food inflation, which has been stickier than the headline inflation in recent months.

<https://www.financialexpress.com/policy/economy-kharif-sowing-up-14-paddy-area-rises-19-3547735/>

Agriculture players want Sitharaman to focus on climate-smart options & solar-based irrigation

The agriculture sector wants the upcoming budget must prioritise funding for climate-smart agriculture, promoting innovations like solar-powered irrigation and rainwater harvesting. Moreover, the sector wants to boost the agricultural supply chain through expanded storage capacities and improved transportation networks are essential to reducing wastage and enhancing farmers' incomes.

<https://economictimes.indiatimes.com/news/economy/agriculture/budget-2024-agriculture-players-want-sitharaman-to-focus-on-climate-smart-options-solar-based-irrigation/articleshow/111607067.cms>

Infrastructure

From 2030, only India-made ships likely in coastal, inland waterways ops

The central government is exploring a policy to indigenise shipbuilding in the country by allowing only India-built ships to register for coastal and inland waterways operations starting 2030, Business Standard has learnt. According to officials and industry executives privy to the matter, the proposal, among others, was a part of deliberations at a workshop on Revitalising Indian Ship Building Industry on July 4 in New Delhi hosted by the Ministry of Ports, Shipping and Waterways (MoPSW).

https://www.business-standard.com/economy/news/govt-mulls-allowing-only-india-built-vessels-for-coastal-ops-from-2030-124070900847_1.html

Domestic air passenger traffic momentum to continue this year: Report

The momentum in air passenger traffic is expected to continue and airlines' net loss is projected to be Rs 3,000-4,000 crore in the year ending March 2025, both trends similar to the previous financial year, a report said on Tuesday. In June, the domestic air passenger traffic was estimated at 132.8 lakh, around 3.7 per cent lower than seen in May but about 6.3 per cent higher compared to the year-ago period. Rating agency Icra said the outlook for the country's aviation industry is stable amid the continued recovery in domestic and international air passenger traffic, with a relatively stable cost environment and expectations of the trend continuing in FY2025.

https://www.business-standard.com/industry/news/domestic-air-passenger-traffic-momentum-to-continue-this-year-report-124070900900_1.html

Energy

19 coal mines allocated to thermal plants for fly ash disposal, says govt

The government on Tuesday said 19 coal mines have been allocated to 13 thermal power plants for disposal of fly ash. The Ministry of Coal has undertaken a significant initiative to ensure proper disposal of fly ash by allocating mine voids. A Central Level Working Group (CLWG) under the chairmanship of Additional Secretary, Ministry of Coal, was formed in 2023 for this purpose. The interested Thermal Power Plants (TPPs) apply for the allocation of mine voids to the Central Electricity Authority (CEA), which is eventually discussed in the CLWG meeting.

https://www.business-standard.com/industry/news/19-coal-mines-allocated-to-thermal-plants-for-fly-ash-disposal-says-govt-124070900797_1.html

India races to build power plants in region claimed by China, sources say

India plans to spend \$1 billion to expedite the construction of 12 hydropower stations in the northeastern Himalayan state of Arunachal Pradesh, two government sources said, a move that could raise tensions with China that lays claims to the region.

<https://economictimes.indiatimes.com/industry/energy/power/india-races-to-build-power-plants-in-region-claimed-by-china-sources-say/articleshow/111608764.cms>

India's energy storage capacity reaches 219 MWh in March 2024

India has installed a total battery energy storage system (BESS) capacity of more than 210 MWh as of March 2024. The country is projected to add 1.6 GWh of standalone battery energy storage systems and 9.7 GW of renewable projects plus energy storage by 2027, according to a report by Mercom India Research. India began adding energy storage capacity in 2013 with small pilot projects. As of March 2024, the cumulative installed energy storage capacity stood at 219.1 MWh (approximately 111.7 MW), with 120 MWh (40 MW) added in Q1 2024 alone. Solar photovoltaic (PV) systems combined with BESS (PV + BESS) accounted for 90.6 per cent of the total installed capacity.

<https://www.thehindubusinessline.com/economy/indias-energy-storage-capacity-reaches-219-mwh-in-march-2024/article68385445.ece>

Telecom

No recharge for MTNL, calls to be routed to BSNL

State-run Mahanagar Telephone Nigam is nearing the end of its independent existence with the government close to finalising a ₹30,000-crore debt restructuring, after which the entire operations will be transferred to Bharat Sanchar Nigam (BSNL). Officials aware of the details told ET that while a call to officially close the company is yet to be taken, it will no longer function on its own.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/no-recharge-for-mtnl-calls-to-be-routed-to-bsnl/articleshow/111615251.cms>

States

Rajasthan plans 30 Gw solar power by FY25-end; aims to become self-reliant

The Rajasthan government aims to produce 30 gigawatt (Gw) of solar power by the end of FY25 to become self-reliant in the power and energy sector, an official said. Chief Minister Bhajan Lal Sharma's objective is to enhance the state's energy security by reducing dependency on imported fuels and supporting the vision of self-reliant India. "The government and NLC India signed an agreement in March to form a joint venture for setting up a 1,000 megawatt (Mw) solar power plant and a 125 Mw lignite-based power plant in Bikaner, with an investment of over Rs 7,000 crore," the official said.

https://www.business-standard.com/industry/news/rajasthan-plans-30-gw-solar-power-by-fy25-end-aims-to-become-self-reliant-124070900706_1.html

Maharashtra government to bring new law to crack down on bogus pathology labs

Maharashtra Minister Uday Samant on Tuesday said the state government has drafted a law to crack down on bogus pathology labs, which will provide punishment to violators. During the Question Hour in the state assembly, Samant, the higher and technical education minister, said the proposed law would entail proper rules and regulations, and flying squads would be formed to check violations. Unregistered pathology laboratories will not be allowed to

operate, he said. The issue concerns the urban development, public health and medical education departments, Samant said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/maharashtra-government-to-bring-new-law-to-crack-down-on-bogus-pathology-labs/articleshow/111600846.cms>

AP to defer full Budget till Sept, awaits clarity on Central aid

The Andhra Pradesh government has decided to defer presentation of the full State Budget for 2024-25 by a month or so. The State Assembly sessions slated to commence from July 22 may see N Chandrababu Naidu-led NDA Government present a vote-on-account to buy more time to work on the full-fledged Budget proposals likely to be presented in September, an official told businessline.

<https://www.thehindubusinessline.com/news/ap-defers-full-state-budget-presentation-seeks-clarity-on-funds-from-centre/article68385182.ece>

Healthcare

Drug regulator to crack down on pharma companies not using barcodes

India's drug regulatory authority will take action against pharma companies that have failed to implement barcodes or QR codes on top 300 medicine brands. The drug regulator is also considering setting up a joint task force for fighting the menace of spurious and adulterated drugs in the country, people in the know told ET. In a recent meeting the drug regulator has asked states for "strict implementation" of barcodes. In a bid to weed out spurious drugs, the regulator had made it mandatory for the companies to have a barcode on its label so that information such as manufacturing licence and batch number can be accessed upon scanning.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/drug-regulator-to-crack-down-on-pharma-companies-not-using-barcodes/articleshow/111615168.cms>

External

India, Russia target \$100 billion bilateral trade by 2030, FTA with EAEU

India and Russia are looking to raise bilateral trade to \$100 billion by 2030, balance the lopsided trade, eliminate non-tariff trade barriers, and explore the possibility of a Eurasian Economic Union (EAEU)-India Free Trade Area.

A joint statement issued after multiple rounds of talks between Prime Minister Narendra Modi and Russian President Vladimir Putin on Tuesday also announced that both nations plan to establish a bilateral settlement system using national currencies and introduce digital financial instruments into mutual settlements. Modi was conferred the 'Order of St Andrew the Apostle' award by Putin for his contribution to fostering bilateral ties between the two countries.

https://www.business-standard.com/economy/news/india-russia-aim-for-100-billion-bilateral-trade-target-by-2030-124070901077_1.html

India can be key partner in diversifying critical mineral supply chains: US

India has the potential to be a key partner in diversifying critical mineral supply chains globally, a senior US official has said at a conference that discussed the potential and opportunities to advance the respective clean energy agendas of the two countries. The one of its kind round table organised by the US-India Strategic Partnership Forum (USISPF) along with Silverado Policy Accelerator and Principal to Principal Strategies (P2P) discussed fortifying both nations' economic interests.

https://www.business-standard.com/external-affairs-defence-security/news/india-can-be-key-partner-in-diversifying-critical-mineral-supply-chains-us-124070901246_1.html

India's diesel exports to Europe surge fourfold in June amid better margins

India's diesel exports to Europe surged fourfold in June over the previous month as refiners profited from better margins available in the continent. Indian refiners exported 119,400 barrels per day of diesel to Europe in June, up from 24,500 barrels per day in May, according to energy cargo tracker Vortexa. However, India's overall diesel exports fell 4% to 482,400 barrels per day.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-diesel-exports-to-europe-surge-fourfold-in-june-amid-better-margins/articleshow/111614515.cms>

Export duty on parboiled rice may be fixed at \$100/tonne

The government is contemplating fixing the export duty on parboiled rice at \$100 per tonne, people aware of the matter said. A proposal to this effect was made recently as a measure to curb under-invoicing by exporters wanting to avoid higher payment on account of the current levy of 20% on this variety of rice. The government has formed a committee - Rice Federation Consulting Committee - under the commerce ministry to deal with the issue of rice exports.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/export-duty-on-parboiled-rice-may-be-fixed-at-100/tonne/articleshow/111615011.cms>