



July 29, 2024 – Monday

## Economy

### India should grow at 7-10% for 20-30 yrs to avoid middle income trap: NITI

India needs to grow at a sustained pace of 7-10 per cent for 20-30 years to escape the middle-income trap and become a developed nation with a per capita income of \$18,000 per annum and the size of a \$30 trillion economy by 2047 when the country celebrates its centenary anniversary of independence, the NITI Aayog (National Institution for Transforming India) said in an approach paper summarising its vision for 'Viksit Bharat'. "The GDP would have to grow 9 times from today's \$3.36 trillion and the per capita income would need to rise 8 times from today's \$2,392 per annum," the government's think tank said after its 9th Governing Council meeting attended by chief ministers and lieutenant governors.

[https://www.business-standard.com/economy/news/india-should-grow-at-7-10-for-20-30-yrs-to-avoid-middle-income-trap-niti-124072700853\\_1.html](https://www.business-standard.com/economy/news/india-should-grow-at-7-10-for-20-30-yrs-to-avoid-middle-income-trap-niti-124072700853_1.html)

### Tax certificate not mandatory for all travelling abroad: Finance Ministry

The Union finance ministry on Sunday said a tax certificate was mandatory for Indians involved in serious financial irregularities or having substantial tax dues. The clarification comes amid the stir over new rules that mandate Indians going abroad to obtain a tax-clearance certificate under the Black Money Act before leaving the country. In the Finance Bill, 2024, it was proposed including the Black Money Act in the list of laws under which residents can clear their tax liabilities.

[https://www.business-standard.com/economy/news/govt-issues-clarification-over-tax-certificate-under-blackmoney-act-124072800147\\_1.html](https://www.business-standard.com/economy/news/govt-issues-clarification-over-tax-certificate-under-blackmoney-act-124072800147_1.html)

### Govt seeks industry inputs on indicators, questions for new World Bank survey

In support of the World Bank's flagship 'Business Ready' (B-READY) project, which will replace the group's Doing Business survey that ran into trouble after data irregularity reports in 2020, India has started evaluating the indicators and questions related to the new framework, including those on international trade, and has sought inputs from the industry for the same, sources said.

<https://www.thehindubusinessline.com/economy/govt-seeks-industry-inputs-on-indicators-questions-for-new-world-bank-survey/article68457118.ece>

## Finance

### Tighter LCR norms: Banks to provide feedback by August-end

Following the Reserve Bank of India's recent decision to propose tighter liquidity coverage ratio (LCR) norms, lenders are likely to make representations to the central bank on certain aspects of depositor behaviour to allay the regulator's concerns of Silicon Valley-style mass withdrawals. "The RBI has provided time till end-August to provide feedback on the new LCR norms and one of the areas where banks plan to give feedback is on the behavioural analysis of different kinds of deposits," a banking industry insider said on condition of anonymity. "Banks' behavioural analysis suggests that for term deposits linked to internet banking, the propensity to abruptly withdraw funds is low," the person said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/tighter-lcr-norms-banks-to-provide-feedback-by-august-end/articleshow/112089160.cms>

#### **Banks borrow more than they raise deposits to fund loan demand**

Banks borrowed a record Rs 1.19 lakh crore from the market to fund demand for loans while they could mobilised lesser deposits - Rs 1.02 lakh crore in early July, according to the latest Reserve Bank of India data (RBI) data, highlighting the challenges faced by banks in attracting depositors. Aggregate borrowings by banks at the system level amounted to Rs 8.83 lakh crore according to the RBI data published in its weekly statistical supplement (WSS) and it indicates the extent of non-deposit resources used to fund loan demand. An analysis of long-term data shows that such borrowings at the system level have gone up after the merger of the HDFC with HDFC Bank.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-borrow-more-than-they-raise-deposits-to-fund-loan-demand/articleshow/112085835.cms>

#### **Insider norms for MFs from Nov 1, two years after notification**

Nearly two years after they were first notified, insider trading regulations for mutual funds (MF) will finally come into force from November 1 this year. Such rules currently apply only to securities of listed companies or those proposed to be listed.

<https://www.thehindubusinessline.com/markets/insider-norms-for-mfs-from-nov-1-two-years-after-notification/article68456818.ece>

#### **Bill for NFIR at advanced stage; likely to be introduced in next session: DEA Secretary**

The Bill for setting up a National Financial Information Registry (NFIR) is in the advanced stage of preparation, and it may be introduced in the next session of Parliament, Economic Affairs Secretary Ajay Seth has said. "It is at an advanced stage. It is in the closing stages of inter-ministerial consultation. We will finalise the Bill soon," he told PTI in a post-budget interview. However, he said, it cannot be introduced in the ongoing session of Parliament but may be in the next session. The objective is to build a public infrastructure for credit-related information, and the right information can be made available by the NFIR to lending agencies.

<https://economictimes.indiatimes.com/news/economy/policy/bill-for-nfir-at-advanced-stage-likely-to-be-introduced-in-next-session-dea-secretary/articleshow/112081052.cms>

#### **45-day payment rule: New fund will work with banks to help MSME units, says FM Sitharaman**

The union government is working on a new fund which would work with banks to see that MSME units would continue to receive support if any of them faced financial distress due to delayed payments from their customers, Finance Minister Nirmala Sitharaman said on Sunday. She was referring to the new clause, Section 43B(h) of the Income tax act 1961, which requires traders to clear the bills of MSME units within 45 days of purchase or lose benefits of deduction. The new rule came into force from April 1 this year, but MSME units had appealed to the finance ministry to review it fearing loss of business.

<https://economictimes.indiatimes.com/news/economy/policy/45-day-payment-rule-new-fund-will-work-with-banks-to-help-msme-units-says-fm-sitharaman/articleshow/112084944.cms>

### **Industry**

#### **Meity receives lion's share of PLI scheme and semiconductor outlay**

The Ministry of Electronics & Information Technology (Meity) has received a lion's share of 62 per cent of the total allocation of Rs 21,085 crore earmarked in the Union Budget 2024-25 (FY25) for two flagship projects focused on enhancing manufacturing and Make in India initiatives. The two schemes include the much-touted production-linked incentive (PLI) scheme, which now covers 16 sectors instead of 14, including toy, footwear, and leather.

[https://www.business-standard.com/budget/news/meity-receives-lion-s-share-of-pli-scheme-and-semiconductor-outlay-124072800425\\_1.html](https://www.business-standard.com/budget/news/meity-receives-lion-s-share-of-pli-scheme-and-semiconductor-outlay-124072800425_1.html)

#### **Removal of angel tax for startups to help attract investors: Piyush Goyal**

Commerce and Industry Minister Piyush Goyal on Sunday said that removal of angel tax, which was introduced in 2012 by the UPA government, for all classes of investors will help startups attract investments. He also said that the

customs duty reduction for gold and silver from 15 per cent to 6 per cent will not only help small artisans but also promote the country's gems and jewellery exports. "The Budget 2024-25 has removed the angel tax and through it, we will be able to attract investors into the country, he said here at a post-budget interaction with the industry.

[https://www.business-standard.com/economy/news/removal-of-angel-tax-for-startups-to-help-attract-investors-piyush-goyal-124072800271\\_1.html](https://www.business-standard.com/economy/news/removal-of-angel-tax-for-startups-to-help-attract-investors-piyush-goyal-124072800271_1.html)

### **'DGMS focuses on safety amid increase in commercial coal mine auctions'**

With more commercial mines being auctioned, the DGMS has started discussions with captive and commercial coal block operators on mine safety, an official said on Sunday. The Directorate General of Mines Safety (DGMS) emphasises ensuring adherence to safety norms among new players. "We see more captive and commercial mines coming into production every year. So, we are actively engaging in consultation with the mine operators so that they understand the rules and regulations that have to be followed for mine safety," DGMS Director General Prabhat Kumar said at the Mines Safety Award 2024 event. In the last nine rounds, the Ministry of Coal has auctioned 107 blocks with a peak-rated capacity of 256 MT. So far, 11 commercial coal blocks have been operationalised.

[https://www.business-standard.com/industry/news/dgms-focuses-on-safety-amid-increase-in-commercial-coal-mine-auctions-124072800554\\_1.html](https://www.business-standard.com/industry/news/dgms-focuses-on-safety-amid-increase-in-commercial-coal-mine-auctions-124072800554_1.html)

### **India's domestic steel production likely to cross 300 mn tonnes by 2030**

Expressing optimism in steel demand amid headwinds, a senior central government official said on Saturday that the domestic production is likely to cross 300 mn tonnes by 2030. The ministry also does not foresee any hurdles in capacity addition due to decarbonisation efforts in the steel sector and will soon release a draft roadmap seeking public opinion to reduce the carbon footprint in the steel sector, which accounts for 12 per cent of total emissions, Steel Secretary Nagaendra Nath Sinha said.

[https://www.business-standard.com/industry/news/india-s-domestic-steel-production-likely-to-cross-300-mn-tonnes-by-2030-124072700533\\_1.html](https://www.business-standard.com/industry/news/india-s-domestic-steel-production-likely-to-cross-300-mn-tonnes-by-2030-124072700533_1.html)

### **Polls, heatwaves cool smartphone sales in June qtr**

Smartphone sales slowed down in the June quarter amid heatwaves and the general elections, creating an inventory pileup even as shipments declined by 1-2% during the period, market trackers said. Top brands such as Samsung, OnePlus and Apple reported a slowdown in shipments in April and May as sales and footfalls in retail outlets fell due to high temperature across the country, Counterpoint Research said. June sales were better as brands aggressively offered discounts and promotions, it said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/polls-heatwaves-cool-smartphone-sales-in-june-qtr/articleshow/112088976.cms>

### **Buying gold overseas seen to lose lustre as duty cut push domestic sales**

The customs duty reduction in the budget is likely to substantially reduce the Dubai gold odyssey for Indian shoppers, say Indian jewellers, who also operate stores in the UAE. The emirate had been a magnet for gold crazy Indians following a steep rise in customs duty in India in July 2022. Duty on imports of the yellow metal was more than halved in the fiscal 2024-25 budget. "Nearly 50% of our UAE business will shift to India as Indian tourists who would go to Dubai to buy jewellery will now shop in India," said Joy Alukkas, chairman of Joy Alukkas Group, which has a big presence in Dubai. "Indian expats living in Dubai and others may continue to buy from the UAE."

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/buying-gold-overseas-seen-to-lose-lustre-as-duty-cut-push-domestic-sales/articleshow/112089049.cms>

## **Infrastructure**

### **Proposed change in income tax may hit homestay owners**

A proposed change in the income tax provisions could raise the tax liability of people who let out their property as homestay. It mandates that income from the homestay must be declared under house property and not as business income, which many property owners have been doing. The move is aimed at plugging the loophole that house owners used to lower their tax liability. "The amendment will take effect from the 1st day of April, 2025 and will,

accordingly, apply in relation to assessment year 2025-26 and subsequent assessment years," as per the Memorandum to Union Budget 2024.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/proposed-change-in-income-tax-may-hit-homestay-owners/articleshow/112089254.cms>

## Telecom

### DoT plans to update trade codes for telco gear for better tracking

The Department of Telecommunications (DoT) is working on updating the classification of traded telecom equipment to better track its trade. This will enable higher domestic manufacturing, and plugging leakages in Customs duty collections, officials said. This follows recommendations by the Telecom Regulatory Authority of India (Trai) to update the codes, and better capture data on the wide range of telecom equipment imported to, and exported from India.

[https://www.business-standard.com/industry/news/dot-to-simplify-codes-for-better-tracking-of-telecom-gears-trade-124072800347\\_1.html](https://www.business-standard.com/industry/news/dot-to-simplify-codes-for-better-tracking-of-telecom-gears-trade-124072800347_1.html)

### Telecom sector salary hikes for FY25 slip to 9%

Salary hikes in the broad telecom sector are estimated to have tapered down to an average 9% for fiscal 2025, as a talent war that drove up increments to a record high two years ago has ended and demand for mobile phones has slowed down.

<https://economictimes.indiatimes.com/jobs/hr-policies-trends/telecom-sector-salary-hikes-for-fy25-slip-to-9/articleshow/112088412.cms>

### Over 1 billion mobile number portability requests placed since 2011

Mobile users in the country have placed over 1 billion requests for changing their operator since mobile number portability was launched in 2011.

<https://www.thehindubusinessline.com/info-tech/over-1-billion-mobile-number-portability-requests-placed-since-2011/article68457038.ece>

## States

### Kerala modifies industrial land allotment scheme

Kerala has modified its regulations governing industrial land allocation and bring it in line with best practices across India to create a more industry friendly environment and foster investments. The lease period of land allocated by Kerala State Industrial Development Corporation and Kerala State Industrial Development Corporation has been extended to 60 years from 30 years across the board and for investments over Rs 100 crore and above land will be allotted for a period of up to 90 years, a statement said.

<https://www.financialexpress.com/business/industry-kerala-modifies-industrial-land-allotment-scheme-3566791/>

## Healthcare

### Drug MNCs for keeping patient aid plan out of trade margin formula

The industry body representing multinational pharma companies in India has proposed that medicines provided under the patient assistance programme (PAP), which is designed to provide free access to drugs which are otherwise expensive, should be kept outside the scope of trade margin rationalisation (TMR). According to the Organisation of Pharmaceutical Producers of India (OPPI), PAP increases access and affordability and putting them under the ambit of TMR will severely impact patients who end up paying more for such products. A lot of multinational companies including Novartis, Roche and AstraZeneca run PAP. In most of the programmes, which cover expensive cancer drugs or those for rare diseases, there are no intermediaries or trade as such. The hospital buys the drug directly from the manufacturer and bills it to the patient.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/drug-mncs-for-keeping-patient-aid-plan-out-of-trade-margin-formula/articleshow/112089219.cms>

### **EU-approved medical devices' imports may be eased**

To speed up the availability of new medical devices in the country, the government may do away with the requirement of clinical investigation of those devices approved in the European Union (EU), people aware of the proposal told ET. Already, India has waived medical devices approved by regulatory authorities of the US, UK, Australia, Canada and Japan from clinical investigation requirements. The proposal for inclusion of the EU to this list will be taken up at the next meeting of the Drugs Technical Authority Board (DTAB), India's highest advisory body on drugs under the drug regulator, a government document said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/eu-approved-medical-devices-imports-may-be-eased/articleshow/112089284.cms>

### **External**

### **Commerce Secretary meets Russian, UAE ministers on trade issues**

Commerce Secretary Sunil Barthwal held bilateral meetings with Russian and UAE ministers to discuss bilateral trade issues for their early resolution, an official said on Sunday. Barthwal held these meetings on the sidelines of the 14th BRICS (Brazil, Russia, India, China and South Africa) Trade Ministers' meeting in Moscow on July 26. The secretary held bilateral meetings with the Russian Minister for Economic Development Maxim Reshetnikov; Member of the Board (Minister) of Trade, Eurasian Economic Commission Andrey Slepnev; Russia's Deputy Minister of Industry and Trade Alexey Gruzdev; Head of FSVPS (Federal Service for Veterinary and Phytosanitary Supervision) Sergei Dankvert of the Russian Federation.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/commerce-secretary-meets-russian-uae-ministers-on-trade-issues/articleshow/112081291.cms>

### **WTO accepts India's request to delay import duty dispute ruling till Oct**

The WTO's dispute settlement body has accepted a request from India and Chinese Taipei not to adopt the ruling against New Delhi's import duties on certain information and technology products till October-end, as both sides are engaged in resolving the matter mutually, an official said. The issue came up during a meeting of the dispute settlement body (DSB) in Geneva on July 26. "The DSB agreed to the latest requests from Chinese Taipei and India," the Geneva-based official said.

[https://www.business-standard.com/industry/news/wto-accepts-india-s-request-to-delay-import-duty-dispute-ruling-till-oct-124072800203\\_1.html](https://www.business-standard.com/industry/news/wto-accepts-india-s-request-to-delay-import-duty-dispute-ruling-till-oct-124072800203_1.html)

### **DPIIT working on proposal to further tighten FDI rules in tobacco sector**

The Commerce and Industry Ministry is working on a proposal to further tighten the foreign direct investment norms in the tobacco sector to check promotional activities and curb smuggling in the segment as firms are trying to circumvent norms, an official said. At present, foreign direct investment (FDI) is prohibited in the manufacturing of cigars, cheroots, cigarillos and cigarettes of tobacco or its substitutes. However, it is permitted in technology collaboration in any form, including licensing for franchise, trademark, brand name and management contracts in the tobacco sector.

[https://www.business-standard.com/industry/news/dpiit-working-on-proposal-to-further-tighten-fdi-rules-in-tobacco-sector-124072800152\\_1.html](https://www.business-standard.com/industry/news/dpiit-working-on-proposal-to-further-tighten-fdi-rules-in-tobacco-sector-124072800152_1.html)

### **FDI inflows in FY24: Singapore top investor in India – Mauritius, US, Japan and Netherlands in the list of top 5**

In the fiscal year 2023-24, Singapore emerged as the largest source of foreign direct investment (FDI) into India, despite a 31.55% drop in inflows to \$11.77 billion. The total FDI — which includes equity inflows, reinvested earnings and other capital — equity inflows into India fell to \$44.42 billion in 2023-24, a 3.49% decrease from \$46.03 billion in the previous year. Overall FDI decreased by 1% to \$70.95 billion from \$71.35 billion.

<https://www.financialexpress.com/policy/economy-fdi-inflows-in-fy24-singapore-top-investor-in-india-mauritius-us-japan-and-netherlands-in-the-list-of-top-5-3566999/>

### **Maldives President Muizzu thanks India for economic support, affirms hope of signing FTA**

Maldives President Mohamed Muizzu thanked India for its support of the island nation in easing its debt repayment and affirmed hope that New Delhi and Male would forge stronger ties and sign a free trade agreement. Muizzu was

addressing the official Independence Day function in the Maldives on Friday. During his address, he commended the administration's foreign policy, celebrating eight months of 'diplomatic success,' according to the Maldives President Office.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/maldives-president-muizzu-thanks-india-for-economic-support-affirms-hope-of-signing-fta/articleshow/112093087.cms>