



August 01, 2024 – Thursday

Economy

At 4%, India's core sector growth slowest in 20 months: Govt data

The output of India's eight key infrastructure industries expanded by 4 per cent year-on-year in June, the slowest growth in 20 months, according to data released by the Department for Promotion of Industry and Internal Trade on Wednesday. The slowdown in growth can be ascribed to factors such as a high base and moderating electricity demand due to the monsoon. The output growth was 6.4 per cent in May 2024 and 8.4 per cent in June 2023. The eight sectors — coal, steel, cement, fertiliser, electricity, natural gas, refinery products, and crude oil — constitute two-fifths of India's total industrial production. Consequently, they have a big impact on the index.

https://www.business-standard.com/economy/news/india-s-core-sector-growth-slows-to-4-in-june-shows-dpiit-data-124073101369_1.html

April-June fiscal deficit at Rs 1.36 trillion, 8.1% of 2024-25 target

India's fiscal deficit for the first quarter of the financial year that started in April was Rs 1.36 trillion (\$16.25 billion), or 8.1 per cent of the estimate for the whole year, government data showed on Wednesday. Net tax receipts in April-June were Rs 5.5 trillion, or 21 per cent of the annual target, compared with Rs 4.34 trillion in the same period last year, according to the data. Total government expenditure during the period was Rs 9.7 trillion, or about 20.4 per cent of the annual goal, lower than the Rs 10.51 trillion in the same period last year. Government spending in the first three months of the current financial year was subdued due to general elections.

https://www.business-standard.com/economy/news/april-june-fiscal-deficit-at-rs-1-36-trillion-8-1-of-2024-25-target-124073101105_1.html

Ind-Ra ups FY25 GDP growth forecast to 7.5% on expectation of high demand

India Ratings & Research (Ind-Ra) on Wednesday upped India's GDP growth forecast for the current fiscal to 7.5 per cent from 7.1 per cent projected earlier on expectation of improved consumption demand. It said 'The ongoing growth momentum led by government capex, deleveraged balance sheets of corporates/banks, and incipient private corporate capex cycle has now found support from the union government budget.' The budget promises to bolster agricultural/rural spending, improve credit delivery to MSMEs and incentivise employment creation in the economy.

https://www.business-standard.com/economy/news/ind-ra-ups-fy25-gdp-growth-forecast-to-7-5-on-expectation-of-high-demand-124073100501_1.html

Data breach cost for Indian organisations up 39% since 2020: IBM report

The average cost of a data breach in India this year reached Rs 19.5 crore, an all-time high. Costs for organisations have increased 39 per cent since 2020 as breaches become more disruptive, said a report by IBM on Wednesday. Average cost has increased 9 per cent since 2023 and breaches are expanding demands on cybersecurity teams. As many as 70 per cent of organisations globally said data breaches caused "significant" or "very significant", according to the technology company's annual 'Cost of a Data Breach' report.

https://www.business-standard.com/industry/news/data-breach-cost-for-indian-organisations-up-39-since-2020-ibm-report-124073100620_1.html

Budget 2024 is an economists' budget, says Citigroup MD Samiran Chakraborty

Union Budget 2024 is an economists' budget and it will continue to focus on human capital in the next five years, Citigroup managing director (MD) Samiran Chakraborty said on Wednesday. Chakraborty was talking at the 'Budget with BS: The Fine Print' — a post-2024 Budget event hosted by Business Standard, dedicated to decoding the intricacies of the key financial exercise. "The first five years (2014-2019) was about formalisation of the economy, the next five was about infrastructure in the country. The coming five years will be about developing human capital," Chakraborty said.

https://www.business-standard.com/specials/bs-events/2024-budget-is-an-economist-s-budget-says-citigroup-md-samiran-chakraborty-124073101039_1.html

Goyal shows hope, says right steps would make India \$55 trn economy by 2047

Commerce and Industry Minister Piyush Goyal on Wednesday expressed hope that steps such as focus on self-sufficiency, technology, stronger currency and fundamentals would help India become a \$55-trillion economy by 2047. He said that the government is also focusing on areas such as moving from oil to electric vehicles and bringing quality in the manufacturing. He was replying to a question about feasibility to reach \$55 trillion economy by 2047, which is the theme of K V Subramanian's book Bharat@100: Envisioning Tomorrow's Economic Powerhouse.

https://www.business-standard.com/economy/news/goyal-shows-hope-says-right-steps-would-make-india-55-trn-economy-by-2047-124073101651_1.html

Finance

RBI releases draft rules for Aadhar based payment operators to avert frauds

The Reserve Bank on Wednesday came out with draft rules on the due diligence to be carried out for Aadhar-enabled Payment System (AePS) touchpoint operators by lenders, in order to prevent frauds. The proposals focus on streamlining the process for onboarding of AePS touchpoint operators and on-going due diligence, as per an official statement on the central bank website. RBI has proposed that an acquiring bank shall carry out due diligence of all AePS touchpoint operators onboarded by it and also carry out updation of KYC (Know Your Customer) in cases where an AePS touchpoint operator has not performed any financial transaction for a continuous period of six months.

https://www.business-standard.com/economy/news/rbi-releases-draft-rules-for-aadhar-based-payment-operators-to-avert-frauds-124073101654_1.html

RBI proposes new ways to authenticate e-payments

The Reserve Bank of India (RBI) has asked acquiring banks to update KYC (know your customer) of all touchpoint operators where financial transactions have not been performed continuously for six months to prevent fraud through the Aadhar-enabled payment system (AePS). Also, it has proposed alternative methods of additional factor authentication (AFA) for digital payments, including passwords, PINs, software tokens and biometrics like fingerprints. The regulator, in draft guidelines, said that all digital payment transactions, other than card present transactions, will have to ensure that one of the factors of authentication is dynamically created, after the initiation of payment, and is specific to the transaction and cannot be reused.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-releases-draft-rules-on-aeps-touchpoint-operators-to-prevent-frauds/articleshow/112175512.cms>

Govt extends deadline for meeting MPS norms for CPSEs till Aug 2026

The government has extended the deadline for meeting minimum public shareholding norms for central public sector enterprises and public sector financial institutions till August 2026. The central government in the public interest provided exemption up to August 1, 2026, to increase public shareholding to at least 25 per cent in CPSEs and public sector banks and financial institutions, according to an office memorandum issued by the Ministry of Finance. Central Public Sector Enterprises (CPSEs) with public shareholding below 25 per cent and which could not increase their public shareholding to at least 25 per cent within the timeline stipulated in Rule 19A of Securities Contracts (Regulation) Rules 1957 will now get time for another two years.

https://www.business-standard.com/economy/news/govt-extends-deadline-for-meeting-mps-norms-for-cpses-till-aug-2026-124073101523_1.html

'SEBI's plan on index derivatives to reduce volumes, lower volatility'

Markets regulator Sebi's proposal on tightening rules for index derivatives if implemented may result in erosion of volumes from Futures & Options (F&O), experts said on Wednesday. At the same time, it will enhance investor protection and promote market stability in derivatives markets, they added. In its consultation paper on Tuesday, the regulator has proposed seven measures, including increasing minimum contract size and upfront collection of option premiums, intra-day monitoring of position limits, rationalisation of strike prices, removal of calendar spread benefit on expiry day and increase in near contract expiry margin.

https://www.business-standard.com/markets/news/sebi-s-plan-on-index-derivatives-to-reduce-volumes-lower-volatility-124073101030_1.html

Digital payment transactions: Password, passphrase, PIN can be used as additional factor authentication

Password, passphrase, PIN, card hardware or software token and biometrics can also be used as additional factor(s) of authentication (AFA) for authenticating digital payment transactions, according to the 'Draft Framework on Alternative Authentication Mechanisms for Digital Payment Transactions' issued by RBI.

<https://www.thehindubusinessline.com/money-and-banking/digital-payment-transactions-password-passphrase-pin-can-be-used-as-additional-factor-authentication/article68469691.ece>

Indian banks want customers, but no smartphones please

In the past year, more than 600 Indian banks moved \$2.5 trillion, or 80% of gross domestic product, between customer accounts. All these transactions originated on smartphones, with people paying a mobile number, or settling bills by scanning QR codes. It's surprising, therefore, that India, one of the biggest global successes of instant money transfers, would want to punish its lenders for being a tad too successful at promoting technology. "Banks shall assign an additional 5% run-off factor for retail deposits which are enabled with internet and mobile banking," the monetary authority said in a circular last week on liquidity standards.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-banks-want-customers-but-no-smartphones-please/articleshow/112181844.cms>

Lending and deposit rate moderate sequentially

Even as the transmission of the 250 basis point repo rate increase since May 2022 is still under way, some banks have even lowered lending rates and deposit rates sequentially, central bank data showed.

<https://economictimes.indiatimes.com/news/economy/finance/lending-and-deposit-rate-moderate-sequentially/articleshow/112176184.cms>

Industry

Electric two-wheeler makers brace for life without subsidy

India's electric two-wheeler makers are preparing for a future without government subsidies amid uncertainty on whether these vehicles will be included in the upcoming third phase of the FAME (faster adoption and manufacturing of electric vehicles) scheme.

<https://economictimes.indiatimes.com/industry/renewables/electric-two-wheeler-makers-brace-for-life-without-subsidy/articleshow/112158700.cms>

India's dairy industry revenue to grow 13-14% this fiscal: CRISIL Ratings

A CRISIL Ratings analysis of 38 dairies accounting for 60% of the organised segment revenue shows that India's dairy industry will see healthy revenue growth of 13-14% this fiscal, as strong consumer demand continues along with the improved supply of raw milk. While the demand will be supported by rising consumption of value-added products (VAP), the ample milk supply will be driven by good monsoon prospects. A rise in raw milk supply will also lead to higher working capital requirements for dairy players. That, along with continued capital expenditure (capex) by organised dairies over the next two fiscals will result in debt levels inching up. Nevertheless, credit profiles will be stable and supported by strong balance sheets.

<https://economictimes.indiatimes.com/industry/cons-products/fmcbg/indias-dairy-industry-revenue-to-grow-13-14-this-fiscal-crisil-ratings/articleshow/112169187.cms>

Foreign retailers keen to have a piece of the Indian luxury pie

The strong growth of India's retail sector is drawing the interest of foreign players including luxury brands looking to establish footholds in strategic locations throughout the country. International luxury brands such as Maison Margiela, TimeVallee, Charles Tyrwhitt and Franck Provost entered the country in the first half of 2024. Other international brands, such as the Swiss luxury watch brand Breitling and the American luxury fashion brand Michael Kors expanded in Chennai and Pune, respectively. In addition, the Japanese homeware brand Daiso Japan and the skincare and cosmetics brand ILEM Japan also opened stores in Chennai.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/foreign-retailers-keen-to-have-a-piece-of-the-indian-luxury-pie/articleshow/112176871.cms>

Quick service restaurants, cafe chains see slower growth

Same-store sales, a key metric for retail companies' earnings which measure sales at stores operating for a year or more, and revenue growth, declined sharply for large listed quick service restaurants (QSR) and cafe chains such as McDonald's, KFC, Pizza Hut and Starbucks in the April-June quarter. The growth contracted on sluggish demand dampened by continued inflation, a surge of regional and hyperlocal boutique-style competitors, consumer fatigue for Western-style foods, and an intense heatwave that kept consumers indoors, analysts and companies said.

<https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/quick-service-restaurants-cafe-chains-see-slower-growth/articleshow/112176842.cms>

Agriculture

Jute sector highlights key issues at standing advisory committee meeting

The Indian Jute Mills Association highlighted several pressing issues at the 32nd Standing Advisory Committee (SAC) meeting in New Delhi, including the challenges faced by the sector due to declining demand for jute bags, officials said. Key stakeholders such as representatives from the sugar and plastic industry bodies participated in the meeting on Tuesday. The SAC makes recommendations to the Union government on the mandatory use of jute packaging materials, and packaging norms for essential commodities such as foodgrains and sugar.

https://www.business-standard.com/industry/news/jute-sector-highlights-key-issues-at-standing-advisory-committee-meeting-124073100309_1.html

Infrastructure

Govt introduces bill to replace 90-year-old Aircraft Act; aims to improve ease of doing biz

To further improve the ease of doing business in the aviation space, the government on Wednesday introduced a bill in the Lok Sabha to replace the 90-year-old Aircraft Act. The Bhartiya Vayuyan Vidheyak Bill 2024 seeks to remove redundancies and replace the Aircraft Act, 1934 -- that has been amended 21 times -- at a time when India is one of the fastest growing civil aviation markets in the world. The bill, introduced by Civil Aviation Minister K Rammoan Naidu, includes provisions to regulate the design and manufacturing of aircraft, supporting the Aatmanirbhar Bharat initiative for self-reliance.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-/aviation/govt-introduces-bill-to-replace-90-year-old-aircraft-act-aims-to-improve-ease-of-doing-biz/articleshow/112174762.cms>

Construction of Delhi-Mumbai Expressway will be completed by Oct, 2025: Gadkari

The construction of Delhi-Mumbai Expressway, India's longest Greenfield Expressway, will be completed by October, 2025, Parliament was informed on Wednesday. In a written reply in the Rajya Sabha, Union Minister for Road Transport and Highways Nitin Gadkari said the Ministry has taken up the construction of Delhi-Mumbai Expressway including spurs in 53 packages having a length of 1,386 km. "As of June 2024, a total 26 packages have been completed," Gadkari said. According to him, the physical progress of the work is 82 per cent complete and a cumulative length of 1,136 km has been constructed.

<https://economictimes.indiatimes.com/news/economy/infrastructure/construction-of-delhi-mumbai-expressway-will-be-completed-by-oct-2025-gadkari/articleshow/112172171.cms>

Mumbai property market sustains record-breaking streak with best-ever July

Mumbai, the country's largest and most expensive property market, has continued to set new records with the best-ever July performance driven by brisk sales activity and high demand, despite higher mortgage rates and steady rise in property prices. The country's commercial capital witnessed over 12,129 property registrations during the month, up 19% from a year ago. The performance led to the state exchequer fetching revenue worth over Rs 1,047 crore through stamp duty collection, up 26% on-year, showed data from Inspector General of Registration (IGR) and Controller of Stamps, Maharashtra.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/mumbai-property-market-sustains-record-breaking-streak-with-best-ever-july/articleshow/112170120.cms>

Energy

India slashes windfall tax on crude to Rs 4,600 per tonne

India slashed windfall rate on domestically produced petroleum crude to Rs 4,600 per tonne from Rs 7,000 per tonne on softening of crude price. There export duty on petrol, diesel and aviation turbine fuel will continue to be nil. The new rates will be effective August 1, the central board of indirect taxes and customs (CBIC), said in a statement issued late Wednesday.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/india-slashes-windfall-tax-to-rs-4600-per-tonne/articleshow/112181567.cms>

Telecom

Plans afoot to reallocate some broadcasting spectrum for 5G

The government has initiated an exercise to ascertain whether an additional 100 MHz spectrum in the mid-band can be taken away from the broadcasting sector and allocated to telecom operators for 5G services, people in the know said. This would not only help meet the 5G needs of the telcos but would also generate revenue for the government as the airwaves would be auctioned. The ministry of information and broadcasting (MIB) is evaluating a proposal to recarve 100 MHz in the mid-band spectrum (3700-3800 MHz) and allocate it for 5G services, the people cited earlier said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/plans-afoot-to-reallocate-some-broadcasting-spectrum-for-5g/articleshow/112176168.cms>

States

Karnataka's bio-economy reaches USD 31 billion, to triple its bio-economy by 2030: Report

Karnataka's bio-economy reached USD 31 billion in 2023 and is growing at 10.7 per cent from USD 28 billion in 2022, said the Karnataka Bio-economy Report-2024, which was unveiled on Wednesday. The state attracted over 30 per cent of national biotech investments in 2023, contributing 21 per cent to India's bio-economy. Also, it contributes nearly 10 to 12 per cent of Karnataka's economy of USD 310 billion, the report said. Information Technology and Biotechnology Minister Priyank Kharge unveiled the Karnataka Bio-economy Report 2024, which was brought out by the Karnataka Innovation and Technology Society (KITS) of the state government in collaboration with the Association of Biotechnology Led Enterprises (ABLE).

<https://economictimes.indiatimes.com/news/economy/indicators/karnatakas-bio-economy-reaches-usd-31-billion-to-triple-its-bio-economy-by-2030-report/articleshow/112172585.cms>

AP Governor issues ordinance for four-month Vote on Account Budget

Andhra Pradesh Governor S Abdul Nazeer has on Wednesday promulgated an ordinance providing for a vote on account budget for the State for four months from August 1 to November 30, 2024, with an outlay of ₹1,29,972 crore. The N Chandrababu Naidu - led NDA Government in the State had decided to go for a second vote on account budget in the current financial year of 2024-25 in view of the 'lack of clarity' on state finances managed by the previous YSR Congress Party Government led by Y S Jagan Mohan Reddy and the debt burden.

<https://www.thehindubusinessline.com/news/national/ap-governor-issues-ordinance-for-four-month-vote-on-account-budget/article68470237.ece>

External

Edible palm oil to witness 10% revenue growth this fiscal, says CRISIL

The revenue of domestic edible palm oil refiners is predicted to increase by around 10 per cent this fiscal year due to consistent demand and greater realisations, as per a report by CRISIL. It further highlights that the operating profitability is expected to increase by 40-50 basis points (bps) to around 3.5 per cent due to favourable prices and continued duty-free imports. Over the medium term, credit risk profiles of palm oil refiners' will remain stable due to strong balance sheets and the absence of significant debt-funded capital expenditure (capex).

<https://www.financialexpress.com/business/industry-edible-palm-oil-to-witness-10-revenue-growth-this-fiscal-says-crisil-3569758/>

Vietnam PM sets ambitious target of \$20 billion in bilateral trade with India

Vietnamese Prime Minister Pham Minh Chinh has called for stronger economic cooperation between Vietnam and India, setting an ambitious target of \$20 billion in bilateral trade. Speaking at the Vietnam-India Business Forum, organised by FICCI in New Delhi on Wednesday, Prime Minister Chinh outlined Vietnam's economic achievements and invited Indian businesses to invest in strategic sectors such as infrastructure, digital technology, and pharmaceuticals.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/vietnam-pm-sets-ambitious-target-of-20-billion-in-bilateral-trade-with-india/articleshow/112181784.cms>

Steel ministry seeks probe into cheaper imports from China, Vietnam

India's federal Ministry of Steel has asked the trade ministry to investigate cheaper steel imports from China and Vietnam, a government source directly aware of the matter told Reuters on Wednesday, as New Delhi grapples with rising imports. "We have said that the trade ministry should investigate these imports and offer its recommendations to the finance ministry, which will take the final call," the source told Reuters, declining to be identified as the discussions are not public.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/steel-ministry-seeks-probe-into-cheaper-imports-from-china-vietnam/articleshow/112165055.cms>

India's major mineral imports rise 80% over five years to ₹68,633 crore

India's major mineral imports – mostly non-critical – saw a nearly 80 per cent rise in value terms over five years to ₹68,633 crore in FY24. Imports, however, dipped 2 per cent on a y-o-y basis from ₹70,125 crore. Imports stood at ₹38,604 crore in FY19.

<https://www.thehindubusinessline.com/markets/commodities/indias-major-mineral-imports-rise-80-over-five-years-to-68633-crore/article68469686.ece>