



August 06, 2024 – Tuesday

## Economy

### **Viksit Bharat a vision document in work for a developed India by 2047: Govt**

Viksit Bharat is not a project but a vision document under preparation, outlining the growth trajectory for India to become a developed nation by 2047, the government said on Monday. Replying to supplementary queries on whether financial assistance has been provided to states for Viksit Bharat projects during the Question Hour in the Rajya Sabha, Union Minister for Planning Rao Inderjit Singh said, "It is not a project per se". Viksit Bharat, Singh said, "It is a vision document that is under preparation...As Viksit Bharat is not a project, therefore, provision of financial assistance to states does not arise".

[https://www.business-standard.com/economy/news/viksit-bharat-a-vision-document-in-work-for-developed-india-by-2047-govt-124080500896\\_1.html](https://www.business-standard.com/economy/news/viksit-bharat-a-vision-document-in-work-for-developed-india-by-2047-govt-124080500896_1.html)

### **Services activity growth slows, yet remained solid in July: PMI data**

Growth in India's services sector slowed down a bit in June but remained upbeat, amid new business gains, online offerings and investment in technology, a private business survey revealed. The headline Purchasing Managers' Index (PMI) figure, released by HSBC and compiled by S&P global, fell marginally to 60.3 in July from 60.5 in June. However, the index remained above the neutral 50-mark that separates contraction from expansion for the 36th straight month.

[https://www.business-standard.com/economy/news/services-activity-growth-slows-yet-remained-solid-in-july-pmi-data-124080500314\\_1.html](https://www.business-standard.com/economy/news/services-activity-growth-slows-yet-remained-solid-in-july-pmi-data-124080500314_1.html)

### **Contours of three jobs schemes being finalised**

The Ministry of Labour and Employment is finalising three employment-linked incentive schemes announced in the budget before forwarding them to the expenditure finance committee for approval later this month. The committee's nod is necessary for rolling out the schemes. The ministry has also started a major capacity augmentation and software upgradation at the Employees' Provident Fund Organisation (EPFO)--the nodal body for implementing the schemes, a senior government official told ET, requesting anonymity.

<https://economictimes.indiatimes.com/news/economy/policy/contours-of-three-jobs-schemes-being-finalised/articleshow/112298358.cms>

### **Indian economy to grow at 7-7.2% in current fiscal year: Deloitte**

India's economy is expected to grow at 7-7.2 per cent in the current fiscal year driven by robust economic fundamentals and continuity in domestic policy reforms, Deloitte India said on Monday. The August update of Deloitte's India Economic Outlook said several initiatives in the Union Budget 2024-25 toward improving agriculture productivity, creating jobs for the youth, and in manufacturing and addressing the challenge of access to finance for micro, small, and medium enterprises (MSMEs), would help improve supply-side demand, curb inflation, and prop up consumer spending, especially in rural areas.

[https://www.business-standard.com/economy/news/indian-economy-to-grow-at-7-7-2-in-current-fiscal-year-deloitte-124080500272\\_1.html](https://www.business-standard.com/economy/news/indian-economy-to-grow-at-7-7-2-in-current-fiscal-year-deloitte-124080500272_1.html)

### **SBI report cautions food price rise over possible crop loss due to excess rains**

With monsoon progressing satisfactorily with a 2 per cent surplus to date and progress of area under Kharif crop cultivation showing 2.9 per cent on a yearly basis, SBI Research expects inflation to remain within the RBI target in 2024-25. With La Nina getting precedence going ahead, excess rainfalls could result in crop loss and thus a negative impact on food prices, SBI Research report, authored by Soumya Kanti Ghosh, Group Chief Economic Advisor, said. Theoretically, La Nina brings cooler temperatures and a general increase in rainfall in a region.

<https://economictimes.indiatimes.com/news/economy/indicators/sbi-report-cautions-food-price-rise-over-possible-crop-loss-due-to-excess-rains/articleshow/112291755.cms>

### **ONDC touches 12 million monthly transactions mark in July**

The Open Network for Digital Commerce (ONDC) on Monday said its monthly transactions touched the 12 million mark in July, with 4.3 lakh daily orders. With a market share of 3 per cent in food and beverage delivery sector, the network comprises over 6.38 lakh sellers and service providers, who operate in more than 609 cities and deliver to 1,200 cities across India .

<https://www.thehindubusinessline.com/economy/ondc-touches-12-million-monthly-transactions-mark-in-july/article68488048.ece>

## **Finance**

### **RBI proposes regulatory principles for managing model risks in credit**

The Reserve Bank on Monday proposed to lay down principles for management of model risks in credit for banks and other regulated entities with a view to ensuring prudence and robustness. Regulated Entities (REs) generally use various models as part of their credit management, including for credit appraisal, borrower scoring, pricing, and risk management, among others.

[https://www.business-standard.com/finance/news/rbi-proposes-regulatory-principles-for-managing-model-risks-in-credit-124080500998\\_1.html](https://www.business-standard.com/finance/news/rbi-proposes-regulatory-principles-for-managing-model-risks-in-credit-124080500998_1.html)

### **SEBI sets norms for MFs to value AT-1 bonds**

Capital market regulator SEBI has directed mutual funds to value their investment in the AT-1 bonds issued by banks on Yield to Call basis as suggested by the National Financial Reporting Authority. The National Financial Reporting Authority has recommended that since the market practice for AT-1 bonds has been observed to trade at or quote prices closer to Yield to Call basis, valuation of AT-1 Bonds on Yield to Call basis (adjusted with appropriate risk spreads) will be consistent with the principles of market-based measurement under Ind AS 113.

<https://www.thehindubusinessline.com/markets/sebi-sets-norms-for-mfs-to-value-at-1-bonds/article68489418.ece>

### **Bonus shares should be available for trade two days from record date: SEBI**

SEBI has proposed to make it mandatory for all bonus issues to be implemented within 15 days from the date of approval by board, and made available for trading within two days from the record date. Though the ICDR Regulations prescribe overall timelines regarding implementation of the bonus issue, there are no specific timelines regarding credit of bonus shares and trading of such shares, from the record date of the issue. Thus, absence of any specific guidelines on this aspect leads to non-uniformity w.r.t. timelines in which shares are credited and made available for trading in bonus issue.

<https://www.thehindubusinessline.com/markets/bonus-shares-should-be-available-for-trade-two-days-from-record-date-sebi/article68488800.ece>

### **NPAs of PSBs on Mudra loans declined to 3.4% in FY24: FM Sitharaman**

Public-sector banks' non-performing assets (NPA) associated with the Mudra loan category have declined to 3.4 per cent in 2023-24, Finance Minister Nirmala Sitharaman said on Monday. This marks an improvement from 4.77 per cent in FY21, 4.89 per cent in FY20, and 3.76 per cent in FY19, she said in response to a query in the Lok Sabha during the Question Hour. Sitharaman addressed questions regarding NPA associated with Mudra loans, highlighting a significant reduction in NPA rates over the past few years.

[https://www.business-standard.com/industry/banking/npas-of-psbs-on-mudra-loans-declined-to-3-4-in-fy24-fm-sitharaman-12408060003\\_1.html](https://www.business-standard.com/industry/banking/npas-of-psbs-on-mudra-loans-declined-to-3-4-in-fy24-fm-sitharaman-12408060003_1.html)

#### **Niti Aayog working to deepen corporate bond markets, says annual report**

Niti Aayog is working on proposals to deepen the corporate bond markets to achieve an alternative to bank finance for borrowers, the government think tank said in its Annual Report 2023-24. The corporate bond market, seen as an alternative to bank finance for borrowers, helps companies to raise long-term funds at competitive costs. "The vertical is in the process of developing a holistic research buttressed with key policy recommendations to deepen the corporate bond markets to achieve an alternative to bank finance for borrowers," it said.

[https://www.business-standard.com/finance/news/niti-aayog-working-to-deepen-corporate-bond-markets-says-annual-report-124080501340\\_1.html](https://www.business-standard.com/finance/news/niti-aayog-working-to-deepen-corporate-bond-markets-says-annual-report-124080501340_1.html)

#### **Assets worth Rs 3.86 lakh cr monetised in 3 years to FY24; coal sector highest contributor**

The government on Monday said assets worth Rs 3.86 lakh crore have been monetised in three years to 2023-24, with a major chunk coming from the coal sector. "During the period 2021-22 to 2023-24, transactions with aggregate monetisation value of Rs 3.86 lakh crore in terms of accruals or private investment were completed," Minister of State for Finance Pankaj Chaudhary said in a written reply to the Lok Sabha.

<https://economictimes.indiatimes.com/news/economy/finance/assets-worth-rs-3-86-lakh-cr-monetised-in-3-years-to-fy24-coal-sector-highest-contributor/articleshow/112286118.cms>

#### **Govt collects Rs 8,263 cr towards GST on health insurance premium in FY'24**

The government has collected Rs 8,263 crore towards GST on health insurance premium in 2023-24 fiscal year, Parliament was informed on Monday. The Minister of State for Finance Pankaj Chaudhary said the government has received representations requesting for exemption or reduction in the rate of GST on life insurance and health insurance.

<https://economictimes.indiatimes.com/news/economy/finance/govt-collects-rs-8263-cr-towards-gst-on-health-insurance-premium-in-fy24/articleshow/112289936.cms>

### **Industry**

#### **Shifting gear: PV inventory surges even as auto retail sales rise**

Automobile (auto) retail sales in India grew by an impressive 14 per cent in July compared to the same period last year, driven by a surge in the rural economy, good product availability, and product launches. While passenger vehicles (PVs) saw a 10 per cent increase during this period, inventory levels have surged to a historic high of 67-72 days in PVs, equating to Rs 73,000 crore worth of stock, according to the Federation of Automobile Dealers Associations (Fada).

[https://www.business-standard.com/industry/auto/auto-retail-sales-up-by-14-in-july-2ws-shine-amid-positive-monsoon-impact-124080500228\\_1.html](https://www.business-standard.com/industry/auto/auto-retail-sales-up-by-14-in-july-2ws-shine-amid-positive-monsoon-impact-124080500228_1.html)

#### **Profitability of polyester yarn manufacturers to improve by 100-150 bps in FY25, says CRISIL**

India's polyester yarn manufacturers will witness recovery in operating profitability by 100-150 basis points (bps) after two years of subdued performance, to 7-8 per cent this fiscal, stated a report by CRISIL Ratings. This, it added, will be primarily due to the countermeasures taken by the government to curb import of cheaper competing products. Earlier in October 2023, the Indian government had issued a Quality Control Order (QCO), mandating BIS certification on imported yarn, in order to address the influx of cheaper polyester yarn from China. Even though India imported around 12 per cent of its total polyester yarn requirement in fiscal 2024 (an increase from 7-8 per cent prior to fiscal 2023), Indian polyester yarn manufacturers remained under pressure to match imported yarn prices to stay competitive.

<https://www.financialexpress.com/business/industry-profitability-of-polyester-yarn-manufacturers-to-improve-by-100-150-bps-in-fy25-says-crisil-3574129/>

#### **Packaged food makers gear up to hike prices as input costs bite**

Packaged foods companies Britannia, Parle Products, Mondelez and Dabur could change their strategy of cutting prices that they have been employing for the past several quarters to boost consumption, and instead raise prices by 4-10% because of inflation in flour, cocoa and sugar. "Our rollbacks have been on for some time now, but now's the time to start to consolidate," Britannia managing director Varun Berry told analysts during a call to discuss its first-quarter results. "We have done what we had to. We expect 4-5% inflation in the coming months and if that happens, we will start to take slight price increases in the future," he said.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/packaged-food-makers-gear-up-to-hike-prices-as-input-costs-bite/articleshow/112298498.cms>

### **Indian auto companies will soon produce 100 pc ethanol-run cars and 2-wheelers: Nitin Gadkari**

Union Minister of Road Transport and Highways Nitin Gadkari said on Monday that many Indian companies are setting up plants to produce 100 per cent ethanol-run cars and two-wheelers in India. Gadkari came to Parliament in a similar vehicle produced by Toyota and while talking to the media said, "This is the world's first vehicle which has a flex engine and complies with emission norms of Euro 6. It gives net zero emissions. Runs on ethanol produced from sugarcane juice, molasses, and corn."

<https://economictimes.indiatimes.com/industry/auto/auto-news/indian-auto-companies-will-soon-produce-100-pc-ethanol-run-cars-and-2-wheelers-nitin-gadkari/articleshow/112297060.cms>

## **Agriculture**

### **ISMA renews pitch for removal of sugar export curbs**

Citing sufficient supplies of sugar for domestic consumption and ethanol production, Indian Sugar Mills and Bio-Energy Manufacturers Association (ISMA) has urged the government to lift the restrictions on exports of the sweetener. ISMA had projected a marginal 2% drop in sugar production in the next 2024-25 season (October-September) at 33.11 million tonne (MT) compared to current year. While estimating an opening stock of 9.05 MT on October 1, 2024, the industry body has projected net sugar availability of 42.35 MT in 2024-25 sugar season.

<https://www.financialexpress.com/business/industry-isma-renews-pitch-for-removal-of-sugar-export-curbs-3574583/>

### **Chana dal prices up 10% ahead of festive season**

Prices of chana dal have surged up to 10% over the past month amid increased demand for the most consumed pulse in the country ahead of the festive season, according to industry executives. As chana dal is used in a range of sweets and savouries such as laddus, sev and farsan, prices are expected to stay firm, they said. According to the Indian Pulses and Grains Association (IPGA), chana prices are expected to stay firm due to steady festival season demand, reduced local supply, limited government stock and low selling interest among stockists.

<https://economictimes.indiatimes.com/news/economy/agriculture/chana-dal-prices-up-10-ahead-of-festive-season/articleshow/112298324.cms>

## **Infrastructure**

### **New shipbuilding scheme to incentivise Indian shipyards till 2035**

Ministry of Ports, Shipping and Waterways (MoPSW) is working on a new shipbuilding scheme, which would incentivise Indian shipyards till 2035 by various measures, a senior government official has said. Ports, Shipping and Waterways Secretary T K Ramachandran further said with the new policy, India will endeavour to be among the top 10 shipbuilding nations by 2030 and the top five by 2047, from 22nd in the world at present.

[https://www.business-standard.com/economy/news/new-shipbuilding-scheme-to-incentivise-indian-shipyards-till-2035-124080500596\\_1.html](https://www.business-standard.com/economy/news/new-shipbuilding-scheme-to-incentivise-indian-shipyards-till-2035-124080500596_1.html)

### **Cargo traffic at major ports grows 5.92% to 70.08 mn tonnes in Jul: IPA**

Cargo traffic at 12 major ports in the country grew 5.92 per cent to 70.08 million tonnes (MT) in July from 66.17 MT handled in the year-ago period, according to the data released by major ports' apex body Indian Ports Association. The data also showed that 10 of these major ports logged positive growth in cargo traffic handling, while the remaining two saw a negative growth, as per the IPA.

[https://www.business-standard.com/industry/news/cargo-traffic-at-major-ports-grows-5-92-to-70-08-mn-tonnes-in-jul-ipa-124080500861\\_1.html](https://www.business-standard.com/industry/news/cargo-traffic-at-major-ports-grows-5-92-to-70-08-mn-tonnes-in-jul-ipa-124080500861_1.html)

## Energy

### Bill in Parliament to bring policy stability in oil & gas

Oil and gas producers will get policy stability, a scope for international arbitration in case of dispute, and the possibility of a longer lease, according to a Bill introduced in Parliament. The Oilfields (Regulation and Development) Amendment Bill, 2024, which was introduced in Rajya Sabha on Monday, aims to boost investor sentiment by addressing many long-held concerns.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/bill-in-parliament-to-bring-policy-stability-in-oil-gas/articleshow/112298263.cms>

## States

### Rajasthan govt plans to bring an investor-friendly industrial policy soon

The Rajasthan government is planning to bring an investor-friendly industrial policy soon, according to an industry department official. "The process of formulating a new industrial policy by the state government is underway. This will provide new employment opportunities to the youth," the official said. He said the new Industrial Policy-2024 would be based on ease of business and sustainability.

[https://www.business-standard.com/economy/news/rajasthan-govt-plans-to-bring-an-investor-friendly-industrial-policy-soon-124080600007\\_1.html](https://www.business-standard.com/economy/news/rajasthan-govt-plans-to-bring-an-investor-friendly-industrial-policy-soon-124080600007_1.html)

### Telangana needs to repay borrowings of Rs 2.86 lakh crore in 10 years, says CAG

The Telangana government is obligated to repay over Rs 2.67 lakh crore loans borrowed from the market, both principal and interest by FY33, even as the Gross State Domestic Product (at current prices) grew at an average growth rate of 15.09 per cent from Rs 8.60 lakh crore in 2018-19 to Rs 13.13 lakh crore in 2022-23, said CAG report on Friday. According to the report (for 2022-23) by Comptroller and Auditor General (CAG) which was placed in the state legislature, besides market borrowings, the state government will also have a liability to repay Rs 19,210 crore as principal in the next nine years in respect of borrowings taken from some financial institutions such as National Small Saving Fund and LIC.

<https://economictimes.indiatimes.com/news/economy/finance/telangana-needs-to-repay-borrowings-of-rs-2-86-lakh-crore-in-10-years-says-cag/articleshow/112227581.cms>

## Healthcare

### Pharma industry urges govt for stable drug pricing policy

The Organisation of Pharmaceutical Producers of India (OPPI), which represents prominent multinational pharma companies, has asked the government for a "predictable" pricing policy for drugs and not to resort to Para 19 of the Drug Pricing Control Order (DPCO) that authorises the regulator to reduce prices significantly in public interest for a period as it deems fit. The National Pharmaceutical Pricing Authority-India's drug pricing regulator-had earlier invoked Para 19 of DPCO to slash prices of cardiac stents and knee implants to make them affordable.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-industry-urges-govt-for-stable-drug-pricing-policy/articleshow/112298420.cms>

## External

### Petroleum products exports to Europe up 26% in July on higher demand

India's export of petroleum products in the first four months of the current fiscal year 2024-25 increased marginally by 1% to 4.9 million barrels per day against 4.8 million barrels per day in April to July period of 2023-24, as per data from energy cargo tracking firm Vortexa. In July, however, the total export of petroleum products increased by 4% to 1.27 million barrels per day against 1.22 million barrels per day registered in June.

<https://www.financialexpress.com/policy/economy-petroleum-products-exports-to-europe-up-26-in-july-on-higher-demand-3573490/>

#### **US recession risk: Finmin steps up West Asia vigil, sees no big risk yet**

The finance ministry has stepped up the monitoring of the West Asian conflict, a senior official said, as last week's assassination of the Hamas chief in Iran, blamed on Israel, has threatened to set off a wider regional conflagration, potentially impacting global oil prices, capital flows, currency movement and shipping costs. However, the conflict is "unlikely to pose any major risk yet," and India's strong macroeconomic fundamentals will hold it in good stead to weather any such crisis without significant bruises, the official told ET.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-recession-risk-finmin-steps-up-west-asia-vigil-sees-no-big-risk-yet/articleshow/112298425.cms>

#### **India's exports to face issues in Bangladesh as crisis deepens: Exporters**

Domestic exporters on Monday expressed concerns over the crisis in Bangladesh and said the developments in the neighbouring country would have implications on bilateral trade. However, exporters expect that the situation may normalise soon. According to exporters, they are already facing disruptions in exports to Bangladesh due to a shortage of foreign exchange in that country.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-exports-to-face-issues-in-bangladesh-as-crisis-deepens-exporters/articleshow/112294437.cms>

#### **India's steel trade deficit swells to ₹6,704 crore in Q1 as export losses, rising import hit industry**

India's steel trade deficit has widened to ₹6,704 crore for the first quarter of the fiscal (Q1 FY25), indicating that import of the metal continued to be higher than exports. In the year ago period (Q1 FY24), the country had reported a trade surplus, wherein exports exceeded imports, by ₹3,698 crore.

Between May-end (2M FY25) – when deficit was ₹4,282 crore - and June-end (Q1 FY25), trade deficit widened by nearly 60 per cent or by ₹2,420 crore as the country's steel mills lost out on in key export markets to Chinese competition. On the other hand, imports for the period – particularly from China and Japan – witnessed a constant rise.

<https://www.thehindubusinessline.com/economy/indias-steel-trade-deficit-swells-to-6704-crore-in-q1-as-export-losses-rising-import-hit-industry/article68488337.ece>