



August 27, 2024 – Tuesday

## Economy

### **GDP growth rate likely to decline to 7.1% in Q1, say SBI economists**

Economists at the country's largest lender SBI on Monday joined other watchers forecasting a slip in the economic growth and estimated India's real GDP growth to come at 7.1 per cent for the June quarter. The economists said the growth in gross value added (GVA) will fall below 7 per cent to 6.7-6.8 per cent for the April-June period this fiscal when compared to the year-ago period. "As per our 'Nowcasting Model', the forecasted GDP growth for Q1 FY25 would be 7.0-7.1 per cent, and GVA is at 6.7-6.8 per cent with a downward bias," the economists said.

[https://www.business-standard.com/economy/news/gdp-growth-rate-likely-to-decline-to-7-1-in-q1-say-sbi-economists-124082600839\\_1.html](https://www.business-standard.com/economy/news/gdp-growth-rate-likely-to-decline-to-7-1-in-q1-say-sbi-economists-124082600839_1.html)

### **Fiscal deficit to increase by 15 bps to 5.1% in FY25 due to UPS: Macquarie**

The newly-announced Unified Pension Scheme (UPS) is expected to shoot up the fiscal deficit by 15 basis points (bps) to 5.1 per cent from the budgeted 4.9 per cent in the financial year 2025 (FY25), according to a report released by the Macquarie Group on Monday. The report by the global investment banker estimates that the impact on the fiscal deficit for FY25 could be seen if around Rs 45,000 crore is the burden of the new scheme on government's finances.

[https://www.business-standard.com/economy/news/fiscal-deficit-to-increase-by-15-bps-to-5-1-in-fy25-due-to-ups-macquarie-124082600880\\_1.html](https://www.business-standard.com/economy/news/fiscal-deficit-to-increase-by-15-bps-to-5-1-in-fy25-due-to-ups-macquarie-124082600880_1.html)

### **Rural job market improving in FY25 but lags behind pre-pandemic levels**

In the first four months of the current fiscal year, the employment generated under the flagship rural job scheme, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), remains 130 million person-days higher than during the same period in 2019-20, the year prior to the pandemic, signalling a rural distress, The Times of India reported. This indicated that the employment situation has yet to return to pre-pandemic norms. However, work completed by July in the 2024-25 fiscal year is 230 million person-days fewer than in the same period last year, signalling some improvement, the report said citing data from the Union Rural Development Ministry.

[https://www.business-standard.com/economy/news/rural-job-market-improving-in-fy25-but-lags-behind-pre-pandemic-levels-124082600476\\_1.html](https://www.business-standard.com/economy/news/rural-job-market-improving-in-fy25-but-lags-behind-pre-pandemic-levels-124082600476_1.html)

### **Centre cuts public grievances redressal time to 21 days**

The Centre has reduced redressal time of public grievances, raised on a dedicated portal, to 21 days, from the existing 30 days. In an order mentioning revised guidelines, the government also suggested appointment of dedicated officers to handle complaints and emphasised "whole of the government approach" while redressing the grievances.

<https://economictimes.indiatimes.com/news/india/centre-cuts-public-grievances-redressal-time-to-21-days/articleshow/112814847.cms>

## Finance

### **RBI looks to soften blow of tighter infrastructure funding rules**

The Reserve Bank of India (RBI) is contemplating a staggered implementation of the increase in provisioning for project financing to soften the blow on lenders and give them ample time to prepare for any impact on profitability. Projects nearing completion may also be given some leeway in provisions, people familiar with RBI's plans said.  
<https://economictimes.indiatimes.com/news/economy/finance/rbi-looks-to-soften-blow-of-tighter-infrastructure-funding-rules/articleshow/112816747.cms>

#### **MPC should pay more heed to core inflation, says outgoing member Ashima Goyal**

The Monetary Policy Committee needs to give more importance to core inflation as this component of the consumer price gauge has the largest impact on household inflation expectations over the long term, Ashima Goyal, a member of the Reserve Bank of India's rate-setting panel, told Bhaskar Dutta in an interview.  
<https://economictimes.indiatimes.com/news/economy/indicators/mpc-should-pay-more-heed-to-core-inflation-says-outgoing-member-ashima-goyal/articleshow/112816463.cms>

#### **Spurt in travel spurs credit card spends overseas**

Overseas credit card spending increased more than prepaid payment instruments (PPIs) and debit cards over the past two years due to a spurt in travel after the easing of travel restrictions after the Covid-19 pandemic and higher reward points given by card issuers. The rise is despite the government bringing international credit card transactions within the ambit of the Liberalised Remittance Scheme, under which such transactions attract a higher rate of tax collected at source, at 20%. However, the industry is still struggling to implement it.  
<https://economictimes.indiatimes.com/industry/banking/finance/spurt-in-travel-spurs-credit-card-spends-overseas/articleshow/112816464.cms>

#### **Centrally sponsored schemes may be cut to 50 from 75 on Finance Commission recommendations**

The government may reduce centrally sponsored schemes (CSS) to 50 from 75 at present by merging some and phasing out those that are no longer relevant, as part of an ongoing rationalisation of the schemes on the recommendations of the 15th Finance Commission, officials said. The Centre could also alter the funding ratio of some of the schemes, making the states more accountable, they said.  
<https://economictimes.indiatimes.com/news/economy/policy/centrally-sponsored-schemes-may-be-cut-to-50-from-75-on-finance-commission-recommendations/articleshow/112816208.cms>

#### **Over 23 lakh govt employees under NPS get option to choose unified pension scheme**

The just-announced Unified Pension Scheme for central government employees will be available only for those who are currently subscribers of the New Pension Scheme (NPS), including retirees. The new scheme guarantees employees 50 per cent of their average basic pay over the last 12 months before retirement as a pension for a minimum qualifying service of 25 years against a market returns linked payout under the NPS.  
<https://economictimes.indiatimes.com/news/economy/policy/over-23-lakh-govt-employees-under-nps-get-option-to-choose-unified-pension-scheme/articleshow/112806166.cms>

#### **GST payers with no valid bank account barred from filing GSTR-1 from Sept 1**

GST taxpayers who do not furnish bank account details to GST authorities will be barred from filing outward supply return GSTR-1 from September 1, GST Network (GSTN) has said in an advisory. As per GST Rule 10A, a taxpayer is required to furnish details of a valid bank account within a period of 30 days from the date of grant of registration, or before furnishing the details of outward supplies of goods or services or both in Form GSTR-1 or using Invoice Furnishing Facility (IFF), whichever is earlier.  
[https://www.business-standard.com/economy/news/gst-payers-with-no-valid-bank-account-barred-from-filing-gstr-1-from-sept-1-124082600507\\_1.html](https://www.business-standard.com/economy/news/gst-payers-with-no-valid-bank-account-barred-from-filing-gstr-1-from-sept-1-124082600507_1.html)

## **Industry**

#### **Festive season to boost gig rider demand by 40% on quick commerce platforms**

The demand for gig delivery riders on quick commerce platforms like Blinkit, Swiggy Instamart, and Zepto could increase by 40 per cent on peak-demand days during the festive season. The overall home delivery sector is expected to hire an additional 1-2 million gig riders during this period, according to a report by The Economic

Times. Ecommerce and food delivery platforms are expected to recruit about 20 per cent more gig riders for the peak festive season.

[https://www.business-standard.com/economy/news/festive-season-to-boost-gig-rider-demand-by-40-on-quick-commerce-platforms-124082600161\\_1.html](https://www.business-standard.com/economy/news/festive-season-to-boost-gig-rider-demand-by-40-on-quick-commerce-platforms-124082600161_1.html)

#### **Janmashtami festivities drive business across India, sales exceed Rs 25,000 crore: CAIT**

Janmashtami festivities across the country led to a business surge, with transactions exceeding Rs 25,000 crore, according to the Confederation of All India Traders (CAIT). These figures highlight the robust consumer spending during the festival driven by the vibrant celebrations of Janmashtami, marking one of the most commercially active periods of the year.

<https://economictimes.indiatimes.com/news/economy/indicators/janmashtami-festivities-drive-business-across-india-sales-exceed-rs-25000-crore-cait/articleshow/112822172.cms>

#### **Meity plans to deploy experts for streamlining internal govt data use**

The Union Ministry of Electronics and Information Technology (Meity) is planning to deploy a set of designated officials, who will be trained as specialised data experts and analysts, across multiple ministries and departments of the central government, according to sources. If deployed and trained, these “specialised analysts” will streamline internal datasets that different ministries deal with on a daily basis. Before getting down to business, these officials will be trained in the required skill set in collaboration with private entities having expertise in the field of data and artificial intelligence (AI), said a person privy to the development.

[https://www.business-standard.com/industry/news/meity-plans-to-deploy-data-experts-for-streamlining-internal-govt-data-use-124082600678\\_1.html](https://www.business-standard.com/industry/news/meity-plans-to-deploy-data-experts-for-streamlining-internal-govt-data-use-124082600678_1.html)

#### **Cabinet may approve 12 new industrial cities to boost manufacturing**

The Union cabinet is expected to approve this week 12 new industrial cities in different states on the lines of Greater Noida, Uttar Pradesh, and Dholera in Gujarat to boost domestic manufacturing, an official said. Out of the 12 industrial cities, two are coming up in Andhra Pradesh and one in Bihar, the official said. The government in the Budget has announced the development of 'plug and play' industrial parks in or near 100 cities in partnership with states and the private sector to boost manufacturing.

[https://www.business-standard.com/industry/news/cabinet-may-approve-12-new-industrial-cities-to-boost-manufacturing-124082601028\\_1.html](https://www.business-standard.com/industry/news/cabinet-may-approve-12-new-industrial-cities-to-boost-manufacturing-124082601028_1.html)

#### **New mining cess may increase cost pressures for steel industry: ICRA**

Ratings agency ICRA has forecast a challenge for the domestic steel industry in the form of the new mining cess by some states, following the recent Supreme Court ruling empowering states to levy taxes on mineral rights and mineral-bearing land. ICRA said that the development was poised to compress operating margins across the sector, impacting both primary and secondary steel producers.

[https://www.business-standard.com/industry/news/new-mining-cess-may-increase-cost-pressures-for-steel-industry-icra-124082600594\\_1.html](https://www.business-standard.com/industry/news/new-mining-cess-may-increase-cost-pressures-for-steel-industry-icra-124082600594_1.html)

#### **Solitaire sales may sparkle this festive season on lower prices**

Indians are splurging on diamonds buoyed by a decline in solitaire prices since last Diwali. This has also raised hopes of robust sales of solitaires in the upcoming festive season, jewellers said. Prices of the most common variety of solitaire diamonds of 1 carat have fallen from a high of Rs 4.2 lakh last Diwali to Rs 3.4 - 3.5 lakh currently, making it more affordable for consumers to buy the gemstones, particularly for wedding rings. Also, those buying 1 carat solitaire rings previously are now moving to purchase 1.5 carat. The price drop has happened following a drop in exports of cut and polished diamonds from India to the US, and a complete drying up of exports to China.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/solitaire-sales-may-sparkle-this-festive-season-on-lower-prices/articleshow/112816545.cms>

#### **Agriculture**

### **FSSAI withdraws order on milk products labelling**

The food standard regulator Food Safety and Standards Authority of India (FSSAI) on Monday withdrew last week's directives to dairy companies against usage of A1 and A2 labels in products such as milk, curd, butter and ghee. The advisory dated August 21 'stands withdrawn for further consultation and engagement with stakeholders', FSSAI said in a statement. This comes after experts raised reservations about the move which would impact development of indigenous breeds and asked for a high-level committee to examine the issue.

<https://www.financialexpress.com/business/industry-fssai-withdraws-order-on-milk-products-labelling-3593053/>

## **Infrastructure**

### **Homes in top cities getting pricier despite rising supply**

Residential property prices across India's top seven cities surged 45% in the past five years, with some micro markets recording increases of as much as 90%, underscoring thriving demand and increased new supply. Areas such as Bengaluru's Bagaluru, Hyderabad's Kokapet, and Bengaluru's Whitefield saw the highest price appreciation of 80-90%, followed by NCR's Dwarka Expressway at 79% between 2019 and H1 2024, according to real estate consultancy Anarock.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/homes-in-top-cities-getting-pricier-despite-rising-supply/articleshow/112815769.cms>

## **Energy**

### **Five Indian power companies face over \$1 billion payment outage risk in Bangladesh**

Five Indian power companies that supply electricity to Bangladesh are owed more than \$1 billion, said industry executives aware of the matter. About \$800 million of this is due to Adani Power, which supplies electricity from its 1.6 GW coal-fired plant in Godda, Jharkhand, through a dedicated transmission corridor.

<https://economictimes.indiatimes.com/industry/energy/power/five-indian-power-companies-face-over-1-billion-payment-outage-risk-in-bangladesh/articleshow/112816622.cms>

### **Independent natural gas transport system operator likely soon**

The oil ministry may soon float a cabinet note on setting up an independent transport system operator (TSO) to manage the common carrier capacity of natural gas pipelines to give all gas marketers a level playing field in the country, according to people with knowledge of the matter. The common carrier capacity of a gas pipeline, which averages about a quarter of the full capacity, is managed by the company that laid the pipeline and now operates it. In most cases, these pipeline operators such as GAIL and GSPC also have gas marketing businesses. In this dual role, the operator also becomes a competitor for its pipeline customer in the gas marketing business.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/independent-natural-gas-transport-system-operator-likely-soon/articleshow/112816205.cms>

## **Telecom**

### **Call, messaging apps must comply with rules for nation's security: COAI**

Telecom operators expect internet calling and messaging apps like WhatsApp, Google Meet, and Telegram to comply with rules in the same manner as all service providers do, industry body COAI said on Monday. The Cellular Operators Association of India (COAI) -- whose members include Reliance Jio, Bharti Airtel and Vodafone Idea, among others - said it is misleading to demand to exclude over-the-top (OTT) communication apps from the Telecommunications Act 2023 as they are subject to other regulations because various non-sectoral rules apply on telecom operators as well.

[https://www.business-standard.com/industry/news/call-messaging-apps-must-comply-with-rules-for-nation-s-security-coai-124082600890\\_1.html](https://www.business-standard.com/industry/news/call-messaging-apps-must-comply-with-rules-for-nation-s-security-coai-124082600890_1.html)

## **Healthcare**

### **More fixed-dose combo drugs may enter ban list**

Last week, the government had banned 156 fixed-dose combinations-including antibiotics, antiallergics, painkillers, multivitamins and combination doses for treatment of fever and hypertension-after a review found they posed health risks in the biggest crackdown since 2016 when 344 FDCs were prohibited. An expert committee has been reviewing more FDCs and have found that they lack therapeutic justification and have recommended the government to ban them, added the person in the know.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/more-fixed-dose-combo-drugs-may-enter-ban-list/articleshow/112815694.cms>

## External

### SEA urges govt to reconsider extending de-oiled rice bran exports ban

The Solvent Extractors Association of India (SEA) has made a fresh appeal to the government to reconsider its decision to extend the ban on de-oiled rice bran exports until January 31, 2025. The industry body argues that the continued restriction is causing severe underutilisation of processing plants, particularly in eastern India.

In a letter to its members, SEA highlighted the plight of rice bran processors in West Bengal, where plants are operating at low capacity or shutting down entirely. The association warned that this situation is negatively impacting the production of rice bran oil nationwide.

[https://www.business-standard.com/industry/news/sea-urges-govt-to-reconsider-extending-de-oiled-rice-bran-exports-ban-124082600421\\_1.html](https://www.business-standard.com/industry/news/sea-urges-govt-to-reconsider-extending-de-oiled-rice-bran-exports-ban-124082600421_1.html)

### India, Singapore pledge to cement ties in 'emerging areas'

India and Singapore on Monday pledged to reinforce their ties in emerging areas such as digital connectivity, fintech, green economy, green hydrogen, skill development and food security. In the second meeting of their ministerial roundtable held in Singapore on Monday, sustainability, healthcare, connectivity and advanced manufacturing were discussed, according to external Affairs minister S Jaishankar said in a post on X.

<https://www.financialexpress.com/business/industry-india-singapore-pledge-to-cement-ties-in-emerging-areas-3593047/>