



November 25, 2024 – Monday

Economy

Majority 55% of Indian economy continues to grow positively: HSBC Global Research

Despite the fluctuations, majority 55 per cent of the Indian economy continue to grow positively, a report by HSBC Global Research said. The report added that after a period of rapid stock market gains and impressive GDP growth, the Indian economy appears to be settling into a more moderate phase. The report which analysed 100 indicators of growth added that while a majority, represents a decline from 65 per cent just a quarter ago, hinting at a cooling of sentiment.

<https://economictimes.indiatimes.com/news/economy/indicators/majority-55-of-indian-economy-continues-to-grow-positively-hsbc-global-research/articleshow/115619396.cms>

Finance

Gold holds up incremental value of forex reserves

The Reserve Bank of India's gold purchases has helped the central bank to hold up foreign exchange reserves amidst a huge pullout by foreign portfolio investors that saw reserves contracting by \$47 billion in five weeks. While the value of foreign currency assets dipped \$1.1 billion on an incremental basis since the beginning of the fiscal 2024-25 upto November 15, value of gold in reserves rose \$13 billion in the same period and help shore up overall foreign exchange reserves by \$11 billion, the latest Reserve Bank of India data shows. Reserves including gold, foreign currency assets and SDR are now at \$ 658 billion.

<https://economictimes.indiatimes.com/news/economy/indicators/gold-holds-up-incremental-value-of-forex-reserves/articleshow/115629891.cms>

RBI injects Rs 25,000 cr via VRR route to boost system liquidity

The Reserve Bank of India (RBI) injected funds into the banking system as the weighted average call rate, a barometer for short-term borrowing costs, rose 23 basis points above the policy repo rate at 6.73% on Friday. Surplus liquidity in the banking system shrank to ₹84,154.75 crore due to monthly GST outflows. This is akin to a fine-tuning exercise to manage call rates near the repo rate, as monthly tax outflows drew surplus liquidity out of the banking system, money market experts said.

<https://economictimes.indiatimes.com/news/economy/finance/rbi-injects-rs-25000-cr-via-vrr-route-to-boost-system-liquidity/articleshow/115577312.cms>

New bill proposes multiple nominees for bank Fixed Deposits to ease fund distribution after death

A crushing experience in the trail of destruction left by Covid was the inability of family members to freely withdraw and distribute money by breaking the bank fixed deposits (FDs) after the death of the prime earner, who, in many cases, was the sole account holder. The bill to change the law allowing banks to let a depositor specify multiple nominees and their shares for easier distribution of funds later is expected to come up during the winter session of the Parliament which begins today. The Bill, which was introduced in the last session, has been listed again.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/new-bill-proposes-multiple-nominees-for-bank-fixed-deposits-to-ease-fund-distribution-after-death/articleshow/115634874.cms>

Private sector banks evincing keen interest in selling loans exhibiting signs of incipient stress

Private sector banks (PvSBs) are evincing keen interest in selling loans exhibiting signs of incipient stress (also known as special mention accounts/SMAs) to Asset Reconstruction Companies (ARCs) to correct skewed credit-deposit (C-D) ratio and present a better picture on bad loans to investors.

<https://www.thehindubusinessline.com/money-and-banking/private-sector-banks-evincing-keen-interest-in-selling-loans-exhibiting-signs-of-incipient-stress/article68905599.ece>

Indian tech eyes \$25 billion goldmine in embedded finance: Report

Financial services, especially payments and lending, are being embedded across many large consumer tech platforms to enhance customer experience. Companies are adding fintech capabilities to their incumbent services on the back of a high customer base and growing trust among users in online retailers and large tech companies. The trend which picked up pace in the United States (US) is finding takers in India too. Large user bases make platforms ideal for integrating the financial services. The industry lending category is the one with highest relevance for integrating financial services. Embedded finance could be a \$25 billion opportunity in India, a report by venture fund Elevation Capital shows.

https://www.business-standard.com/technology/tech-news/indian-tech-eyes-25-billion-goldmine-in-embedded-finance-report-124112400717_1.html

Demand for super top-up health insurance plans rises after Covid pandemic

Demand for super top-up plans in health insurance has increased significantly post the Covid-19 pandemic, owing to rise in medical costs and increased insurance awareness in the country, industry insiders have said. According to data from Policybazaar, the share of super-top up in health insurance has increased from 10.5 per cent of health insurance premiums in the financial year 2018-2019 (FY19) to 34.6 per cent in the financial year 2023-2024 (FY24). A super top-up health insurance plan pays the policyholder for medical expenses that exceed the coverage limit of their base health insurance policy. It is similar to top-up health insurance plan, but provides for one or more claims cumulatively crossing the threshold limit.

https://www.business-standard.com/finance/insurance/super-top-up-plans-see-spike-in-demand-post-pandemic-124112400434_1.html

Choose correct ITR to report foreign assets, 200k return filed: CBDT

As many as two lakh Income Tax Returns (ITRs) containing details of foreign assets and income have been filed during the current assessment year till now, according to the tax department which urged Indian residents for tax purposes to ensure they file the right form and revise their returns if they submitted the wrong form. The shares obtained and income earned by resident tax Indians from their employers through employee stock options should also be disclosed to the Income-Tax Department by filling foreign assets and foreign source income schedule provided in the relevant ITR, a senior CBDT officer explained.

https://www.business-standard.com/india-news/choose-correct-itr-to-report-foreign-assets-200k-return-filed-cbdt-124112400354_1.html

Impacting growth, liquidity management: Shifting sands of fiscal policy

In the run-up to the general elections, there was chatter on rising risk of fiscal slippage, with speculation on rise in subsidies and targeted income schemes. The actual outcome has been dramatically different with the central government's fiscal deficit target for financial year 2024-2025 (FY25) further reducing to 4.9 per cent of GDP from the interim target of 5.1 per cent of GDP. Moreover, there is a very high chance that the actual fiscal deficit target will undershoot even 4.9 per cent of GDP. This is because during the general elections, there was a decline in government expenditure, as focus had shifted. Total expenditure in the first six months of FY25 is tracking lower by 0.4 per cent year-on-year (Y-o-Y), mainly due to sharp reduction in capital expenditure by 15.4 per cent Y-o-Y. Meanwhile, on the revenue collection front, tax collection was not impacted with gross collections tracking higher by 12 per cent Y-o-Y in H1FY25.

https://www.business-standard.com/economy/analysis/impacting-growth-liquidity-management-shifting-sands-of-fiscal-policy-124112300340_1.html

Industry

CCPA seeks to cut through clarity gap with diamond certification proposals

The Central Consumer Protection Authority (CCPA) has invited stakeholders to submit their suggestions on the proposed diamond certification guidelines by Thursday. The framework under consideration includes provisions for clear labelling and certification of all diamonds. The CCPA has invited input from various stakeholders, including the Central Board of Indirect Taxes and Customs (CBIC), the Department for Promotion of Industry and Internal Trade, the Gem and Jewellery Export Promotion Council (GJEPC), the Indian Diamond Institute, and the National Accreditation Board for Testing and Calibration Laboratories, among others.

https://www.business-standard.com/industry/news/ccpa-seeks-to-cut-through-clarity-gap-with-diamond-certification-proposals-124112400522_1.html

FMCG distributors write to Finance Ministry on quick-commerce practices

Fast-moving consumer goods (FMCG) distributors' association has written to the finance ministry, highlighting concern over fund utilisation and fund accumulation by quick-commerce companies and deep discounting of goods on their platforms. According to last week's letter seen by Business Standard, All India Consumer Products Distributors Federation (AICPDF) noted that its analysis indicated that approximately 80 per cent of these funds were directed toward customer acquisition strategies instead of creating cutting-edge innovations or sustainable growth models for the retail sector.

https://www.business-standard.com/industry/news/fmcb-distributors-write-to-finance-ministry-on-quick-commerce-practices-124112400458_1.html

Luxury automakers hike prices up to 3% amidst rising material costs

Amid mounting inflationary pressures, escalating material costs, and rising operational expenses, luxury carmakers Mercedes-Benz India and BMW India have announced price increases of up to 3 per cent on their entire model ranges effective from January 1, 2025. Mercedes-Benz India will revise ex-showroom prices by Rs 2 lakh to Rs 9 lakh, depending on the model. This adjustment will impact vehicles such as the GLC SUV and the high-end Mercedes-Maybach S 680 limousine. The company cited increased material costs, fluctuating commodity prices, and higher logistics expenses as key factors behind the price adjustment, although the company has been absorbing much of these cost pressures for the past three quarters.

https://www.business-standard.com/industry/news/luxury-automakers-hike-prices-up-to-3-amidst-rising-material-costs-124112400293_1.html

Tractor industry festive sales may grow 8-10% in FY25: Escorts Kubota CFO

Tractor sales in the festive months, spanning from September to November, are expected to grow 8-10 per cent this year on the back of good monsoon lifting market sentiments, according to farm and construction equipment firm Escorts Kubota Ltd whole-time director and CFO Bharat Madan. After a soft first half, the tractor industry is expected to gain momentum in the second half of the ongoing fiscal, growing in double digits, leading to an overall mid-single digit growth for the full year, he told PTI. "If you look at (festive) season months, which we normally count as September to November, we expect there'll be a growth of 8 to 10 per cent this year over last year's season months," Madan said.

https://www.business-standard.com/industry/news/tractor-industry-festive-sales-may-grow-8-10-in-fy25-escorts-kubota-cfo-124112400132_1.html

Mobile industry calls for bigger air cargo capacity amid export surge

Mobile phone players want Indian airports to ramp up their existing cargo handling capacity to support a projected eight-fold increase in device exports to USD 180 billion by 2030, industry body ICEA said. India Cellular and Electronics Association (ICEA) Chairman Pankaj Mohindroo told PTI that the turnaround time at customs is a major hurdle for the electronics industry which delays shipments' processing further. "In China, while the factory to export

take-off from the cargo terminal is achieved on Day 1, in India, the export take off happens only by Day 2. This is a glaring chasm especially when seen in the context of the volume of exports which in the case of China is more than 30 times electronics output (USD 959 billion) compared to India (USD 29 billion) in 2023," Mohindroo said.

https://www.business-standard.com/india-news/mobile-industry-calls-for-bigger-air-cargo-capacity-amid-export-surge-124112400443_1.html

India emerges as major hub for GCCs

India has emerged as a major innovation hub with developers saying global capacity centers (GCC) account for about half the fresh quality office property inventory in the country. Between Q123 and Q424, 124 new companies transacted GCC deals and took up office space for greenfield capability or R&D centres, according to Cushman & Wakefield, a global property consultancy firm.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/india-emerges-as-major-hub-for-gccs/articleshow/115633991.cms>

From metros to mid-sized markets, QSRs bet big on smaller cities

An increasing number of quick-service restaurant (QSR) brands are shifting their focus to mid-sized markets, establishing more stores to capitalise on their growing potential as key centres of growth.

<https://www.thehindubusinessline.com/companies/from-metros-to-mid-sized-markets-qsr-bet-big-on-smaller-cities/article68905387.ece>

Infrastructure

Major port cargo contracts by 3.2% to 68.22 mmt in October, shows data

Central government-owned ports, also known as major ports, recorded a rare 3.2 per cent year on year (Y-o-Y) contraction in their cargo volumes during October, primarily due to a fall in crude oil and coal shipments, according to government data. Traffic handled at the 12 major ports decreased last month to 68.22 million metric tonnes (mmt). Approximately, a fourth of this cargo arrived through coastal shipping. Overseas cargo handled by these ports decreased by 5.5 per cent to 52.9 mmt in October, while domestic cargo shipped through coastal waters increased by 5.3 per cent on-year to 15.9 mmt.

https://www.business-standard.com/economy/news/major-port-cargo-contracts-by-3-2-to-68-22-million-mt-in-october-data-124112400309_1.html

India's 26 major realty firms sell Rs 35,000 cr worth properties in Q2

India's 26 major listed real estate firms have sold properties worth nearly Rs 35,000 crore during the September quarter with Godrej Properties reporting highest sales bookings. According to the data compiled from regulatory filings, the 26 major listed realty firms have reported a combined sales bookings of Rs 34,985 crore in the second quarter of the current fiscal year. Bulk of pre-sales (sales bookings) came from residential segment. In terms of sales bookings, Godrej Properties emerged as the largest listed player during July-September quarter with pre-sales of Rs 5,198 crore.

https://www.business-standard.com/companies/news/india-s-26-major-realty-firms-sell-rs-35-000-cr-worth-properties-in-q2-124112400353_1.html

India kicks off the process to formulate 'UDAN 2.0'

The Centre has begun formulating the draft for the "UDAN (Ude Desh ka Aam Naagrik) 2.0" scheme, which aims to support last-mile connectivity through the development of cost-effective airport infrastructure, sources told businessline.

<https://www.thehindubusinessline.com/economy/logistics/india-kicks-off-the-process-to-formulate-udan-20/article68905243.ece>

Energy

Thermal coal imports decline for second consecutive month in October

India's thermal coal imports declined on an annual basis for the second consecutive month in October 2024, primarily due to decline in power demand compared to the higher consumption during the summer months.

<https://www.thehindubusinessline.com/economy/thermal-coal-imports-decline-for-second-consecutive-month-in-october/article68905538.ece>

External

Too little, too distant: India rejects \$300 bn climate finance at COP29

India on Sunday fiercely rejected the paltry \$ 300 billion climate finance package for the Global South and said the COP29 presidency and the UN climate change office forced through the deal before allowing it to voice its objections. Making a strong statement on behalf of India at the closing plenary of the UN climate conference here, Chandni Raina, Adviser, Department of Economic Affairs, termed the adoption process "unfair" and "stage-managed" and said it reflected the troubling lack of trust in the UN system.

https://www.business-standard.com/india-news/too-little-too-distant-india-rejects-300-bn-climate-finance-at-cop29-124112400036_1.html

India-Asean inch towards discussions on tariffs in FTA review

India and Association of Southeast Asian Nations (Asean) are inching towards initiating discussions on having a relook at tariffs or import duties on merchandise traded under the Asean-India Trade in Goods Agreement (AITIGA), a key part of the review of the pact. At the 6th joint committee meeting on the review of AITIGA that concluded here late Friday, the eight sub-committees under the joint committee also made "good progress" in textual discussions, a statement by the department of commerce said.

<https://www.financialexpress.com/business/industry-india-asean-inch-towards-discussions-on-tariffs-in-fta-review-3675562/>

Commerce Secy visits Norway to discuss early implementation of trade pact with EFTA bloc

Commerce Secretary Sunil Barthwal has visited Norway to discuss the possibility of an early implementation of a free trade agreement between India and the four-nation European bloc EFTA, an official statement said on Saturday. The agreement, officially dubbed as Trade and Economic Partnership Agreement (TEPA), was inked in March. The implementation date has not yet been finalised. The European Free Trade Association (EFTA) members are Iceland, Liechtenstein, Norway, and Switzerland. "The visit was aimed at furthering the objectives of and unlocking the large market in EFTA countries for Indian exports of goods and services and push for early implementation of USD 100 billion investment," the commerce ministry said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/commerce-secy-visits-norway-to-discuss-early-implementation-of-trade-pact-with-efta-bloc/articleshow/115596176.cms>

India-UK FTA: Labour government could toughen stance on immigration, climate

The proposed relaunch of the UK-India Free Trade Agreement talks by the new Labour-led government in the UK early next year could witness a toughening of stance by the country in areas such as immigration, labour, environment and climate, sources have said.

<https://www.thehindubusinessline.com/economy/india-uk-fta-labour-govt-could-toughen-stance-on-immigration-climate/article68905022.ece>