



January 14, 2025 – Tuesday

Economy

December CPI inflation eases to 4-month low of 5.22%

India's retail inflation, based on the Consumer Price Index (CPI), for December stood at 5.22 per cent, slightly lower than 5.48 per cent in November, data released by the Ministry of Statistics & Programme Implementation showed on Monday. While the December inflation print is within the RBI's target range, it remained above earlier averages for the year. Food inflation for the month in review stood at 8.39 per cent, down from 9.04 per cent in November 2024. Vegetable inflation dropped to 26.56 per cent from 29.33 per cent, pulses inflation stood at 3.83 per cent as against 5.41 per cent in November. While Cereals and Products inflation came in at 6.51 per cent, milk and products inflation stood at 2.80 per cent. Fuel and light inflation improved to -1.39 per cent from -1.83 per cent.

<https://www.financialexpress.com/policy/economy-december-cpi-inflation-eases-to-4-month-low-of-5-22-3713883/>

Steady GDP growth, likely rate cuts in 2025 to support credit access of corporates in FY26: Fitch

Fitch Ratings on Monday said India's steady GDP growth outlook, improved banking sector's financial health and expected interest-rate cuts in 2025 will support credit access for corporates in FY26. The credit metrics of rated Indian corporates is expected to improve in the next financial year (April 2025-March 2026) driven by wider EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) margins, despite high capex intensity.

<https://economictimes.indiatimes.com/news/economy/indicators/steady-gdp-growth-likely-rate-cuts-in-2025-to-support-credit-access-of-corporates-in-fy26-fitch/articleshow/117198516.cms>

Govt capex growth to slow down, fiscal consolidation to continue in FY26: Goldman Sachs

Ahead of the Union budget announcement, foreign brokerage Goldman Sachs said it expects a slowdown in the government capex growth in the new financial year. Finance Minister Nirmala Sitharaman is likely to announce a 13 per cent increase in the public capex for the new fiscal, as against the 17 per cent in FY24, and the healthy growth in three years before that, it said in a report. The government will stick to the fiscal consolidation roadmap and narrow the fiscal deficit further to 4.5 per cent of GDP, it said.

<https://economictimes.indiatimes.com/news/economy/indicators/govt-capex-growth-to-slow-down-fiscal-consolidation-to-continue-in-fy26-goldman-sachs/articleshow/117207977.cms>

NFRA plans 7 papers to strengthen the audit standards

In an effort to improve audit quality, the National Financial Reporting Authority (NFRA) is set to release a series of papers addressing critical areas of statutory audits. NFRA Chairman Ajay Bhushan Pandey told FE that seven such papers are planned for release over the next 2–3 months. "Based on our experience and the current gaps observed in overall auditing, we have identified critical areas requiring attention from auditors, audit committee members, independent directors, and other board directors. These papers are aligned with international practices followed by regulatory agencies like the PCAOB," Pandey said.

<https://www.financialexpress.com/business/industry-nfra-plans-7-papers-to-strengthen-the-audit-standards-3713276/>

Finance

Irdai widens scope of sandbox framework to encourage innovation

Regulator Irdai has expanded the scope of regulatory sandbox framework to encourage proposals that foster innovation, improve efficiency and ease of doing business. The IRDAI (Regulatory Sandbox) Regulations, 2025 is now more of principle-based whereby operational aspects will be issued through a master circular, Insurance Regulatory and Development Authority of India (Irdai) said in a statement. "A notable addition is an enabling provision to file Inter-Regulatory Sandbox proposals, cutting across more than one financial sector," the regulator said.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-widens-scope-of-sandbox-framework-to-encourage-innovation/articleshow/117210248.cms>

AIFs seek special dispensation for deep-tech startups

The alternative investment funds (AIFs) financing startups under the government's Fund of Funds Scheme (FFS) have requested a special window or carve-out to support deep-tech startups. In a meeting with the Department for Promotion of Industry and Internal Trade (DPIIT) the 75 AIFs, which receive a portion of the funds they invest from the government also called for an increase in the corpus of the FSS and extend its duration. The scheme is set to run across the 14th and 15th Finance Commission cycles.

<https://www.financialexpress.com/business/sme-aifs-seek-special-dispensation-for-deep-tech-startups-3713240/>

India ranks 3rd in global fintech funding despite 33% drop in 2024: Report

India ranked third globally in terms of funding received in the fintech segment despite a decline of 33 per cent on a year-over-year basis to USD 1.9 billion in 2024, market intelligence firm Tracxn said in a report on Monday. The sector witnessed a decline in funding, driven by a broader slowdown in demand and geopolitical headwinds, Tracxn's Annual India fintech report 2024 said. "Despite the global funding slowdown, India's fintech ecosystem continues to demonstrate remarkable resilience and adaptability. The emergence of two new unicorns and a record eight IPOs in 2024 underscore the sector's ability to thrive amidst challenges," Tracxn, Co-Founder, Neha Singh said.

https://www.business-standard.com/industry/news/india-ranks-3rd-in-global-fintech-funding-despite-33-drop-in-2024-report-125011300375_1.html

Non-metro boom in card spending mirrors e-commerce surge, says Visa

With rising disposable incomes in cities beyond metros, the penetration of credit cards — and consequently, credit card spending — is growing at a much faster pace than in traditional metro cities, primarily driven by e-commerce spending. Other segments, including travel, online gaming, and online education, are also showing extensive increases, said Sushmit Nath, head of consulting and analytics, India and South Asia at Visa, in a conversation with Business Standard. According to Visa data, the number of customers spending more than Rs 2 lakh annually using a single card grew roughly 4x in Tier-III cities, compared to just 1.4x in Tier-I cities between 2019 and 2024, suggesting a democratisation of affluence that was previously concentrated mainly in Tier-I cities.

https://www.business-standard.com/finance/news/non-metro-boom-in-card-spending-mirrors-e-commerce-surge-says-visa-125011301000_1.html

Industry

Beverage industry express challenges in meeting recycled plastic norms for PET bottles from April 1

As per the regulations notified by the Ministry of Environment, Forest and Climate Change, which will be enforced from April 1, beverage makers will need to ensure that 30 per cent of recycled plastic is used to make Category-1 packaging. Category-1 is defined as rigid plastics and includes PET bottles. The norms state that recycled plastics in this category will need to increase by 10 per cent year-on-year to touch 60 per cent content levels by FY28-29. Several Industry bodies including the Indian Beverage Association and the Federation of Indian Chambers of Commerce & Industry, in their representations to the government, have said that their there are challenges in meeting these norms.

<https://www.thehindubusinessline.com/economy/beverage-industry-express-challenges-in-meeting-recycled-plastic-norms-for-pet-bottles-from-april-1/article69096339.ece>

Govt approves 56 new watershed development projects worth Rs 700 crore

The Rural Development Ministry has approved 56 new Watershed Development Projects that will be undertaken at a cost of Rs 700 crores in the ten best-performing states, the government said on Monday. In a statement issued here, the ministry said the projects will be undertaken in Rajasthan, Madhya Pradesh, Karnataka, Odisha, Tamil Nadu, Assam, Nagaland, Himachal Pradesh, Uttarakhand and Sikkim. "Department of Land Resources announces sanction of 56 new Watershed Development Projects at a cost of Rs 700 crores under the ongoing scheme of PMKSY-WDC 2.0 in the 10 best-performing states...," the ministry said.

https://www.business-standard.com/economy/news/govt-approves-56-new-watershed-development-projects-worth-rs-700-crore-125011301221_1.html

India's plastic pipe industry has significant headroom for growth: Jefferies

India's plastic pipe industry has immense growth potential due to its lower per-capita pipe consumption compared to the global average, according to a recent report by Jefferies. The report stated that the country's consumption levels are significantly below those of developed regions like the US, Europe, and China, highlighting a large untapped market. It said, "India's per-capita-pipe-consumption is lower than World average and further lower than US, Europe and China. This implies significant headroom for growth for Indian plastic pipe industry."

<https://www.thehindubusinessline.com/companies/indias-plastic-pipe-industry-has-significant-headroom-for-growth-jefferies/article69098171.ece>

Agriculture

PM Modi to launch Mission Mausam on Jan 14 to make India more weather-ready

Prime Minister Narendra Modi will inaugurate Mission Mausam on Tuesday as part of the 150th foundation day celebrations of the India Meteorological Department (IMD). This initiative aims to make India more 'weather-ready' and a 'climate-smart' nation, by enhancing its resilience to climate change and extreme weather events. With a budget of Rs 2,000 crore over two years, Mission Mausam aims to position India as a leader in weather forecasting and climate adaptation, ensuring better preparedness for future climatic challenges. This launch comes three weeks ahead of the Union Budget 2025 announcement, as part of the government's goals for sustainable development and the protection of vulnerable communities from the adverse impacts of climate change.

https://www.business-standard.com/india-news/mission-mausam-launch-india-weather-climate-resilience-2025-125011300452_1.html

Centre to review agriculture situation every week: Shivraj Singh Chouhan

The Centre will review the agriculture situation in the country every Monday. This will include details on whether any crop is infected with any disease, immediate measures to prevent it if a disease has occurred, issuing advisories to state governments, and informing Krishi Vigyan Kendras (KVKs). If necessary, a team may also be sent to prevent the spread of such diseases. The review will also assess the availability of medicines and the prices at which pesticides are sold to farmers.

https://www.business-standard.com/industry/agriculture/centre-to-review-agriculture-situation-across-the-country-weekly-chouhan-125011301121_1.html

India's Agriculture Ministry holding survey on edible oil consumption pattern

In a first, the Union Agriculture Ministry is conducting a survey on edible oils using the "My Gov" platform to formulate a policy for farmers to produce what consumers want. This will also benefit farmers as they will cultivate demand-driven crops and help the country move towards self-sufficiency in edible oil.

<https://www.thehindubusinessline.com/economy/agri-business/edible-oil-survey-by-agriculture-ministry-may-throw-light-on-consumer-preference/article69095931.ece>

India's achievements in milk products extraordinary: President Murmu

President Droupadi Murmu on Monday termed India's achievements in the field of milk products "extraordinary", saying livestock plays an important role in the rural economy of the country. The president made the remarks after virtually inaugurating/launching cow induction, Giftmilk and market support for the Odisha State Cooperative Milk Producers' Federation (OMFED) initiatives of the National Dairy Development Board from the Rashtrapati Bhavan

here. India has a diverse range of livestock breeds, all of which have contributed to the rich agricultural heritage of the country, she said. "All these achievements reflect our commitment to excellence in animal husbandry. https://www.business-standard.com/india-news/india-s-achievements-in-milk-products-extraordinary-president-murmu-125011301081_1.html

Infrastructure

Indian Real Estate attracts \$2.82 billion in private equity investment: Anarock

Private equity investment in Indian real estate rose 6 per cent to \$2.82 billion during the April-December period of this fiscal, driven by a surge in fund inflow in industrial & logistics parks, according to Anarock. The number of PE deals dropped to 24 during the first nine months of the 2024-25 fiscal from 30 in the year-ago period. As per the data, foreign funds contributed 82 per cent to the total PE investments during April-December 2024, while domestic only 18 per cent. Among assets class, the industrial and logistics sector accounted for 62 per cent of the total investments, housing 15 per cent, office 14 per cent and mixed-use projects 9 per cent.

<https://www.thehindubusinessline.com/news/real-estate/indian-real-estate-attracts-282-billion-in-private-equity-investment-anarock/article69095457.ece>

Developers go clean & clear for high-growth market needs

Large property development companies are increasingly tying up clean-title lands to cater to the rising demand for residential, data center, and warehousing projects. In 2024, land deal volumes in India rose by 47% year-on-year, surpassing 2,000 acres across the top eight cities. This growth was driven by developers' such as Lodha, Birla Estate, Prestige Group, Sattva, Puravankara, Macrotech Developers, Brigade Enterprises, who are focusing on securing legally clear land to meet market demands in high growth markets. Separately, Amazon data services also acquired land in Palava recently.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/developers-go-clean-clear-for-high-growth-market-needs/articleshow/117212904.cms>

Infra development key to achieving Viksit Bharat goal: Nitin Gadkari

Union Minister Nitin Gadkari on Monday said infrastructure development is imperative to achieve the goal of Viksit Bharat, as the economy depends on good transport and communication facilities. "The Prime Minister has given us a mission of developed and prosperous India. If we have to achieve a Viksit Bharat, we will have to improve the country's infrastructure. "Until water, power, transport, and communication do not develop, industry, business, and tourism will not get a boost," Gadkari said, addressing a rally after Prime Minister Narendra Modi inaugurated the Sonamarg tunnel here.

https://www.business-standard.com/politics/infra-development-key-to-achieving-viksit-bharat-goal-nitin-gadkari-125011300814_1.html

Energy

OPEC, IEA to launch reports on India's oil & gas sector at IEW 2025

The India Energy Week (IEW), government's annual flagship oil and gas sector conference, will witness top international agencies such as OPEC and the International Energy Agency (IEA) launch their oil and gas reports on the world's third largest energy consumer. The development indicates India's growing importance as an energy consumer. At IEW 2024, the International Energy Agency (IEA) has launched a report on the oil outlook till 2030 in the world's third largest energy consumer.

<https://www.thehindubusinessline.com/economy/opec-iea-to-launch-reports-on-indias-oil-gas-sector-at-iew-2025/article69096627.ece>

India's renewable energy capacity rises 16% to nearly 210 GW by December

India's renewable energy installed capacity increased by 15.84 per cent to 209.44 GW by December 2024 from 180.80 GW a year ago, marking a record expansion, an official statement said on Monday. The total capacity added during 2024 more than doubled to 28.64 GW from 13.05 GW added a year ago. In 2024, solar power spearheaded

this growth with addition of 24.54 GW, registering 33.47 per cent year-on-year rise in its cumulative installed capacity to 97.86 GW in 2024, the statement by Ministry of New & Renewable Energy (MNRE) said.

https://www.business-standard.com/india-news/india-s-renewable-energy-capacity-rises-16-to-nearly-210-gw-by-december-125011300968_1.html

States

Facing power losses, UP plans to privatise two power distribution firms

Uttar Pradesh is looking to privatise two of its four power distribution companies, a state government tender showed, as the country's most populous state grapples with power losses and a lack of sufficient transmission infrastructure. The northern Indian state is inviting private companies to form partnerships with or privatise state-owned Dakshinanchal Vidyut Vitran Nigam and Purvanchal Vidyut Vitran Nigam, per the tender dated Jan. 12. A majority of state power distribution companies in India are suffering losses due to older power transmission systems and frequent power losses, prompting the government to bring in private players.

https://www.business-standard.com/india-news/facing-power-losses-up-plans-to-privatise-two-power-distribution-firms-125011300584_1.html

Centre extends soybean procurement deadline in Maharashtra, Raj to Jan 31

The Centre has extended the soybean procurement deadline in Maharashtra to January 31, and in Rajasthan to February 4, following requests from state governments, Agriculture Minister Shivraj Singh Chouhan said on Monday. The deadline was previously set for January 12 in Maharashtra and January 15 in Rajasthan. The government has also allowed additional procurement of 25,000 tonnes from Telangana, which has already achieved its initial target of 59,508 tonnes. Nationwide procurement has reached 13.68 lakh tonnes, as against the target of 33.60 lakh tonnes, he said.

https://www.business-standard.com/industry/agriculture/centre-extends-soybean-procurement-deadline-in-maharashtra-raj-to-jan-31-125011300909_1.html

Odisha joins Ayushman Bharat-PMJAY scheme, signs MoU with Centre

The Odisha government on Monday signed a memorandum of understanding (MoU) with the National Health Authority (NHA) to implement Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) in the state. The Centre's flagship health scheme will run in convergence with the state's Gopabandhu Jan Arogya Yojana (GJAY). The combined initiative will provide healthcare coverage of Rs 5 lakh per family per annum, with additional Rs 5 lakh for women members.

https://www.business-standard.com/health/odisha-joins-ayushman-bharat-pmjay-scheme-signs-mou-with-centre-125011300987_1.html

Maharashtra to set up permanent mechanism for soybean procurement

Maharashtra will establish a permanent mechanism to ensure hassle-free procurement of soybeans from farmers every year. State Chief Minister Devendra Fadnavis issued directions to the State's marketing department in this regard on Monday. He stressed that preparations for the procurement process, which begins in November, should be completed by October, including the registration of farmers. Fadnavis was speaking at a review meeting held at the Sahyadri Guest House in Mumbai, where he assessed the 100-day action plan of the marketing department. He stressed the need to set up Agro Hubs along the Mumbai-Nagpur Samruddhi Expressway under the Maharashtra Agri Network (Magnet) Project, with all necessary infrastructure in place. He instructed officials to prepare a detailed plan for these hubs and submit it at the earliest.

<https://www.thehindubusinessline.com/economy/agri-business/maharashtra-to-set-up-permanent-mechanism-for-soybean-procurement/article69096333.ece>

External

DGFT updates export policy for every product to promote ease of doing biz

The Commerce Ministry's arm DGFT on Monday updated the export policy for all products, specifying detailed conditions for each item to enhance the ease of doing business in the country. Earlier specific policy conditions were

only outlined for goods which were subject to certain restrictions or fell under some norms. "Schedule-II (Export Policy)' in sync with Finance Act 2024 dated August 16, 2024, has been notified," the directorate general of foreign trade (DGFT) said in a notification.

The updated schedule contains the current export policy of all ITC (HS) codes, along with specific policy conditions (if any) to be fulfilled, it added.

https://www.business-standard.com/industry/news/dgft-updates-export-policy-for-every-product-to-promote-ease-of-doing-biz-125011301102_1.html

India Budget: GTRI calls for simplified customs duty structure in Union Budget 2025

The Indian government should simplify the customs duty structure by reducing the number of slabs from over 40 to 5 in the upcoming Budget for the next fiscal year, GTRI said. It should also ensure that raw materials are taxed lower than finished goods in the upcoming Budget to reduce import costs, boost manufacturing, and increase exports, the think tank GTRI said.

<https://economictimes.indiatimes.com/news/economy/policy/india-budget-gtri-calls-for-simplified-customs-duty-structure-in-union-budget-2025/articleshow/117200504.cms>

India will face over USD 14.6 bn in additional duties, if US imposes 20 per cent tariff: BCG Report

The ASEAN region, alongside India, stands out as a major beneficiary of the ongoing geopolitical shifts. India's trade is forecasted to grow at an impressive 6.4 per cent annual rate, reaching USD 1.8 trillion by 2033 according to Boston Consulting Group (BCG) report. Nishant Gupta, Managing Director and Partner at BCG India, highlighted India's growing appeal as a global manufacturing hub, stating, "India is poised to redefine its role in global trade, with a projected annual growth rate of 6.4 per cent in both GDP and trade over the next decade."

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-will-face-over-usd-14-6-bn-in-additional-duties-if-us-imposes-20-per-cent-tariff-bcg-report/articleshow/117199087.cms>

Rupee depreciation yields limited benefits for exporters: Experts

Depreciation of the rupee against the US dollar is providing limited benefits to domestic exporters due to the high import content in shipments and uncertainties in the global market, according to experts. While a weaker rupee typically boosts export competitiveness by making Indian goods cheaper in global markets, certain factors are limiting potential gains. They said many exporters rely heavily on imported raw materials, and the increased cost of imports due to the falling rupee offsets much of the advantage.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/rupee-depreciation-yields-limited-benefits-for-exporters-experts/articleshow/117205855.cms>

India expects uninterrupted Russian oil supply for next two months

India, the world's third-largest oil importer and consumer, does not expect any disruption to Russian oil supply in the next two months as US-sanctioned tankers are allowed to discharge crude until March, a senior government official said on Monday. The US Treasury on Friday imposed sanctions on Russian oil producers Gazprom Neft and Surgutneftegaz, as well as 183 vessels that have shipped Russian oil, targeting revenue Moscow has used to fund its war with Ukraine. India will allow Russian oil cargoes booked before Jan. 10 to discharge at ports, the source told reporters on condition of anonymity.

https://www.business-standard.com/external-affairs-defence-security/news/india-expects-uninterrupted-russian-oil-supply-for-next-two-months-125011300666_1.html

Finished steel imports hit six-year high in April-December, up 20% YoY

India's finished steel imports hit at least a six-year high in the first nine months of the financial year that started in April 2024, according to provisional government data reviewed by Reuters on Monday. India, the world's second-biggest crude steel producer, had turned a net importer of finished steel products in the previous financial year. The trend has since continued, with shipments from China touching a record high in April-November 2024. China's steel exports in 2024 hit their highest level since 2015 at 110.72 million tons, an annual increase of 22.7 per cent.

https://www.business-standard.com/industry/news/finished-steel-imports-hit-six-year-high-in-april-december-up-20-yoy-125011300286_1.html

India's iron ore exports drop nearly 30% in 9MFY25 amid weaker buying from China

The country's iron-ore exports for the nine-month-period (9MFY25) saw a near 30 per cent drop y-o-y with shipments slowing down to 22.67 million tonnes. Slowdown has been noticed in the largest buyer market China – down to 20 .17 mt – on account of excess steel stocks due to poor demand there, iron-ore stockpiles and tightening of imports (of steel) into India by policymakers thereby impacting buying. Iron-ore exports for 9MFY24 stood 32.46 mt. However, numbers are substantially higher than 9MFY23 – when duty imposition by India's policy makers – slowed down shipments going out of the country to 9.67 mt.

<https://www.thehindubusinessline.com/markets/commodities/indias-iron-ore-exports-drop-nearly-30-per-cent-in-9mfy25-amid-weaker-buying-from-china/article69096628.ece>

European demand lifts Indian soyameal exports in December

Soyameal exports are up a tad during December at 2.77 lakh tonnes (lt) on higher demand from European buyers such as Germany and Netherlands. However, the offtake by the domestic livestock feed sector was flat at 5.5 lt, as per the latest estimates by the trade body Soyabean Processors Association of India (SOPA).

<https://www.thehindubusinessline.com/economy/agri-business/european-demand-lifts-indian-soyameal-exports-in-december/article69096052.ece>

Smartphone exports set to hit \$20 billion in FY25, driven by surge in iPhone sales

The government is targeting to cross \$20 billion smartphone exports in FY25, on the back of rising iPhone exports. In the last financial year, smartphone exports stood at \$15 billion, with Apple contributing nearly \$10 billion. As per industry data, smartphone exports in the FY25 fiscal have already crossed \$12 billion till November. The data for December is yet to be calculated but the industry is on path to achieve the \$20 billion mark in FY25. In the calendar year 2024, Apple exports have reached \$12.8 billion, and the figure is likely to go up for FY25, which ends on March 31.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-exports-set-to-hit-20-billion-in-fy25-driven-by-surge-in-iphone-sales/articleshow/117205888.cms>