



April 11, 2025 – Friday

Economy

Finance Ministry asks ministries to frontload Capex, calls for zero project delays

The finance ministry has sounded out various ministries and departments to front-load their capital expenditure (capex) this financial year, betting on such productive spending to bolster domestic capacity and growth amid an uncertain global environment, senior officials said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/finance-ministry-asks-ministries-to-frontload-capex-calls-for-zero-project-delays/articleshow/120173870.cms>

Services sector drives performance of high-growth States in FY25

The services sector was responsible for driving growth for FY25 in the larger States, shows data on Gross State Domestic Product (GSDP) estimates from MoSPI. Business line analysis of the data shows that Tamil Nadu (9.7 per cent), Andhra Pradesh (8.2), Rajasthan (7.8), Karnataka (7.4) and Maharashtra (7.3) recorded the highest real GSDP growth rate in FY25 among the large States. These States also recorded high-growth rates in the services gross State value added (GSVA). The growth in services was higher than the national average of 7.3 per cent in these States. The top 10 largest States in terms of GSDP were considered for the analysis. Gujarat and UP's data were not updated for FY25.

<https://www.thehindubusinessline.com/economy/services-sector-drives-performance-of-high-growth-states-in-fy25/article69435722.ece>

Finance

Call-repo rate spread narrows to 7 bps as liquidity conditions ease

Reflecting the easing of liquidity conditions at the short end, the average spread between the weighted average call rate (WACR) and the policy repo rate narrowed to seven basis points (bps) in March 2025, down from a peak of 15 bps in December 2024, according to the monetary policy report. However, the volatility in the WACR, measured by the exponentially weighted moving average (EWMA), remained high through March 2025. At times, the WACR even breached the upper bound of the interest rate corridor (the marginal standing facility or MSF rate), especially during the second half of December and early January.

https://www.business-standard.com/finance/news/call-repo-rate-spread-narrows-to-7-bps-as-liquidity-conditions-ease-125041001071_1.html

Persistence of MCLR loans impacting monetary policy transmission

The persistence of loans linked to the marginal cost of funds-based lending rate (MCLR) and other legacy rates, which are based on internal benchmarks and have a longer reset period, act as an impediment to overall monetary policy transmission, according to the RBI's monetary policy report (MPR).

<https://www.thehindubusinessline.com/money-and-banking/slow-transition-from-mclr-to-eblr-impacting-monetary-policy-transmission-and-lending-rates-rbi-report/article69436127.ece>

Deposit rates to fall as RBI shifts stance to accommodative

Banks are expected to cut deposit rates after the Reserve Bank of India (RBI) shifted its monetary policy stance from 'neutral' to 'accommodative' and lowered its policy rate by 25 basis points. Experts say surplus liquidity will accelerate transmission of the rate cut and help reduce banks' cost of funds. "We will provide sufficient liquidity to the system so that this transmission of policy rate into interest rate happens quickly," governor Sanjay Malhotra told reporters during the post-policy conference, adding that the RBI aims to maintain liquidity surplus at about 1% of net deposits.

<https://www.financialexpress.com/policy/economy/deposit-rates-to-fall-as-rbi-shifts-stance-to-accommodative/3804682/>

RBI credit enhancement guidelines game changer for both investors & issuers, say bankers

The Reserve Bank of India's draft guidelines on partial credit enhancement (PCE) for companies by banks, non-banking finance companies (NBFCs) and development finance institutions (DFIs), released on Wednesday, could be a potential game changer in corporate financing, especially for infrastructure projects, as they will allow companies to access the bond markets at a cheaper rate and open bank loan limits, said bankers and infrastructure financiers.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-credit-enhancement-guidelines-game-changer-for-both-investors-issuers-say-bankers/articleshow/120165783.cms>

Microfinance defaults stay elevated in Q4FY25, says India Ratings

Delinquencies in microfinance loans likely stayed elevated in the just concluded March quarter on the back of Karnataka government's ordinance cracking down on unsecured lending and other challenges, said a report on Thursday. Collection efficiency will likely be affected and sustained improvement in delinquencies is expected from the second half of the financial year (H2 FY26), according to India Ratings. The agency maintained a deteriorating sector outlook for non-banking financial companies (NBFC) and a stable rating outlook for microfinance institutions (MFIs) in FY26.

https://www.business-standard.com/finance/news/microfinance-defaults-stay-elevated-in-q4fy25-says-india-ratings-125041000701_1.html

NaBFID inks MoU with New Development Bank to boost financing infra projects

The National Bank for Financing Infrastructure and Development (NaBFID) on Thursday said it has signed a Memorandum of Understanding (MoU) with the New Development Bank (NDB) creating a deep and sustainable infrastructure financing market and developing a supportive ecosystem around it. NDB is a multilateral development bank established by Brazil, Russia, India, China and South Africa (BRICS) with the purpose of mobilising resources for infrastructure and sustainable development projects in emerging markets and developing countries (EMDCs).

https://www.business-standard.com/finance/news/nabfid-inks-mou-with-new-development-bank-to-boost-financing-infra-projects-125041000465_1.html

Non-life insurers' premium likely to improve in FY26, say experts

The non-life insurance sector reported single-digit growth in premiums in 2024-25 (FY25) — the lowest in the past three years — due to a slowdown in health and motor segments, as well as changes in premium accounting norms introduced by the insurance regulator. But industry insiders and experts are optimistic about a strong rebound in 2025-26 (FY26), with premium growth expected to rise by 9-13 per cent, driven by an overall improvement in the economy, and revision in motor third party rates.

https://www.business-standard.com/finance/insurance/after-single-digit-fy25-growth-non-life-premiums-set-to-rebound-in-fy26-125041000874_1.html

ITR filings top 9 crore in FY25 amid market boom, economic momentum

Increasing retail participation in the stock market, among other factors, propelled Income Tax Return (ITR) filings to surge over 9 crore at the end of fiscal year 2024-2025 (FY25), data from the government's e-filing portal showed. Experts anticipate a continuation of this trend in the current fiscal.

<https://www.thehindubusinessline.com/economy/rally-in-stock-market-economic-momentum-fuel-itr-filings-to-cross-9-crore-in-fy25/article69435439.ece>

Industry

FMCG companies in wait-and-watch mode on new labelling guidelines

Consumer companies are awaiting clarity from the government after the Supreme Court asked the Centre to come up with guidelines on labelling as regards ingredients on the front part of packaged products. According to sources in the know, there will be a meeting of industry executives on Friday to discuss the way forward. A company executive said: "We are awaiting further clarity from the government on the new guidelines and once they are announced, companies will adhere to them."

https://www.business-standard.com/industry/news/food-firms-await-fopl-clarity-as-sc-gives-centre-3-months-for-guidelines-125041001014_1.html

Luxury car sales hit record in FY25; FY26 outlook remains cautious

After selling around 51,000 luxury cars in 2024-25 (FY25), the highest-ever sales figures recorded in India in a single financial year, luxury carmakers expect growth to moderate in 2025-26 (FY26) due to the turmoil in the financial markets and global geopolitics. The overall luxury car market had grown by around 3 per cent in FY25.

https://www.business-standard.com/industry/auto/luxury-car-sales-off-to-a-good-start-in-2025-despite-macro-headwinds-125041000803_1.html

US Tariffs: India's Steel Ministry re-explores 20 per cent safeguard duty to block aggressive Chinese dumping

As the US slams 125 per cent tariffs on Chinese imports, India is considering a 20 per cent safeguard duty on steel imports to counter dumping threats, intensifying a global trade war over the alloy. The US move, effective midnight April 9, saw President Trump hike tariffs from 104 per cent — a mix of a 20 per cent baseline and a 34 per cent reciprocal levy — to a staggering 125 per cent, with an additional 50 per cent jump.

<https://www.thehindubusinessline.com/economy/us-tariffs-indias-steel-ministry-re-explores-20-per-cent-safeguard-duty-to-block-aggressive-chinese-dumping/article69435203.ece>

Chinese steel undercuts Indian prices by up to 12% amid tariff uncertainty

Chinese steel offers for India have continued to be cheaper by 5–12 per cent, week-on-week since March 4, following the first round of Trump tariffs. This accounts for basic customs duty, currency fluctuations, and port and miscellaneous charges. Price fluctuations have been in the ₹500 per tonne range, although purchases from Indian traders have been on the slower side, sources said.

<https://www.thehindubusinessline.com/markets/commodities/chinese-steel-undercuts-indian-prices-by-up-to-12-amid-tariff-uncertainty/article69436080.ece>

Consumer appliance & electronics manufacturers renegotiating deals with component suppliers

Consumer appliance and electronics manufacturers are returning to the drawing board to renegotiate deals with Chinese component makers. This comes amidst the US-China tariff war which has led to an oversupply situation in China for components with slowdown in fresh orders. Atul Lal, Vice-Chairman and MD, Dixon Technologies said while there remains high level of uncertainty but some bit of softness in terms of components prices is visible.

<https://www.thehindubusinessline.com/companies/consumer-appliance-and-electronics-manufacturers-begin-renegotiating-deals-with-component-suppliers/article69436094.ece>

Agriculture

Maize, soybean high on the radar of US for BTA with India

Though facilitation of maize and soybean imports from the US is among major demands before India as both countries have started negotiation for a bilateral trade agreement, any concession may have to wait until the government takes a policy decision with regard to allowing import of genetically modified (GM) crops, sources said.

<https://www.thehindubusinessline.com/economy/maize-soybean-high-on-the-radar-of-us-for-bta-with-india/article69436112.ece>

Prawn farmers seek cut in import duty of aquaculture inputs

Prawn farmers have urged the Government to remove import duties on essential aquaculture inputs including brood-stock and hatchery feeds in the face of reciprocal tariff by the US on shrimp exports. Prawn Farmers Federation of India said nearly 100 per cent of the brood-stock used in shrimp farming has been imported from the US along with significant quantities of hatchery feeds, pre-mixes and artemia. Eliminating these duties would demonstrate the country's commitment to fair trade practices and strengthen the foundation for reciprocal actions from the US.

<https://www.thehindubusinessline.com/economy/agri-business/prawn-farmers-seek-cut-in-import-duty-of-aquaculture-inputs/article69434267.ece>

Infrastructure

Cabinet approves Rs 1,878 crore highway and Rs 1,332 crore railway projects

The Cabinet Committee on Economic Affairs approved major infrastructure projects, including a ₹1,878 crore six-lane highway and ₹1,332 crore railway projects in Punjab, Haryana, Andhra Pradesh, and Tamil Nadu. Additionally, ₹1,600 crore was allocated for modernizing irrigation under the Pradhan Mantri Krishi Sinchayee Yojana to improve water management.

<https://economictimes.indiatimes.com/news/economy/infrastructure/cabinet-approves-rs-1878-crore-highway-and-rs-1332-crore-railway-projects/articleshow/120137524.cms>

India office rentals head north even as global markets face headwinds: Rpt

Office rentals in India continued their upward trend, with rents rising between 3.8 per cent and 8.2 per cent year-on-year (Y-o-Y), even as global office markets remained under pressure in 2024, according to Vestian, a workplace solutions firm. Vestian's report showed leasing activity touched a record high of 70.7 million square feet in 2024, marking a 16 per cent annual increase. Sub-dollar rentals across India's top seven cities played a key role, positioning the country as a rare bright spot in an otherwise subdued global landscape.

https://www.business-standard.com/industry/news/india-office-rentals-head-north-even-as-global-markets-face-headwinds-rpt-125041000504_1.html

ICRA expects 18-20% growth for airport operators in FY26 on higher traffic

Indian airport operators are expected to see an 18-20 per cent topline year-on-year growth in this fiscal, driven by a sustained improvement in passenger traffic and tariff hike as well as ramp-up in non-aeronautical revenues, ratings agency ICRA said on Thursday. At the same time, ICRA estimates overall air passenger traffic growing at a healthy 7-9 per cent Y-o-Y to reach at 440-450 million in FY26, on the back of an around 10 per cent estimated increase in the just concluded financial year, it said.

https://www.business-standard.com/companies/news/icra-expects-18-20-growth-for-airport-operators-in-fy26-on-higher-traffic-125041000469_1.html

Energy

India's natural gas consumption to rise 60% by 2030: Oil regulator PNGRB

India's natural gas consumption is likely to rise by close to 60 per cent by 2030 on the back of rise in usage of the fuel as CNG in automobiles and for cooking and industrial purposes, according to a study by oil regulator PNGRB.

https://www.business-standard.com/industry/news/india-s-natural-gas-consumption-to-rise-60-by-2030-oil-regulator-pngrb-125041000589_1.html

Crude oil flows from only US rose in January 2025, reveals data

The US was the only major source nation from which crude flows rose in January, with imports rising 3.4x by value and 4x by volume, official data shows. Data released by the commerce department shows the rise in US oil coincided with lower volumes coming in from Russia and traditional West Asian suppliers such as Iraq, Saudi Arabia, and Kuwait. This pulled down overall crude oil imports by 16.3 per cent on a year-on-year (Y-o-Y) basis. The data is usually released with a lag of three months. Crude imports from Russia fell for the second month in a row in January, when former US President Joe Biden's last set of sanctions were announced against Moscow.

https://www.business-standard.com/economy/news/crude-oil-flows-from-only-us-rose-in-january-2025-reveals-data-125041001110_1.html

Power demand to grow 6.5-7.5% in summer quarter: Crisil report

India's power demand is expected to grow 6.5–7.5% year-on-year in Q1 FY25, slower than the 11% growth seen in the same period last year, according to Crisil Intelligence. Driven by rising summer temperatures and industrial activity, overall power demand rose 4.3% in FY25 to 1.7 trillion units. Coal despatches to power plants also increased, boosting inventory levels.

<https://economictimes.indiatimes.com/industry/energy/power/power-demand-to-grow-6-5-7-5-in-summer-quarter-crisil-report/articleshow/120173666.cms>

Telecom

DTH players urge government to act on TRAI suggestion to scrap licence fee

The DTH sector in India is still waiting for clarity from the MIB on TRAI's proposal to reduce and eventually eliminate the 8% licence fee. TRAI has twice recommended slashing it to 3% and phasing it out by FY27, citing competition from DD Free Dish and OTT platforms. While Airtel, Tata Play, and Dish TV support the move, Reliance Jio opposes it, arguing DTH operators enjoy spectrum without paying market rates.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dth-players-urge-government-to-act-on-trai-suggestion-to-scrap-licence-fee/articleshow/120146167.cms>

States

Andhra Pradesh govt clears investments worth Rs 31,167 cr by 17 companies

The government of Andhra Pradesh on Thursday cleared investment plans to the tune of Rs 31,167 crore by 17 companies in sectors like information and communication, food processing, information technology and energy. At the fifth State Investment Promotion Board (SIPB) meeting, the government cleared proposals by Ma Mahamaaya Industries (Rs 2,063 crore), Premier Energies (Rs 4,200 crore), LG Vendors (Rs 839 crore), and investment proposals by another 14 companies. These investments will create around 32,633 jobs.

https://www.business-standard.com/economy/news/andhra-pradesh-govt-clears-investments-worth-rs-31-167-cr-by-17-companies-125041001049_1.html

Uttar Pradesh eyes Rs 33 trillion fresh private investments in GIS 2.0

The Uttar Pradesh government is gearing up to host the UP Global Investors Summit (GIS) 2.0 in 2025-26 (FY26), with an aim to attract nearly ₹33 trillion in fresh private investments. This move is a part of the state's efforts to become a trillion-dollar economy. UP GIS 1.0 was held in February 2023 in Lucknow which garnered over 27,000 investment proposals worth ₹40 trillion.

https://www.business-standard.com/economy/news/uttar-pradesh-eyes-rs-33-trillion-fresh-private-investments-in-gis-2-0-125041000828_1.html

Delhi govt considers series of green measures to boost EV adoption

Through a series of green measures, the Delhi government is considering boosting the adoption of electric vehicles (EVs) in the National Capital Region (NCR). The steps are introducing a pollution cess on petrol, increasing the cess on diesel, imposing annual green levies between ₹2,000 and ₹10,000 on non-EVs older than 10 years old, and mandating the installation of EV-charging stations in parking areas of housing societies.

https://www.business-standard.com/industry/auto/delhi-mulls-annual-green-levies-on-old-vehicles-125041000997_1.html

Healthcare

Focus on data quality and completeness

The quality and completeness of clinical trial data being generated in the country, will be a focus area for Indian Society for Clinical Research's new president Dr Seema Pai, as the organisation clocks 20 years in the country. Against the backdrop of India undertaking late-stage trials for multinational companies, and for several years, Pai said, "We

have to concentrate on the data completeness and the quality of the data that we are getting in,” for the industry to move up the value chain.

<https://www.thehindubusinessline.com/news/focus-on-data-quality-and-completeness-says-iscrs-new-president-dr-seema-pai/article69434743.ece>

External

India eyes trade pact push as US pauses reciprocal tariffs for 3 months

With US President Donald Trump “temporarily suspending” country-specific reciprocal tariffs until July 9, India sees the three-month window as an opportunity to renew its push for a proposed bilateral trade agreement (BTA) with the US and expedite finalisation of the first tranche of the trade deal. “The 90-day pause on the 26 per cent reciprocal tariff (imposed by the US on Indian imports) gives us the window to expedite the trade deal discussions that began last month. We still don’t know if the pause on reciprocal tariffs will continue beyond 90 days,” a senior government official told Business Standard.

https://www.business-standard.com/economy/news/india-eyes-trade-pact-push-as-us-pauses-reciprocal-tariffs-for-3-months-125041000879_1.html

US-China tariff war: Commerce Ministry to set up import monitoring cell to check surges

With China and the US engaged in a full-fledged tariff war, the Commerce Ministry is setting up an import monitoring cell under the Directorate General of Trade Remedies to keep a close watch on imports to check surges, especially from the neighbouring country, sources said. There is also a worry that China may now try to undercut other countries, including India, in important markets such as the EU by selling its stuff cheap.

<https://www.thehindubusinessline.com/economy/us-china-tariff-war-commerce-ministry-to-set-up-import-monitoring-cell-to-check-surges/article69436415.ece>

Exporters asked not to route shipments to US from other locations

The government has directed exporters to ensure that they do not try to use countries with lower tariffs to route their exports to the US or allow other countries to use India to access the American markets, director general of Federation of Indian Export Organisations Ajay Sahai said. The differential import duties for countries by the US under its reciprocal tariff plan gives rise to the possibility that exporters might try to use countries with lower tariffs to route their exports to the US. For Indian exporters UAE and Singapore with baseline tariffs of 10% are attractive locations for routing goods to the US.

<https://www.financialexpress.com/policy/economy/exporters-asked-not-to-route-shipments-to-us-from-other-locations/3804688/>

Trump slaps 145% tariffs on China, escalating trade war

President Donald Trump’s tariffs on Chinese imports are now at least 145 per cent, far above the level many economists said could decimate US-China trade. Trump is imposing a 125 per cent charge designed to both counter America’s trade deficit with China and punish Beijing for retaliating against US import taxes. The number, published in a White House memo Thursday, comes in addition to a 20 per cent levy put into place earlier this year over China’s role in fentanyl trafficking.

<https://www.thehindubusinessline.com/news/world/trump-slaps-145-tariffs-on-china-escalating-trade-war/article69436611.ece>

Govt may fast-track food, medicines, farm trade under AEO framework

The Directorate of International Customs (DIC) under the finance ministry has been working with regulatory agencies responsible for safety, quality, and compliance of food, medicines, and agricultural trade to fast track clearances of exports and imports under the authorised economic operator (AEO) framework. The unilateral trade facilitation measure is expected to improve trade with countries like the US, with which India has mutual recognition agreements (MRAs) under the AEO framework.

https://www.business-standard.com/industry/news/govt-may-fast-track-food-medicines-farm-trade-under-aeo-framework-125041001027_1.html

India offers UK an EV trade-off: Luxury imports for budget exports

India has proposed unlimited electric vehicle imports priced above GBP 80,000 from the UK to facilitate a free trade agreement. This is in exchange for a larger export quota of smaller EVs priced below GBP 40,000 from India to the UK. The proposal aims to benefit automakers in both countries and potentially influence trade discussions with the US.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-offers-uk-an-ev-trade-off-luxury-imports-for-budget-exports/articleshow/120174147.cms>

Overall exports cross \$ 820 bn in FY 25

India's overall exports — merchandise and services — grew 6% on year to cross \$ 820 billion in 2024-25 despite many headwinds, commerce and industry minister Piyush Goyal said Wednesday. At the meeting with the export promotion councils and industry chambers on the emerging trade scenario after the imposition of reciprocal tariffs by the US, complimented the exporters for achieving highest ever exports.

<https://www.financialexpress.com/policy/economy/overall-exports-cross-820-bn-in-fy-25/3804710/>