



February 28, 2023 – Tuesday

Key Developments

Registration must for vendors with links to companies in neighbouring nations

The Centre has made it mandatory for local vendors with links to companies from countries that share land border with India to register with the competent authority prior to bidding for government procurement contracts. The finance ministry had amended the General Financial Rules 2017 via an order on July 23, 2020, "to enable imposition of restrictions on bidders from countries which share a land border with India on grounds of defence and national security". The move was targeted at China, in the wake of the border clashes in which 20 Indian soldiers were killed. This order has now been expanded to include local companies with transfer of technology with entities from these countries. The latest order extends the norm to state-run banks and financial institutions, central public sector enterprises and public-private partnership projects receiving financial support from the government or its undertakings, including consulting services.

<https://economictimes.indiatimes.com/news/india/registration-must-for-vendors-with-links-to-companies-in-neighbouring-nations/articleshow/98283649.cms>

Economy

PMEGP: KVIC releases Rs 100 crore in subsidy to over 3,000 beneficiaries

Khadi and Village Industries Commission (KVIC) Chairman Manoj Kumar on Sunday released the margin money subsidy of Rs 100.63 crores to 3,083 beneficiaries under the Prime Minister's Employment Generation Programme (PMEGP) scheme with the sanctioned loan of Rs 296.19 crore for PMEGP projects (new enterprises). This will create new employment opportunities for around 25,000 people, the MSME ministry said in a statement. The subsidy was released during an event organised in the Karauli district of Rajasthan where Kumar also distributed 300 bee boxes including bee colony to beekeepers. He said KVIC took up this endeavour as the Honey Mission to create new employment opportunities and increase the income of beekeepers and the yield of farmers' crops. According to Kumar, under the scheme, 17,570 beekeepers have been trained and 1.75 lakh bee boxes have been distributed along with bee colonies.

<https://www.financialexpress.com/industry/sme/msme-fin-kvic-releases-rs-100-crore-in-subsidy-to-over-3000-beneficiaries-under-pmegp-scheme/2993992/>

UIDAI rolls out AI-based security mechanism for fingerprint authentication

The Unique Identification Authority of India (UIDAI) on Monday rolled out a new security mechanism based on Artificial Intelligence for Aadhaar-based fingerprint authentication and faster detection of spoofing attempts. The new two-factor/layer authentication has added extra checks to validate the genuineness (liveness) of the fingerprint to further cut down the chances of spoofing attempts. The UIDAI has developed the artificial intelligence and machine learning (AI/ML) based security mechanism completely in-house. The mechanism uses a combination of both finger minutia and finger image to check the liveness of the fingerprint captured. This will make Aadhaar authentication transactions even more robust and secure, the UIDAI said.

https://www.business-standard.com/article/economy-policy/uidai-rolls-out-ai-based-security-mechanism-for-fingerprint-authentication-123022701286_1.html

Blue economy occupies vital position in India's economic growth: CAG

The blue economy occupies a vital position in India's economic growth and it could well be the next multiplier of GDP and well-being, provided sustainability and socio-economic welfare are kept at the centre stage, said CAG G C Murmu on Monday. India has a 7,517 km long coastline that is home to nine coastal states and 1,382 islands. The coastal economy sustains over 4 million fishermen and other coastal communities. There are nearly 199 ports, including 12 major ports that handle approximately 1,400 million tons of cargo each year, Comptroller & Auditor General of India (CAG) said at a seminar on the challenges and opportunities in the Blue Economy. Moreover, he said, India's Exclusive Economic Zone of over 2 million square kilometres has a bounty of living and non-living resources with significant recoverable resources such as crude oil and natural gas. "With these vast maritime interests, the blue economy occupies a vital potential position in India's economic growth. It could well be the next multiplier of GDP and well-being, provided sustainability and socio-economic welfare are kept at centre stage," he said.

https://www.business-standard.com/article/economy-policy/blue-economy-occupies-vital-position-in-india-s-economic-growth-cag-123022701320_1.html

Banking and Finance

Bank credit growth drops to 16.8% in 2022, deposit growth at 10.3%

Bank credit growth slowed down to 16.8 per cent in the October-December 2022 period from a year earlier, RBI data showed. This compares with the 17.2 per cent growth in the previous quarter, according to the quarterly statistics on bank deposits and credit, released by the Reserve Bank of India on Monday. Credit growth of scheduled commercial banks (SCBs) accelerated further to 16.6 per cent in December from 8.4 per cent a year ago, according to Reserve Bank of India. Credit portfolio of public sector banks increased by 15.7 per cent during the calendar year 2022 compared with 4.7 per cent in 2021, whereas private sector banks' credit grew 19.1 per cent against 13.1 per cent a year ago. "Growth in credit was led by bank branches in metropolitan centres, which account for nearly 60 per cent of the total credit by SCBs and recorded 17.2 per cent rise (y-o-y) in lending," the central bank said in a release, adding that urban, semi-urban and rural centres also recorded double digit credit growth.

<https://www.thehindubusinessline.com/money-and-banking/bank-credit-growth-drops-to-168-in-2022-deposit-growth-at-103/article66560369.ece>

First time in many years, fixed deposit rates turn positive at 8%

As banks' chase for customers to collect cheap deposits is not fructifying, they are forced to offer inflation-beating real interest rates on fixed deposits now, and state-run banks led by Punjab & Sind Bank top the chart offering a cool 8-8.50 per cent per annum. Banks are forced to offer inflation-beating deposit rates for a tenor ranging from 200 to 800 days as credit growth has been far outpacing deposit mobilization throughout this fiscal, leading to a funding crunch. Even at the lowest 7 per cent, fixed deposit pricing is positive for customers because even after a surprise spurt in retail inflation for January at 6.52 per cent, the real rates are in the green.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/first-time-in-many-years-fixed-deposit-rates-turn-positive-at-8/articleshow/98282132.cms>

Capital infusion of Rs 3,000 crore likely in three General Insurers

The government has started a fresh assessment of the capital needs of the three general insurers to help them meet the regulatory requirements. While no allocation has been made in the FY24 budget, the government may infuse around ₹3,000 crore as it firms up its plan to divest one general insurer in the next fiscal. "We are in discussion with the three general insurers. They have taken a series of steps to make their operations more efficient while bringing down their expenses. We may seek this through supplementary demand for grants within this fiscal year," said an official aware of the developments, adding that the government will support its companies to turn things around.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/capital-infusion-of-rs-3000-crore-likely-in-three-general-insurers/articleshow/98283652.cms>

Asset monetisation in FY23 may see ₹55,000-crore shortfall

The Centre is likely to miss its asset monetisation target of ₹1.62 lakh crore for this fiscal by a whopping ₹55,000 crore. Despite the heavy lifting by the coal and mining sectors, the Indian Railways alone may fall short of its annual target by ₹28,000 crore, according to an internal finance ministry review. "The asset monetisation may fall short by about ₹55,000 crore... The ministry of railways, department of telecom and ministry of petroleum, oil and gas has indicated it may miss the target by wide margins," a senior official privy to an internal review by the Department of Public Enterprises last week told ET.

<https://economictimes.indiatimes.com/news/economy/finance/asset-monetisation-in-fy23-may-see-55000-crore-shortfall/articleshow/98283676.cms>

Microfinance loans unpaid beyond 180 days jump in December quarter: Report

Loan delinquencies in the microfinance sector improved under all buckets except for loans unpaid even after 180 days of their due dates for the quarter ending December 31, 2022, self-regulatory organisation for the microfinance sector Sa-Dhan said in a statement on the sector's quarterly report. As of December 31, 2022, portfolio at risk (PAR) 180+ days past due (dpd) deteriorated to 11.49 per cent from 11.02 per cent in Q2. On the other hand, PAR 30+ dpd (loans unpaid for over 30 days) improved to 3.43 per cent from 4.94 per cent in Q2, PAR 60+ dpd improved to 2.60 per cent from 3.83 per cent in Q2, and PAR 90+ dpd improved to 1.76 per cent from 2.27 per cent in Q2. Apart from banks, for all other lenders — NBFC microfinance institutions (NBFC-MFIs), small finance banks (SFBs), NBFCs, and NFPs (not-for-profit MFIs) — PAR 30+ dpd was lower than the industry average. NBFCs had the lowest PAR 30+ dpd of 1.22 per cent followed by NFPs at 1.59 per cent, NBFC-MFIs at 2.18 per cent and SFBs at 3.22 per cent, the statement said.

<https://www.financialexpress.com/industry/sme/msme-fin-microfinance-loans-unpaid-beyond-180-days-jump-in-december-quarter-report/2993887/>

Industry

Steel companies to hike prices by ₹1,000 a tonne next month

Steel companies are set to raise prices by ₹800-1,000 a tonne to ₹64,000/tonne in March on the back of a sharp increase in raw material cost. The hike comes after a ₹500/tonne raise implemented this month, with strong demand both in the domestic and international markets. On the cost front, NMDC had hiked the price of iron ore fines (64 per cent Fe) to ₹3,910 a tonne in February, against ₹3,410 a tonne in January, while that of lumps (65.5 per cent Fe) was raised to ₹4,400 a tonne against ₹4,300 in the same period. Coking coal prices linked to Australia jumped to seven-month high of \$346 a tonne. Coking coal prices jumped 70 per cent from a low of \$203 a tonne logged last August, amid concern of global economy slipping into a recession in the wake of a surge in energy costs sparked by Russia's invasion of Ukraine.

<https://www.thehindubusinessline.com/news/steel-companies-to-hike-prices-by-1000-a-tonne-next-month/article66559817.ece>

India Inc's profit margin narrows in Dec quarter on high inflation: Icra

India Inc's operating profit margin narrowed by a sharp 2.37 per cent in the December quarter to 16.3 per cent on an annual basis due to inflation and rising energy costs, a domestic ratings agency said on Monday. When viewed sequentially, the operating profit margin for the December quarter expanded by 1.80 per cent over the preceding September quarter, Icra Ratings said, attributing the same to the easing in input costs and also price hikes by many companies. Going forward, while price hikes and sequential input cost reductions can boost margins in the near term, geopolitical tensions, recessionary concerns, and forex volatility continue to pose risks, the agency said. The revenue of companies, excluding those in the financial sector, grew 17.2 per cent, which was as per expectations, the agency said, adding that hotels, oil and gas, auto, airlines, and power sectors led the way.

https://www.business-standard.com/article/companies/india-inc-s-profit-margin-narrows-in-dec-quarter-on-high-inflation-icra-123022700899_1.html

Indian semiconductor market to reach USD 55 billion by 2026: Deloitte

India is poised to emerge as a major player in 5G, semiconductor and chip technology, live sports, and AVOD with private deployment networks likely to take off in a big way during 2025-2028, according to consultancy Deloitte. It

has also projected the Indian semiconductor market to be worth USD 55 billion by 2026. Satellite broadband and communication service market in India is expected to grow and expand with the developing use case horizon and exponential growth in data consumption, as per Deloitte's 2023 TMT (Technology, Media, and Entertainment, Telecom) predictions. Deloitte predicted the Indian semiconductor market will reach USD 55 billion by 2026 with more than 60 per cent of the market being driven by three industries -- smartphones and wearables, automotive components, and computing and data storage.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/indian-semiconductor-market-to-reach-usd-55-billion-by-2026-deloitte/articleshow/98282290.cms>

Corporate India skilling staff on war footing to stay ahead

Corporate India is skilling its employees on a war footing, as companies look to become more agile and future-ready in an increasingly digital, fast-changing world. Organisations including Larsen & Toubro, InMobi, Vedanta Group, P&G and Castrol are investing heavily in employee skill development, with L&D annual budgets going up, in some cases, by up to 100%. In-house platforms/institutes, facilitated trainings, gamification, group and individual coaching, self-paced learning offerings, tie-ups with skilling platforms and leading engineering colleges and B-schools are among the many options on offer to upskill and reskill employees in areas spanning everything from digital and sustainability to people management, and leadership.

<https://economictimes.indiatimes.com/news/company/corporate-trends/corporate-india-skilling-staff-on-war-footing-to-stay-ahead/articleshow/98283130.cms>

Agriculture

Government looks to integrate 100 more interstate mandis with e-NAM

The government is looking at integrating 100 more interstate mandis with the Electronic National Agriculture Market (e-NAM), to promote trade between the wholesale markets. "We are focusing more on integrating interstate mandis now," said a senior official. The trade between interstate mandis on e-NAM increased to 3,929 quintals during April 2022 to January 2023 from just one quintal a year earlier. In the first 10 months of fiscal 2023, the value of interstate trade was Rs 1.87 crore, against the overall trade of Rs 61,257 crore on e-NAM.

<https://economictimes.indiatimes.com/news/economy/agriculture/government-looks-to-integrate-100-more-interstate-mandis-with-e-nam/articleshow/98283788.cms>

Infrastructure

Norms rejig on cards to draw private players to highways

The government is considering changing the parameters for awarding and implementing highway projects to address the risks faced by concessionaires as well as insulate the Centre. "The focus is on project implementation to reduce encumbrances. Various steps have already been taken such as acquiring 90% of the land required and getting environment and forest clearances before awarding a project," Alka Upadhyaya, secretary, Ministry of Road Transport and Highways, told ET. She said the government has turned its focus to build, operate and transfer (BOT) mode given the growing appetite for such projects.

<https://economictimes.indiatimes.com/news/economy/infrastructure/norms-rejig-on-cards-to-draw-private-players-to-highways/articleshow/98283464.cms>

Energy

After Ethanol, policy support for Biogas

The government is planning to replicate the success of ethanol in compressed biogas (CBG) by offering capital support for biomass aggregation, laying of gas pipelines, and mandating natural gas marketers to blend 5% biogas by 2027, according to people familiar with the matter. India achieved an ethanol blending average of 10% in 2021-22 from 1.5% in 2013-14, riding a raft of policy interventions that encouraged investments in new supplies and ensured full offtake. The ethanol story has emboldened the government to plan a similar policy push for a wider adoption of CBG.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/after-ethanol-policy-support-for-biogas/articleshow/98283978.cms>

Commercial coal mines: 10 mines auctioned on first day of e-auctions

The Coal Ministry auctioned 10 blocks with reserves of 1,866 million tonnes (MT) on the first day of the e-auction of commercial coal mines. Forward auctions for these mines started on Monday. Of the 10 coal mines put up for auction on the first day of the e-auction, six were under the Coal Mines (Special Provision) Act, I, and four were part of the Mines and Minerals (Development and Regulation) Act, the Ministry said in a statement.

<https://www.thehindubusinessline.com/economy/commercial-coal-mines-10-mines-auctioned-on-first-day-of-e-auctions/article66560977.ece>

Karnataka, Gujarat best prepared for electricity transition: Study

Karnataka and Gujarat are making the most progress in overall preparedness and commitment in the transition to clean electricity, a new joint report from the Institute for Energy Economics and Financial Analysis (IEEFA) and Ember shows. The report analyses 16 States, which together account for 90 per cent of the country's annual power requirement, across four dimensions. The dimensions track a State's preparedness to shift away from fossil-fuel-based power, its ability to incentivise greener market participation, its power system's reliability and its policies pushing for power sector decarbonisation. Based on this analysis, the report authors devised the "States' Electricity Transition (SET) scoring system," which measures the performance of the different States in the transition to clean electricity.

<https://www.thehindubusinessline.com/news/national/karnataka-gujarat-best-prepared-for-electricity-transition-study/article66560519.ece>

Telecom

Govt offers 5G test bed for free to recognised startups, MSMEs till Jan'24

Department of Telecom (DoT) has offered the usage of 5G test bed free of cost to start-ups and MSMEs recognised by the government, up to January 2024, an official release said on Monday. The release further said that all 5G stakeholders including industry, academia, service providers, research and development institutions, government bodies and equipment manufacturers can utilise this facility at a very nominal rate. The move will encourage the usage of the test bed and give a fillip to the development of indigenous technologies/ products in line with the Aatmanirbhar Bharat' vision. Several start-ups and companies are already using the test bed for testing their products and services, the release added. In March 2018, in view of India's specific requirements and to take lead in 5G deployment, the Department of Telecommunications approved a financial grant for the multi-institute collaborative project to set up 'Indigenous 5G Test Bed' in India with a total cost of Rs 224 crore.

https://www.business-standard.com/article/economy-policy/govt-offers-5g-test-bed-for-free-to-recognised-startups-msmes-till-jan-24-123022701239_1.html

States

Nearly 635 hectares on auction menu for investors in Uttar Pradesh

To expedite private projects proposed at the recent Uttar Pradesh (UP) Global Investors Summit (GIS) 2023, the UP government has prepared to auction off almost 635 hectares. The land, equalling nearly 888 Olympic soccer stadiums, has been identified in the urban pockets for allotment to investors. According to sources, the land has been arranged for urban-centric projects, including hotels, schools, group housing, hospitals, nursing homes, CNG filling stations, logistics, and shopping centres. "The process of preparing a menu of industrial grade land across UP had started much before the GIS was organised in Lucknow. The industrial development bodies as well as the housing department had been tasked with identifying suitable land for prospective allotment," a government spokesperson said.

https://www.business-standard.com/article/economy-policy/nearly-635-hectares-on-auction-menu-for-investors-in-uttar-pradesh-123022701414_1.html

Andhra Pradesh Govt offers one-stop digital platform for investors

Ahead of the Global Investors Summit 2023, which will be held in Visakhapatnam on March 3–4, the Andhra Pradesh government has offered a one-stop digital platform for investors. “We will provide a one-stop digital platform for all domestic and foreign investments through our Andhra Pradesh Single Desk Portal. The business-specific approvals for setting up businesses are granted within a maximum timeframe of 21 days,” Gudivada Amarnath, Minister for Industries, Infrastructure, Investment & Commerce, Information Technology, Handlooms & Textiles, Andhra Pradesh, said.

<https://www.thehindubusinessline.com/news/andhra-pradesh-govt-offers-one-stop-digital-platform-for-investors/article66559736.ece>

Himachal govt approves setting up of eight heliports in 2023: Officials

The Himachal Pradesh government has given clearance for setting up of eight heliports in different districts of the state this year and work for their construction will start soon, officials said on Monday. The decision of the state government is aimed at promoting tourism and giving a boost to its economy, officials said. Deputy Commissioners have selected land for the construction of heliports in six districts and Pawan Hans will start the consultancy work related to the heliport from March 1, an official spokesman said. He said the Detailed Project Reports (DPRs) were being sent to the Centre for getting funds. The Centre will allocate the budget to the state for the construction of the heliport as per prescribed parameters. Presently, out of five heliports in the state, three are being used commercially.

https://www.business-standard.com/article/economy-policy/himachal-govt-approves-setting-up-of-eight-heliports-in-2023-officials-123022700578_1.html

Departments should aim to get maximum revenue: Uttarakhand CM Pushkar Dhama

Uttarakhand Chief Minister Pushkar Singh Dhama on Monday said that a department should work on getting maximum revenue in relation to the target. Chairing a meeting to review the status of revenue receipt in the secretariat, CM said, "Efforts should be made by the departments to get maximum revenue in relation to the target. In order to increase the revenue of various departments and other states, the best practices of other states should also be studied in depth," he said. "The departments whose revenue receipt is less as per the target, the reasons for this should be studied deeply, where there is a need for improvement in the policy, that should be done," he added. The Chief Minister instructed the officials that a meeting will be held in April regarding achieving the revenue target for the next financial year, in which all the departments will table their complete plan to achieve the target.

https://www.business-standard.com/article/economy-policy/departments-should-aim-to-get-maximum-revenue-uttarakhand-cm-pushkar-dhama-123022800058_1.html

Healthcare

NPPA fixes retail price of 74 drug formulations

Drug price regulator National Pharmaceutical Pricing Authority on Monday said it has fixed the retail prices of 74 formulations, including the medications to treat diabetes and high blood pressure. The National Pharmaceutical Pricing Authority (NPPA) has fixed the prices under the Drugs (Price Control) Order 2013 based on the decision of the 109th authority meeting held on February 21 this year. As per the notification, the NPPA has fixed the price of one tablet of Dapagliflozin Sitagliptin and Metformin Hydrochloride (extended-release tablets) at Rs 27.75. Similarly, the drug price regulator has fixed the price of one tablet of blood pressure lowering medication Telmisartan and Bisoprolol Fumarate tablets at Rs 10.92. The NPPA said it has also revised the ceiling price of 80 scheduled formulations (NLEM 2022) including the one to treat epilepsy and neutropenia.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/nppa-fixes-retail-price-of-74-drug-formulations/articleshow/98279741.cms>

Centre forms panel to prepare road map for health care regulations

The Centre on Monday formed a committee under the pharmaceuticals department secretary to take forward suggestions from the two-day brainstorming conclave on health care regulations in India, sources said. The committee will present a road map within the next one month. The government sources said the committee members include Drugs Controller General of India Rajeev Raghuvanshi, joint secretary (drugs) of the Union health ministry, and nodal officers from states. Health Minister Mansukh Mandaviya said the deliberations at the Chintan

Shivir gave an opportunity to all the participants “to deliberate on the building blocks of such a forward looking inclusive, holistic, and comprehensive regulatory framework that would set the vision and meet the requirements of the next 25 years on the three levels of policy, priorities, and implementation.

https://www.business-standard.com/article/economy-policy/centre-forms-committee-to-prepare-roadmap-for-healthcare-regulation-123022701191_1.html

India may miss 2030 deadline for over half of health SDGs: Lancet study

India is not on target for over 50 per cent of the United Nations Sustainable Development Goal (SDG) indicators related to health and social determinants of health seven years before the 2030 deadline, according to a study published in The Lancet journal. An international team of researchers found that over 75 per cent Indian districts are off target for crucial SDG indicators like access to basic services, poverty, stunting and wasting of children, anaemia, child marriage, partner violence, tobacco use, and modern contraceptive use. For these indicators, more than 75 per cent of the districts were off-target. These districts are concentrated in Madhya Pradesh, Chhattisgarh, Jharkhand, Bihar, and Odisha.

https://www.business-standard.com/article/economy-policy/india-may-miss-2030-deadline-for-over-half-of-health-sdgs-lancet-study-123022700553_1.html

External

November launch missed, India-GCC trade talks likely to resume in March

India and the Gulf Cooperation Council (GCC) will engage in discussions to finalise the terms of reference as soon as March before launching negotiations for a trade deal.

https://www.business-standard.com/article/economy-policy/trade-negotiations-between-india-and-gcc-likely-to-resume-in-march-123022700910_1.html

EAM Jaishankar, Czech Foreign Minister Jan Lipavsky discuss bilateral ties

External Affairs Minister S Jaishankar and Czech Republic Foreign Minister Jan Lipavsky on Tuesday discussed opportunities in the domain of business, defence, space and education between the two countries. "Welcomed Foreign Minister @JanLipavsky of Czech Republic today evening in New Delhi. Our long-standing bilateral ties are expanding with regular contacts. Discussed opportunities in business, defence; space; education; S & T and innovation domains," Jaishankar tweeted on Tuesday. The two also noted the advancing India-EU collaboration and convergence on the reliability of supply chains and digital trust and transparency. "Noted the advancing India-EU collaboration & convergence on reliability of supply chains and digital trust & transparency. Agreed to continue our strong cooperation in multilateral forums. Exchanged views on developments in Europe and the Indo-Pacific, as well as global issues," the EAM further tweeted.

https://www.business-standard.com/article/economy-policy/eam-jaishankar-czech-foreign-minister-jan-lipavsky-discuss-bilateral-ties-123022800020_1.html

Ban on wheat import, export unlikely to go soon, say officials

No immediate changes are likely in the Centre’s decision disallowing both import and export of wheat, officials tracking the matter have said. “India is unlikely to import wheat as, right now, the government is clearing FCI stocks and this would meet the current requirement. The intention is to clear up as much stock as possible so that one has space for procurement next year,” an official told businessline.

<https://www.thehindubusinessline.com/economy/agri-business/indias-ban-on-wheat-import-export-unlikely-to-go-soon-say-officials/article66560283.ece>