



March 23, 2023 – Thursday

Economy

Aadhaar-linked NREGS payments to get more time

The government will likely extend the current mixed model of wage payment under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) beyond the March 31 deadline. The directive for a mandatory use of the Aadhaar-Based Payment System (ABPS) under the MGNREGS from February 1 had stoked massive protests by workers, many of whom claimed that they were being deprived of payments due to technical glitches. Subsequently, the rural development ministry decided to allow payments through both the ABPS and the usual National Automated Clearing House (NACH) electronic payment system until the end of March.

<https://economictimes.indiatimes.com/news/economy/policy/aadhaar-linked-nregs-payments-to-get-more-time/articleshow/98923977.cms>

9 states may post higher nominal GDP growth than country's 10.5%

Nine states have projected growth rates higher than the 10.5% forecast for the country in 2023-24, according to an ET analysis of budgets of 17 bigger states that account for nearly 90% of the country's gross domestic product (GDP). The average nominal GDP growth projected by the nine states for FY24 is 14%, well above the 10.5% nominal growth for the country projected in the Union budget as well as the average of 11.1% for all the 17 states analysed. Some experts are circumspect about these growth projections, given that the country's overall growth is expected to slow down from 15.9% estimated for this fiscal as per the budget for FY24.

<https://economictimes.indiatimes.com/news/economy/indicators/9-states-may-post-higher-nominal-gdp-growth-than-countrys-10-5/articleshow/98923948.cms>

11.5 cr households now have tap water connections, 1.5 lakh villages potable supply: Govt data

As many as 11.49 crore households now have tap water connections and over 1.53 lakh villages potable supply as the government doubles down on its efforts to make drinking water available to all, according to latest official data. The data as of March 21 showed massive jump in piped water supply to schools, anganwadi centres and aspirational districts after the government allocated ₹70,000 crore in FY23. This was 12 times more than the ₹5,500 crore allotted in 2018-19. The statistics came on a day that is marked as World Water Day with the UN World Water Development Report 2023 saying 26 per cent of the world's population do not have access to safe drinking water and 46 per cent lack access to basic sanitation.

<https://www.thehindubusinessline.com/economy/115-cr-households-now-have-tap-water-connections-15-lakh-villages-potable-supply-govt-data/article66649316.ece>

Banking and Finance

Finance Minister calls state-owned lenders' meet amid global banking crisis

Finance minister Nirmala Sitharaman has called a special meeting of state-run lenders later this week to seek their views on heightened global concerns over the banking system's vulnerability due to monetary tightening. The

finance minister will also assess the performance of public sector banks (PSBs) as FY23 draws to a close, besides their capital requirements, if any, said a person with knowledge of the matter.

<https://economictimes.indiatimes.com/news/economy/finance/finance-minister-calls-state-owned-lenders-meet-amid-global-banking-crisis/articleshow/98927230.cms>

RBI to start new data centre, governor stresses on tech, cybersecurity role

Reserve Bank of India governor Shaktikanta Das on Wednesday laid the foundation stone of a new greenfield data centre and enterprise computing and cybersecurity training institute of the central bank in Bhubaneswar. The new centre, spread over 18.55 acres, will look after the emerging requirements of the RBI and the financial sector, the central bank said via press release. "The Governor in his remarks acknowledged the critical role played by technology in supporting the activities of the financial sector and the RBI over the years and recently, in facilitating a robust recovery from the pandemic," the RBI said. Das highlighted the need to augment the RBI's existing computing infrastructure and to support the same through cutting edge facilities for research in areas such as central banking, technology and cybersecurity.

https://www.business-standard.com/article/finance/rbi-to-set-up-new-data-centre-guv-das-stresses-role-of-tech-cybersecurity-123032200923_1.html

Banks reach out to RBI, seek easing of MSME bad loan rules

Banks have reached out to the Reserve Bank seeking relaxation in recognition of non-performing assets in the MSME sector. Banks want that a restructured MSME account under the Covid package be considered NPA from the latest date and not from the date prior to restructuring. This will give some relief to banks as it would lessen their provisioning burden. This comes after, in certain cases, banks were told to treat such accounts as bad loans starting from when they were restructured and accordingly make provisions.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-reach-out-to-rbi-seek-easing-of-msme-bad-loan-rules/articleshow/98923918.cms>

Banks again fail to share subsidy with payments service cos

Two months after the National Payments Corporation (NPCI) steering committee decided on distribution of payments subsidy among banks and payment system operators, banks have yet again failed to distribute the amount. Banks had earlier failed to share payments subsidy amounting to more than ₹2,000 crore to payment system providers. A letter addressed by the NPCI steering committee to all member banks on January 16 had decided that lenders will have to share 0.15% incentive to issuers and 0.025% incentive to be given to payment systems operators. A similar letter was also sent in December. ET has seen a copy of both the letters.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-again-fail-to-share-subsidy-with-payments-service-cos/articleshow/98924097.cms>

Surge in bank credit offtake leads to three-fold jump in CD issuance

In a reflection of the huge increase in banks' demand for funds on account of booming credit offtake, issuances of certificates of deposits (CDs) have surged by more than three times so far this financial year, Reserve Bank of India data showed.

https://www.business-standard.com/article/finance/surge-in-bank-credit-offtake-leads-to-3x-jump-in-cd-issuance-rbi-data-123032200915_1.html

Non-life insurers see 20 per cent year-on-year growth in premiums in February

Non-life insurance companies continued their double-digit growth in February, with premiums growing 20 per cent year-on-year to ₹19,876 crore led by health and motor insurance. So far in FY23, premiums for the sector have grown 16.9 per cent, compared with 11 per cent for the corresponding period of the previous year. General Insurers' premiums were up 15.6 per cent year-on-year compared with 7.7 per cent growth in February 2022. Premium growth for standalone private health insurers grew to ₹2,320 crore from ₹1,829 crore a year ago, but was lower than ₹2,560 crore, a month ago.

<https://www.thehindubusinessline.com/money-and-banking/non-life-insurer-premium-growth-february/article66650053.ece>

No thaw seen in start-up funding winter despite 231 deals this year

For a segment that thrives on promise more than performance, the country's start-up ecosystem is refusing to get carried away by the funding this calendar year. This has created the highest level of uninvested venture capital in seven years as investors wait for corrections in the working and — more importantly — valuation of start-ups while looking for cockroaches instead of unicorns.

https://www.business-standard.com/article/companies/no-thaw-seen-in-startup-winter-despite-231-deals-worth-2-1-billion-123032201125_1.html

Industry

India's leading retail chains plan to hold back on discounts

India's leading retail chains are going to bring down discounts with the recovery in demand and sales growing over pre-Covid levels in the last 2-3 quarters. One of the largest branded apparel and retail companies, Aditya Birla Fashion and Retail director and chief executive officer-lifestyle business Vishak Kumar told analysts that the company has brought back discounts to the pre-Covid levels. Discounts were much higher in the Covid years and the company wants to further bring it down incrementally, he said. Leading departmental store chain Lifestyle International chief executive Devarajan Iyer said discounts have reduced across categories and is almost at the pre-pandemic level. "However, some brands, who have a high inventory level, still offer the high level of discounts," he said.

<https://economictimes.indiatimes.com/industry/services/retail/indias-leading-retail-chains-plan-to-hold-back-on-discounts/articleshow/98914509.cms>

PV, CV segments drove auto sales in FY23; demand moderation likely in FY24

Passenger vehicle (PV) and commercial vehicle (CV) companies did well in FY23 as two-wheelers (2W) and tractors were muted but growth is likely to moderate for most segments in the new financial year, said experts.

https://www.business-standard.com/article/companies/pv-cv-segments-drove-auto-sales-in-fy23-demand-moderation-likely-in-fy24-123032200552_1.html

MoU exchanged for setting up nation's first PM MITRA Park in Tamil Nadu

The nation's first PM Mega Integrated Textile Regions and Apparel (PM MITRA) Park is set to be established in Virudhunagar District of Tamil Nadu, and employ an estimated 2 lakh people, the Memorandum of Understanding for which was signed between the Central and State governments here on Wednesday. Marking the occasion, Prime Minister Narendra Modi said on his Twitter handle: "Today is a very special day for my sisters and brothers of Tamil Nadu!" "The aspirational district of Virudhunagar will be home to a PM MITRA mega textiles park. This will boost the local economy and will prove to be beneficial for the youngsters of the state #PragatiKaPMMitra," he said. Giving a big boost to the textile sector, the PM MITRA Parks, in all, would create huge employment opportunities and an estimated 20 lakh people would get 'new work' attracting about Rs 70,000 crore investment, Union Textiles Minister Piyush Goyal said here.

https://www.business-standard.com/article/economy-policy/mou-exchanged-for-setting-up-nation-s-first-pm-mitra-park-in-tamil-nadu-123032201283_1.html

Five firms make the PLI cut to manufacture hydrogen-powered vehicles

The government selected five companies -- Ashok Leyland, Eicher Motors, Pinnacle Mobility, Tata Motors, and Booma Innovative – for manufacturing hydrogen fuel cell electric vehicles under the Rs 25,938-crore production-linked incentive scheme for the automobile and auto component industry (PLI-Auto), Minister of State for Heavy Industries Krishan Pal Gurjar has informed the Lok Sabha. "Several automobile companies have expressed their interest to set up their manufacturing units and invest in India for hydrogen fuel cell-powered automobiles. So far, five companies have been approved under the PLI Auto scheme," Gurjar said in a written reply on Tuesday. The five original equipment manufacturers (OEMs) are part of the Ministry of Heavy Industries' (MHI's) 20 approved applicants for its Champion OEM Incentive scheme. According to the MHI data, the PLI-Auto scheme has attracted a proposed investment of Rs 74,850 crore, against the estimated target of investment Rs 42,500 crore over a period of five years. Of this, a proposed investment Rs 45,016 crore is from approved applicants under the Champion OEM Incentive Scheme and Rs 29,834 crore from approved applicants under the Component Champion Incentive Scheme.

https://www.business-standard.com/article/economy-policy/pli-auto-scheme-govt-approves-five-hydrogen-fuel-cell-powered-automobiles-123032200957_1.html

Agriculture

India has adequate fertiliser stocks for summer-sown crops: Minister

India will not need to buy fertiliser from the spot markets to meet local demand in the summer sown crop season starting from April, the country's fertilisers minister said on Wednesday. "There will be no shortages of fertilisers in the kharif season. We have adequate stocks, and our companies have made arrangements in advance," Mansukh Mandaviya said at a press conference. India's six-month summer sown crop season starts in April. The country relies on imports to meet a third of its annual domestic demand of crop nutrients, which is sold at a discount to farmers. The government provides subsidies to local fertiliser producers for sale of their produce at below market rates.

https://www.business-standard.com/article/economy-policy/india-has-adequate-fertiliser-stocks-for-summer-sown-crops-minister-123032200971_1.html

Infrastructure

Centre sets 2030 as target to become global hub for green shipping

The Centre will start the process of turning all of India's tugboats into green tugs to reduce transport carbon emissions and become a global hub for green shipping by 2030. Union minister for ports, shipping, and waterways Sarbananda Sonowal on Wednesday launched the Green Tug Transition Programme (GTTP). Under the new policy, Green Hybrid Tugs will be introduced, which will be powered by green hybrid propulsion systems. The eventual plan will be to adopt non-fossil fuel solutions like methanol, ammonia, and hydrogen. "The ministry has set a target for the initial Green Tugs to start working in all major ports by 2025. At least 50 per cent of all the tugs are likely to be converted into green tugs by 2030, which will considerably reduce emission, as the country moves towards achieving sustainable development," the shipping ministry said.

https://www.business-standard.com/article/economy-policy/centre-sets-2030-as-target-to-become-global-hub-for-green-shipping-123032201169_1.html

Road builders executing on time set for gains

The pace at which national highways are being constructed has gained momentum. In the six months to January 2023, it has outpaced the rate at which the National Highways Authority of India (NHAI) awarded projects. The construction of highways has grown by more than two-fold while the awarding of projects by NHAI has risen by 1.5 times during the period. Construction of national highways grew to 1,029 km in January 2023 from 419 km in August 2022. In the same period, the awarding of highway projects by NHAI improved to 1,137 km from 731 km.

<https://economictimes.indiatimes.com/news/economy/infrastructure/road-builders-executing-on-time-set-for-gains/articleshow/98924082.cms>

Road developers' debt to rise to Rs 30,000 crore by FY25: Crisil Report

Driven by strong project awarding and execution, the debt of road and highway contractors in the country is likely to rise to Rs 30,000 crore by the end of 2024-25 from Rs 17,000 crore in FY22, a report by Crisil Ratings said. "All the same, with the leverage level low at present, developers have headroom to borrow, which would keep their credit risk profiles stable. Asset monetisation will be crucial to rein in debt at comfortable levels," the report said. The rising debt will mostly be on account of equity commitments in under-construction projects, along with a rise in working capital requirements. "Total equity commitment towards under-construction public private partnership (PPP) projects is estimated at over Rs 21,000 crore by fiscal 2025. Further, the working capital requirements are expected to increase with expected strong revenue growth of 10-15 per cent over the next two fiscals and rollback of liquidity support provisions under the Atmanirbhar Bharat package," Mohit Makhija, senior director at Crisil said.

https://www.business-standard.com/article/economy-policy/road-developers-debt-expected-to-rise-to-rs-30-000-cr-by-fy25-report-123032201004_1.html

Telecom

Trai to again meet telecom firms next week to end spam call menace

The telecom regulator will meet companies and other stakeholders on March 27 to discuss spam calls, making it the third such discussion since February. The meeting by P D Vaghela, the chairman of Telecom Regulatory Authority of India, is part of a multi-pronged approach to end unsolicited commercial communication (UCC) using technology, regulations, directions, and monitoring, said Trai on Wednesday. Officials told *Business Standard* the meeting will review earlier discussions and aim to formulate a framework for sharing UCC data on distributed ledger technology (DLT) platforms, which are used by telecom companies for keeping and managing the records of sender IDs and templates. Businesses have to register on DLTs by submitting their details to get access to exclusive headers and message templates, or keywords denoting a business or brand that pops up when a phone user receives a message. https://www.business-standard.com/article/companies/trai-to-again-meet-telecom-companies-next-week-to-discuss-spam-calls-123032200849_1.html

States

Delhi FM Kailash Gahlot presents Rs 78,800-cr budget for FY24

Finance Minister Kailash Gahlot presented a Rs 78,800 crore budget in the Delhi Assembly for the financial year 2023-24 on Wednesday. This is the ninth consecutive budget of the Aam Aadmi Party (AAP) government. The Delhi government's budget size for 2022-23 was Rs 75,800 crore and Rs 69,000 crore in the previous year. The minister said the budget is dedicated to a clean, beautiful and modern Delhi. The Delhi government will construct three 'unique' double-decker flyovers in collaboration with DMRC, Gahlot said. Around 57 existing bus depots will be electrified while nine new bus depots will be constructed, along with three ISBTs and two multi-level bus depots, he said.

<https://economictimes.indiatimes.com/news/india/delhi-fm-kailash-gahlot-presents-rs-78800-cr-budget-for-fy24/articleshow/98899123.cms>

Healthcare

PM holds Covid meeting amid renewed concerns, says 'pandemic far from over'

Amid rising Covid cases in the country, Prime Minister Narendra Modi on Wednesday directed officials to conduct regular mock drills at hospitals, enhance whole genome sequencing in positive samples, and ensure Covid-appropriate behaviour. He stressed the pandemic was far from over and there was a need to monitor the status across the country on a regular basis. It was the first Covid-related meeting held by the PM this year. The high-level meeting, chaired by the PM, came against the backdrop of a spike in influenza as well as Covid-19 cases in the past two weeks. Covid-19 cases have risen to their highest level in around four months. From fewer than 200 across India at the end of February, India reported 1,134 cases on March 21. The daily positivity rate has crossed 1 per cent. India's active caseload currently stands at 7,026.

https://www.business-standard.com/article/economy-policy/pm-modi-advises-mock-drills-surveillance-masking-amid-covid-spike-123032201171_1.html

External

India's Feb crude oil imports jump 8% as demand hits over 2 decade high

India's imports of crude oil in February rose about 8% from a year earlier, government data showed on Wednesday, as fuel demand hit over 2-decade highs in the world's third-biggest oil importer and consumer. Rising crude demand and a strong Indian economy bodes well for higher refinery runs and imports, in addition to cheaper Russian crude, said Refinitiv analyst Ehsan Ul Haq, adding he expects refiners to boost runs and imports as temperatures rise and people travel more. Fuel demand in February hit its highest level in at least 24 years, data from the website of the Petroleum Planning and Analysis Cell (PPAC) showed this month. With Indian demand likely to rise further over coming months, crude imports should recover, said UBS analyst Giovanni Staunovo. On a monthly basis, imports were down 6% to 22.57 million tonnes, PPAC data showed. The month-on-month drop in imports could also be seasonal, as February imports were lower last year as well, Haq said.

https://www.business-standard.com/article/economy-policy/india-s-feb-crude-oil-imports-jump-8-as-demand-hits-over-2-decade-high-123032300036_1.html

Indian mobile exports to cross \$10 bn in FY23; Apple may account for 50%

Buoyed by attractive government incentives towards local manufacturing, India is all set to reach a remarkable \$10 billion (over Rs 82,000 crore) worth smartphone exports in the fiscal year ending March 31, industry data showed on Wednesday. According to the India Cellular and Electronics Association (ICEA), Apple's 'Make in India' smartphone now constitute 50 per cent of total exports. Samsung is second with 40 per cent mobile exports while other smartphone players constitute 10 per cent export share. Smartphone exports from India have doubled from a corresponding period from last fiscal year, driven by production-linked incentive (PLI) schemes. The top five global destinations India currently exports mobile phones to are the UAE, the US, the Netherlands, the UK and Italy, according to the ICEA data. "Efficacy and maturity of an industry is only judged with robust exports. Mobile phones policy and outreach initiatives have been relentless and the results are in front of us," Pankaj Mohindroo, Chairman of ICEA, told IANS.

https://www.business-standard.com/article/economy-policy/india-to-cross-10-bn-worth-mobile-exports-in-fy22-23-apple-leads-at-50-123032200680_1.html

Government amends export policy for biofuels

The government on Wednesday said the export of biofuel from special economic zones and export oriented units are allowed for fuel as well as non-fuel purposes without any restriction, if the biofuel is produced by using imported feed stock. On August 28, 2018, the government had imposed restrictions on export of biofuels within days of putting similar conditions for its imports. The Directorate General of Foreign Trade (DGFT) has amended that notification of 2018 "to the extent that export of biofuel from special economic zones/export oriented units, are allowed for fuel as well as non-fuel purpose without any restriction when produced using only imported feed stock".

<https://economictimes.indiatimes.com/news/economy/foreign-trade/government-amends-export-policy-for-biofuels/articleshow/98921190.cms>

India's engineering exports to key markets decline in February

India's engineering exports to 17 out of 25 key markets such as the US and China declined in the month of February 2023 primarily driven by the global economic slowdown and low demand for metals and metal products. India's engineering shipments to the US dipped 9.1% year-on-year in February to US\$ 1.35 billion from US\$ 1.49 billion in the corresponding period last year. Exports to the US registered positive year-on-year growth of 10.8% in the first 11 months of the current fiscal. Exports to China, another key market, continued a downward trend with shipments to the neighbouring country slumping 33.3% year-on-year to US\$ 205.8 million in February 2023 as compared to US\$ 308.8 million in the same month last year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-engineering-exports-to-key-markets-decline-in-february/articleshow/98904137.cms>

India's 2022/23 iron ore exports to hit five-year low

India's iron ore exports are set to fall 24% to a five-year low in the current fiscal year to March, industry officials said on Wednesday, as an export tax imposed last May stalled shipments. India is likely to export about 20 million tonnes of iron ore in 2022/23, down from 26.3 million last year, the officials said, with China still the biggest buyer by far. In May 2022, the government imposed a 50% export tax on low-grade iron ore lumps and fines - with iron content below 58% - and a 45% export duty on pellets in an effort to meet rising local demand. Although the export tax was eliminated in November, demand for India's iron ore shipments started to gain momentum only from February 2023, R.K. Sharma, secretary-general of the Federation of Indian Mineral Industries, told Reuters.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-2022/23-iron-ore-exports-to-hit-five-year-low/articleshow/98905101.cms>

Commerce Ministry assessing impact of EU's proposed carbon measures on exports

The Commerce & Industry Ministry is assessing the possible impact of the EU's proposed carbon border adjustment mechanism (CBAM) that will come into play from October this year and see how its exports will fare compared to its competing countries such as in South America and South East Asia, sources tracking the matter have said. While

New Delhi is waiting for details on how the carbon print will be calculated by the EU on imports and to what extent it will translate into additional taxes for items such as steel, it also wants EU countries to transfer the required technology to India to help it build its capacities to meet the environment norms.

<https://www.thehindubusinessline.com/economy/commerce-ministry-assessing-impact-of-eus-proposed-carbon-measures-on-exports/article66649941.ece>

Indo-Pacific economic framework for prosperity to deepen development: Govt

A Commerce Ministry-led inter-ministerial delegation took part in the second Indo-Pacific economic framework for prosperity (IPEF) negotiations in Indonesia's Bali last week, where it reiterated that the framework will deepen the economic engagement and promote inclusive development through enhancement in trade and investment in the region. On the sidelines of the negotiating round (which were held between March 13 and March 19), India's chief negotiator and other representatives also held bilateral meetings with IPEF countries and other stakeholders concerned. During the Bali Round, discussions were held on all the four pillars of the IPEF namely trade, supply chains, clean economy and fair economy (taxation and anti-corruption). IPEF partners have committed to an aggressive negotiating schedule throughout 2023 with the objective of realising concrete benefits to enhance a shared vision for economic competitiveness and prosperity in their respective economies.

https://www.business-standard.com/article/economy-policy/indo-pacific-economic-framework-for-prosperity-to-deepen-development-india-123032201220_1.html

Indo-Russian mega meet plans to achieve \$50 billion trade target

India and Russia will host a mega business meeting here next week amid plans to push bilateral trade to \$50 billion this year, from a record \$31 billion in 2022 following a sharp increase in energy and fertiliser imports by India. The 'Russia-India Business Forum: Strategic Partnership for Development and Growth' will take place on March 29-30 as part of the St. Petersburg International Economic Forum. The main focus of the forum will be IT, cybersecurity, technological sovereignty, smart cities, transport and logistics, healthcare and pharmaceuticals, officials said, adding that the focal point of the forum will be a plenary session on 'Technological Alliances in the Greater Eurasia'.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indo-russian-mega-meet-plans-to-achieve-50-billion-trade-target/articleshow/98923782.cms>