



March 27, 2023 – Monday

Economy

Centre notifies revised MGNREGA wage rates

The Centre has notified a hike in wage rates under the rural job guarantee programme for the 2023-24 financial year with Haryana having the highest daily wage at Rs 357 per day and Madhya Pradesh and Chhattisgarh the lowest at Rs 221. The Union Ministry of Rural Development issued a notification on the change in wage rates under the Mahatma Gandhi National Rural Employment Guarantee Scheme on March 24. The notification was issued under Section 6 (1) of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005, that says the Centre may, by notification, specify the wage rate for its beneficiaries. The wage hikes, which range from Rs 7 to Rs 26, will come into effect from April 1.

<https://economictimes.indiatimes.com/news/economy/policy/centre-notifies-revised-mgnrega-wage-rates/articleshow/99009740.cms>

Hardware PLI: Govt may set the investment eligibility bar lower

In a move to propel the implementation of the production-linked incentive scheme for IT hardware, the Ministry of Electronics and IT (MeitY) has proposed to relax the various parameters including allowing companies the flexibility to claim incentives even if they make lower than committed investments. The revised scheme may also allow hardware manufacturers to include the investments made by their suppliers to claim the incentive. Top sources close to MeitY told businessline that the Centre is willing to allow up to 40 per cent flexibility in meeting the investment standards set by the government, with a 20 per cent reduction in incentive payout. For example, if a company was supposed to invest ₹100 crore to claim the incentive now, it can invest ₹60 crore and claim 20 per cent lower incentive compared to the original scheme.

<https://www.thehindubusinessline.com/info-tech/pli-scheme-for-it-hardware-may-offer-further-incentives/article66664535.ece>

Banking and Finance

Govt tells PSBs to monitor, make provision for companies' pledged shares

The finance ministry has directed public sector banks (PSBs) to properly monitor and make provision for pledged shares of companies by integrating market data, as well as manage overall exposure to such companies that would enable them to take timely action. The direction came during a meeting chaired by Finance Minister Nirmala Sitharaman on Saturday to review the performance of PSBs on several financial health parameters and determine their resilience in light of a global financial crisis arising from the collapse of some international banks in the US and Europe. According to an official present at the meeting, the finance ministry directed PSBs to double down on comprehensive and granular stress testing of portfolios at a micro-cluster level. "At present, only six of 12 PSBs conduct stress testing at micro-cluster level incorporating product-loan categories, demographic details, loan characteristics, among others, while no PSB has built comprehensive mature stress testing model in line with EASE 5.0 recommendations on the extent of historical data considered, number of scenarios, risk types considered, etc," the official said.

https://www.business-standard.com/finance/news/finmin-directs-psbs-to-monitor-provision-for-pledged-shares-of-companies-123032600330_1.html

Only 15% insolvency cases reach resolution during October-December 2022

Only 15 per cent of the 267 insolvency cases admitted in company law tribunals during October-December 2022 reached resolution with overall recovery of just 27 per cent of claimed amount, the IBBI data showed. As much as 45 per cent cases were concluded through liquidation, according to a Kotak Securities analysis of the latest data from the Insolvency and Bankruptcy Board of India (IBBI). On quarter-on-quarter basis, the second quarter of FY23 saw 256 cases in NCLTs (National Company Law Tribunals), massively down from the yearly run-rate of 2,000 cases in FY20. According to the analysis, one-third of all liquidations happened because no resolution plans were received. Of the 1,901 cases resolved so far, in 1,229 cases the banker decided to go in for a liquidation, while in 600 cases, no resolution plans were received.

https://www.business-standard.com/companies/news/only-15-insolvency-cases-reach-resolution-during-october-december-2022-123032600945_1.html

Public sector banks to submit plan to deal with key business risks

State-run banks will within two weeks submit to the government a detailed scenario-mapped plan of various business risks, people familiar with the development told ET. They will also outline a communication strategy to deal with any exigency, they said. This is part of increased vigilance amid turmoil in the US and Europe as depositors fret over banks' health, they said. Public sector banks (PSBs) assured finance minister Nirmala Sitharaman at a review meeting on Saturday that the Indian banking system remains robust and there is no cause for worry. PSBs will also share information on provisioning made for pledged shares along with strategies to integrate market data of such securities. This mechanism will send out alerts enabling banks to take timely action and steps to manage overall exposure to a corporate, inclusive of lending through pledged shares.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/public-sector-banks-to-submit-plan-to-deal-with-key-business-risks/articleshow/99020160.cms>

Softening global prices may help rein in fertiliser subsidy in FY24

Softening of global prices of fertilisers and import cost of liquefied natural gas (LNG), a key ingredient in manufacturing of urea in recent months, is expected to reduce the fertiliser subsidies significantly in FY24. The government is also exploring options of entering into a long term agreement with several countries to source fertiliser, a move that would reduce the cost of imports of soil nutrients. As per initial estimates, the fertiliser subsidy, which is estimated at a record Rs 2.53 trillion 2022-23 because of high global prices due to Russia-Ukraine conflict, is likely to decline by more than 30% to around Rs 1.8 trillion in the next fiscal.

<https://www.financialexpress.com/economy/softening-global-prices-may-help-rein-in-fertiliser-subsidy-in-fy24/3022634/>

Industry

High prices dent spending on daily essential products, says new Kantar study

Indians consumed less daily groceries and household essentials in the year to January compared to the same period last year, while more than half of Indian households did not spend on discretionary items such as soft drinks, packaged soups and juices, and on eating out, watching movies and personal grooming due to inflationary pressures, as per a just released study by Kantar, which tracks household consumption. Kantar said while there was a slight volume growth of fast moving consumer goods (FMCG) sales at 0.54% in January as compared to the previous year, it was purely driven by population growth of nearly 2.7%. In fact, FMCG consumption dropped by 2.9 kg in the year. FMCG volume is a product of population and consumption. "FMCG isn't consumption positive yet, so there is yet a way to go to call this a complete recovery, but we are definitely on the path to it," said K Ramakrishnan, South Asia managing director of Kantar.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/high-prices-dent-spending-on-daily-essential-products-says-new-kantar-study/articleshow/99017099.cms>

Unseasonal rain slows AC sales momentum, manufacturers expect sales pick-up from April

The unseasonal rainfall has put a brake on the sales of residential air conditioners, which had started to pick up early this year from mid-February as the temperature was rising. Now, in the second half of March, sales of AC have been impacted, however, makers see it as a "temporary phenomenon" and are hopeful of reaching their targets from April onwards when heat waves would start. Overall the AC industry, which had record sales of around 8.25 million units in 2022, expects to continue its double-digit growth journey this season also led by the prediction of harsh temperature and an elongated summer season.

<https://economictimes.indiatimes.com/industry/cons-products/durables/unseasonal-rain-slows-ac-sales-momentum-manufacturers-expect-sales-pick-up-from-april/articleshow/99007878.cms>

Electric vehicle sales to cross 2 million in FY24: Experts

The next fiscal is expected to see electric vehicle (EV) sales crossing the 2 million mark if current trends continue, experts said. A significant incentive amount is yet to be disbursed under the Faster Adoption and Manufacturing of Electric Vehicles (FAME) II programme set to end at the end of the next fiscal and will add to the momentum across segments in FY24, they said. Retail sales of EVs have already crossed 1.11 million units this fiscal year, accounting for more than 5% of total automobile sales and posting a growth surge of 147% from FY22. According to data on the government's Vahan website, about 1.1 million EVs have been registered with regional transport offices this fiscal.

<https://economictimes.indiatimes.com/industry/renewables/electric-vehicle-sales-to-cross-2-million-in-fy24-experts/articleshow/99003468.cms>

Phones priced around Rs 15,000 may speed up 5G adoption in India

The sweet spot of affordability of 5G smartphones will be the ₹10,000-15,000 price point in 2023, industry executives said, adding telecom companies and handset brands will have to work together to make devices affordable, which will be crucial to push adoption of the next-gen technology. "It is our belief that the ₹10-15,000 price point would be the magical sweet spot to truly accelerate 5G adoption in a significant manner," said Xiaomi India president Muralikrishnan B. He was speaking at the ET Telecom 5G Mobile Congress 2023. He added it won't be possible for brands to launch 5G smartphones under ₹10,000 this year without compromising on quality and specifications, due to higher component costs.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/phones-priced-around-rs-15000-may-speed-up-5g-adoption-in-india/articleshow/99017073.cms>

Agriculture

Untimely rains, hailstorm hit rabi crop

Unseasonal rains in the last few days, along with hailstorms in some places, have caused some damage to the standing rabi crop due to lodging and led to delays in harvesting, with a potential output loss of around 10% in case of wheat and chana, sources in the farming community and trade told FE. Horticulture and mustard crops have also been hit by the unexpected spell. The damages are widespread, with north, west and eastern parts of the country being affected. In most of the north and central Indian regions, wheat crops looked robust and unaffected by heat at the late-flowering stage and were almost ready for harvest before the rains hit. Source said the harvesting of crops which were reaching the maturity stage will now be delayed till the middle of next month.

<https://www.financialexpress.com/economy/untimely-rains-hailstorm-hit-rabi-crop/3022676/>

Infrastructure

On target: Auction of 6-7 multi-modal logistics parks

India is planning to bid out 6-7 multi-modal logistics parks or MMLPs in the next financial year (2023-24), eyeing a significant upgrade of its logistics infrastructure. Another 14-15 critical infrastructure gap connectivity projects for road-based port connectivity are slated for development in the coming year. According to senior road, transport and highways ministry officials, 6-7 MMLPs will be bid out next fiscal with each entailing private investment upwards of ₹700-1,000 crore. "Roughly 200 km of critical infrastructure gap projects for port connectivity via road are going to

be executed in the fiscal 2023-24," a senior government official told ET, adding that these are being implemented under the larger vision of lowering India's logistic costs.

<https://economictimes.indiatimes.com/news/economy/infrastructure/on-target-auction-of-6-7-multi-modal-logistics-parks/articleshow/99017105.cms>

346 infrastructure projects show cost overruns of Rs 4.46 lakh crore

As many as 346 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.46 lakh crore, as per an official report. According to Ministry of Statistics and Programme Implementation, which monitors infrastructure projects worth Rs 150 crore and above, out of 1,418 projects, 346 reported cost overruns and as many as 823 projects were delayed. " Total original cost of implementation of the 1,418 projects was Rs 20,38,026.75 crore and their anticipated completion cost is likely to be Rs 24,84,846.99 crore, which reflects overall cost overruns of Rs 4,46,820.24 crore (21.92 per cent of original cost)," the ministry's latest report for February 2023 said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/346-infrastructure-projects-show-cost-overruns-of-rs-4-46-lakh-crore/articleshow/99007342.cms>

Centre developing 60 jetties along Ganga from Varanasi to Haldia: Minister

The Centre is developing 60 jetties on the banks of Ganga between Varanasi in Uttar Pradesh and Haldia in West Bengal, Union MoS for Shipping and Waterways Shantanu Thakur said on Sunday. Inaugurating four such jetties on both sides of the river at Nadia's Kalyani and Tribeny in Hooghly district of West Bengal, he said the Centre was also developing 118 waterways in the country. "The 118 new waterways will reduce distance, lower transportation costs and benefit small traders, daily passengers and students. It will strengthen the economy," he said. Prime Minister Narendra Modi is focussing on the infrastructure development of the country which has been neglected for a long, he said. "We want the cooperation of the West Bengal government for infrastructure development as the state needs it," he said.

https://www.business-standard.com/india-news/centre-developing-60-jetties-along-ganga-from-varanasi-to-haldia-minister-123032600907_1.html

Housing sales likely to rise 14% in January-March: Anarock

Housing sales in India's top seven cities are estimated to rise 14% during January-March to over 1.13 lakh units on strong demand despite increase in prices by 6-9%, according to Anarock. Real estate consultant Anarock, which tracks the primary (fresh sales) residential market, said the "bull run" continued in the housing segment of Indian realty sector despite rise in interest rates on home loans, leading to highest quarterly sales in the last one decade.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/housing-sales-likely-to-rise-14-in-january-march-anarock/articleshow/99017328.cms>

Energy

Cabinet to impose price caps on gas to stave off rising rates to \$10.7

The Union Cabinet is likely to soon consider imposing caps or a ceiling on price for majority of natural gas produced in the country to keep input costs for users ranging from CNG to fertilizer companies in check, sources said. The government bi-annually fixes prices of locally produced natural gas -- which is converted into CNG for use in automobiles, piped to household kitchens for cooking and used to generate electricity and make fertilisers. Two different formulas govern rates paid for gas produced from legacy or old fields of national oil companies like Oil and Natural Gas Corporation (ONGC) and Oil India Ltd (OIL), and that for newer fields lying in difficult to tap areas such as deepsea. The global spurt in energy prices post Russia's invasion of Ukraine have led to rates of locally produced gas climbing to record levels - USD 8.57 per million British thermal unit for gas from legacy or old fields and USD 12.46 per mmBtu for gas from difficult fields.

https://www.business-standard.com/economy/news/cabinet-to-impose-price-caps-on-gas-to-stave-off-rising-rates-to-10-7-123032600057_1.html

Telecom

Telecom spectrum auction unlikely this calendar year: Top sources at DoT

The government may not hold telecom spectrum auctions this year as there is limited interest from telecom operators who have enough spectrum holdings right now, senior officials have said. "We are ready for the spectrum auctions but there should be buyers for that. We will start working on the consultation papers only after telecom players communicate their interests. There is no demand yet from any of the telecom operators. We want auctions to take place every year so that government can generate some money but without demand, how can we?," a senior official at Department of Telecommunications (DoT) told businessline.

<https://www.thehindubusinessline.com/info-tech/telecom-spectrum-auction-unlikely-this-calendar-year-top-sources-at-dot/article66663901.ece>

States

Odisha CM Patnaik inaugurates, lays foundation for Rs 2,000-cr projects

Odisha Chief Minister Naveen Patnaik on Sunday inaugurated and laid the foundation stone for projects worth a total of Rs 2,000 crore in his home district of Ganjam. During his visit to Ganjam, he held separate rallies in his own constituency Hinjili, besides Kabisuryanagar and Chhatrapur, focusing mostly on development schemes. However, Aska MP Pramila Bisoi appealed to the people to make Patnaik the CM for the sixth consecutive term after the 2024 general elections. Patnaik inaugurated and laid the foundation of projects worth Rs 1,000 crore in Chhatrapur, Rs 590 crore in Hinjili and Rs 316 crore in Kabisuryanagar.

https://www.business-standard.com/india-news/odisha-cm-patnaik-inaugurates-lays-foundation-for-rs-2-000-cr-projects-123032600955_1.html

J&K's losses on power purchases exceed more than Rs 3,500 cr: Chief secy

Jammu and Kashmir Chief Secretary Arun Kumar Mehta on Sunday said losses suffered by the Union Territory on power purchases exceed more than Rs 3,500 crore annually with liabilities piling up each passing year. He directed the officials that overall transmission and distribution losses should be brought down to less than 20 per cent. The losses suffered on power purchases exceed more than Rs 3,500 crore annually with previous liabilities piling up each passing year. These resources belong to our people and should optimally be utilised in creation of jobs for youth or other welfare measures for the people of J-K," Mehta said addressing a high-level meeting here.

He impressed upon the officers of the Power Development Department (PDD) to run a mass campaign to make people aware of the judicious use of electric appliances.

https://www.business-standard.com/india-news/j-k-s-losses-on-power-purchases-exceed-more-than-rs-3-500-cr-chief-secy-123032600832_1.html

External

Export benefits under RoDTEP extended to 18 textile items including sari

The government has extended export benefits under RoDTEP scheme to 18 items related to textiles sector, including saari and lungi, with a view to boost shipments of these goods. Benefits under the duty refund scheme -- Remission of Duties and Taxes on Exported Products (RoDTEP) -- will be given to exports made from March 23, the Directorate General of Foreign Trade (DGFT) has said in a notification. Under the RoDTEP, various central and state duties, taxes, and levies imposed on input products, among others, will be refunded to exporters.

https://www.business-standard.com/economy/news/export-benefits-under-rodtep-extended-to-18-textile-items-including-sari-123032600097_1.html

Government hikes duty on X-ray machine imports to 15 pc from Apr 1

The government has hiked customs duty on import of X-ray machines and non-portable X-ray generators to 15 per cent with effect from April 1. Currently, portable X-ray machines and non-portable X-ray generators and apparatus attract 10 per cent import duty. The changes in the customs duty rate was brought in as part of the amendments to the Finance Bill, 2023, which was passed by the Lok Sabha last Friday. The new rates would be effective from April 1, 2023, the amendment said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/government-hikes-duty-on-x-ray-machine-imports-to-15-pc-from-apr-1/articleshow/99007918.cms>

India allows exports of 3.5 lakh tonnes broken rice to Gambia, Senegal

The Government has approved the export of 3.5 lakh tonnes (lt) of broken rice to Gambia and Senegal as a special consideration as shipments of this variety were banned on September 8, 2022. According to a communication sent by the Finance Ministry (seen by businessline) to Chief Commissioners of Customs in Ahmedabad, Chennai, Vizag, Nagpur, and Mumbai, the Commerce Ministry has allowed export of 1 lakh tonnes of broken rice to Gambia and 2.5 lakh tonnes to Senegal.

<https://www.thehindubusinessline.com/economy/agri-business/india-allows-exports-of-35-lakh-tonnes-broken-rice-to-gambia-senegal/article66664271.ece>

New Foreign Trade Policy to have vision, strategy statement for long-term growth

The new Foreign Trade Policy, to be released this month-end, will come with a vision and strategy statement for expanding foreign trade, focussing on areas such as the evolving global system, MSMEs for exports, innovation and start-up ecosystem, products and markets, services sector, cooperative federalism and integration of women into trade, sources have said. The long-term policy, with an ambitious target of increasing exports of goods and services to \$1 trillion each by 2030, may also come up with goals for 2047 such as increasing India's share in global trade to 10 per cent and raising share of exports in GDP to 25 per cent, a source tracking the matter told businessline.

<https://www.thehindubusinessline.com/economy/new-foreign-trade-policy-to-have-vision-strategy-statement-for-long-term-growth/article66664552.ece>

BIMSTEC nears completion of Free Trade Agreement, says secretary general

Free Trade Agreement (FTA) among the BIMSTEC countries is at the final stage of formulation with trade being the core agenda when BIMSTEC was established, Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC) secretary general Tenzin Lekphell said in Kolkata. BIMSTEC is also creating an energy centre in Bangalore with focus on the potential of clean energy as well. "Trade has been the core agenda since the time of establishment of BIMSTEC. Somehow it did not really give us the fruit which was expected during this course of time. Many experts have come together in the recent past, a lot of meetings took place, negotiations have been done and multilateral discussions took place among the seven member countries. Seven countries coming to consensus and doing negotiations takes time and it is a complex process. Everyone wants the FTA to happen in the region," Tenzin told ET.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/bimstec-nears-completion-of-free-trade-agreement-says-secretary-general/articleshow/99016223.cms>