



April 03, 2023 – Monday

Key Developments

Centre asks India Inc to disclose entity specific 'material accounting policies' info

Corporates' financial statements that are heavily relied upon by investors and stakeholders may now see enhanced "readability" and "utility", thanks to a policy shift ushered in by the Corporate Affairs Ministry (MCA). The MCA has mandated corporates to disclose "material accounting policy information", moving away from "significant accounting policies" that is in vogue, to improve the readability and usefulness of financial statements.

<https://www.thehindubusinessline.com/economy/centre-asks-india-inc-to-disclose-entity-specific-material-accounting-policies-info/article66691355.ece>

Finmin notifies GST amnesty scheme for non-filers, small businesses

The government has notified amnesty scheme for small businesses, non-filers of final returns, and taxpayers whose Goods and Services Tax (GST) registration has been cancelled. According to the Central Board of Indirect Taxes & Customs (CBIC) notification, they can apply for revocation of cancelled registration by June 30, after paying due taxes, interest and penalty, CBIC said in a notification. The move follows the meeting by the GST Council in February, when it recommended that for GST taxpayers whose registration has been cancelled for non-filing of returns be given amnesty by allowing them to file applications for revocation within a specified date. The apex body has made amendments to the Central GST Act, specifying that businesses whose registration have been cancelled on or before December 31, 2022, and who have failed to apply for revocation of cancellation within the specified period can do so by June 30.

https://www.business-standard.com/india-news/finmin-notifies-gst-amnesty-scheme-for-non-filers-small-businesses-123040200571_1.html

Economy

Core sector output slows to 3-month low of 6% in Feb, crude production dips

Growth in production of eight infrastructure industries — which form part of the core sector — declined to a three-month low of 6 per cent in February, with six industries reporting a sequential fall in output growth. The data released by the industry department on Friday showed that barring cement (7.3 per cent) and fertilisers (They are coal (8.5 per cent), electricity (7.6 per cent), steel (6.9 per cent), natural gas (3.2 per cent) and refinery products (3.3 per cent). Crude oil output, however, continued to contract for the ninth consecutive month, shrinking to 4.9 per cent in February.22.2 per cent), growth in output in the five sectors decelerated sequentially.

https://www.business-standard.com/economy/news/core-sector-output-slows-to-a-three-month-low-of-6-in-february-123033100888_1.html

Retail inflation for industrial workers remains flat at 6.16% in February

Retail inflation for industrial workers remained flat at 6.16 per cent in February compared to that of January this year."Year-on-year inflation for the month stood at 6.16 per cent compared to 6.16 per cent for the previous month (January, 2023) also and 5.04 per cent during the corresponding month (February 2022) a year before," a labour bureau statement said.

https://www.business-standard.com/economy/news/retail-inflation-for-industrial-workers-remains-flat-at-6-16-in-february-123033100929_1.html

GST collections in March jump 13% to Rs 1.6 lakh crore

India's monthly goods and services tax (GST) collections hit the second highest ever in March, rising 13% from a year earlier to `1.6 lakh crore, suggesting economic strength despite several headwinds. The total gross collection for FY23 was Rs 18.10 lakh crore, an average Rs 1.51 lakh a month and up 22% from FY22, data released on Saturday showed. "Monthly GST collections for the month of March being the second highest of all time, coupled with 22% higher GST collections for FY22-23 over last year point towards the growing trajectory of the Indian economy," said Abhishek Jain, partner, indirect tax, KPMG in India. GST collections hit a record Rs 1.68 lakh crore in April last year.

<https://economictimes.indiatimes.com/news/economy/indicators/gst-collections-in-march-jump-13-to-rs-1-6-lakh-crore/articleshow/99180189.cms>

Unemployment rate rises to 3-month high of 7.8% in March, says CMIE

India's unemployment rose to a three-month high in March to 7.8 per cent as the country's labour markets deteriorated, according to data from the Centre for Monitoring Indian Economy (CMIE). Unemployment rate in the country surged in December 2022 to 8.30 per cent but declined in January to 7.14 per cent. It edged up again in February to 7.45 per cent, the CMIE data released on Saturday showed. CIEL HR Services Director and CEO Aditya Mishra said that post the festive season of October-January, employment in retail, supply chain, logistics, financial services and e-commerce has declined. "Our sectors of IT, Technology and Startups have tightened their belts leading to a slowdown in fresh hiring. Thirdly, March being the month of financial year-end and examinations, the sectors of leisure travel, tourism, entertainment and hospitality are not witnessing high demand. "These factors have reduced the employment drive. Manufacturing, engineering, construction and infrastructure have kept the job markets warm. The results of March are a combination of all these factors. We will see a pickup in April," he added.

https://www.business-standard.com/economy/news/unemployment-rate-rises-to-3-month-high-of-7-8-in-march-says-cmie-123040100625_1.html

Banking and Finance

Non-food credit growth falls to 15.9% in February

Banks' non-food credit growth moderated to 15.9% on a year-on-year (YoY) basis in February, from 16.7% in January, sectoral credit data released by the Reserve Bank of India on Friday showed. As per the data, banks' non-food credit stood at Rs 134.1 trillion as on February 24. The growth was led by a rise in agriculture and industry loans, which stood at Rs 16.5 trillion and Rs 32.9 trillion, respectively. "Credit to industry registered a growth of 7% YoY in February 2023, compared with 6.7% in February 2022. Size-wise, credit to large industry rose by 5%, compared with 0.9% a year ago. The credit growth of medium industries was 13.5% against 53.8% a year ago. Credit to micro and small industries registered a growth of 13.2% in February," the RBI said. the services industry, banks' credit to NBFCs stood at Rs 13.09 trillion, up 32% on a yearly basis, while personal loans grew 20.4% to Rs 40.13 trillion. The moderation in the overall credit growth is on expected lines, analysts said.

<https://www.financialexpress.com/industry/banking-finance/non-food-credit-growth-falls-to-15-9-in-february/3029241/>

Revamp of Credit Guarantee Scheme, limit on ceiling for guarantees enhanced

With a view to revamp the Credit Guarantee Scheme for Micro and Small Enterprises, Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) issued guidelines regarding reduction of annual guarantee fee for loans upto Rs 1 crore from a peak rate of 2 per cent per annum to as low as 0.37 per cent per annum. In Union Budget 2023-24, Union Finance Minister Nirmala Sitharaman announced the revamping of Credit Guarantee Scheme for Micro & Small Enterprises with effect from April 1, 2023, with an infusion of Rs 9,000 crore to the corpus to enable additional collateral-free guaranteed credit of Rs. 2 lakh crore and the reduction in the cost of the credit by about 1 per cent.

https://www.business-standard.com/economy/news/revamp-of-credit-guarantee-scheme-limit-on-ceiling-for-guarantees-enhanced-123033100533_1.html

UPI transactions up 60% in March to record 8.7 bn

Transactions on the Unified Payments Interface (UPI) platform rose 60% year-on-year (y-o-y) in March to a record 8.7 billion, data from National Payments Corporation of India (NPCI) showed. In terms of value, payments on the platform rose 46% y-o-y to Rs 14.05 trillion.

<https://www.financialexpress.com/industry/banking-finance/upi-transactions-up-60-in-march-to-record-8-7-bn/3029973/>

Govt may consider 0.3% fee to maintain UPI payment system & ensure financial viability: IIT Bombay study

The government may consider a 0.3 per cent uniform digital payment facilitation fee to fund the infrastructure required for such transactions and also to ensure financial viability of the UPI payment system, suggested a study by IIT Bombay. The facilitation fee of 0.3 per cent can generate around Rs 5,000 crore in 2023-24, said the study titled 'Charges for PPI-based UPI payments--The Deception'. The study, which analyses the impact of the decision of the National Payments Corporation of India (NPCI) to introduce interchange fee on payments through mobile wallets, argued that the payments received by merchants should remain 'unpolluted' whether they are from UPI directly or through prepaid e-wallets.

<https://economictimes.indiatimes.com/news/economy/policy/govt-may-consider-0-3-fee-to-maintain-upi-payment-system-ensure-financial-viability-report/articleshow/99188617.cms>

Industry

GeM: MSMEs sold 88% more goods to govt in FY23 from previous fiscal; seller count crosses 60 lakh

Public procurement portal for MSMEs to sell goods directly to the government departments and public enterprises Government e-Marketplace (GeM) has registered 88 per cent growth in its gross merchandise value (GMV) or order value in the financial year 2022-23. The GMV reached an all-time high of Rs 2 lakh crore from Rs 1.06 lakh crore in FY22.

<https://www.financialexpress.com/industry/sme/msme-eodb-pm-narendra-modi-hails-gem-portal-for-reaching-rs-2-lakh-crore-gmv-in-fy23/3030274/>

FMCG volume growth likely to stay subdued in January-March

Packaged consumer goods companies are expected to report another quarter of subdued volume growth for January-March 2023, in the absence of clear signs of sustained revival in rural demand, and unseasonal rains with lower temperatures in March negatively impacting offtake of summer-dependent categories, analysts and company executives said. And while companies have forecasted margin recovery in the quarter, the extent of recovery would be inconsistent, with clear disparity in reduction of raw material costs. "In terms of volume growth, the FMCG universe is likely to see another subdued quarter in 4QFY23, especially as there are no clear signs of revival in rural demand. Sales growth in staples would be led by value growth and premiumisation, both of which are also tapering down," Motilal Oswal wrote in a report on April 1.

<https://economictimes.indiatimes.com/industry/cons-products/fmcb/fmcb-volume-growth-likely-to-stay-subdued-in-january-march/articleshow/99194517.cms>

Electric vehicle sales rise 148% to race past 1.18 million

Electric vehicles made up 5% of total automobiles sales in the country in the year ended March 31 when EV sales crossed 1.18 million, surging 148% on year, powered by two- and three-wheelers. EV retail sales hit a new monthly peak of 140,509 units in March, according to data on the government's Vahan website. Fleet operators and individuals buying two- and three-wheelers are the main drivers of EV sales. Electric two-wheelers recorded sales of 86,136 units in March, followed by electric three-wheelers at 46,941, electric four-wheelers (passenger vehicles including commercial ones) at 7,345, and e-buses at 87.

<https://economictimes.indiatimes.com/industry/renewables/ev-sales-rise-148-to-race-past-1-18-million/articleshow/99180406.cms>

Tech spending in India poised to grow by 9.6% this year, shows report

Tech spending in India is poised to grow by 9.6 per cent this year and the IT spending growth is set to regain pre-pandemic levels, with 2024 expected to be even better, a report has shown. The Indian economy is poised for a 0.8 per cent growth in the 2023 fiscal year, according to Forrester's 'India Tech Market Outlook for 2023 and 2024'.

Nevertheless, it still faces challenges from a falling rupee and increasing current account deficit due to geopolitical events such as the Ukraine war. According to the report, tech outsourcing and hardware maintenance will see sharp growth. "Indian companies are moving from a 100 percent-owned IT model to a project-based outsourced model as new technologies capture the imagination of consumers and businesses," the findings showed.

https://www.business-standard.com/economy/news/tech-spending-in-india-poised-to-grow-by-9-6-this-year-123040100174_1.html

Agriculture

Untimely rains hit wheat crop over 523k hectare; farmers stare at loss

Untimely rains, hailstorm and strong winds have impacted wheat crop across more than 5.23 lakh hectare in three states, triggering fears of huge yield loss for farmers and harvesting challenges. Around 5.23 lakh hectare of wheat crop is estimated to have been damaged in three states -- Madhya Pradesh, Rajasthan and Uttar Pradesh -- due to the inclement weather, according to officials.

https://www.business-standard.com/economy/news/untimely-rains-hit-wheat-crop-over-523k-hectare-farmers-stare-at-loss-123040200341_1.html

Rice procurement exceeds 49 mt, a tad below yr-ago

Rice procurement from kharif-grown crop during October-March has reached 492.2 lakh tonnes (lt), which is 0.7 per cent lower than 495.7 lt reported in the year-ago period. Though the procurement for the first time this season dipped, the government may be in a comfortable position to meet any extra demand outside the normal requirement under the food security law since it has been able to achieve 96 per cent of target amid purchases in West Bengal and Assam slated to continue for some more time.

<https://www.thehindubusinessline.com/economy/agri-business/rice-procurement-exceeds-49-mt-a-tad-below-yr-ago/article66691721.ece>

Infrastructure

New PPP model on cards to woo infra investors

The finance ministry plans to bring out a new public-private partnership (PPP) architecture and a standard model concession agreement (MCA) framework for various sectors in FY24 to burnish the allure of capital-intensive infrastructure projects, seeking to draw funds by stressing their 'viability and bankability.' The focus will be to turn the fortunes of sectors such as urban infrastructure, railways and roads, where private participation remains either minimal or far from reaching the true potential, a senior official told ET. Similarly, the planned MCA framework would serve as a standard reference document for various infrastructure departments and state-run entities. It will offer enough flexibility to them to suitably build in clauses peculiar to their sectors.

<https://economictimes.indiatimes.com/news/economy/infrastructure/new-ppp-model-on-cards-to-woo-infra-investors/articleshow/99194006.cms>

Energy

India's electricity consumption dips 0.74 pc to 127.52 billion units in March

India's power consumption dipped 0.74 per cent to 127.52 billion units (BU) in March this year for the first time in 31 months, according to government data. The contraction in power consumption is mainly because of widespread rains due to western disturbances in the country and low temperature in March. Last contraction in power consumption was recorded in August in 2020, when it declined by over two per cent to 109.21 BU, compared to 111.52 BU in August 2019. Power consumption had slumped in 2020 due to the impact of lockdown restrictions imposed to curb the spread of deadly coronavirus. Experts are hopeful that power consumption and demand would grow April onwards, due to further improvement in economic activities as well as rise in temperature.

<https://economictimes.indiatimes.com/industry/energy/power/indias-electricity-consumption-dips-0-74-pc-to-127-52-billion-units-in-march/articleshow/99186464.cms>

Petrol, diesel sales rise as agri season picks up

India's fuel demand rose in March as a pick-up in agriculture activity helped reverse a slowdown that was witnessed in the first half of the month, preliminary industry data showed on Sunday. Fuel sales soared to the highest levels in February on the back of robust demand from the agriculture sector as well as transport picking up after the winter lull. But a seasonal slowdown kicked in during the first half of March. However, there was a pick-up in the second half, which helped sales rise even month-on-month despite the high base of February. Petrol sales rose 5.1 per cent to 2.65 million tonne in March when compared with the same period of last year. Sales were up 3.4 per cent month-on-month, the data showed.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/petrol-diesel-sales-rise-as-agri-season-picks-up/articleshow/99187634.cms>

Coal India's production touches all-time high of 700 million tonnes

National miner Coal India Ltd (CIL) closed the financial year at a historic high of 700 million tonnes (MT) of coal production, which the company said has surpassed its output target. This is an increase of 12 per cent over last year's production.

https://www.business-standard.com/companies/news/coal-india-s-production-touches-all-time-high-of-700-million-tonnes-123033100874_1.html

Telecom

COAI bats for industrial electricity tariff rates for telecom infra; says cost benefits will spur 5G deployments

Telcos' body COAI has made a strong plea that the telecom sector be charged industrial tariffs for electricity and not commercial rates, and that power connections be expeditiously provided to telecom infrastructure facilities. It said doing so was important given the essential nature of services and socio-economic benefits that accrue across multiple sectors from faster 5G deployments. COAI - whose members include telecom operators like Reliance Jio, Bharti Airtel and Vodafone Idea - has also batted for the sector to be provided uninterrupted 24x7 power supply. "Telecom is an infrastructure industry, but we are still being charged at commercial rates for power. So we don't get the benefits," SP Kochhar, Director General of Cellular Operators' Association of India (COAI) told PTI.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/coai-bats-for-industrial-electricity-tariff-rates-for-telecom-infra-says-cost-benefits-will-spur-5g-deployments/articleshow/99186018.cms>

States

Odisha approves 5 projects worth Rs 35,760 crore, to generate 38,100 jobs

Odisha Chief Minister Naveen Patnaik on Saturday approved five industrial projects worth Rs 35,760 crore which would generate employment for 38,100 people, an official said. The approved projects are spread across diverse sectors like IT & ESDM /green energy equipment, steel, chemicals and textile. The proposed projects will be set up across various parts of the state like in Bhadrak, Dhenkanal, Jagatsinghpur, and Keonjhar districts, the official said.

https://www.business-standard.com/india-news/odisha-approves-5-projects-worth-rs-35-760-crore-to-generate-38-100-jobs-123040100411_1.html

Health spend growth dips as Covid fades

The combined health expenditure of the Centre and 17 large states is expected to log 9.6% growth in 2023-24, down sharply from an average of 16.1% between 2020-21 and 2022-23. As a proportion of GDP, health spending has declined post-pandemic, dropping from 1.23% in 2020-21 to 1.19% in FY23 and is expected to slip further in the coming year to 1.17%.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/health-spend-growth-dips-as-covid-fades/articleshow/99194171.cms>

External

India ready for rupee trade with countries facing currency crises: Commerce Secretary

Commerce Secretary Sunil Barthwal on Friday said India is ready to trade in Indian Rupee with countries which are facing currency failure or have dollar shortage. Speaking after the unveiling of Foreign Trade Policy (FTP) 2023 which seeks to increase India's exports to USD 2 trillion by 2030, the secretary also said the government is focusing on strengthening the rupee payment system. Changes have been made in the FTP to allow international trade settlement in Indian Rupee with a view to making INR a global currency. Addressing the gathering, Commerce and Industry Minister Piyush Goyal exuded confidence that the export target of USD 2 trillion by 2030 will be met.

<https://www.financialexpress.com/economy/india-ready-for-rupee-trade-with-countries-facing-currency-crises-commerce-secretary/3028255/>

Agri exports up 9% to \$23 bn in Apr-Feb

Exports of agricultural and processed food products rose by 9% to \$ 23.1 billion during the first 11 months of the current fiscal (2022-23) compared to the same period last year, driven by shipments of rice, fruits, and vegetables, livestock and dairy products. According to the Directorate General of Commercial Intelligence and Statistics, rice exports during April-February (2022-23) rose by more than 16% on year to a record \$ 10 billion from \$ 8.6 billion in the previous year.

<https://www.financialexpress.com/economy/agri-exports-up-9-to-23-bn-in-apr-feb/3027739/>

Govt extends export curbs on gasoline, diesel to ensure availability

India has extended restrictions on the export of diesel and gasoline, the government said in a notification, as New Delhi tries to ensure the availability of refined fuels for the domestic market. The government had imposed the curbs on gasoline and gasoil exports through Friday's end of the financial year. The extension may discourage some Indian refiners, mainly private companies, from buying Russian fuel for re-exports to countries including those in Europe that have stopped purchases of refined products from Russia due to its invasion of Ukraine.

https://www.business-standard.com/economy/news/govt-extends-export-curbs-on-gasoline-diesel-to-ensure-availability-123040200316_1.html

India and Malaysia can now use Indian rupee to settle trade, says MEA

India and Malaysia can now use the Indian rupee to settle trade in addition to other currencies, the Ministry of External Affairs (MEA) said on Saturday. The move follows the decision by the Reserve Bank of India in July last year to allow settlement of international trade in Indian currency.

https://www.business-standard.com/economy/news/india-and-malaysia-can-now-use-indian-rupee-to-settle-trade-says-mea-123040100274_1.html