



April 05, 2023 – Wednesday

Key Developments

Parliament clears amendments to competition law

The Competition Amendment Bill 2023, which will pave the way for reducing the timeline for processing of combinations by competition watchdog the Competition Commission of India (CCI), got the Parliament nod on Monday. The bill was passed by the Lok Sabha on March 29 and cleared by the Rajya Sabha on Monday. The bill proposes slew of changes to improve ease of doing business along with increasing the watch on digital companies. According to the amended bill, overall time limit for assessment of combinations has been brought down to 150 days from 210 days. “Further, prima facie opinion be framed on combination notifications within a time-period of 30 days from the receipt of such notice, failing which the combination shall be considered as deemed approved,” said an official release. The bill also proposes to introduce ‘value of transaction’ as a criterion for notifying combinations. “All deal values involving acquisitions, mergers and amalgamations exceeding `2,000 crore having target enterprise in India shall be notified to the Commission for approval before their consummation,” the official release added.

<https://economictimes.indiatimes.com/news/india/parliament-clears-amendments-to-competition-law/articleshow/99220337.cms?from=mdr>

Economy

World Bank cuts India's growth forecast to 6.3%; ADB projects 6.4% for FY24

The World Bank and the Asian Development Bank (ADB) on Tuesday slashed their economic growth forecasts for India for 2023-24 (FY24) by 30 and 80 bps to 6.3 and 6.4 per cent respectively, citing risks to the outlook arising from both global and domestic factors. In its India Development Update, the World Bank said real GDP growth is expected to moderate from 6.9 per cent in FY23 to 6.3 per cent in FY24 because of global slowdown spillovers and slower consumption growth. “The lagged impact of monetary policy tightening, heightened growth uncertainty, and reduced current spending of the government are expected to constrain domestic demand in India in FY24,” it added. The ADB, on the other hand, in its latest Asian Development Outlook said if global conditions do not deteriorate as much as anticipated, higher global demand will likely spur growth in India.

https://www.business-standard.com/economy/news/world-bank-ADB-slash-india-s-gdp-growth-forecasts-for-fy24-123040400923_1.html

Manufacturing PMI at 3-month high of 56.4 in March as input costs decline

India's purchasing managers' index (PMI) for manufacturing in March increased to a three month high of 56.4, from 55.3 in February, as input costs declined and output expanded, said S&P Global survey. “March data highlighted a further upturn in new business placed with Indian manufacturers. Moreover, the rate of expansion was sharp and the quickest in three months. Firms suggested that marketing efforts bore fruit. Demand resilience and competitive pricing were also cited as growth drivers,” said the survey by S&P Global.

https://www.business-standard.com/economy/news/manufacturing-pmi-at-3-month-high-of-56-4-in-march-as-input-costs-decline-123040300327_1.html

Number of person days generated under MGNREGA drops in Jan-Feb period

The number of person days generated under MGNREGA in January and February this year following the implementation of an app-based attendance system has gone down compared to previous years, data compiled by a civil society group has showed. As groups of MGNREGA workers continue to protest at Jantar Mantar in Delhi against the new attendance and payment systems for over a month, data compiled by NREGA Sangharsh Morcha, which has been at the helm of the protest, showed 34.59 crore person days were generated in January and February this year. This was significantly lower than January and February 2022, when 53.07 crore person days of work were generated. In 2021, 56.94 crore person days of work were generated in the same period. In 2020, it was 47.75 crore person days in the two months, while in 2019, 47.86 crore person days were generated in January and February.

<https://economictimes.indiatimes.com/news/india/number-of-person-days-generated-under-mgnrega-drops-in-jan-feb-period/articleshow/99243084.cms>

Banking and Finance

Finance Ministry to constitute 16th Finance Commission this year

The finance ministry on Monday told the Lok Sabha that it was going to constitute the 16th Finance Commission (SFC) in the current calendar year. The recommendations of the SFC will be for five years starting FY27. The Finance Ministry in its FY24 Budget has allocated a token Rs 10 crore for establishing attached offices for the 16th Finance Commission.

https://www.business-standard.com/finance/news/finance-ministry-to-constitute-16th-finance-commission-this-year-123040300934_1.html

RBI's MPC meet begins amid expectations of yet another rate hike

The RBI's rate-setting panel on Monday started its three-day meeting amid expectations that the central bank may go for 25 basis points hike in benchmark interest rate, probably the last in the current monetary tightening cycle that began in May 2022. Reserve Bank Governor Shaktikanta Das-headed Monetary Policy Committee during its three-day meeting (April 3, 5 and 6) will take into account various domestic and global factors before coming out with the first bi-monthly monetary policy for fiscal 2023-24.

https://www.business-standard.com/economy/news/rbi-s-mpc-meet-begins-amid-expectations-of-yet-another-rate-hike-123040300494_1.html

Bank NPAs to improve to decadal low of 3.8% by FY24-end, says Crisil

Banks' gross non-performing assets (NPAs) will reduce further to a decadal low of 3.8 per cent by end of FY2023-24, credit rating agency Crisil said on Monday. The agency estimates NPAs to reduce to 4.2 per cent by end of the just concluded FY23 as against 5.9 per cent in the year-ago period. It had earlier estimated NPAs to come at 4 per cent by end of FY24. Crisil said a major factor influencing the bank NPAs is the improvement in the high-value corporate loanbooks, where the gross NPAs are slated to come below 2 per cent. Corporates have been reducing their leverage through a string of measures, including prepayment of loans as well. Additionally, strengthened risk management and underwriting is also helping the lenders towards lowering the NPAs, the agency said.

https://www.business-standard.com/india-news/bank-npas-to-improve-to-decadal-low-of-3-8-by-fy24-end-says-crisil-123040300977_1.html

Revenue boost: FY23 net direct tax collection exceeds Revised Estimate

Direct tax collection rose 17.63 per cent to Rs 16.61 trillion in FY23, exceeding the Revised Estimate (RE) on this count slightly, the provisional data released by the finance ministry on Monday showed. Collection was Rs 14.12 trillion in FY22. The strong growth reflects improved business performance amid external headwinds. The mop-up could help the government meet its fiscal deficit target for FY23.

https://www.business-standard.com/economy/news/net-direct-tax-collection-for-fy23-exceeds-revised-target-by-slight-margin-123040301091_1.html

Industry

Automobile retail sales up 14% in March; post 21% YoY growth in FY23

Automobile retail sales witnessed a 14 per cent rise in March on a year-on-year (YoY) basis, according to data from the Federation of Automobile Dealers Associations (FADA). For the full financial year 2022-23 (FY23), sales grew 21 per cent YoY. For both the month of March and for the financial year, except for tractors, all other categories, including two-wheelers, three-wheelers, passenger vehicles, and commercial vehicles, posted double-digit growth.

https://www.business-standard.com/economy/news/automobile-retail-sales-up-14-in-march-post-21-yoy-growth-in-fy23-123040400259_1.html

Quick service restaurants are fast expanding

Most quick service restaurant chains in India are in a hiring and expansion mode in anticipation of strong consumer demand from metros as well as non-metro cities, experts at recruitment and search firms and private equity funds told ET. This notwithstanding some of these chains reporting subdued growth in their latest quarterly results and a global slowdown impacting multinational chains such as McDonald's that is reportedly looking at a layoff exercise and probably to shut offices in the US. "We are not seeing a slowdown in the quick services restaurant space," Radhika Vivek, senior partner, consumer, retail and services practice at executive search firm Transearch International, told ET. "In the last one year, we have been working with three big QSR chains and all are on a hiring and expansion spree."

<https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/quick-service-restaurants-are-fast-expanding/articleshow/99249765.cms>

Top 100 listed companies show improvement in meeting corporate governance parameters

The top-100 listed entities seem to be doing better when it comes to meeting corporate governance targets, per the third edition of Excellence Enablers' Survey on Corporate Governance. Excellence Enablers is backed by former SEBI Chairman M Damodaran. According to the survey, there is improvement in corporate governance parameters over the last few years. For instance, SEBI rules require that the Board of Directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than 50 per cent of the Board of Directors shall comprise non-executive directors. While nine companies were found to be non-compliant with this requirement in 2021, as of March 31, 2022, all companies had more than the prescribed minimum of 50 per cent.

<https://www.thehindubusinessline.com/economy/top-100-listed-companies-show-improvement-in-meeting-corporate-governance-parameters/article66698807.ece>

India's FY23 corporate credit profile among strongest in a decade

India's corporate credit profile in FY23 has been one of its strongest performance in over a decade on the back of sustained deleveraging, continued revenue and profitability growth, availability of liquidity, domestic consumption, investments led by government capex, and transmission of commodity prices to end customers. The rise in share of Indian corporates in overseas markets was led by strong demand from the US and some realignment from China due to supply chain diversification, which also aided growth, rating agencies said. ICRA Ratings said FY23 saw almost three upgrades for every downgrade, and there were only 22 defaults, lower than 42 in FY22 and 44 in FY21. Its credit ratio, the number of upgrades to downgrades, moderated to 2.8 from 3.0 in FY22.

<https://www.thehindubusinessline.com/companies/indias-fy23-corporate-credit-profile-among-strongest-in-a-decade/article66699563.ece>

93% of Indian SMEs prefer consolidated IT tools for productivity and cost savings: Report

A majority of 93 per cent of Indian small and medium-sized enterprises (SME) prefer consolidated IT tools for productivity and cost savings, according to a survey by IT management company GoTo. As economic uncertainty, reprioritised budgets, and overburdened resources continue to be the norm, IT decision-makers are faced with determining the right set of goals and objectives to maximize their investment, business growth, and processes streamlining. On a global scale, the survey revealed that IT decision-makers are looking to reduce costs and increase operational efficiency, the report said.

<https://www.thehindubusinessline.com/companies/msme/93-of-indian-smes-prefer-consolidated-it-tools-for-productivity-and-cost-savings-report/article66698705.ece>

Companies work to build hybrid offices

Grant Thornton Bharat CEO Vishesh Chandiok and his team are currently evaluating senior candidates to see their passion for a new and crucial role at the leading professional services firm - director for hybrid working. "The role holder's responsibility will be to navigate the complexities at work and implement a hybrid model for our business and, more importantly, for each employee," Chandiok told ET in an exclusive interaction. "One size will not fit our varied businesses and employees, so the director of hybrid working will also be looking after differentiated and customised models, across businesses/teams, which will help us achieve the overall objective of flexibility and instilling best practices in the firm." Axis Bank has made remote working part of the key result areas (KRA) for its human resources (HR) relationship partners of various corporate functions, including finance, risk, operations, digital and analytics, said its HR head Rajkamal Vempati.

<https://economictimes.indiatimes.com/news/company/corporate-trends/flexibility-inc-companies-work-to-build-hybrid-offices/articleshow/99249373.cms>

Agriculture

Wheat quality, not output, hit by untimely rains

Unseasonal rains and hailstorms in key wheat-producing states have adversely impacted the crop quality but output is unlikely to be affected, said experts and traders. The rains caused a lack of lustre in the new crop, although there has not been a significant loss of yield, said S Pramod Kumar, CEO, Sunil Agro. It is too early to comment on the new arrivals, he said. An executive from a large multinational firm involved in the wheat trade said the wheat harvested until now has high moisture content. The ICAR-Indian Institute of Wheat and Barley Research (IIWBR), Karnal expects an output of 112 million tonnes (MT) in the marketing year 2023-24 which is almost the same as the government's second advance estimate of 112.1 MT.

<https://economictimes.indiatimes.com/news/economy/agriculture/wheat-quality-not-output-hit-by-untimely-rains/articleshow/99249351.cms>

Infrastructure

Govt sets up panel to find way forward for stalled realty project

The Centre's move to set up a panel to examine issues related to stalled real estate projects and suggest ways for their completion is a step in the right direction, homebuyers' body FPCE said on Tuesday. The grouping also expressed hope that practical solutions would emerge for benefits of all stakeholders but rued that the panel does not have anyone representative of homebuyers. The Forum For People's Collective Efforts (FPCE), an umbrella body of homebuyers, had played an important role in enactment and implementation of RERA. Union Housing and Urban Affairs Ministry has set up a 14-member committee headed by former NITI Aayog CEO Amitabh Kant to examine the issues related to stalled real estate projects and recommend ways to complete such projects.

https://www.business-standard.com/india-news/govt-sets-up-panel-to-find-way-forward-for-stalled-realty-projects-123040400784_1.html

Energy

Centre to put up 50 Gw of renewable projects for bidding this year

The union ministry of new and renewable energy (MNRE) said in a recent notification that it will tender 50 gigawatts (Gw) of renewable energy projects in the current financial year. This would include solar, wind, with and without storage RE, solar-wind hybrid and round-the-clock. Of the 50 Gw, at least one Gw would be wind energy. The ministry said, India's RE installed capacity is 169 Gw with 82 GW under implementation and 41 Gw under tendering process. The proposed 50 Gw would be offered in four quarters – 15 Gw in the first two and 10 Gw in the last two.

https://www.business-standard.com/india-news/centre-to-bid-50-gigawatt-of-renewable-energy-projects-this-year-123040300951_1.html

Windfall tax on domestic crude oil cut to nil, on export of diesel halved

The Centre has slashed special additional excise duty, commonly known as windfall tax, on domestically produced crude oil, to nil from Rs 3,500 a tonne, effective from April 4, according to a notification on Tuesday. Further, it has reduced the levy on diesel to 50 paise per litre from Rs 1. This means crude oil, aviation turbine fuel (ATF), and petrol will not attract windfall tax. The move is expected to give significant relief to top fuel exporters like Reliance Industries, and oil explorers like Oil and Natural Gas Corporation (ONGC).

https://www.business-standard.com/economy/news/windfall-tax-on-domestic-crude-oil-cut-to-nil-on-export-of-diesel-halved-123040400853_1.html

Steel Minister approves forming 13 task forces to identify aspects of green steel production

Steel Minister Jyotiraditya Scindia has approved the formation of 13 task forces to identify action points for each aspect of green steel production and adoption of sustainable manufacturing processes. The task forces will focus on various aspects of green steel production, including raw materials, technology, and policy frameworks. The minister said. "We are committed to promoting sustainable steel-making practices in India. Setting up task forces is a significant step towards achieving this goal. We believe that the adoption of green steel production will not only benefit the environment but also lead to the creation of new jobs and economic growth" a steel ministry statement quoted Scindia as saying.

<https://economictimes.indiatimes.com/industry/renewables/steel-minister-approves-forming-13-task-forces-to-identify-aspects-of-green-steel-production/articleshow/99248384.cms>

Telecom

TRAI issues draft to repeal regulation on dial-up, leased line internet access service

Telecom regulator TRAI on Monday issued a draft to repeal the regulation on quality of service of dial-up and leased line internet access service. The Telecom Regulatory Authority of India (TRAI) said that there are no dial-up subscribers now and high-speed broadband services are being provided through optical fibres, wireless technologies such as 4G. "Authority decided to repeal the Regulation on quality of service of dial-up and leased line internet access service, 2001 (4 of 2001) with effect from the date of its notification in the Official Gazette," the draft said. TRAI has sought comments on the draft by April 17.

<https://www.financialexpress.com/industry/trai-issues-draft-to-repeal-regulation-on-dial-up-leased-line-internet-access-service/3031592/>

Firms can now claim PLI sops for 5G FWA gear made locally

Telecom gear makers can now claim benefits for locally produced 5G fixed wireless access (FWA) equipment under the production linked incentive (PLI) scheme. The move is expected to boost availability of affordable 5G FWA equipment as operators roll out 5G networks at a rapid pace across the country. "The PLI scheme includes 5G consumer premise equipment (CPE) such as FWA. Already, one of the PLI participants is manufacturing FWA equipment. There is a great opportunity to raise the broadband coverage and quality of service using FWA, especially in urban settings," telecom secretary K Rajaraman, told ET. Specifically asked if the companies can claim financial benefits for manufacturing FWA equipment as part of telecom PLI scheme, Rajaram said, "Yes, they can apply to get the product included in their approved list and claim thereafter."

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/firms-can-now-claim-pli-sops-for-5g-fwa-gear-made-locally/articleshow/99249375.cms>

States

Rail projects worth Rs 33600 crore approved for Mumbai Metropolitan Region

Projects worth Rs 33,690 crore were approved on Monday with the aim of creating additional infrastructure for Mumbai's suburban railway network, often called the lifeline of the country's financial capital and its adjoining metropolitan region, an official said. "The projects include laying of 5th and 6th lines between Borivali and Virar on Western Railway. Similarly, the 3rd and the 4th line between Kalyan and Badlapur (15 km) on Central Railway also got approved," a statement from the CMO said. "Another major decision is extending the current Harbour line from Goregaon to Borivali, which is a seven km distance. All these works will help the railways run more suburban as well as long-distance trains," the official said.

https://www.business-standard.com/india-news/rail-projects-worth-rs-33600-crore-approved-for-mumbai-metropolitan-region-123040301258_1.html

Centre has releases Rs 22.74 crores to Arunachal Pradesh under the Pradhan Mantri Gram Sadak Yojana

In a major push towards enhancing rural road connectivity in the state, the Centre has released an amount of Rs 22.74 crores to Arunachal Pradesh under the Pradhan Mantri Gram Sadak Yojana (PMGSY) as grant-in-aid. The incentive has been given for best performance of the State in implementation of PMGSY during 2022-23 under set parameters. The funds released will be used for periodic maintenance of rural roads already constructed under PMGSY as per directives of Government of India. During 2022-23, (till December 2022) a length of 1096.24 kms was constructed in the State including 61 long span bridges. Efforts of the state government in improving good quality construction with appropriate new technology and fund spent on maintenance & renewal of roads is considered for the financial incentives.

<https://economictimes.indiatimes.com/news/india/centre-has-releases-rs-22-74-crores-to-arunachal-pradesh-under-the-pradhan-mantri-gram-sadak-yojana/articleshow/99245108.cms>

After lithium reserve in J&K, 15 rare earth elements discovered in Andhra

Large deposits of 15 rare earth elements (REE) were recently found in Andhra Pradesh's Anantapur district, reported The Times of India. These elements were found by the Hyderabad-based National Geophysical Research Institute (NGRI). According to a report, these elements are critical components in a variety of daily-use and industrial applications, from cell phones and Televisions to computers and automobiles. These elements are also used in clean energy, aerospace, defence, and in manufacturing permanent magnets- a key component in modern electronics- wind turbines, jet aircraft, and several other products. The scientists were conducting a survey for non-traditional rocks including syenites when they made the significant discovery of the minerals in the lanthanide series. The elements that have been identified include allanite, cerite, thorite, columbite, tantalite, apatite, zircon, monazite, pyrochlore euxenite, and fluorite.

https://www.business-standard.com/india-news/after-lithium-reserve-in-j-k-15-rare-earth-elements-discovered-in-andhra-123040400857_1.html

Delhi government extends power subsidy scheme for another year: Minister

Delhi cabinet in its meeting on Tuesday approved extending the power subsidy scheme for next one year, despite "conspiracies" to stop it, Power minister Atishi said in a press conference. The people of Delhi will continue to get free electricity on monthly consumption of 200 units. Those using 201-400 units will get a 50 per cent subsidy. Applications received for power subsidy from October till now will be considered valid till April 2024, said the minister.

https://www.business-standard.com/economy/news/delhi-government-extends-power-subsidy-scheme-for-another-year-minister-123040400939_1.html

Healthcare

Contract development and manufacturing back in focus for pharma players

Recent acquisitions in the pharma space point at the renewed investor interest for CDMOs (Contract Development and Manufacturing Organisations), eyeing future global opportunities arising from several molecules going off-patent in the next three to five years. Most recently, cement-to-FMCG player Nirma Group has reportedly acquired Stericon Pharma Pvt Ltd — a Bengaluru-based CDMO engaged in the manufacturing of eyedrops and contact lens cleaning solutions. The announcement came from a leading healthcare venture finance player, InvAscent, that exited from the company.

<https://www.thehindubusinessline.com/economy/contract-development-and-manufacturing-back-in-focus-for-pharma-players/article66699260.ece>

External

Goods exports hit \$447 bn in FY23; final data awaited: Piyush Goyal

Commerce and industry minister Piyush Goyal said on Tuesday that India's merchandise exports touched \$447 billion in FY23, as compared to \$442 billion a year ago, though the final data is awaited. This would translate into a 6 per cent year-on-year jump in exports. The data is collated, finalised and released by the commerce department on the 15th of each month. Services exports are expected to surge much higher and are estimated to cross \$320 billion in FY23 from \$254 billion a year ago.

https://www.business-standard.com/economy/news/merchandise-exports-touch-447-billion-up-6-yoy-says-piyush-goyal-123040400818_1.html

India's surging services exports may shield economy from external risks

A surge in India's services exports, which hit a record high in the October-December quarter, is expected to shield the economy from external risks as a slowing global economy will likely weigh on the country's merchandise exports. Service exports are no longer being driven by IT services alone but also by more lucrative offerings such as consulting and research and development, analysts and economists told Reuters. India's services exports rose 24.5% on year in October-December 2022, hitting a record \$83.4 billion during the quarter, data released by the Reserve Bank of India (RBI) on Friday showed. The services surplus, which deducts any imports in the category, also rose 39.21% to a record \$38.7 billion.

https://www.business-standard.com/economy/news/india-s-surging-services-exports-may-shield-economy-from-external-risks-123040300820_1.html

India initiates anti-dumping probe into import of sodium cyanide from China

India has initiated an anti-dumping probe into imports of poisonous chemical sodium cyanide from China, the European Union, Japan and Korea following a complaint by domestic players. Sodium cyanide is used for extraction of gold and silver from their respective ores, manufacturing insecticides, dyes, pigments, and bulk drugs. The commerce ministry's investigation arm Directorate General of Trade Remedies (DGTR) is probing the alleged dumping of the cyanide originating in or exported from these countries. An application has been filed by Hindusthan Chemical Company and United Phosphorous Ltd for the probe and the imposition of appropriate anti-dumping duty on the imports from these nations.

https://www.business-standard.com/india-news/india-initiates-anti-dumping-probe-into-import-of-sodium-cyanide-from-china-123040300774_1.html

Smartphone shipments seen to have shrunk 15% last quarter

Shipments of smartphones in India are likely to have contracted by 10-15% in the first quarter of 2023 from a year ago as brands focused on clearing inventory amid subdued demand, according to market trackers. In January, smartphone sales were 19% higher than in December 2022, supported by online purchases around Republic Day, but in February they dropped by 12% (month-on-month), said Shilpi Jain, senior research analyst at Hong Kong-based Counterpoint Research. The downtrend is expected to show in March as well, she said. Overall, the quarter may have seen a decline of 10-15% year-on-year, according to Counterpoint Research's initial estimates. The data for March is yet to be finalised.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-shipments-seen-to-have-shrunk-15-last-quarter/articleshow/99249786.cms>

Issues faced during customs duty payment to be resolved soon: CBIC

The Central Board of Indirect Taxes (CBIC) on Monday said the difficulties being faced by traders in paying customs duties in the newly launched upgraded duty payments systems will be resolved at the earliest. In a tweet, the CBIC said it has noted difficulties being faced by members of the trade in making duty payments over the customs automated system. An upgraded and modern system of payment is live since April 1. "Our technical teams are working overtime to fix some teething issues and the problems being temporarily noticed will be resolved at the earliest," the CBIC tweeted.

https://www.business-standard.com/india-news/issues-faced-during-customs-duty-payment-to-be-resolved-soon-cbic-123040301193_1.html