



April 19, 2023 – Wednesday

Economy

Work demand under MGNREGS expected to decline 27% in FY24

The government expects work demand under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) to ease sharply in FY24 on the back of improved economic activities, officials said. The new electronic attendance system, which aims to curb fake claims, will also aid in keeping the numbers contained. The rural development ministry has pegged the FY24 person-day generation target (called labour budget) at 2,120 million under the MGNREGS, an official told ET. This represents an almost 27% drop from 2,902.4 million (actual) person-days in the last fiscal. However, the government remains prepared if actual demand exceeds the target, a senior official said.

<https://economictimes.indiatimes.com/news/economy/indicators/work-demand-under-mgnregs-expected-to-decline-27-in-fy24/articleshow/99594142.cms>

Govt directs states to reschedule working hours as heat wave worsens across India

Centre has issued an advisory to states to reschedule the working hours for workers and labourers across sectors to mitigate the impact of ensuing heat wave conditions across northern India. In a letter addressed to chief secretaries of all states and administrators of all union territories, labour secretary Arti Ahuja has asked them to issue directives to the occupier, employers, construction companies and industries to undertake necessary steps to mitigate the adverse effects of extreme hot weather, the labour ministry said in a statement on Tuesday. According to the minister, the letter lists out various strategic steps required to be taken by the states for the safety of the workers. Labour is in the concurrent list with the responsibility to implement the majority of the provisions of the labour laws lying with states.

<https://economictimes.indiatimes.com/news/economy/policy/govt-directs-states-to-reschedule-working-hours-as-heat-wave-worsens-across-india/articleshow/99581803.cms>

Banking and Finance

Centre eases provisions of Vivad se Vishwas scheme

The centre has eased provisions of the Vivad se Vishwas scheme, announced in the last Union budget, while operationalising it. Officials told ET that pending recoveries of performance security - for defaults during the pandemic - from MSMEs will be slashed by 95%. Refund of multiple performance guarantees, accrued against a tender, will also be allowed to the bidder.

<https://economictimes.indiatimes.com/news/economy/policy/centre-eases-provisions-of-vivad-se-vishwas-scheme/articleshow/99594255.cms>

NPA of self-help groups down to 1.8 per cent: Rural Development Minister

Non-performing assets (NPAs) of self-help groups (SHGs) have gone down to 1.8 per cent, Union Rural Development Minister Giriraj Singh said on Tuesday and called upon banks to provide incentives to those having NPA of less than one per cent. Speaking at an event here, Singh said NPA for self-help groups was 9.58 per cent in 2014. "NPA has

come down to 1.8 per cent as I speak...," he said. Singh stressed that loans given to those in need do not become NPA. "When I was the Cooperative Minister, I sent a team to Bangladesh to understand why NPA was lesser there. When they returned, I understood that need-based finance never becomes NPA. The loans given at face value become NPA," he said.

<https://economictimes.indiatimes.com/news/economy/finance/npa-of-self-help-groups-down-to-1-8-per-cent-rural-development-minister/articleshow/99589988.cms>

PSU banks list assets for sale to NARCL after finance ministry nudge

The government-promoted asset reconstruction company will evaluate accounts of about 300 distressed companies with cumulative loans of Rs 3lakh crore for acquisition this fiscal year, said people aware of the development. Following a nudge from the finance ministry last fortnight, most government-owned banks identified companies they would prefer to sell to National Asset Reconstruction Company (NARCL), the people cited above said. NARCL will identify about 20-25 accounts from the list for acquisition this fiscal year.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/psu-banks-list-assets-for-sale-to-narcl-after-finance-ministry-nudge/articleshow/99594699.cms>

Income Tax Department's FY24 interim action plan calls for immediate action on outstanding demand, refund approval

In order to facilitate compliance by assesseees, the Income Tax Department has instructed its officers to take immediate action on outstanding demand and refund approval. This is part of an interim plan for Fiscal Year 2023-24, circulated among officials last week. The document, as seen by businessline, has set the deadline for demand verification. Accordingly, checking of all demand PAN-wise and year-wise from systems, AST/TMS (software for return processing) or manual demand, wherever remaining and removal of all duplicate entries need to be completed by June 30. The same timeline will be for verification and certification in CPC Financial Accounting System (FAS) where notice has been issued till March 31, 2023.

<https://www.thehindubusinessline.com/economy/income-tax-departments-fy24-interim-action-plan-calls-for-immediate-action-on-outstanding-demand-refund-approval/article66751620.ece>

ESIC adds 16.03 lakh new subscribers in February

The formal workforce added under the Employees' State Insurance Corporation stood at 1.60 million in February, a tad lower than 1.63 million added in January, as per the provisional payroll data. According to the data released by the ministry of labour and employment on Tuesday, around 11,000 new establishments have been registered in the month of February, 2023 under the Employees' State Insurance Scheme ensuring social security cover to their employees. This is, however, 51.7% lower than 22,800 new establishments registered under ESI Scheme in the month of January 2023.

<https://economictimes.indiatimes.com/news/economy/indicators/esic-adds-16-03-lakh-new-subscribers-in-february/articleshow/99581225.cms>

Industry

Auto production-linked incentives: Government eases norms for availing benefits

India eased some of the procedural requirements for availing benefits under the ₹26,000-crore production-linked incentives (PLI) scheme for automakers and auto-parts companies, although questions remain whether incentives for the first in a five-year block can be claimed as that deadline expired March 31. Three executives aware of the Monday meeting between government officials and industry stakeholders said the Centre explained the tweaks to the executives concerned during the discussions, although clarity was still awaited on incentives that fell due at the end of FY23.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-production-linked-incentives-government-eases-norms-for-availing-benefits/articleshow/99594608.cms>

Public procurement: Govt purchases from MSMEs hit all-time high of nearly Rs 60,000 crore in FY23

Purchase of goods by government enterprises from micro and small enterprises has hit an all-time high in the financial year 2022-23. According to the official data, procurement worth Rs 58,429 crore was made by central public

sector enterprises (CPSEs) from 2.16 lakh MSEs during FY23, growing by 9.3 per cent from Rs 53,423 crore worth purchases made from 2.25 lakh MSEs in FY22. It is mandatory for central ministries or enterprises as per the Public Procurement Policy for MSEs, Order 2012 to procure a minimum 25 per cent share out of their total annual procurement from MSEs.

<https://www.financialexpress.com/industry/sme/msme-eodb-public-procurement-govt-purchases-from-msmes-hit-all-time-high-of-nearly-rs-60000-crore-in-fy23/3052039/>

Discretionary spending may weaken in Q4; apparel, lifestyle cos and eateries expect sales to grow only 15%-20%

Demand for discretionary categories such as apparel, quick service restaurants and lifestyle products has started to taper off and companies are expected to grow 15%-20% in sales during January-March quarter, lower than last few quarters, industry executives and analysts said. "Demand peak in discretionary categories seems to be behind us. Elevated ticket sizes and store expansion coupled with normalising footfalls aided growth," HDFC Securities said in a report. "However, in retail, many of these variables are now mean-reverting. In Q4, we are already seeing signs of reined-in expansion plans across categories and ticket sizes are also normalising." For apparel players, growth will look optically high due to a weak base, but overall demand trends remain broadly unchanged.

<https://economictimes.indiatimes.com/news/company/corporate-trends/discretionary-spending-may-weaken-in-q4-apparel-lifestyle-cos-and-eateries-expect-sales-to-grow-only-15-20/articleshow/99566962.cms>

Investments, innovation, integration with value chains to help apparel sector register healthy growth: APEC

Healthy investments, innovation and integration with value chains will help India's textiles and apparel sector to register healthy growth in manufacturing and exports, AEPC said on Tuesday. Newly appointed secretary general of the Apparel Export Promotion Council (AEPC) Mithileshwar Thakur said the focus should be on building scale, skill and technology besides diversification of products basket and strengthening of Brand India. "My mantra for the exponential growth of the Indian Textiles and Apparel sector is investment, innovation and integration of the value chain. The idea is to align the industry's approach with the government's vision to make India a favoured textiles destination," he said in a statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/investments-innovation-integration-with-value-chains-to-help-apparel-sector-register-healthy-growth-apec/articleshow/99583291.cms>

Laptop makers expect better sales in election year

Laptop/ notebooks manufacturers are expecting their sales to skyrocket with crucial assembly elections this year and general elections next year. State governments across the board order laptops in bulk for distribution among school students, especially in election years. For instance, before the Uttar Pradesh (UP) assembly elections last year, the UP government had announced its proposal to give free laptops to the meritorious students of class X and XII, for which the students required to apply online.

<https://www.thehindubusinessline.com/economy/laptop-makers-expect-better-sales-in-election-year/article66751983.ece>

Air traffic soars in March quarter

The domestic aviation industry continues to witness recovery with passenger traffic for March increasing by 21.4% as compared to the corresponding period last year. For the quarter ending March 31 this year, passenger traffic jumped by a massive 51.7% compared to the year-ago period. IndiGo continued its dominance with its market share in March increasing marginally to 56.8%.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/air-traffic-soars-in-march-quarter/articleshow/99594820.cms>

Agriculture

India needs to raise maize production by 10 million tonnes in next 5 years: Agriculture Secretary

The Indian government, on Tuesday, said it estimates maize output to increase by 10 million tonnes (mt) over the next five years if the growing demand for ethanol production and poultry industry has to be met. Inaugurating India Maize Summit, organised by FICCI, Union Agriculture Secretary Manoj Ahuja stressed the need to cut down losses in the entire value chain of maize in a systematic manner.

<https://www.thehindubusinessline.com/economy/agri-business/india-needs-to-raise-maize-production-by-10-million-tonnes-next-5-years-agriculture-secretary/article66751166.ece>

India's sugar output drops 5.4% y/y as mills close early

Indian mills produced 31.1 million tonnes of sugar since the current season began on Oct. 1, a fall of 5.4% year on year, as many mills closed early due to limited availability of sugar cane, a leading trade body said on Tuesday. Lower sugar output from India, the world's biggest producer of the sweetener, will leave hardly any surplus for additional exports during the current 2022/23 season. Out of 532 mills that started operations in the current season, 400 mills closed operations, including all mills from the top producing western state of Maharashtra, the Indian Sugar Mills Association said in a statement.

<https://economictimes.indiatimes.com/news/economy/agriculture/indias-sugar-output-drops-5-4-y/y-as-mills-close-early/articleshow/99580950.cms>

Tea Mosquito Bug Crisis: Planters Association urges immediate government intervention

The United Planters Association of South India (UPASI) has urged the government to immediately intervene and take appropriate steps to control the Tea Mosquito Bug (*Helopeltis theivora*) (TMB) problem in the tea plantations in India. Mr. Jeffrey Rebello, President-UPASI said that India has the second largest area under tea in the world with around 6.37 lakhs hectares. The tea area in North India is 5.36 lakhs hectares while South India has an area of 1.01 lakh hectares. Currently, small tea growers contribute 52 percent of India's tea production with around 2.10 lakh growers spread across West Bengal, Assam, Tamil Nadu and Kerala.

<https://economictimes.indiatimes.com/news/economy/agriculture/tea-mosquito-bug-crisis-planters-association-urges-immediate-government-intervention/articleshow/99588111.cms>

Heatwave hits India's poultry sector; prices of chicken plummet 50%

Heatwave conditions in large parts of the country have hit the poultry sector hard, with prices of chicken crashing 50% over the past one week as farmers offloaded the chicks in the market owing to fear that high temperatures might kill the birds. Fish prices, on the other hand, increased 10-20% during this period amid supply constraints as ponds where fish are cultivated were drying up.

<https://economictimes.indiatimes.com/news/economy/agriculture/heatwave-hits-indias-poultry-sector-prices-of-chicken-plummet-50/articleshow/99576542.cms>

Infrastructure

Govt proposes panel of consumer forum, RERA to address realty issues

The government on Tuesday proposed to form a committee of members of the national commission, state consumer commissions, real estate regulatory authority (RERA), Insolvency and Bankruptcy Board of India (IBBI) and department of consumer affairs to effectively deal with issues in the real estate sector. The proposal was brought forward in Mumbai at a round table conference organised by the department of consumer affairs and the Maharashtra government to redress consumer grievances. During the deliberations, the department proposed a few measures such as the formation of the committee, sending the draft agreement to buyers before execution, and including an exit clause for homebuyers in all agreements, valid until the occupancy certificate (OC) or completion certificate (CC) is obtained and possession is offered by the builders.

https://www.business-standard.com/industry/news/govt-proposes-to-form-a-committee-to-address-real-estate-grievances-123041800885_1.html

Housing prices see 7% rise during Q1 of 2023 in top 14 cities: Report

The Indian real estate market is seeing a surge in housing sales, a report released by real estate data, research and analytics firm PropEquity said. The firm said that the top 14 cities in the country saw an average increase of 7 per cent year-on-year (YoY) basis in housing sales during the first quarter of the current calendar year. The growth in the Indian residential market between January and March 2023 was driven by several factors, including infrastructure growth, government policies, and robust launches, said the PropEquity report.

https://www.business-standard.com/industry/news/housing-prices-see-7-rise-during-q1-of-2023-in-top-14-cities-report-123041800982_1.html

Energy

Windfall tax reimposed on local crude oil; duty on diesel exports scrapped

India on Tuesday reimposed windfall tax on domestically produced crude oil at ₹6,400 per tonne and scrapped export duty on diesel. The export duty exemption for petrol and aviation turbine fuel (ATF) will continue. In the last revision the Centre had reduced the windfall profit tax on domestically produced petrol to zero while it has halved the levy on the export of diesel to ₹0.50 per litre. The duty will be effective from April 19, according to a notification issued by the Central Board of Indirect Taxes and Customs.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/windfall-tax-reimposed-on-local-crude-oil-duty-on-diesel-exports-scrapped/articleshow/99594394.cms>

Share of gas in India's primary energy mix at 7-11% by 2050: bp Energy Outlook

The bp Energy Outlook 2023 projects that the share of natural gas in India's primary energy mix, which currently stands at around 6.5-6.7 per cent, is expected to grow to just 7-11 per cent by 2050. This means that the world's third largest energy consumer may fail to achieve its target to raise the share of natural gas in the total energy mix to 15 per cent by the end of the current decade.

<https://www.thehindubusinessline.com/economy/share-of-gas-in-indias-primary-energy-mix-at-7-11-by-2050-bp-energy-outlook/article66751808.ece>

Telecom

Postpaid users to make up 12% of India's mobile user base in FY24 vs 8% now: Crisil

The share of postpaid users in India's overall mobile user base is set to jump some 400 basis points (bps) to 12% in FY24, on the back of India's top two telcos recently bolstering their postpaid schemes with unlimited 5G data offers and diverse OTT content, ratings agency, Crisil said. "Unlimited 5G data and access to a wider range of OTT content offered by select plans under the new tariffs, along with a narrowing gap between postpaid and prepaid monthly average revenue per user (ARPU), would be key enablers for postpaid subscription," Crisil said in a media statement Tuesday. Last month, Bharti Airtel and Reliance Jio enhanced their family postpaid schemes coupled with unlimited 5G data offerings to corner more high value customers and revenue share from loss-making Vodafone Idea (Vi), especially as the latter still hasn't launched 5G services.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/postpaid-users-to-make-up-12-of-indias-mobile-user-base-in-fy24-vs-8-now-crisil/articleshow/99583674.cms>

India will have its own big telecom equipment manufacturers soon: C-DOT CEO

Highlighting the confidence in India's telecom equipment manufacturing capability, Centre for Development of Telematics (C-DOT) chief executive officer (CEO) Rajkumar Upadhyay said that in the next two to three years, India would have "at least 2-3 Ericssons, Huawei and Nokias". In an exclusive interview with The Financial Express (FE), he said that the Centre has already started receiving interest from other countries for its indigenous technology. Founded in 1984, C-DOT is a government of India-owned telecom tech development centre. It was founded to design and develop digital exchanges. It recently came into the limelight by developing India's own 4G-5G technology stack. It is software that takes care of end-to-end call control over the network. The stack has been tested for launching 4G services by BSNL.

https://www.business-standard.com/industry/news/india-will-have-its-own-big-telecom-equipment-manufacturers-soon-c-dot-ceo-123041800402_1.html

States

Chennai garners \$2.88 bn investment in real estate sector between 2018-22

Chennai has garnered investments worth USD 2.88 billion in real estate during the period 2018-22, making the city among the top five in the country, a study undertaken by real estate consulting firm CBRE South Asia said on Tuesday. Across India, the real estate sector attracted investments of USD 43.3 billion between 2018-2022. Chennai recorded investments totaling to USD 0.9 billion during 2018-22 into land acquisition accounting eight per cent of

the total land acquire since 2018. Over 60 per cent of the investments were in core and core-plus investment strategies, the report has revealed.

https://www.business-standard.com/india-news/chennai-garners-2-88-bn-investment-in-real-estate-sector-between-2018-22-123041800588_1.html

External

Gem & jewellery exports shine amid global challenges, up 2.48% in FY23

For FY 2022-23, the overall gem & jewellery exports grew 2.48% to Rs 3,00,462.52 crores as compared Rs 2,93,193.19 crores for the same period previous year. In terms of US dollars, the overall gem & jewellery exports accounted for \$37,468.66 million as compared to \$39,331.71 million for the same period last year. Congratulating the Government for achieving \$770 billion in exports during 2022-23, Vipul Shah, Chairman of GJEPC, analysed the performance of the gem & jewellery industry and said in a statement, "India's gem and jewellery industry has shown remarkable resilience and perseverance in the face of global challenges. Despite inflation in the US, the Russia-Ukraine war, and the lockdown in China for almost 6 months, a key market, the industry has managed to put up a commendable performance. The overall gems & jewellery exports grew 2.48% to Rs 3,00,462.52 crores as compared to last year. Timely implementation of the India-UAE Comprehensive Economic Partnership Agreement (CEPA) by the Ministry of Commerce & Industry, has resulted in a remarkable 17% growth in exports of plain gold jewellery in 2022-23.

<https://economictimes.indiatimes.com/small-biz/sme-sector/gem-jewellery-exports-shine-amid-global-challenges-up-2-48-in-fy23/articleshow/99585341.cms>

Jaishankar-Manturov discuss measures to push trade turnover beyond 45 billion USD

Indian Foreign Minister S Jaishankar and Russian Deputy PM Denis Manturov on Tuesday explored measures to push increase trade turnover which recorded unprecedented growth and touched 45 billion USD. "Trade turnover between Russia & India exceeded 35 bn USD," stated Russian Deputy PM & Minister of Industry & Trade, Co-Chairman of Indo-Russian Intergovernmental Commission on Trade, Economic, Scientific, Technical & Cultural Cooperation during his meeting with Jaishankar here on Tuesday. According to Jaishankar for the period April, 2022 - February, 2023, the trade is actually about USD 45 billion and the expectation is that this will continue to grow.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-russia-to-work-for-unlocking-full-potential-of-economic-ties/articleshow/99592134.cms>

India plans to appeal against WTO panel ruling on IT tariffs: Govt

India is planning to appeal against a ruling from a panel at the World Trade Organization (WTO) that the Asian country violated global trading rules by imposing tariffs on some IT products, a government source said. On Monday, the WTO panel gave its ruling related to a 2019 dispute with the European Union, Japan and Taiwan over import duties on IT products.

https://www.business-standard.com/india-news/india-plans-to-appeal-against-wto-panel-ruling-on-it-tariffs-govt-123041800848_1.html

India wants WTO mechanism to ensure development issues are not ignored

India has proposed an institutional mechanism at the World Trade Organization (WTO) to keep a check on actions taken on decisions in favour of developing countries and ensure that the development issues are not lost sight of. In a submission, New Delhi said that the WTO's key committee responsible for work on development and issues relating to the trade of developing countries, is unable to deliver on its mandate. As per the submission, a lack of institutional mechanism, within the WTO, as regards the continuous review by the Committee on Trade and Development (CTD) of participation of developing country members is impeding it from acting as a focal point for development, as envisaged.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-wants-wto-mechanism-to-ensure-development-issues-are-not-ignored/articleshow/99594222.cms>