



April 24, 2023 – Monday

Economy

IMF likely to have erred on India's growth forecast, says RBI paper

Days after the International Monetary Fund (IMF) cut India's gross domestic product (GDP) growth forecast for the current financial year (FY24) to 5.9 per cent from 6.1 per cent earlier, a Reserve Bank of India (RBI) report said on Friday that the multilateral body might "encounter forecast error" as there could be positive surprises on the growth front. The State of the Economy report for April, authored by RBI staffers, including Deputy Governor in charge of monetary policy Michael Debabrata Patra, also said India Inc's profits had moderated after a robust 2021-22, but remained healthy despite multiple challenges. "This might provide a fillip for the much-awaited revival in the corporate capex cycle in 2023-24. Signs of upturn are becoming evident in industries such as cement, steel, oil and gas, textiles and data centres, to name a few early birds," it said.

https://www.business-standard.com/economy/news/rbi-paper-says-imf-likely-to-err-on-india-growth-forecast-123042100936_1.html

Banking and Finance

Bank credit grows 15.7%; deposits increase 10.2%, shows RBI data

Banking system's credit rose by 15.7 per cent year-on-year (YoY) basis in the fortnight ended April 7 to Rs 138.45 trillion. This was the first fortnight in the current financial FY24. The credit rose by 15 per cent YoY in FY23. Reserve Bank of India data showed while advances grew by Rs 1.7 trillion in the reporting fortnight, accretion to deposits more than doubled to Rs 4.06 trillion. The growth in deposits was 10.2 per cent YoY basis to Rs 184.5 trillion at end of April 7.

https://www.business-standard.com/industry/banking/bank-credit-grows-15-7-deposits-increase-10-2-shows-rbi-data-123042001364_1.html

FinMin working with MeitY, RBI to clamp down on ponzi apps: FM Sitharaman

Union Minister Nirmala Sitharaman on Sunday said the finance ministry is working with MeitY and RBI to clamp down on ponzi apps to prevent them from taking away hard earned money of gullible investors. Cautioning investors against ponzi apps, Sitharaman said investors should do their due diligence and should not be lured by claims of lucrative returns made by them. "There are also apps which are coming out and reaching out to people saying we can do this, we can do that. Your money will fetch you this much." Many of them are ponzi, the apps on which we are working with the Ministry concerned, the Ministry of Electronics & Information Technology (MeitY) and with the Reserve Bank and clamping down on them like never before, so that we don't get those ponzi apps, taking away hard earned money," she said.

https://www.business-standard.com/india-news/finmin-working-with-meity-rbi-to-clamp-down-on-ponzi-apps-fm-sitharaman-123042300510_1.html

Centre may bring municipal bodies under TSA for effective funds use

The government is considering a proposal to bring all large municipal bodies under the new treasury single account (TSA) system for fund release, to streamline the utilisation of money and ensure transparency in their accounts.

"Municipal finances is next on the reform agenda and bringing it to TSA will help in transparency in utilisation of funds," a senior official said. This could also figure as part of the terms of reference (ToR) for the 16th Finance Commission, which will be constituted later this year, officials aware of the proposal told ET.

<https://economictimes.indiatimes.com/news/economy/policy/centre-may-bring-municipal-bodies-under-tsa-for-effective-funds-use/articleshow/99713638.cms>

Asset recast companies hopeful of RBI fillip to help tackle Rs 6 lakh crore of soured loans

Asset reconstruction companies (ARC) are awaiting the next set of central bank guidelines, including widening the definition of qualified buyers to include high net worth individuals (HNIs) and corporates and permitting ARCs to acquire distressed assets from all financial entities. These changes could help clean up ₹6 lakh crore of soured advances. The Reserve Bank of India (RBI) constituted a Committee to review the working of ARCs which submitted its report in September 2021. Thereafter in October 2022, RBI issued some guidelines based on these, and others are reportedly being examined. With migration towards expected credit loss (ECL) provisioning, there will be more focus on transferring NPAs to ARCs. The RBI floated a discussion paper in January and will adopt the ECL approach used in IFRS 9 for prescribing guidelines for loss provisioning by banks, as reported.

<https://economictimes.indiatimes.com/industry/banking/finance/asset-recast-companies-hopeful-of-rbi-fillip-to-help-tackle-rs-6-lakh-crore-of-soured-loans/articleshow/99717457.cms>

Industry

Govt to announce national retail trade policy, accident insurance scheme for GST-registered traders soon

The government is likely to announce a national retail trade policy and an accident insurance scheme for GST-registered domestic traders soon, reported PTI, citing an official. The policy is aimed at providing better infrastructure and more credit to the traders. The policy is likely to include provisions related to ensuring easy and quick access to affordable credit, facilitating modernization and digitisation of retail trade; modern infrastructural support for subjects like distribution chain; promotion of skill development and improving labour productivity, and providing an effective consultative and grievance redressal mechanism.

<https://economictimes.indiatimes.com/industry/services/retail/govt-to-announce-national-retail-trade-policy-accident-insurance-scheme-for-gst-registered-traders-soon/articleshow/99704362.cms>

Price hikes help apparel market grow 15% in FY23

India's apparel market expanded 15% during 2022-23 but sales growth was entirely price hike led as volumes or products people bought fell 3%, according to the Clothing Manufacturers Association of India (CMAI). While sales growth has breached pre-Covid levels, the segment could see demand recovery only during Diwali this year, according to the association, which represents over 20,000 apparel makers and retailers in the segment. "There was an upswing in sales after lockdowns after consumers rushed to malls and stores but that has normalised now. We see large branded and organised chains performing well despite price increases but a large chunk of smaller retailers and apparel makers operating out of multi-brand outlets in smaller towns are feeling the pressure due to inflation," said Rahul Mehta, chief mentor at CMAI.

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/price-hikes-help-apparel-market-grow-15-in-fy23/articleshow/99714100.cms>

Launch 'PLI Plus' to focus on development to boost manufacturing: GTRI

The government should consider launching a 'PLI Plus' scheme with focus on development of new products, industrial designs and enhancing productivity with a view to boost domestic manufacturing, economic think tank GTRI said on Sunday. A production-linked incentives scheme (PLI) is under implementation by the government with a budgetary outlay of about Rs 2 lakh crore for 14 sectors such as white goods, mobile, telecommunication and auto components. The Global Trade Research Initiative (GTRI) report said that creating sustainable and competitive manufacturing is imperative to increase the share of manufacturing in GDP to 25 per cent by 2030, up from 15 per cent at present. "This will require shifting focus to one step back. From quick manufacturing outcomes to R&D, reverse engineering, and deep work.

https://www.business-standard.com/india-news/launch-pli-plus-to-focus-on-development-to-boost-manufacturing-gtri-123042300756_1.html

India's crude steel output grows 4 pc to over 125 MT in FY23

India's crude steel production rose by 4.18 per cent to 125.32 million tonnes (MT) in 2022-23, according to research firm SteelMint. In the preceding 2021-22 fiscal, the country produced 120.29 MT of steel, the research firm stated. The production of finished steel was 121.29 MT, up 6.77 per cent from 113.60 MT a year ago. Domestic consumption of steel rose by 12.69 per cent to 119.17 MT against 105.75 MT in 2021-22. A SteelMint analyst attributed increasing infrastructure activities to higher production and consumption of steel in India. Steel exports fell by 50 per cent to 6.72 MT from 13.49 MT a year ago. Imports surged about 29 per cent to 6.02 MT in FY23 from 4.67 MT in 2021-22. The production of pig iron was at 5.85 MT in FY23, down 6.53 per cent from 6.26 MT in the preceding year.

<https://www.financialexpress.com/industry/indias-crude-steel-output-grows-4-pc-to-over-125-mt-in-fy23/3058785/>

Indian IT majors report weak Q4FY23 margins due to banking crisis impact

Major IT companies have been experiencing a seasonally weak quarter, in line with the street's predictions. For Q4 FY23, margins for the top three Indian IT firms — Tata Consultancy Services, Infosys and HCL Tech — reduced sequentially to 24.5 per cent, 21 per cent and 18.1 per cent, respectively. In the previous quarter, TCS, Infosys and HCL Tech had reported operating margins of 24.5 per cent, 21.5 per cent and 19.6 per cent, respectively. Margins for these IT companies took a beating in the concluding quarter of FY23, largely due to the banking crisis, which impacted the BFSI vertical for these companies. The BFSI sector contributes to 30-38 per cent of the revenue mix for the top three Indian IT companies, according to a research report by ICICI Direct. Therefore, the banking crisis in the US impacted the margins significantly in Q4 FY23. The management commentary on the banking crisis illustrated that IT companies had to slow down execution of existing deals, as customer sentiments turned negative following collapse of Silicon Valley Bank and Credit Suisse crisis.

<https://www.thehindubusinessline.com/info-tech/it-majors-report-weak-q4-margins/article66770661.ece>

Akshaya Tritiya sees 40% increase in jewellery sales volume despite high gold prices

The 2023 Akshaya Tritiya has turned out to be a good one for jewellery retailers and consumers, despite high gold prices in terms of volume. Initial indications point to an increase in overall jewellery sales volume this year.

<https://www.thehindubusinessline.com/markets/gold/akshaya-tritinya-2023-sales-up-by-40-in-terms-of-volume-gjc/article66770889.ece>

Agriculture

Climate change causing reduced crop yields in India, heatwaves globally: UN

Climate change continued to wreak havoc in 2022, breaking multiple records around the globe, according to the State of the Global Climate 2022 report, released by United Nation's World Meteorological Organisation (WMO) on Friday. The report cautioned that weather- and climate-related phenomena present a variety of humanitarian concerns with implications for ecosystems and the environment. Despite the La Nina conditions, the worldwide mean temperature in 2022 was 1.15 degrees Celsius higher than the pre-industrial (1850-1900) average, making it the "fifth or sixth" warmest year on record, highlighted the report. The report also said that the increased incidences of droughts, floods, and heatwaves on a global scale are the result of record levels of heat-trapping greenhouse gases. In India, the monsoon arrived earlier than usual in 2022 and left the country later than usual. Additionally, it was warm in Pakistan and India before to the monsoon. In particular in Uttarakhand, a mountain state, the excessive heat has reportedly resulted in a number of forest fires and low grain yields.

https://www.business-standard.com/world-news/climate-change-causing-reduced-crop-yields-in-india-heatwaves-globally-un-123042101158_1.html

Aadhaar authentication will be needed to avail MSP for cotton

Farmers selling cotton to Cotton Corporation of India at minimum support price (MSP) need to submit the unique identity, Aadhaar, as per a notification issued by the Central government. Some states, such as Tamil Nadu, have already implemented Aadhaar submission by farmers to avail MSP or incentives for paddy. "An individual eligible for receiving the benefits under the Scheme shall be required to furnish proof of possession of an Aadhaar number or

undergo Aadhaar authentication," according to the notification, dated April 17 and issued by Textiles Ministry. Further, it mentioned that this will come into effect on the date of its publication in the Official Gazette in all the States and Union territories.

<https://www.thehindubusinessline.com/economy/agri-business/aadhaar-authentication-will-be-needed-to-avail-msp-for-cotton/article66769640.ece>

Tea planters suffering from shortage, crop loss, falling prices in Tripura

Tea planters in Tripura are witnessing a "shortage" in production due to a prolonged dry spell in the northeastern state with "falling" prices of the crop creating pressure on margins, stakeholders said on Sunday. Tea plantations, the second largest industry in the state after rubber, are facing "crop loss" this season due to a drought-like situation, Tripura Tea Development Corporation (TTDC) chairman Santosh Saha said. Our production has been hit due to drought-like conditions. There is a shortage of leaves, and the volume in the auction market has also come down. It is a difficult situation for us to get profit," he told PTI.

https://www.business-standard.com/india-news/tea-planters-suffering-from-shortage-crop-loss-falling-prices-in-tripura-123042300604_1.html

Infrastructure

India jumps 6 places on World Bank's Logistic Performance Index, ranks 38

India has climbed six places on the World Bank's Logistic Performance Index (LPI) 2023, now ranking 38th in the 139 countries index, as a result of significant investments in both soft and hard infrastructure as well as technology. India was ranked 44th on the index in 2018 and has now climbed to 38th in the 2023 listing. India's performance has drastically improved from 2014, when it was ranked 54th on the LPI.

https://www.business-standard.com/india-news/india-jumps-6-places-on-world-bank-s-logistic-performance-index-ranks-38-123042300291_1.html

354 infra projects show cost overruns of Rs 4.55 lakh cr

As many as 354 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.55 lakh crore, as per an official report. According to the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects worth Rs 150 crore and above, out of 1,449 projects, 354 reported cost overruns and as many as 821 projects were delayed. "Total original cost of implementation of the 1,449 projects was Rs 20,69,658.30 crore and their anticipated completion cost is likely to be Rs 25,25,348.87 crore, which reflects overall cost overruns of Rs 4,55,690.57 crore (22.02 per cent of original cost)," the ministry's latest report for March, 2023 said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/354-infra-projects-show-cost-overruns-of-rs-4-55-lakh-cr/articleshow/99703933.cms>

Almost 50,000 km of National Highways added in 9 years

Prime Minister Narendra Modi's push for an infrastructure upgrade to boost the economy has led to an unprecedented 50,000 kilometres of National Highways - the country's arteries - being added in the last 9 years, according to official data. India had a total of 97,830 km of National Highways in 2014-15 which has been expanded to 145,155 km by March 2023. From building 12.1 km per day of roads in 2014-15, the nation is seeing 28.6 km of roads being constructed every day in 2021-22, according to the official data. Roads and highways play a crucial role in a nation's economy. Road transport is the basis of not only economic development but also social development, defence sectors, and access to basic things for life. According to a report, about 85 per cent of passenger and 70 per cent of goods traffic is carried by roads every year, this gives us an idea of its importance.

<https://economictimes.indiatimes.com/news/economy/infrastructure/almost-50000-km-of-national-highways-added-in-9-years/articleshow/99707174.cms>

MoRTH plans to raise Rs 35,000 crore through asset monetisation this fiscal: Official

The Ministry of Road Transport and Highways (MoRTH) plans to raise Rs 35,000 crore through various modes of asset monetisation in this financial year, against Rs 32,855-crore target in the last fiscal, a senior government official said on Sunday. Currently, MoRTH monetises its assets under three different modes viz toll-operate-transfer (TOT)

model, Infrastructure Investment Trust (InvIT) and project-based financing, in order to provide all categories of investors an opportunity to invest in assets pertaining to highways and associated infrastructure. Elaborating further, the official told PTI that while Rs 15,000 crore is planned to be raised in 2023-24 via project-based financing of high-speed corridors by securitising the future toll revenues without any guidance from the authority, Rs 10,000 is planned to be raised via InvIT.

<https://economictimes.indiatimes.com/news/economy/infrastructure/morth-plans-to-raise-rs-35000-crore-through-asset-monetisation-this-fiscal-official/articleshow/99704541.cms>

India's major ports handled highest ever cargo at 795 million tonne in FY23

India's major ports handled the highest ever cargo at 795 million tonne in 2022-23, Ministry of Ports, Shipping and Waterways Secretary Sudhansh Pant said on Friday. Pant further said that with transactions worth about Rs 5,000 crore, the shipping ministry has surpassed its FY23 asset monetisation target of about Rs 3,700 crore. He also said that next week, Ports, Shipping and Waterways Minister Sarbananda Sonowal will launch 'Green Port' guidelines to make India's ports green. "Our major ports have handled the highest ever cargo in the history of the ports at 795 million metric tonne. This is 10 per cent higher than the previous year's cargo handled," he told PTI.

<https://www.financialexpress.com/industry/indias-major-ports-handled-highest-ever-cargo-at-795-million-tonne-in-fy23/3056812/>

Sarbananda Sonowal inaugurates infrastructure projects at Chennai and Kamarajar ports

The Union Minister of Ports, Shipping & Waterways Sarbananda Sonowal inaugurated major infrastructure projects in Tamil Nadu to augment the capacity of Chennai and Kamarajar ports in the state. The projects - worth more than Rs 148 crores - aim at boosting the capacity of Chennai and Kamarajar ports. The Union Minister also underlined the ongoing discussion between India and Russia to open up 'Chennai-Vladivostok Maritime Corridor' in order to bolster the maritime trade between the two countries. A bunker berth at Bharathi Dock, Goods Shed yard at Jolarpet and 40 KLD (Kilo Litres per day) sewage treatment plant were inaugurated at Chennai port by the Union Minister Sarbananda Sonowal. The total cost of these projects is more than Rs 55 crores.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/sarbananda-sonowal-inaugurates-infrastructure-projects-at-chennai-and-kamarajar-ports/articleshow/99711485.cms>

Telecom

Govt launches mobile towers in LAC villages of Arunachal Pradesh

Union Minister for Communications Ashwini Vaishnaw on Saturday launched 254 '4G mobile towers' in Arunachal Pradesh. A bulk of these are located in the villages bordering China to counter foreign telecom penetration. Union Minister of Law and Justice Kiren Rijiju and Arunachal Pradesh Chief Minister Pema Khandu was also present at the launch ceremony. These 254 towers will provide 4G coverage in 336 villages, including several areas which have remained unconnected since Independence. Over 70 thousand people are expected to be benefitted from this service. The Union government had approved ₹2605 cr for providing connectivity to more than 3,721 villages in Arunachal Pradesh. A senior official of the BSNL, who did not want to be named, told ET, "Most of the towers have come up along the border with China. Towers have come up in Siang and Upper Siang. This is the first phase of the project."

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/govt-launches-mobile-towers-in-lac-villages-of-arunachal-pradesh/articleshow/99697257.cms>

Airlines must get new altimeters to ensure no interference from 5G: Telcos

Telcos are pushing the Directorate General of Civil Aviation (DGCA) to impose a sunset clause within which airlines have to mandatorily replace their old altimeters with the latest one so that 5G spectrum airwave radiation in airports does not interfere with an aircraft's instruments. The DGCA had mandated a complete blackout of 5G services in airports across the country and areas within 2.1 kilometres radius due to safety concerns. To deal with this contentious issue, a meeting was held between stakeholders and the civil aviation regulator on Thursday. The telcos have informed the DGCA that representatives of Boeing and Airbus have shared details of what they are doing globally to resolve the issue. For instance, the US has given a deadline to change all the older altimeters by May 31 this year and the replacement of the altimeters is currently on.

https://www.business-standard.com/companies/news/airlines-must-get-new-altimeters-to-ensure-no-interference-from-5g-telcos-123042100868_1.html

States

Chhattisgarh govt encourages pvt entrepreneurs to set up millet units

At a high-level review meeting, Chief Secretary Amitabh Jain has asked the forest department officials to explore formulating policy to sway the private entrepreneurs for investing in the sector. In October 2022, Chhattisgarh Chief Minister Bhupesh Baghel had inaugurated the maiden millet processing unit in Kanker district by Avni Ayurveda. The unit, with a capacity of processing 10,000 to 12,000 tonnes of millets annually, is claimed to be the biggest in Asia. Baghel inaugurated the first millet cafe in the state capital on Wednesday. Besides procuring the crop, such as kodo kutki ragi, at the support price, the government is also providing an input subsidy of Rs 9,000 to farmers. Millet-based cafes and hotels have opened in many cities of the state, including Raigarh and Jagdalpur, Baghel said, adding that women entrepreneurs were being promoted in the state to run the centres.

https://www.business-standard.com/industry/agriculture/chhattisgarh-govt-encourages-pvt-entrepreneurs-to-set-up-millet-units-123042101260_1.html

Start-ups in tourism sector to receive a boost from Rajasthan govt

The Rajasthan government plans to encourage start-ups in the tourism sector for which it has decided to offer various facilities. An official of the tourism department said, "Sensing that the start-up movement is making a considerable impact in the tourism sector, the state government has decided to facilitate entrepreneurship in this space. It is offering benefits, including provisions for self-certification for approvals required from different departments for a period of three years." The government would also extend to all start-ups the benefits available under the Rajasthan Investment Promotion Scheme (RIPS), 2019.

https://www.business-standard.com/india-news/start-ups-in-tourism-sector-to-receive-a-boost-from-rajasthan-govt-123042100778_1.html

External

India's forex reserves up \$1.65 bn to \$586.4 bn, shows RBI data

India's foreign currency reserves rose by \$ 1.65 billion to \$586.41 billion in the week ended April 14, 2023. The rise in reserves in the reporting week was on account of a \$ 2.2 billion accretion to currency reserves that took them to \$516.6 billion, shows Reserve Bank of India data. Gold reserves, meanwhile, were valued at \$46.17 billion, down by \$0.52 billion in the reporting week, RBI data showed. Special Drawing Rights (SDRs) were down by \$ 38 million to \$18.41 billion. The reserve position with the International Monetary Fund (IMF) grew by just \$12 million to \$5.19 billion in the April 14 week. But the country's foreign exchange reserves were lower by \$ 17.28 billion compared to a level a year ago.

https://www.business-standard.com/finance/news/india-s-forex-reserves-up-1-65-bn-to-586-4-bn-shows-rbi-data-123042101051_1.html

EU's carbon border tax will render ongoing FTA negotiations ineffective, says GTRI's Ajay Srivastava

Ajay Srivastava, former Indian Trade Service officer and founder of New Delhi-based think tank, Global Trade Research Initiative (GTRI), tells Shantanu Nandan Sharma that the EU's proposed carbon border tax would weaken World Trade Organization's existing obligations and also render ongoing free trade agreements with the UK, EU, and Canada ineffective. Edited excerpts of the interview:

<https://economictimes.indiatimes.com/news/economy/foreign-trade/eus-carbon-border-tax-will-render-ongoing-fta-negotiations-ineffective-says-gtris-ajay-srivastava/articleshow/99703802.cms>

India, Guyana sign Air Services Agreement to allow easier travel between the nations

India and Guyana signed an Air Services Agreement (ASA) on Saturday to facilitate easier travel between the two nations, News Room Guyana reported citing the release from the Ministry of Public Works of the country. The agreement was signed between Minister of Public Works Bishop Juan Edghill, M.P and the High Commissioner of India to Guyana KJ Srinivasa, and in the presence of External Affairs Minister S Jaishankar who is on a 3-day visit to

Guyana. The agreement's signing is consistent with the government's objective to establish ties between Guyana and the rest of the world. It will also complement the more than 50 Air Services Agreements Guyana has negotiated with other ICAO governments for the advancement of interstate air travel.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/india-guyana-sign-air-services-agreement-to-allow-easier-travel-between-the-nations/articleshow/99711161.cms>