



June 09, 2023 – Friday

## Key Developments

### RBI comes out with framework to permit default loss guarantee to fintechs

The Reserve Bank of India (RBI) on Thursday came out with a regulatory framework to permit default loss guarantee arrangements in digital lending. This is considered as a major relief to financial technology (fintech) companies that were seeking clarity on their lending arrangements with banks and non-banking financial companies. The RBI had barred the first loss default guarantee arrangement under the digital lending norms. Under this credit-risk sharing agreement, a certain percentage of the default loan portfolio of banks and NBFCs (registered entities) are guaranteed by a third party, a fintech or lending service provider (LSP).

[https://www.business-standard.com/industry/banking/rbi-to-come-out-with-fldg-guidelines-very-shortly-says-governor-das-123060800983\\_1.html](https://www.business-standard.com/industry/banking/rbi-to-come-out-with-fldg-guidelines-very-shortly-says-governor-das-123060800983_1.html)

## Economy

### Consumer sentiment up for fifth straight month in May: CMIE

Consumer sentiments improved for the fifth consecutive month in May 2023 though the rate of increase slowed down, raising apprehensions of a volatile growth in coming months on the back of erratic monsoon and state elections, said the Centre for Monitoring Indian Economy (CMIE). While the index of consumer sentiments grew 0.9% in May, the cumulative growth for the first five months of 2023 was 17.4%, a tad lower than 17.9% in the corresponding months of 2022, CMIE said in its labour market analysis.

<https://economictimes.indiatimes.com/news/economy/indicators/consumer-sentiment-up-for-fifth-straight-month-in-may-cmie/articleshow/100857888.cms>

### India Inc hiring activity slows by 7% amid macroeconomic headwinds, says foundit jobs tracker

Hiring activity in India showed a 7% decline in May compared to the same time last year as companies across most sectors remained cautious in adding to their payrolls due to the ongoing macroeconomic uncertainty and global headwinds, showed the latest data from leading talent platform foundit. Hiring activity slipped across all industries with a 4% month-over-month (MoM) decline, shows the Insights Tracker (fIT) from foundit (formerly Monster APAC & ME), a Qess company. Sectors such as banking financial services and insurance (BFSI), automotive/ancillaries/tyres, engineering/construction and production/manufacturing, technology services and outsourcing are among the ones hardest hit.

<https://economictimes.indiatimes.com/jobs/mid-career/india-inc-hiring-activity-slows-by-7-amid-macroeconomic-headwinds-says-foundit-jobs-tracker/articleshow/100841519.cms?from=mdr>

## Banking and Finance

### Monetary policy: RBI maintains status quo, turns hawkish on inflation

The six-member monetary policy committee (MPC) of the Reserve Bank of India (RBI) on Thursday decided to maintain the status quo in the repo rate for the second consecutive review meeting, basing itself on easing inflation

and brighter growth prospects. At the same time, the central bank decided to return to its primary objective of targeting headline inflation of 4 per cent, which was kept in abeyance in the past three years due to successive shocks like the pandemic and a war in Europe. The MPC's second straight pause comes after surprise hikes in policy rates by the Reserve Bank of Australia (RBA) and the Bank of Canada (BoC) following their previous pause. The RBI paused in April after a hike of 250 basis points in the repo rate between May 2022 and February 2023, to 6.5 per cent, emphasising that its decision to pause should not be seen as "pivot". While all six MPC members were unanimous in keeping the repo rate at 6.5 per cent, external member Jayanth Varma differed with the stance.

[https://www.business-standard.com/economy/news/rbi-maintains-status-quo-turns-hawkish-inflation-forecast-a-tad-low-123060801043\\_1.html](https://www.business-standard.com/economy/news/rbi-maintains-status-quo-turns-hawkish-inflation-forecast-a-tad-low-123060801043_1.html)

#### **RBI to give banks more time to implement ECL-based provisioning**

Reserve Bank of India (RBI) will give banks enough time to comply with its expected credit loss (ECL) based approach for provisioning and is not planning to implement it anytime soon, senior officials from the central bank said. "We have received comments from stakeholders which are being evaluated. Some more work is to be done. At this point of time it will not be correct to infer that (June) 30th will be the date when it will be launched," deputy governor M Rajeshwar Rao, who is in charge of regulations said.

<https://economictimes.indiatimes.com/news/economy/policy/ecl-provisioning-implementation-not-in-a-hurry-rbi/articleshow/100854834.cms>

#### **IBBI proposes changes to voting on bids for bankrupt companies under IBC**

New system of voting on more than one resolution plans, extending the timeline for submission of claims, and introducing audit for insolvency resolution process cost in some cases are among a series of changes the Insolvency and Bankruptcy Board of India (IBBI) has proposed to the existing insolvency regulations under IBC. To ensure that preference of plan is captured, and creditors are able to vote freely, it is proposed to use a system of voting with preference, the insolvency regulator said in a discussion paper published on Wednesday.

[https://www.business-standard.com/economy/news/ibbi-proposes-system-of-voting-on-multiple-resolution-plans-under-ibc-123060801077\\_1.html](https://www.business-standard.com/economy/news/ibbi-proposes-system-of-voting-on-multiple-resolution-plans-under-ibc-123060801077_1.html)

### **Industry**

#### **India eyes final quality control order for metals**

The government is readying to notify the final quality control orders for aluminium, copper and nickel, aiming to curb the import and sale of poor quality metals, said officials. The measure will help regulate the sale of these metals, making it mandatory for sellers to adopt the Bureau of Indian Standards (BIS) norms, they said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/india-eyes-final-quality-control-order-for-metals/articleshow/100858088.cms>

#### **Govt approves 20 technical textiles R&D projects worth Rs 61.09 cr**

The government has approved 20 R&D projects worth Rs 61.09 crore across Geotech, Protech, Indutech, Sustainable Textiles, Sportech, Buildtech segments and Specialty Fibres (Carbon Fibre and Ultra High Molecular Weight Poly Ethylene), textiles ministry said on Thursday. The projects were approved at the 6th Mission Steering Group (MSG) meeting of the National Technical Textiles Mission chaired by textiles minister Piyush Goyal. Among these 20 R&D projects, three were of Geotech, six of Protech, one each of Indutech, Sportech, and Ultra High Molecular Weight Poly Ethylene. Two projects each of Sustainable Textiles, Buildtech, Carbon Fibres, and Specialty/Functional Fibre were also approved.

<https://economictimes.indiatimes.com/industry/cons-products/garments/-textiles/govt-approves-20-technical-textiles-rd-projects-worth-rs-61-09-cr/articleshow/100856103.cms>

#### **Steel makers take steep price cuts in June amidst stress on exports**

India's key steel mills have taken a price cut for June deliveries by ₹2,000 per tonne to ₹4,000 per tonne, across both hot rolled coils (HRCs) and cold rolled coils (CRCs). The price cut, for three months in a row now, came on the back drop in export price, fear of rising imports and apprehension of an impact in domestic demand. According to trade

sources, the drop in HRCs was around ₹2,000 per tonne (averaged out across mills), or 4 per cent, to around ₹55,000 – ₹56,000 per tonne. Prices in May was around ₹58,000 - 59,000 per tonne.

<https://www.thehindubusinessline.com/economy/steel-makers-take-steep-price-cuts-in-june-amidst-stress-on-exports/article66946058.ece>

#### **FAME-II subsidy block: SMEV reaches out to govt for Rs 3K-crore rehab fund**

The Society of Manufacturers of Electric Vehicles (SMEV) on Thursday reached out to the Ministry of Finance, proposing a Rs 3,000-crore rehabilitation fund to revive and sustain the operations of original equipment manufacturers (OEMs), which have been affected by the blocking of money supposed to be disbursed under the Faster Adoption and Manufacturing (and Hybrid) Electric Vehicles (FAME). The industry body has maintained the subsidies withheld and due to various electric two-wheeler (E2W) manufacturers amount to over Rs 1,200 crore.

[https://www.business-standard.com/economy/news/fame-ii-subsidy-block-smev-asks-for-creation-of-rs-3-000-cr-rehab-fund-123060800849\\_1.html](https://www.business-standard.com/economy/news/fame-ii-subsidy-block-smev-asks-for-creation-of-rs-3-000-cr-rehab-fund-123060800849_1.html)

#### **Khadi artisans' wages up 150% in 9 yrs, sales up record 332%: Govt**

The Ministry of Micro, Small & Medium Enterprises on Thursday said that the sale of indigenous Khadi products made by artisans in rural areas has grown an “unprecedented” 332% in the last nine years. The turnover of Khadi and Village Industries products rose to the highest ever Rs 1.34 lakh crore in FY23 from Rs 31,154 crore in FY14, “which is the best ever achievement till now”.

<https://economictimes.indiatimes.com/industry/cons-products/garments/-/textiles/khadi-artisans-wages-up-150-in-9-yrs-sales-up-record-332-govt/articleshow/100856255.cms>

#### **About 24 global brands likely to set up shop in India this year**

About two dozen international brands are expected to enter India with their stores this year, the most in a decade, encouraged by a post-Covid consumption surge, property consultants said. Experts said that's up from one global brand in 2020, three in 2021 and 11 in 2022. Before the pandemic, about 12-15 brands used to enter India every year. Italian luxury fashion brand Roberto Cavalli, British luxury goods brand Dunhill, American sportswear and footwear retailer Foot Locker are in talks to enter India.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/about-24-global-brands-likely-to-set-up-shop-in-india-this-year/articleshow/100861476.cms>

#### **Security and compliance top cloud operations challenge for 64% IT decision-makers: Report**

At least 64 per cent of IT decision-makers continue to see security and compliance as the top cloud operations challenge followed by cost management, which was cited as the top challenge by 60 per cent of respondents, according to a report by NetApp. The biggest areas of focus for improving cloud operations continue to be cost management and security, according to 66 per cent of technology executives. The report found that only 33 per cent of executives are “very confident” in their ability to operate in a public cloud environment, an increase from 2022 when only 21 per cent reported feeling very confident.

<https://www.thehindubusinessline.com/info-tech/security-and-compliance-top-cloud-operations-challenge-for-64-it-decision-makers-report/article66946007.ece>

### **Agriculture**

#### **Cap subsidised fertiliser bags, overhaul PM-AASHA scheme, says CACP**

The Commission for Agricultural Costs and Prices (CACP) — the Centre's main panel to fix the minimum support price (MSP) of crops — in its non-price recommendations to the government has suggested capping the number of subsidised fertiliser bags each farmer can avail of to handle the subsidy burden. It also sought to bring urea under the nutrient-based subsidy regime. The commission has come down heavily on the PM-AASHA scheme meant for procurement of oilseeds and pulses in the event of a price fall, saying the performance of PM-AASHA has not been very encouraging due to lack of interest from states.

[https://www.business-standard.com/economy/news/cacp-favours-capping-subsidised-fertilizer-bags-rejigging-pm-asha-scheme-123060800923\\_1.html](https://www.business-standard.com/economy/news/cacp-favours-capping-subsidised-fertilizer-bags-rejigging-pm-asha-scheme-123060800923_1.html)

## Infrastructure

### Railways reports Rs 14,642 cr in earnings from freight loads in May 2023

The Ministry of Railways has reported an earning of Rs 14642 crore from freight loading in May 2023, a four per cent increase compared to last year at Rs 14,084 crore. The freight loading amount reported in May 2023 is also two per cent more than last year at 134 million tonnes (mt). It was 131 mt last year. The freight load of April and May combined in 2023 was reportedly 260.28 mt. This is three per cent more than the loading of 253.48 mt recorded during the same period last year.

[https://www.business-standard.com/india-news/railways-reports-rs-14-642-cr-in-earnings-from-freight-loads-in-may-2023-123060800900\\_1.html](https://www.business-standard.com/india-news/railways-reports-rs-14-642-cr-in-earnings-from-freight-loads-in-may-2023-123060800900_1.html)

### India's Samudrayaan project on track, construction of manned submersible vehicle apace: Kiren Rijju

India's mission to send a manned submersible vehicle to a depth of 6,000 metres to explore the sea, as part of the Samudrayaan project, is progressing as scheduled and the vehicle will be ready soon, Union Minister for Earth Sciences Kiren Rijju said on Thursday. The indigenous mission, which the National Institute of Ocean Technology (NIOT) here is working on, will involve three people going to a depth of 6,000 metres under the sea in the submersible vehicle called 'Matsya 6000'. "The Samudrayaan, comprising manned and unmanned exploration, is a very critical effort started by the ministry of earth sciences. The unmanned mission has gone beyond 7,000 metres, while the submersible for the manned mission is under construction," the minister said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/indias-samudrayaan-project-on-track-construction-of-manned-submersible-vehicle-apace-kiren-rijju/articleshow/100848028.cms>

## Energy

### India's fuel consumption rises 9% in May to 20 million tonne, shows data

Fuel consumption in India, a proxy for oil demand, rose 9 per cent on an annual basis in May. On a sequential basis, consumption rose by 8 per cent. Consumption of fuel totalled 20 million tonne (mt) in May, up from 18.37 mt in May 2022, data released by the Petroleum Planning and Analysis Cell (PPAC) on Thursday showed. Sale of diesel, the most used fuel in the country, rose 11.9 per cent to an all-time high of 8.21 mt in May. Diesel sales were 7.28 mt in May 2022. Petrol sales also reached record levels, rising 10.8 per cent to 3.34 mt over the month, up from 3.01 million tonnes in the year-ago period. Meanwhile, LPG offtake rose to 2.34 mt in the latest month, up from 2.15 mt in May 2022.

[https://www.business-standard.com/india-news/fuel-consumption-in-india-rises-9-in-may-to-20-million-tonnes-ppac-data-123060800975\\_1.html](https://www.business-standard.com/india-news/fuel-consumption-in-india-rises-9-in-may-to-20-million-tonnes-ppac-data-123060800975_1.html)

### Centre issues allocation orders to successful bidders of 22 coal blocks

The Centre announced on Thursday that it had issued allocation orders to successful bidders for 22 coal mines that had been put up for sale for commercial mining. "The nominated authority, Ministry of Coal has issued vesting orders for 22 coal mines to successful bidders of coal blocks under commercial coal mine auction on 8 June, 2023," the ministry said in a statement. "Out of the 22 coal mines, eleven mines are under Coal Mines (Special Provisions) Act, 2015 and the rest come under Mines & Minerals (Development and Regulation) Act, 1957," it added.

While 16 coal mines have been fully explored, the remaining six have only been partially explored.

[https://www.business-standard.com/industry/news/centre-issues-allocation-orders-to-successful-bidders-of-22-coal-blocks-123060800965\\_1.html](https://www.business-standard.com/industry/news/centre-issues-allocation-orders-to-successful-bidders-of-22-coal-blocks-123060800965_1.html)

### Power ministry asks CERC to start process for market coupling

The power ministry has requested the Central Electricity Regulatory Commission (CERC) to initiate market coupling process of multiple electricity exchanges, which could make prices uniform across exchanges. Several stakeholders had approached the ministry and it has decided to go ahead with the process, a letter from the ministry to the regulator said.

<https://economictimes.indiatimes.com/industry/energy/power/power-ministry-asks-cerc-to-start-process-for-market-coupling/articleshow/100858098.cms>

## Telecom

### Users traced over 2.5 lakh missing phones using DoT's AI portal CEIR

Mobile phone users managed to block 541,428 mobile phones and trace 255,882 lost devices using the Central Equipment Identity Register (CEIR) in less than a month since its launch, as per data shared on the Sancharsaathi portal. CEIR is an artificial intelligence (AI)-based portal launched on May 16 by the Department of Telecommunications (DoT) to check authenticity of a mobile connection and for blocking lost or stolen phones.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/users-traced-over-2-5-lakh-missing-phones-using-dots-ai-portal-ceir/articleshow/100857583.cms>

## States

### Uttar Pradesh to bring new policy for 'M-Sand' manufacturers, offer MSME-related benefits

Yogi Adityanath-led Uttar Pradesh government is introducing a new policy to provide industry status to all entrepreneurs in the state manufacturing M-Sand or manufactured sand, according to an ANI report on Wednesday. M-Sand is an artificial sand made by crushing huge stones and granite for use in construction.

<https://www.financialexpress.com/industry/sme/msme-eodb-yogi-government-to-introduce-a-policy-to-promote-m-sand-in-uttar-pradesh/3118298/>

## External

### Easy trade finance system key to achieve \$2 trn export target by 2030: DGFT

Easy availability of affordable trade finance is the key to achieving India's \$2 trillion exports target by 2030 in goods and services boosting export competitiveness, a senior government official said in an ASSOCHAM event on Thursday. Subhash Chandra Aggarwal, additional director general of foreign trade (DGFT), Ministry of Commerce and Industry said that traders and the government have to work on issues like obtaining easy finance both for domestic and cross-border trade.

[https://www.business-standard.com/economy/news/easy-trade-finance-system-key-to-achieve-2-trn-export-target-by-2030-dgft-123060801003\\_1.html](https://www.business-standard.com/economy/news/easy-trade-finance-system-key-to-achieve-2-trn-export-target-by-2030-dgft-123060801003_1.html)

### Customs to introduce additional disclosures for export-import of medicinal products from July 1

The Customs Department will introduce additional disclosures for the export and import of medicinal products from July 1 to fast-track clearances of shipments. These additional disclosures will reduce queries of Customs officials, which are frequently posed to EXIM traders dealing in medicinal plants and chemicals. In a circular, the CBIC said in consultation with the Ministry of AYUSH and DGFT it has been decided that additional qualifiers like declaration of the name of the medicinal plant for exports of parts of plants has been made mandatory. "These additional qualifiers shall be mandatory for exports under the specific CTHs of the said chapters for all Shipping bills filed on or after July 1, 2023...These...shall be in addition to the existing declaration being made by exporters," the Central Board of Indirect Taxes and Customs (CBIC) said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/customs-to-introduce-additional-disclosures-for-export-import-of-medicinal-products-from-july-1/articleshow/100857065.cms>

### Government details procedure for watermelon seeds imports

The Directorate General of Foreign Trade (DGFT) on Thursday said that the imports of watermelon seeds up to October 31 this year would not exceed 35,000 metric tonnes and will be allowed on an actual user basis only. The DGFT laid out a procedure for imports up to October 31, 2023 and has invited fresh applications for licenses for the imports till June 15.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/government-details-procedure-for-watermelon-seeds-imports/articleshow/100856682.cms>

## India in talks with US on steel, aluminum tariff exemption: Report

India is in talks with the United States to seek an exemption on steel and aluminum tariffs that were imposed by former U.S. President Donald Trump, while offering withdrawal of some retaliatory tariffs, three Indian sources told Reuters. Negotiators in New Delhi and Washington are hoping to reach an agreement during Indian Prime Minister Narendra Modi's visit to the U.S. later this month, two Indian government officials and one industry source with direct knowledge of the matter said. India has offered to withdraw retaliatory tariffs on some agricultural goods such as almonds and walnuts in exchange for exemption on steel tariffs, both government sources said.

[https://www.business-standard.com/india-news/india-in-talks-with-us-on-steel-aluminum-tariff-exemption-report-123060800427\\_1.html](https://www.business-standard.com/india-news/india-in-talks-with-us-on-steel-aluminum-tariff-exemption-report-123060800427_1.html)

#### **India's GCC market to hit \$110 bn by 2030, says EY report**

Riding on software exports, India's Global Capability Centre (GCC) market size is set to increase by 144% to \$110 billion by 2030, from the current \$45 billion, said a report on Thursday. The GCC industry is also expected to hire around 2.6 million people in India by the end of 2030, the report by consultancy firm EY said. By 2030, India will likely have 2,400 GCCs and that number can potentially increase to 2,550. The number of new GCC set-ups every year can jump up to 115 from the current 70 per annum, it said.

<https://www.financialexpress.com/industry/indias-gcc-market-to-hit-110-bn-by-2030-says-ey-report/3118909/>