



June 28, 2023 – Wednesday

Economy

Centre to release draft Digital India Bill for consultation in next 15 days

Centre is likely to release the draft of the Digital India Bill for public consultation within the next 15 days, The Economic Times (ET) reported on Tuesday. It may contain provisions requiring companies to inform the users of how their data is being used. The bill was due to be released last month but was delayed due to the need for fresh consultations with experts on topics like fact-checking and misinformation, the report cited a senior official as saying. https://www.business-standard.com/economy/news/draft-digital-india-bill-for-public-consultation-coming-soon-what-you-need-to-know-123062700143_1.html

RBI MPC member cautions against frequent tweaks in policy, says RBI needs to achieve inflation target of 4%

India's central bank need not rush to ease rates unless sure of a stable low-inflation regime, said a rate-setter at India's monetary policy panel. It is important for the Reserve Bank of India to achieve the inflation target of 4% in a sustainable way, said Shashanka Bhide, an external member of the monetary policy panel in an emailed interview. "It is best to avoid frequent changes in direction. That would be disruptive to achieving both growth and inflation goals."

<https://www.financialexpress.com/economy/rbi-mpc-member-cautions-against-frequent-tweaks-in-policy-says-rbi-needs-to-achieve-inflation-target-of-4/3143813/>

India's CAD narrows in Q4 as trade gap shrinks, services exports increase

India's current account deficit (CAD) narrowed in the last quarter of the previous fiscal owing to a moderation in the trade gap and an increase in services exports, Reserve Bank of India data showed on Wednesday. CAD narrowed to \$1.3 billion or 0.2% in the last quarter of FY23 from \$16.8 billion or 2% of GDP in Q3 and \$13.4 billion in Q4FY22. CAD is a key indicator of the balance of payment of a country. "The sequential decline in CAD in Q4FY23 was mainly on account of a moderation in the trade deficit to \$ 52.6 billion in Q4FY23 from \$71.3 billion in Q3FY23, coupled with robust services exports," RBI said. The current account balance saw a deficit of 2 per cent of GDP in FY23, as opposed to a deficit of 1.2 per cent in FY22 as the trade deficit widened to \$265.3 billion from \$189.5 billion a year ago.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-current-account-deficit-decreases-to-1-3-billion-on-moderation-in-trade-deficit/articleshow/101307508.cms>

Banking and Finance

Banks tread with caution on fraud case settlements

High-street lenders want the implementation of a central bank circular concerning the settlement of fraud or wilful default cases to be deferred by at least six months, seeking to utilise the time to refine a framework that would minimise future legal scrutiny of the proposed one-time deals. Lenders have flagged their concerns both to the Reserve Bank of India (RBI) and North Block, while seeking clarity on matters including protection available to them if they go in for such settlements, a government official aware of the deliberations told ET.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-tread-with-caution-on-fraud-case-settlements/articleshow/101321943.cms>

Centre extends deadline for ethanol projects by six months to Sept 30

The government has extended the deadline for loan disbursement or project completion of ethanol production facilities by six months, the Ministry of Consumer Affairs has announced. Aiming to massively raise ethanol output, the Centre has been providing interest subvention-based soft loans to sugar mills since 2018 for setting up new distilleries or expanding facilities. The previous timeline for loan disbursement under the schemes on ethanol projects was March 31, 2023. However, due to several challenges in processing loan applications and coordination with multiple agencies, project proponents were unable to adhere to the time limit for disbursements from banks, the Ministry said on Monday.

https://www.business-standard.com/economy/news/centre-extends-deadline-by-6-months-for-ethanol-projects-to-30-september-123062700731_1.html

India Inc exhibits viable debt servicing capacity despite higher borrowing costs

Indian companies, except those in the telecom sector, exhibited viable debt servicing capacity despite an evident increase in their borrowing costs last year, the Reserve Bank of India (RBI) said in a report. Debt servicing capacity of manufacturing companies measured by interest coverage ratio (ICR) moderated to 7.3 in 2022-23 from 8.4 in 2021-22 due to a rise in interest expenses. But the metric was significantly higher than the minimum viable value of 1.

<https://economictimes.indiatimes.com/news/company/corporate-trends/india-inc-exhibits-viable-debt-servicing-capacity-despite-higher-borrowing-costs/articleshow/101318647.cms>

IBBI prepares list of 400 insolvency professionals for easy pickings

In a first for the country's bankruptcy resolution regime, the insolvency regulator has prepared a "common panel" of 400 insolvency professionals (IPs) from those registered with it. The Insolvency and Bankruptcy Board of India (IBBI) will share the list with the adjudicating authority to choose from to oversee cases of resolution or liquidation from July 1, according to an official. Separately, the IBBI has also listed 17 insolvency professional entities (IPEs) that have been registered as IPs to oversee resolution, according to the list firmed up by the regulator on Tuesday.

<https://economictimes.indiatimes.com/news/economy/policy/ibbi-prepares-list-of-400-insolvency-pros-for-easy-pickings/articleshow/101318569.cms>

States borrowing cost rises 4 basis points to 7.41 pc

In the last weekly auction of the June quarter, 12 states raised Rs 22,500 crore in debt on Tuesday. The amount is 5 per cent lower than the indicated Rs 23,600 crore for the week at an average weighted cut-off rate of 7.41 per cent, up 4 basis points from the last auction. The rise in the average pricing is primarily due to an increase in the weighted average tenor to 16 years from 14 years, Icra Ratings said in a note.

<https://economictimes.indiatimes.com/news/economy/indicators/states-borrowing-cost-rises-4-basis-points-to-7-41-pc/articleshow/101317175.cms>

Finance ministry opts to simplify Insurance Act first; industry awaits reforms

Ahead of anticipated major reforms in the Insurance Amendment Bill, the ministry of finance has proposed a separate exercise aimed at simplification of pre-Constitutional enactments, including the Insurance Act. The objective of this exercise is to simplify and remove references to outdated provisions. While the industry was looking for major reforms, including composite license, lower capital requirement, captive insurance license and risk-based pricing, the draft insurance amendment bill 2023 has not made any major changes to the existing Act.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/finance-ministry-opts-to-simplify-insurance-act-first-industry-awaits-reforms/articleshow/101318861.cms>

Industry

Govt to release critical minerals list on Wednesday

The government on Wednesday will release a list of 'critical minerals of India' for the first time, an official statement said. The list will be released by Union Minister of Coal, Mines & Parliamentary Affairs Pralhad Joshi, it said. "The Ministry of Mines is all set to unveil for the first time the list of critical Minerals for India to ensure reduced import dependencies, enhance supply chain resilience and support the country's net zero objectives," the coal ministry said

in a statement on Tuesday. The release of the 'critical minerals list' will mark a milestone in India's pursuit of self-reliance and security in the domain of mineral resources. This list is designed to identify and prioritize minerals that are essential for various industrial sectors such as high-tech electronics, telecommunications, transport and defence. <https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/govt-to-release-critical-minerals-list-on-wednesday/articleshow/101311704.cms>

Govt assures PLI beneficiaries of timely resolution of issues, next high level meet in Sept end

Commerce and industry minister Piyush Goyal on Tuesday chaired the first cross-sectoral workshop on the 14 production-linked incentive (PLI) schemes to take feedback on the ambitious programme. Issues related to low disbursement and fund utilisation were also taken up, sources said. Representatives from Dell, Foxconn, Nokia, sienna helathcare, biocon, Cipla, Tata motors, Mahindra & Mahindra, Samsung, ITC, Dabur and Tata Steel, among others attended the meeting besides Niti Aayog and various line ministries. "Companies raised policy related issues and technical problems which the various departments clarified. Various line ministries were asked to resolve the issues of the beneficiaries of the scheme. The government will take them up at the appropriate levels," said an official.

<https://economictimes.indiatimes.com/news/economy/policy/govt-assures-pli-beneficiaries-of-timely-resolution-of-issues-next-high-level-meet-in-sept-end/articleshow/101318176.cms>

India gears up for multi-billion dollar battery subsidies

The Indian government is preparing a new multi-billion dollar subsidy scheme for companies making electricity grid batteries as part of its transition to clean energy, the Financial Times reported on Wednesday, citing a power ministry proposal. The draft proposal for a production-linked incentive subsidy scheme would offer 216 billion rupees (\$2.63 billion) from this year through to 2030 for companies to set up manufacturing capacity for battery cells in India, the FT reported. The draft plan seen by the FT acknowledged there was a limit to how much more coal power India could build.

<https://economictimes.indiatimes.com/industry/renewables/india-gears-up-for-multi-billion-dollar-battery-subsidies/articleshow/101322417.cms>

Registration of e-scooters skids to 16-month low

The dream run for India's electric two-wheeler market has come to an abrupt halt this month, threatening to put the government's plan to electrify the world's largest scooter and motorcycle market in a slow lane. Registration of electric two-wheelers has nosedived in June 2023 as buyers restrained their purchase following a 15-18% price hike after the union government lowered subsidy. The volume dropped to the lowest in 16 months at 35,461 units till June 27, show data available on the Vahan vehicle registration portal.

<https://economictimes.indiatimes.com/industry/renewables/registration-of-e-scooters-skids-to-16-month-low/articleshow/101318740.cms>

Domestic non-ferrous industry earnings to remain under pressure in FY24: ICRA

Earnings of domestic non-ferrous metal industry players remain under pressure in the ongoing fiscal amid weak demand, according to ICRA, a rating agency. Due to global macroeconomic uncertainties and weaker-than-earlier expected recovery in Chinese demand, international prices of the three non-ferrous metals viz. aluminium, copper and zinc fell by 11 per cent, 8 per cent and 30 per cent, respectively, in the last six months, the rating agency said in a report. "The earnings of the industry would remain under pressure in FY2024, after a lackluster performance in the last fiscal. Significant metal price corrections remain the key headwind affecting the margins, with no immediate relief in sight," it said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/domestic-non-ferrous-industry-earnings-to-remain-under-pressure-in-fy24-icra/articleshow/101304849.cms>

Market size of India's online retail sector likely to touch \$325 bn by 2030

The country's online retail market size may touch USD 325 billion by 2030 against USD 70 billion in 2022, mainly due to rapid growth of e-commerce in tier-2 and tier-3 cities, according to a Deloitte India report released on Tuesday. It also said that online retail penetration is projected to grow at an extraordinary rate, and it would outpace offline retail by 2.5 times in the next decade.

https://www.business-standard.com/economy/news/market-size-of-india-s-online-retail-sector-likely-to-touch-325-bn-by-2030-123062700484_1.html

Agriculture

Centre to release tur from national buffer till imported stocks arrive

The Centre has decided to release tur from the national buffer in a "calibrated and targeted" manner till imported stocks arrive in the domestic market. The Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution has directed National Agricultural Cooperative Marketing Federation (NAFED) and National Cooperative Consumers Federation (NCCF) to dispose of tur through online auction among eligible millers to augment the available stocks for milling into tur dal for the consumers. The quantities being auctioned and the frequency will be calibrated on the basis of the assessed impact of the disposal on the availability of tur to consumers at affordable prices, said the ministry in a statement.

https://www.business-standard.com/economy/news/centre-to-release-tur-from-national-buffer-till-imported-stocks-arrive-123062700387_1.html

Infrastructure

CCEA nod may not be needed for projects up to Rs 2,000 cr

The Centre could do away with the requirement of Cabinet Committee of Economic Affairs (CCEA) nod for government projects costing up to Rs 2,000 crore, doubling the threshold from Rs 1,000 crore at present, said officials. The move is aimed at further expediting the execution process, especially of infrastructure projects, they said. "A proposal in this regard is under consideration and the finance ministry may issue a fresh guideline," said a government official, who did not wish to be identified. At present, ministers can clear projects costing up to Rs 500 crore, while projects between Rs 500-1,000 crore also require the finance minister's nod.

<https://economictimes.indiatimes.com/news/economy/infrastructure/ccea-nod-may-not-be-needed-for-projects-up-to-rs-2000-cr/articleshow/101318447.cms>

Road network grows 59% in 9 yrs to become second largest in world: Gadkari

India's road network grew 59 per cent to become the second largest in the world as part of the development work carried out by the government in the last nine years, Union Minister Nitin Gadkari said on Tuesday. India's road network stood at 1,45,240 km today compared to 91,287 km in 2013-14, the Road, Transport and Highways Minister said.

https://www.business-standard.com/economy/news/road-network-grows-59-in-9-yrs-to-become-second-largest-in-world-gadkari-123062700420_1.html

Home prices up 14.7% in June quarter in top cities: Report

Robust demand has helped residential property prices across India's top 13 cities witness 14.7% growth from a year ago and 2.2% rise sequentially during the quarter ended June 30, showed a Magicbricks PropIndex report. While the demand for housing in these cities increased 7.8% year-on-year and 10.4% quarter-on-quarter, supply declined 8.3% on-year and 7.4% sequentially, indicating a tightening of inventory that led to the price rise during the period. "Despite global macro-economic factors which have increased interest rates, the residential demand in India has shown robust growth, especially backed by the growing importance of home ownership and the sentiment of security it brings," said Sudhir Pai, CEO, Magicbricks.

<https://economictimes.indiatimes.com/industry/services/property/-construction/home-prices-up-14-7-in-june-quarter-in-top-cities-report/articleshow/101318856.cms>

Energy

Power Min revises biomass co-firing policy to enable purchase of pellets

The power ministry on Tuesday said it has revised the biomass co-firing policy to enable the purchase of biomass pellets by power plants. The decision would encourage farmers, entrepreneurs as well as thermal power utilities to strive to establish a sustainable biomass supply chain, the ministry said in a statement. "Ministry of Power (MoP)

has decided to benchmark the prices of biomass pellets used for co-firing in Thermal Power Plants (TPPs). Ministry of Power has revised biomass Co-Firing Policy for enabling the purchase of biomass pellets by Power Plants at benchmark price," it said.

https://www.business-standard.com/india-news/power-min-revises-biomass-co-firing-policy-to-enable-purchase-of-pellets-123062700833_1.html

Coal Ministry receives 35 bids under 7th tranche of coal mines auction

The coal ministry on Tuesday said it has received 35 bids under the seventh round of auctions of commercial coal mines. This round of auction was started by the ministry for 103 mines on March 29, 2023. The last date for submission of bids was June 27. According to the ministry, a total of 35 offline bids have been received for 18 coal mines and two or more bids have been received for seven mines. The online bids received as part of the auction process will be opened on June 28.

https://www.business-standard.com/economy/news/coal-ministry-receives-35-bids-under-7th-tranche-of-coal-mines-auction-123062700741_1.html

Bangladesh will soon import power from Nepal via India

A tripartite power trade agreement enabling Bangladesh to import electricity from Nepal through India's grid is expected to be signed in July, reshaping sub-regional cooperation that has been boosted in recent times through cross-border transport and energy initiatives. During Nepal PM Pushpa Kamal Dahal's visit here early June, he and Prime Minister Narendra Modi unveiled plans for India to facilitate the export of hydropower from Nepal to Bangladesh. To begin with, Bangladesh will import 40-50 MW electricity from Nepal and this will be Kathmandu's maiden power export venture outside India.

<https://economictimes.indiatimes.com/industry/energy/power/bangladesh-will-soon-import-power-from-nepal-via-india/articleshow/101318399.cms>

Healthcare

Lens on fixed-dose combination drugs containing vitamins, minerals

The government is set to crackdown on fixed-dose combination (FDC) drugs containing vitamins and minerals, some of which, experts warn, are irrational and unsafe, people in the know said. A committee had been set up under the chairmanship of CK Kokate, former vice-chancellor of KLE University, Belgaum, to review the safety, efficacy and therapeutic justification of these drugs. The Drugs Technical Advisory Board (DTAB), India's top technical board on drugs, has now asked the panel for a report on their evaluation. "The report will now go to the Directorate General of Health Services (DGHS). The health ministry will take a final decision following the recommendation of the DTAB," one of the people cited earlier said. Another source said, "The committee has reviewed whether they are rational, appropriate. Different mixtures of vitamins and minerals are available in the market. People pop them in as a daily requirement and it needs to be checked if they are posing a risk."

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/lens-on-combination-drugs-containing-vitamins-minerals/articleshow/101318871.cms>

External

Very optimistic about FTA with India, says UK Investment Minister Lord Dominic Johnson

An India-UK free trade agreement (FTA) is really important for both nations and it is for businesses on both sides to help drive that agenda, UK Minister for Investment Lord Dominic Johnson said in London on Tuesday. Addressing a UK-India Infrastructure Summit hosted by the City of London Corporation as part of the India Global Forum UK-India Week, Johnson said he is "very optimistic" about an FTA even as he declined to put a timeframe to it. India and the UK recently concluded their tenth round of FTA negotiations and an 11th round is set to begin in the next few weeks towards a comprehensive agreement expected to significantly enhance the bilateral trading relationship worth an estimated 34 billion pounds in 2022.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/very-optimistic-about-fta-with-india-says-uk-investment-minister-lord-dominic-johnson/articleshow/101316781.cms>

G20 startup group to push for \$1 trillion investment in global startup ecosystem

Ahead of the Startup20 summit meeting of the startup group of G20 countries next week, the group will press for raising the annual investment in the global start-ups ecosystem to \$1 trillion by 2030 from \$700 billion last year. “This group concurred that they will call on the G20 leaders to raise their annual investment in the global start-ups ecosystem to a trillion dollars by 2030,” Startup20 India Chair Chintan Vaishnav said Tuesday, adding that increasing investments would help make start-ups a true engine of economic growth.

<https://economictimes.indiatimes.com/news/economy/policy/g20-startup-group-to-push-for-1-trillion-investment-in-global-startup-ecosystem/articleshow/101316082.cms>