



August 17, 2023 – Thursday

## Economy

### **Cabinet nod to Rs 1 lakh loan at 5% rate to Craftsmen under PM Vishwakarma**

The Union Cabinet on Wednesday approved the PM Vishwakarma scheme with an outlay of Rs. 13,000 crore for five years. It will benefit about three million families of traditional artisans and craftspeople, including weavers, goldsmiths, blacksmiths, laundry workers, and barbers, the government said. The beneficiaries will be recognised through a PM Vishwakarma certificate and ID card. The government will provide credit support of up to Rs. 1 lakh (first tranche) and Rs. 2 lakh (second tranche) at an interest rate of 5 per cent. Artisans and craftsmen will also be paid a stipend of Rs. 500 per day for skill upgradation, and Rs. 15,000 for procuring modern tools, a statement said. [https://www.business-standard.com/economy/news/cabinet-approves-13-000-cr-vishwakarma-scheme-for-traditional-craftsmen-123081600551\\_1.html](https://www.business-standard.com/economy/news/cabinet-approves-13-000-cr-vishwakarma-scheme-for-traditional-craftsmen-123081600551_1.html)

### **Scheme for formal employment generation falls short of target**

The government has fallen short of its target for employment generation in the formal sector under the Aatmanirbhar Bharat Rojgar Yojana (ABRY), launched in 2020 at the time of the pandemic. As per latest government data, enrolments under ABRY stood at 6.04 million as on July 22, 2023, well short of the revised target of generating 7.18 million jobs under the scheme but higher than its initial target of 5.85 million. Disbursements under the scheme are way behind target. The Centre has so far spent ₹ 9,663.82 crore under the scheme, which is only 42.3% of the initial targeted expenditure of ₹22,810 crore for the entire scheme period, latest data showed. <https://economictimes.indiatimes.com/news/economy/policy/scheme-for-formal-employment-generation-falls-short-of-target/articleshow/102781224.cms>

### **Urban poor most impacted in July inflation surge: Crisil**

Urban poor have been the most impacted by 15-month high consumer price inflation (CPI) in July, a domestic rating agency's arm said on Wednesday. The high-income segment in urban areas faced the lowest inflation burden, as food has a relatively low share in their consumption basket, Crisil Market Intelligence and Analytics said in a note. "Poorest segment in urban areas faced highest inflation rate in July," said the note, released days after official data said that the headline inflation accelerated to 7.44 per cent for July. "The poorest segment in both urban and rural areas faced a higher inflation burden than their high-income counterparts, as food inflation accelerated sharply," the Crisil note added. <https://economictimes.indiatimes.com/news/economy/finance/urban-poor-most-impacted-in-july-inflation-surge-crisil/articleshow/102775772.cms>

### **Inflation risks from house prices not well captured in index may rise**

A section of the market is taking comfort from the falling core inflation (excluding food and fuel) but that may be deceptive. A substantial chunk of it is due to softer home price index that could be due to lack of uniform matrix to measure this inflation. The index does not reflect the reality where 'housing' in the consumer price index (CPI) is up less than 5 percent when rentals in the metros have surged more than 12 to 15 percent. "We believe this has much to do with computational issues across the board – inflation in rented houses, owner-occupied houses, and government dwellings" said Pranjul Bhandari, Chief India and Indonesia Economist at HSBC.

<https://economictimes.indiatimes.com/news/economy/indicators/inflation-risks-from-house-prices-not-well-captured-in-index-may-rise/articleshow/102777517.cms>

## Banking and Finance

### RBI could extend incremental CRR to rein in liquidity

The Reserve Bank of India (RBI) may extend the temporary incremental cash reserve ratio (CRR) it imposed on banks last week as the monetary authority is seen training its sights on liquidity management to tackle inflation rather than lifting benchmark policy rates to tame wild jumps in food prices. Consumer Price Index (CPI) inflation surged to 7.44% year-on-year in July from 4.87% in the previous month, driven primarily by high vegetable prices. "In the near term we expect RBI will maintain its focus on liquidity management to ensure liquidity remains close to neutral and the interbank weighted average call rate remains at or a tad above the repo rate. As such we see a high probability that RBI may continue with the incremental CRR announced on August 10, which is expected to be reviewed on September 8," said Upasana Chachra and Bani Gambhir, economists at Morgan Stanley.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-could-extend-incremental-crr-to-rein-in-liquidity/articleshow/102781340.cms>

### CBDT issues detailed guidelines on taxation of traditional policies

The Central Board of Direct Taxes (CBDT) has released detailed guidelines concerning the alterations in the taxation of life insurance policies under clause (10D) of Section 10 of the Income-Tax Act, 1961. According to Section 10(10D), any amount received from a life insurance policy, including bonuses, is exempt from taxation. However, if the premium paid surpasses the prescribed limits, no exemption will be provided, except in the event of the death of the policyholder.

[https://www.business-standard.com/economy/news/cbd-t-issues-detailed-guidelines-on-taxation-of-traditional-policies-123081600836\\_1.html](https://www.business-standard.com/economy/news/cbd-t-issues-detailed-guidelines-on-taxation-of-traditional-policies-123081600836_1.html)

### Banks' lending to NBFCs jumps 35 per cent to Rs 14.2 lakh crore in June: Report

Banks' lending to non-banking finance companies (NBFCs) rose by 35.1 per cent to Rs 14.2 lakh crore in June, a report said. Credit exposure of banks to NBFCs rose by a robust 35.1 per cent on-year to Rs 14.2 lakh crore in June, indicating non-banking finance firms' decreased reliance on international borrowings. This also pushed up NBFCs' share in overall credit from 8.5 per cent in June 2022 to 9.9 per cent in the reporting month, according to Sanjay Agarwal, a senior director with Care Ratings. However, the report noted that the merger of HDFC with HDFC Bank, effective July 1, will lead to a reduction in the share and also the exposure of banks to NBFCs, as HDFC's bank borrowings will undergo a temporary reclassification, resulting in a shift of exposure to HDFC Bank.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-lending-to-nbfc-jumps-35-per-cent-to-rs-14-2-lakh-crore-in-june-report/articleshow/102773518.cms>

### Govt considering part-sale of IRFC stake through offer-for-sale route

The government is considering a proposal to offload a part of its 86.36% stake in state-owned Indian Railway Finance Corp (IRFC) through the offer-for-sale (OFS) route this fiscal year, an official said on Wednesday. An inter-ministerial group, which includes officers from the Department of Investment and Public Asset Management (DIPAM) and the railways ministry, has started deliberations on the quantum of stake dilution in the financing arm of the railways through the OFS, he added. If the government decides to bring down its stake in IRFC to 75% through this OFS to comply with Sebi's public shareholding norms, it could rake in about ₹7,600 crore, based on the company's share price on Wednesday.

<https://economictimes.indiatimes.com/industry/transportation/railways/govt-considering-part-sale-of-irfc-stake-through-offer-for-sale-route/articleshow/102781144.cms>

## Industry

### India is now the second-biggest mobile phone-making country: Counterpoint

Led by the Centre's push, higher internal demand and rising digital literacy, India has become the second-biggest mobile maker in the world, a report by global research firm Counterpoint said on Tuesday. It added that the mobile

phone shipments from India crossed the 2 billion cumulative units mark under the "Make in India" initiative during 2014-2022. It registered an annual growth rate of 23 per cent.

[https://www.business-standard.com/technology/tech-news/india-is-now-the-second-biggest-mobile-phone-making-country-counterpoint-123081600323\\_1.html](https://www.business-standard.com/technology/tech-news/india-is-now-the-second-biggest-mobile-phone-making-country-counterpoint-123081600323_1.html)

### **Mobile makers to hire 60,000 in 6 to 12 months: Staffing companies**

About 60,000 direct jobs in mobile phone manufacturing are likely to be created in India in the next 6-12 months to cater to the manpower demands of leading device makers as the country becomes the second largest producer of handsets in the world, according to estimates by staffing companies based on hiring demand. Teamlease Services currently has more than 5,000 open positions in mobile manufacturing with more in the pipeline, said Kartik Narayan, chief executive - staffing. Ciel HR Services has about 2,000 open positions with more demand coming in, said CEO Aditya Narayan Mishra.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/mobile-makers-to-hire-60000-in-6-to-12-months-staffing-companies/articleshow/102780835.cms>

### **Profit jumps, revenue crawls for India Inc in Q1**

India Inc's revenue growth decelerated sharply year-on-year in the June quarter, dragged down by the oil and gas sector and a higher base in the year-ago period while net profit growth was robust, helped by easing input costs. A stellar performance by the banking, financial services, and insurance (BFSI) sector supported aggregate earnings. While analysts remain optimistic about the earnings trend in the coming quarters, rising crude oil prices, softening exports and state and general elections in the coming quarters will be key factors to watch for. For a common sample of 3,901 companies, revenue rose by 6.2%, the weakest reading in at least nine quarters. Net profit on the other hand shot up 39%, the highest in six quarters. In the year-ago quarter, revenue and profit grew by 38.4% and 26.3%, respectively. "Corporate earnings were in line with our estimates. Our coverage universe recorded the highest earnings growth in the last eight quarters, fueled by domestic cyclical such as BFSI and automobiles," said Gautam Duggad, institutional research head, Motilal Oswal Financial Services.

<https://economictimes.indiatimes.com/markets/stocks/earnings/profit-jumps-revenue-crawls-for-india-inc-in-q1/articleshow/102784692.cms>

### **Jute industry revenue to drop 5-6% on weak overseas demand: Report**

The jute industry's revenue could fall 5-6 per cent in Financial Year 2023-24 (FY24) as weak overseas demand squeezes exports, said a report on Wednesday. It would be the industry's second consecutive year of decline. CRISIL Ratings said domestic demand is expected to be stable, but operating margin is seen down 200-250 basis points to 5 per cent as more-profitable exports will be lower.

[https://www.business-standard.com/economy/news/jute-industry-revenue-to-drop-5-6-on-weak-overseas-demand-report-123081600452\\_1.html](https://www.business-standard.com/economy/news/jute-industry-revenue-to-drop-5-6-on-weak-overseas-demand-report-123081600452_1.html)

### **Govt rolls out quality norms for electric fans**

The government has issued mandatory quality norms for electric ceiling fans to curb the import of sub-standard goods and boost domestic manufacturing of electric fans. A notification in this regard was issued by the Department for Promotion of Industry and Internal Trade (DPIIT) on August 9. Items under Electric Ceiling Type Fans Order, 2023, cannot be produced, sold, traded, imported and stocked.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/govt-rolls-out-quality-norms-for-electric-fans/articleshow/102781251.cms>

### **Local food players take the pace out of quick service restaurants**

Large quick service restaurant (QSR) chains in the country are doubling down on localising menu, product innovation, and launching more entry-level items as their business slowed down for a third straight quarter amid increasing consumer preference for lower-priced products and regional brands. If Taco Bell is merging tacos with Indian tastes for the first time with three new products, KFC India and Burger King have increased focus on lower price points starting at Rs 99. "We are very cognizant that consumer discretionary spending in India, like many other countries, is facing some headwinds. We are experiencing this as well," said Gaurav Burman, director of Burman Hospitality and master franchise partner of Yum! Brands-owned Mexican cuisine restaurant chain Taco Bell.

<https://economictimes.indiatimes.com/industry/services/hotels/-/restaurants/local-food-players-take-the-pace-out-of-quick-service-restaurants/articleshow/102780992.cms>

## Agriculture

### 5% higher natural rubber production in FY24: All India Rubber Industry Association

The All India Rubber Industry Association expects 5% higher production of natural rubber in 2023-24, from 8 lakh metric tonne in the previous fiscal. "Last financial year, India's production of natural rubber was 8 lakh metric tonne and we expect it to be 5% more this year," said Ramesh Kejriwal, president, All India Rubber Industry Association. He said that excessive rain is good for rubber production and attributed the sector's growth to the growing automobile industry which makes use of rubber in belts and tyres, among others. "One of the biggest factors behind the growth of this industry is the growth of the automobile industry. Automobiles make use of rubber in many ways, rubber belts, tyres, etc. Natural rubber production has also seen great growth," he said.

<https://economictimes.indiatimes.com/news/economy/agriculture/5-higher-natural-rubber-production-in-fy24-all-india-rubber-industry-association/articleshow/102765109.cms>

## Infrastructure

### CCEA approves 7 multi-tracking projects to increase railway network

The Cabinet Committee on Economic Affairs on Wednesday approved seven multi-tracking projects of Indian Railways at an estimated cost of around Rs 32,500 crore, Union minister Ashwini Vaishnaw said. The proposed projects will help increase the existing line capacity, smoothen train operations, reduce congestion and facilitate ease of travelling and transportation. The projects covering 35 districts in nine states -- Uttar Pradesh, Bihar, Telangana, Andhra Pradesh, Maharashtra, Gujarat, Odisha, Jharkhand and West Bengal -- will increase the existing network of Indian Railways by 2,339 km.

[https://www.business-standard.com/india-news/ccea-approves-7-multi-tracking-projects-to-increase-railway-network-123081600445\\_1.html](https://www.business-standard.com/india-news/ccea-approves-7-multi-tracking-projects-to-increase-railway-network-123081600445_1.html)

### Land acquisition, flyovers and tunnels raised Bharatmala cost: Official

The cost of highway projects under the Bharatmala programme rose significantly from initial estimates due to the construction of wider highways, tunnels, flyovers, and more expensive land acquisition, a top Roads Ministry official said. Speaking to ET, the official said that the Comptroller and Auditor General (CAG) report on Bharatmala has overlooked multiple intricacies while concluding that there were cost overruns in the Rs 5.35 lakh crore programme. This programme was approved by the Cabinet Committee on Economic Affairs (CCEA) in July 2017.

<https://economictimes.indiatimes.com/news/economy/infrastructure/land-acquisition-flyovers-and-tunnels-raised-bharatmala-cost-official/articleshow/102781294.cms>

### Realty plans near monuments to face banks' scrutiny

Amid rising complaints of real estate construction around protected monuments, the government has asked banks to conduct strict due diligence before lending to projects adjacent to heritage sites. This comes after the National Monument Authority (NMA) wrote a letter to the government, raising concerns, according to two officials aware of the development. Lenders have been directed to blacklist developers that encroach on land near monuments, report them as fraudulent and facilitate strict action against them by the relevant authorities. "Banks have been suitably advised to review all documentation and check with local authorities and NMA, if needed," said one of the officials cited, adding that the government will take strong action against such wrongdoing under existing laws.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/realty-plans-near-monuments-to-face-banks-scrutiny/articleshow/102784689.cms>

## Telecom

### Telecom service providers wary of regulatory sandbox proposed by TRAI

Joining a regulatory sandbox for the telecom sector should not be a mandatory obligation, while enough regulations remain to maintain the standard of products and services and there is little global precedent for the idea, telecom

service providers (TSPs) have said in their submissions to the Telecom Regulatory Authority of India (Trai). The Trai had floated a consultation paper proposing to create a controlled, transparent and safe live testing environment for new products or services to drive cutting-edge tech innovation in the digital communications space.

[https://www.business-standard.com/industry/news/telecom-service-providers-wary-of-regulatory-sandbox-proposed-by-trai-123081600635\\_1.html](https://www.business-standard.com/industry/news/telecom-service-providers-wary-of-regulatory-sandbox-proposed-by-trai-123081600635_1.html)

### **Need entire 6 GHz band for deploying 5G: Telecom group writes to DoT**

The Cellular Operators Association of India (COAI) has written a letter to Apurva Chandra, the new secretary in the Department of Telecommunication, to say that the 6 GHz band of spectrum should be allocated exclusively for mobile communication rather than WiFi or other uses. COAI, which represents the three private telecom service providers, (TSPs) Reliance Jio, Bharti Airtel, and Vodafone Idea, is making a renewed effort to oppose the proposed delicensing of the 6 GHz band. It has said that opening up the band for alternative uses would reduce the spectrum available for 5G and 6G, resulting in a government revenue loss.

[https://www.business-standard.com/industry/news/need-entire-6-ghz-band-for-telecom-telecos-write-to-dot-secretary-123081400603\\_1.html](https://www.business-standard.com/industry/news/need-entire-6-ghz-band-for-telecom-telecos-write-to-dot-secretary-123081400603_1.html)

## **States**

### **Tamil Nadu to come up with India's first drone common testing centre**

Tamil Nadu is set to host India's first drone common testing centre under the Defence Testing Infrastructure (DTI) scheme. The facility, costing Rs 45 crore, will be established on 2.3 acres of land at the SIPCOT Industrial Park, Vallam Vadagal near Sriperumbudur. The Tamil Nadu Industrial Development Corporation (TIDCO) had floated a request for a proposal to identify industrial partners for establishing this testing centre as a joint venture, in accordance with the guidelines of the DTI Scheme. A consortium of companies comprising Keltron, Sense Image Technologies, Standards Testing and Compliance, and Avishka Retailers was selected to partner with TIDCO in establishing the facility. They were chosen based on their response to a transparent bidding process, and the project is estimated to cost Rs 45 crore.

[https://www.business-standard.com/india-news/tamil-nadu-to-come-up-with-india-s-first-drone-common-testing-centre-123081600830\\_1.html](https://www.business-standard.com/india-news/tamil-nadu-to-come-up-with-india-s-first-drone-common-testing-centre-123081600830_1.html)

### **Ahmedabad most affordable city in India; Pune, Kolkata follow: Knight Frank**

Ahmedabad is the most affordable city in India according to the Affordability Index released by real estate consultancy Knight Frank on Wednesday. The findings were based on a ratio of the equated monthly instalments and the income for an average household. In the first six months of 2023, the ratio of Ahmedabad was the lowest among the top eight cities in India at 23 per cent. It was followed by Pune and Kolkata with a ratio of 26 per cent. It shows the proportion of their income that goes towards making EMI payments.

[https://www.business-standard.com/industry/news/ahmedabad-most-affordable-city-in-india-pune-kolkata-follow-knight-frank-123081600519\\_1.html](https://www.business-standard.com/industry/news/ahmedabad-most-affordable-city-in-india-pune-kolkata-follow-knight-frank-123081600519_1.html)

## **External**

### **Exports to UK holding up among top 10 destinations of Indian exports**

Among India's top 10 export destinations, India's merchandise exports in the first four months (April-July) of 2023-24 expanded only to the United Kingdom (UK) while shipments to all other major economies contracted amid sluggish global demand. Overall merchandise exports fell 14.5 per cent to \$136.2 billion during the April-July period with outbound shipments contracting for the sixth consecutive month. However, exports to the UK grew at a robust 20.6 per cent to \$4.5 billion during the same period, elevating the country to India's fifth largest export destination from eighth position during the same period in FY23.

[https://www.business-standard.com/economy/news/exports-to-uk-holding-up-among-top-10-destinations-of-indian-exports-123081600764\\_1.html](https://www.business-standard.com/economy/news/exports-to-uk-holding-up-among-top-10-destinations-of-indian-exports-123081600764_1.html)