



March 11, 2024 – Monday

Economy

Indian economy is resilient... changes in bilateral trade are a huge opportunity, says Crisil CEO

For those wondering why private sector capex is not visible, here's an answer - it has reached a critical stage from where it is beginning to flow - said , CEO at Crisil, the biggest rating company that has the pulse of the Indian corporate world. Recent regulatory actions may slow the growth rate, but there is no trouble in sight, Mehta told Bhaskar Dutta and MC Govardhana Rangan in an interview. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/finance/indian-economy-is-resilient-changes-in-bilateral-trade-are-a-huge-opportunity-says-crisil-ceo/articleshow/108373977.cms>

Finance

SEBI notifies regulations for small and medium REITs

Securities and Exchange Board of India has notified the regulations for small and medium real estate investment trusts and specified that investment managers of such REITs should have a minimum net worth of ₹20 crore and the REITs can raise a minimum of ₹50 crore from at least 200 unit holders. The markets regulator had issued a consultation paper on small and medium REITs last May with the intention to bring unregulated fractional ownership platforms under its ambit. In November, it approved the launch of such REITs but the detailed framework has been issued now. Under fractional ownership, several people pool in funds to purchase and own mainly commercial rent yielding properties in India.

<https://www.thehindubusinessline.com/markets/sebi-notifies-regulations-for-small-and-medium-reits/article67935533.ece>

FinMin asks PSBs to ensure compliance in withdrawal from Rera accounts

The Department of Financial Services (DFS) under the Ministry of Finance has written to all public sector banks, including the State Bank of India (SBI), to ensure compliance with the norms of the Real Estate (Regulation and Development) Act (RERA Act), 2016, while withdrawing funds from the escrow accounts. Under Section 4 (2) (1) (d) of the RERA Act, developers are required to deposit 70 per cent of the sale proceeds from each project into an escrow account. This fund can be used only for covering construction expenses and land acquisition. Withdrawal from these accounts is permissible for the promoters upon certification by a practising architect, engineer and chartered accountant.

https://www.business-standard.com/finance/news/finmin-asks-psbs-to-ensure-compliance-in-withdrawal-from-rera-accounts-124030800843_1.html

CCI implements global revenue-based penalties to deter violations

Implementing competition law penalties tied to a company's worldwide revenue will deter more severe violations, promote commitment and settlement choices among entities and expedite corrective actions, according to experts. With the recent amendments taking effect, the Competition Commission of India (CCI) gains the authority to levy fines of up to 10% of a company's worldwide revenue for breaches of competition law. This provision is poised to

particularly affect enterprises with diverse product or service portfolios and holds significance given the ongoing CCI investigations into digital market cases, according to an official statement.

<https://www.financialexpress.com/business/industry/cci-implements-global-revenue-based-penalties-to-deter-violations/3420410/>

States' capex focus pivots away from roads to social services

The capital expenditure of states on roads is budgeted to slow down in FY25 as they focus on other social services and try to meet their fiscal targets, as per ET's analysis of Budget documents. The share of states' spending on roads in the total capital spending will decline to 21.7% in FY25 from 21.9% in the current fiscal, according to the Budget documents of 21 states and Union Territories (UTs). In FY23, the share was higher at 24.7%. "Road capex has slowed down because of a shift towards social services, specifically public health, family welfare and education," Paras Jasrai, senior analyst at India Ratings and Research, told ET.

<https://economictimes.indiatimes.com/news/economy/finance/states-capex-focus-pivots-away-from-roads-to-social-services/articleshow/108373567.cms>

Industry

Mobile phone manufacturing jumps 21 times to Rs 4.1 trn in 10 yrs: ICEA

Mobile phone manufacturing in value terms jumped 21-fold to Rs 4.1 lakh crore in India in the last 10 years as government policy measures like PLI played a critical role in attracting global players to boost local production, industry body ICEA said in a statement. India now produces 97 per cent of its total mobile phone demand locally and 30 per cent of the total production in financial year 2024 is meant for export, the India Cellular and Electronics Association said.

https://www.business-standard.com/industry/news/mobile-phone-manufacturing-jumps-21-times-to-rs-4-1-trn-in-10-yrs-icea-124031000300_1.html

Upbeat on demand, car cos revise forecast upwards again

The country's car industry has for the second time revised upwards its growth projections for this fiscal to more than 8%, nearly twice the rate projected at the start of the year. Passenger vehicle sales in the local market are expected to grow by 8.1-8.2% to 4.23 million units in FY24, buoyed by better-than-expected economic growth especially in the last two quarters, favourable monsoons despite the El Nino conditions, and effective monetary policies that helped rein in high inflation without affecting domestic consumption buoyed demand, industry insiders said. "The initial forecast for the PV industry was between 5% and 7%," said Shashank Srivastava, senior executive officer (marketing and sales) at Maruti Suzuki. "Around July, because of continued supply constraints, the estimates veered to a lower bias. This was reinforced by forecasts of a weaker monsoon due to El Nino and higher repo rates due to inflationary pressure," he said.

<https://economictimes.indiatimes.com/industry/auto/auto-news/upbeat-on-demand-car-cos-revise-forecast-upwards-again/articleshow/108374007.cms>

Companies to focus on premium segment, price hikes as FAME subsidy ends

With the Faster Adoption and Manufacturing of Hybrid and Electric Vehicle (FAME-II) subsidy coming to an end on March 31, electric vehicle companies are looking at focussing on the premium vehicle segment even as they hike prices by up to 25 per cent. Automakers are still hoping for the subsidy to be further extended but are gearing up for a dip in sales if their request is not granted by the Centre. "The discontinuation of FAME-II subsidies not only presents challenges for EV players but also introduces the risk of a sudden 25 per cent surge in EV prices. This substantial increase raises concerns about discouraging consumers from embracing electric vehicles, potentially causing a reversal in the positive demand trajectory. Beyond the immediate impact on consumer adoption, the withdrawal of subsidies may disrupt investments from manufacturers, component makers, and charging infrastructure companies, impeding the overall growth of the EV sector and obstructing the progress of the 'Make in India' initiative. Aspiring for long-term self-sustainability, demand incentives remain pivotal until a 15-20 per cent demand penetration is achieved," said Sulajja Firodia Motwani, Founder and CEO of Kinetic Green to businessline.

<https://www.thehindubusinessline.com/companies/companies-to-focus-on-premium-segment-price-hikes-as-fame-subsidy-ends/article67935332.ece>

Infrastructure

PM Modi virtually inaugurates 15 airport projects worth Rs 9,800 crore

Prime Minister Narendra Modi unveiled 15 airport projects worth Rs 9,800 crore, stating that these inaugurations should not be seen through the lens of the upcoming general elections but as part of the nation's journey to become developed by 2047. Modi, at a public rally in Azamgarh, Uttar Pradesh, virtually inaugurated the new terminal buildings of Pune, Kolhapur, Gwalior, Jabalpur, Delhi, Lucknow, Aligarh, Azamgarh, Chitrakoot, Moradabad, Shravasti, and Adampur Airports. The 12 new terminal buildings were developed at a total cost of Rs 8,903 crore, with a combined capacity to serve 61.5 million passengers annually.

https://www.business-standard.com/industry/news/pm-modi-virtually-inaugurates-15-airport-projects-worth-rs-9-800-crore-124031000196_1.html

Office lease tenures at record high as occupiers show stronger India commitment

Demand momentum is intensifying for office spaces across key property markets with both leasing tenures and volumes setting new standards, reflecting the growing confidence of occupiers in India's growth story. The longer tenure of leases is also an indication of leading multinational companies enhancing their long-term commitment while setting up offices in the country. The Indian office market has recorded the longest weighted average lease term of 62 months in the last 14 months until February, which is the highest ever in the segment. Prior to this, the average leasing period had peaked at 59 months in 2018 and 2022, according to a joint study of CREDAI and CRE Matrix.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/office-lease-tenures-at-record-high-as-occupiers-show-stronger-india-commitment/articleshow/108373129.cms>

Energy

Results of ninth coal auctions within two weeks, says coal ministry official

The results of the 9th round of coal auctions are likely to be announced within two weeks, a senior coal ministry official said. The latest round of commercial coal mine auctions was launched by the Nominated Authority, the Ministry of Coal, on December 20, 2023. As many as 32 coal mines were put into action in the 9th round. "It will take another two weeks to announce the results of the 9th round. Within it, it will be announced," the official told PTI. As per official information, a total of 40 bids have been received in offline form.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/results-of-ninth-coal-auctions-within-two-weeks-says-coal-ministry-official/articleshow/108373563.cms>

Nation first policy helped manage oil prices despite global conflicts: Puri

Stating that India's policy was 'Nation First' and the consumer was 'paramount', Union Minister Hardeep Singh Puri said that the Centre was able to keep oil prices from shooting up despite global turbulence amid the Russia-Ukraine conflict and drone attacks on merchant ships in the Red Sea. The Union Minister for Petroleum and Natural Gas said 85 per cent of India's crude requirements are met by imports, with the price of crude in the international market being the benchmark.

https://www.business-standard.com/economy/news/nation-first-policy-helped-manage-oil-prices-despite-global-conflicts-puri-124030900327_1.html

Open access solar capacity addition at record 3.2 GW during 2023: Report

India added a record 3.2 gigawatt of open access solar capacity during 2023, posting a 6.66 per cent rise supported by factors, including reduced module cost, according to a report. In its latest report, US-based research firm Mercom Capital said the open access solar capacity addition was 3 gigawatt (GW) during 2022. Solar power through open access is an arrangement where a power producer establishes a solar power plant to supply green energy to consumers. It is the record high open access solar capacity addition in a calendar year. The cumulative installed solar capacity in the open access segment stood at 12.2 GW as of December 2023, the 'Mercom India Solar Open Access Market Report' said.

https://www.business-standard.com/industry/news/open-access-solar-capacity-addition-at-record-3-2-gw-during-2023-report-124030900355_1.html

Private sector in India must invest in clean energy: IFC Regional V-P

Private sector investment in clean energy, especially in countries like India, is pivotal for the course of energy transition, said Riccardo Puliti, regional vice president, Asia and the Pacific, at International Finance Corporation. India continues to be the key destination for IFC, including in energy transition, and the World Bank Group member is looking to push up its investment in the country in the ongoing fiscal, which runs from July through June. In FY23 (July-June), IFC committed \$3 billion across 30 projects, more than doubling its lending year-on-year. "This year we will do substantively more than that [FY23]. India is a country willing to move the needle on the energy mix," he said.

<https://economictimes.indiatimes.com/industry/renewables/private-sector-in-india-must-invest-in-clean-energy-ifc-regional-v-p/articleshow/108373779.cms>

Foundation stone laid for 630 MW solar power project in MP's Chhatarpur district

The foundation stone for the construction of a 630 MW solar power project in Madhya Pradesh's Chhatarpur district was laid on Sunday. Union Minister for Power and New and Renewable Energy, RK Singh, and Union Minister for Social Justice and Empowerment, Virendra Kumar, together laid the foundation stone for Barethi Solar Power Project of NTPC Renewable Energy Limited. Joining the event through video conferencing, Singh said that the government's work in the power sector under the leadership of Prime Minister Narendra Modi has been historic, with capacity almost doubling in the last 10 years.

<https://economictimes.indiatimes.com/industry/renewables/foundation-stone-laid-for-630-mw-solar-power-project-in-mps-chhatarpur-district/articleshow/108373625.cms>

Telecom

New draft on D2M tech standards in final stages

Telecommunications Engineering Centre (TEC), the technical arm of the Department of Telecommunications (DoT), is finalising a new draft report on direct-to-mobile (D2M) broadcasting and the standards to be adopted for the technology. TEC has taken inputs from all stakeholders regarding D2M broadcasting technology, including its features, deployment status, maturity as well as standards. The D2M technology will allow beaming of live TV content directly to mobile phones without a cellular data connection. "An internal TEC committee is finalising the report on D2M. It will also take a call if ATSC 3.0 standards should be adopted into national norms, which will allow the broadcast of TV channels and content to mobile phones, similar to terrestrial broadcasting on TV," an official said. The report is expected to be out in coming weeks, the official added.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/new-draft-on-d2m-tech-standards-in-final-stages/articleshow/108373382.cms>

Spectrum auction to start May 20; Jio, Airtel, Vi to participate

The upcoming spectrum auction, which will see airwaves worth Rs 96,317.65 crore across bands being put up for sale, will start from May 20, according to notice inviting applications (NIA) released by the department of telecommunications (DoT) on Friday. The country's three telecom service providers, Reliance Jio, Bharti Airtel, and Vodafone Idea will be participating in it. A total of 10,523.15 MHz spectrum across 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, 3300 MHz and 26 GHz bands, worth Rs 96,317.65 crore will be auctioned.

<https://www.financialexpress.com/business/industry-spectrum-auction-to-start-may-20-jio-airtel-vi-to-participate-3419720/>

States

Odisha to set up Rs 562 cr aviation centre to meet future demand for pilots

The Odisha government has decided to set up a Rs 562-crore aviation training centre to meet future demand for pilots and skilled personnel in the sector, a minister said. A proposal to set up Biju Patnaik Aviation Centre (BPAC) at Birasal airstrip in Dhenkanal district was approved at a cabinet meeting chaired by Chief Minister Naveen Patnaik on Saturday.

https://www.business-standard.com/industry/news/odisha-to-set-up-rs-562-cr-aviation-centre-to-meet-future-demand-for-pilots-124031000101_1.html

External

India, EFTA ink free trade agreement; \$100 bn investment target in 15 yrs

India and the four-nation European bloc EFTA on Sunday signed a free trade agreement under which New Delhi has received an investment commitment of \$ 100 billion in the next 15 years. Commerce and Industry Minister Piyush Goyal described the signing as a "watershed moment", as it is India's first modern trade pact with a bloc having developed countries. He said that for the first time in a trade agreement, EFTA had committed to invest \$ 100 billion in the next 15 years. It would take around a year for the agreement to come into force.

https://www.business-standard.com/economy/news/india-efta-sign-100-bn-15-year-free-trade-agreement-piyush-goyal-124031000149_1.html

Parliamentary approval process for TEPA to be initiated immediately: Swiss govt

A mega trade deal between New Delhi and the four-nation European bloc EFTA will not only open up broad market access for Swiss businesses in India but is set to improve the legal framework and predictability for them, the Swiss government said on Sunday. The European Free Trade Association (EFTA) States -- Iceland, Liechtenstein, Norway and Switzerland -- signed a Trade and Economic Partnership Agreement (TEPA) with India that came after around 16 years of negotiations. Under the mega trade pact, the four European countries are looking at making an investment of USD 100 billion in India over the next 15 years. The trade deal will provide a window to Indian exporters to access large European and global markets besides allowing companies from the four EFTA countries to expand businesses and investment in India.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/parliamentary-approval-process-for-tepa-to-be-initiated-immediately-swiss-govt/articleshow/108372863.cms>

Coal imports surge, exceeding FY23 shipments amidst rising power demand

India's thermal coal imports during the first 11 months of the current financial year, ending in March, have surpassed the shipments of FY23. Thermal power plants (TPPs) have increased their reliance on this dry fuel to meet the growing power consumption, anticipating peak demand to reach 255 gigawatts (GW) during April-June 2024.

<https://www.thehindubusinessline.com/economy/coal-imports-surge-exceeding-fy23-shipments-amidst-rising-power-demand/article67935306.ece>