



March 24, 2023 – Friday

## Economy

### Modified PLI, export incentives in works for small & medium units

The government could roll out a modified production-linked incentive scheme along with incentives for exports and employment generation for medium enterprises. The move is aimed at incentivising small units in the MSME category to scale up operations to move into the medium category and generate more employment while integrating them with the global value chain. The idea is to significantly enhance the number of medium enterprises in the country, which currently constitutes a miniscule 0.01% of the total MSMEs in India, a senior government official told ET. He said the NITI Aayog is firming up a policy framework in this regard. The policy could cover medium units from sectors including engineering, electrical, chemical and pharmaceuticals.

<https://economictimes.indiatimes.com/small-biz/modified-pli-export-incentives-in-works-for-small-medium-units/articleshow/98951296.cms>

### India's external situation stable, says CEA V Anantha Nageswaran

With global crude oil prices on the slide, India's current account deficit (CAD), too, will drop in the current fiscal year (2022-23, or FY23) and the next (2023-24, or FY24), with the "external situation being quite stable", indicated Chief Economic Advisor (CEA) V Anantha Nageswaran on Thursday. Quoting private-sector organisations and economists, the CEA said the industry expects CAD to be in the range of 2-2.4 per cent of gross domestic product (GDP) in FY23 and further down to 2 per cent in FY24. "You might have seen that global crude oil prices have come down. The external situation for the country is quite stable," he said. "Most private-sector organisations and economists are revising their CAD estimates for India. They expected CAD to be about 3 per cent at the beginning of the fiscal year. Now, they say it will be 2-2.4 per cent of GDP. And next year, it will be closer to 2 per cent of GDP," said Nageswaran at a press conference in Chennai as part of the second Group of Twenty (G20) framework working group (FWG) meeting under India's G20 Presidency.

[https://www.business-standard.com/article/economy-policy/cad-to-come-down-india-s-external-situation-stable-cea-nageswaran-123032300909\\_1.html](https://www.business-standard.com/article/economy-policy/cad-to-come-down-india-s-external-situation-stable-cea-nageswaran-123032300909_1.html)

### Job growth patchy across sectors

The Economic Survey 2022-23 points to a recovery from the pandemic. However, the extent of this recovery is an area worth exploring. Quarterly Employment Survey (QES) of Labour Bureau sheds some light in this respect. Generation of employment has been one of the principal concerns of development and rightly so. The Budget has emphasised employment creation through boosting demand. The 33 per cent increase in capex and tax rebates are measures that are likely to increase the volume of employment. Every Budget attempts to push employment generation through a variety of investment and other direct social welfare measures. However, employment always does not correspond to assumptions and expectations. The QES of the Labour Bureau provides quarterly estimates about the demand side of employment and related variables of establishments (covering 10 or more workers) in formal sector. The Bureau has completed the all-India survey of establishments for four quarters (April-June 2021, July-September 2021, October-December and January-March 2022) covering nine major sectors; the report of all four quarters is also released.

<https://www.thehindubusinessline.com/opinion/job-growth-patchy-across-sectors/article66654295.ece>

### **Indian economy may do better in 2023, weather a concern**

Economists with multinational banks and finance companies expect India's macro economic parameters to improve in 2023 than what was projected earlier, indicating only muted contagion impact of bank failures in the Western world. Barclays has raised India's growth forecast for next fiscal to 6.3% from 6%, saying that global developments such as rising financial stability risks, peaking of rate tightening around the world and collapse of commodity prices augur well for the world's fifth-largest economy. "Having weathered many shocks to its macro stability in 2022, India is on firmer ground in 2023; current-account funding needs are falling, inflation is trending lower, and fiscal demands are in check," Barclays said in a report.

<https://economictimes.indiatimes.com/news/economy/indicators/indian-economy-may-do-better-in-2023-weather-a-concern/articleshow/98947995.cms>

### **India pitches for ratings upgrade at meeting with representatives of Fitch**

The Finance Ministry has cited India's strong fundamentals and resilience in the face of global headwinds to pitch for a ratings upgrade.

[https://www.business-standard.com/article/economy-policy/india-pitches-bright-spot-global-headwinds-seeks-ratings-hike-123032301152\\_1.html](https://www.business-standard.com/article/economy-policy/india-pitches-bright-spot-global-headwinds-seeks-ratings-hike-123032301152_1.html)

### **Currency risks a concern for India: Moody's Analytics**

Currency risks could deter India's recovery leading RBI to raise rates and slowing down the economy, Moody's Analytics pointed on Thursday. Affirming that the outlook for emerging markets will hold even amidst the US banking storm, Moody's Analytics said that while India would continue to grow owing to pent-up demand, "further currency weakness could put the region's central banks in a bind." "A new bout of rupee weakness could force the Reserve Bank of India to press harder on the brakes slowing what we expect to be one of EM Asia's best performing economies," the report said, highlighting that even though inflation was no longer rising, food prices were still a key concern.

<https://economictimes.indiatimes.com/news/economy/indicators/currency-risks-a-concern-for-india-moodys-analytics/articleshow/98937942.cms>

## **Banking and Finance**

### **SEBI board to approve new ESG framework at upcoming meeting on March 29**

The Securities and Exchange Board of India (Sebi) will finalise a new framework around environmental, social, and governance (ESG) ratings and disclosures at its upcoming board meeting on March 29, said people in the know.

[https://www.business-standard.com/article/markets/sebi-board-to-approve-new-esg-framework-board-meeting-on-march-29-123032301161\\_1.html](https://www.business-standard.com/article/markets/sebi-board-to-approve-new-esg-framework-board-meeting-on-march-29-123032301161_1.html)

### **Finance ministry asks public sector banks to share bond portfolio data**

The Union finance ministry has asked public sector banks (PSBs) to furnish details of their bond portfolios ahead of their meeting with Finance Minister Nirmala Sitharaman on Saturday, amid the turmoil in global banks. As an exercise to determine the resilience of banks against interest-rate risks, the ministry has specifically requested details on holdings under the held-to-maturity (HTM) and available-for-sale (AFS) portfolios, bankers said. While the HTM portfolio protects banks from potential losses on bond holdings, the government wants to ascertain how banks will respond in the case of large bond sales from that book, sources said. Sitharaman will hold a meeting with all PSB heads on Saturday where she will review their work, including lending to infrastructure and flow of cash transfers to beneficiaries under various government flagship schemes.

[https://www.business-standard.com/article/finance/amid-us-banking-crisis-govt-asks-psbs-for-details-on-bond-holdings-123032301028\\_1.html](https://www.business-standard.com/article/finance/amid-us-banking-crisis-govt-asks-psbs-for-details-on-bond-holdings-123032301028_1.html)

### **Credit cards outstanding up a record 29.6% in FY23 till end-Jan**

The total credit card outstanding in the current financial year so far, has increased significantly, at 29.6 per cent, compared with last year, according to Reserve Bank of India (RBI) data. The credit card outstanding stood at ₹1,86,783 crore as on January 27, 2023, (first 10 months of FY23) as against ₹1,44,162 crore in the year-ago period. In

the comparable period of FY22, credit card outstanding grew by 9.3 per cent compared with the previous financial year (FY21).

<https://www.thehindubusinessline.com/money-and-banking/credit-cards-outstanding-up-a-record-296-in-fy23-till-end-jan/article66652741.ece>

#### **Banks face losses of up to 10% on long-dated G-Secs as yields rise**

Indian banks could lose up to 10% on longer-tenure bonds held to maturity, but relatively lower yield gyrations than in the West should cushion treasury losses at local lenders that are witnessing increasing demand for credit in the world's fastest-expanding major economy. "As per our analysis, if the losses are fully realised which is unlikely in our view on the held-to-maturity book, the range of impact on net worth could be 2-10% for Indian banks," said Suresh Ganapathy, associate director, Macquarie Capital. "However, this remains a theoretical exercise and unlikely to crystallise."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-face-losses-of-up-to-10-on-long-dated-g-secs-as-yields-rise/articleshow/98951509.cms>

#### **Parl panel expresses concern over financial health of insurance firms**

A Parliamentary panel has expressed concern about the financial health of General Public Sector Insurance Companies. "The Committee are concerned about the financial health of General Public Sector Insurance Companies, as despite measures such as focusing on pursuing profitable business including motor and health portfolio, improving risk management practices, monetising the commercial and residential assets not in use, modernising and upgrading IT systems, capital infusion etc., the desired results do not seem to be appearing," said the Demand for Grants report (2023-24) by Standing Committee on Finance. The parliamentary panel has said in the report that the solvency position of three major Public Sector General Insurance Companies (PSGICs) namely National Insurance Co. Ltd, United India Insurance Co. Ltd and Oriental Insurance Co. Ltd is still strained.

[https://www.business-standard.com/article/economy-policy/parl-panel-expresses-concern-over-financial-health-of-insurance-firms-123032301238\\_1.html](https://www.business-standard.com/article/economy-policy/parl-panel-expresses-concern-over-financial-health-of-insurance-firms-123032301238_1.html)

#### **GST tribunal, InVITs among likely 60 changes to Finance Bill**

The government is likely to move a slew of amendments on Friday to make changes to the taxation proposals announced in the budget to address issues raised by stakeholders. Finance minister Nirmala Sitharaman is expected to move around 60 changes to the Finance Bill, 2023 when it is taken up for passage in the Lok Sabha. These will include clarifications and also measures to take the sting out of some of the tax proposals announced in the budget. The budget process is expected to be completed on Friday with the reply to the finance bill. Amendments relate to infrastructure investment trusts and the constitution of goods and services tax (GST) tribunal under the Central GST Act, according to people privy to the amendments.

<https://economictimes.indiatimes.com/news/economy/policy/gst-tribunal-invits-among-likely-60-changes-to-finance-bill/articleshow/98951210.cms>

#### **India's e-comm mkt to grow from \$83 bn in 2022 to \$185 bn in 2026: Report**

Indian e-commerce was worth \$83 billion in 2022 and will likely grow to \$185 billion in 2026 as it is propelled by unified payments interface (UPI) transactions, said a report on Thursday. India has emerged as a global leader in payments by developing a real-time payments (RTP) infrastructure, said the report by global financial technology solutions provider FIS. Cash use is declining in the country: it comprised 71 per cent of point of sale (POS) transaction value in 2019 and was just 27 per cent in 2022. UPI recorded its biggest year-on-year (YoY) growth--of 74.1 per cent--in transaction volume in January 2023. This has helped e-commerce account-to-account (A2A) payments grow to \$12 billion, up 53 per cent from 2021 to 2022. By 2026, these transactions are expected to grow by 195 per cent to 36 billion, while the e-commerce market size in the online space is expected to grow by 82 per cent. UPI is driving consumers away from cash, helping financial inclusion and making India a world leader in payments, said Phil Pomford, general manager APAC, Worldpay Merchant Solutions at FIS.

[https://www.business-standard.com/article/companies/india-s-ecommerce-market-to-reach-185-billion-by-2026-says-report-123032300777\\_1.html](https://www.business-standard.com/article/companies/india-s-ecommerce-market-to-reach-185-billion-by-2026-says-report-123032300777_1.html)

**Industry**

### **MSME loan delinquencies dip to 3% by September, shows CIBIL data**

While delinquencies in the MSME portfolio of lenders – bank and finance companies – have declined substantially till September 2022, they need to use the "Early Warning Signal" to spot stress and take preventive steps. Reacting to an account currently in the Days Past Dues (DPDs) bucket may be a delayed reaction, according to credit bureau CIBIL. Overall, MSME NPA rates under new criterion for delinquency (90+DPD) was 3 per cent for Sep 2022 (Q2FY23), down from 4.4 per cent same time last year (Q2FY22). The new norms exclude legacy accounts with DPD beyond 720 days or reported as loss/doubtful. Delinquency rates dropped YoY across all three lender categories – public sector banks, private banks, finance companies. The highest drop was in the private bank segment, from 2.8 per cent in Q2FY22 to 1.5 per cent in FY23-Q2. The total MSME credit exposure of the lender expanded by 10.6 per cent Year on Year (YoY) basis to Rs 22.9 trillion by end of September 2022 (Q2FY23). This excludes default cases of about Rs 1.2 trillion in doubtful category and about Rs 1.3 trillion of those with 720 plus DPD or those in loss category.

[https://www.business-standard.com/article/finance/msme-loan-delinquencies-dip-to-3-by-september-shows-cibil-data-123032300853\\_1.html](https://www.business-standard.com/article/finance/msme-loan-delinquencies-dip-to-3-by-september-shows-cibil-data-123032300853_1.html)

### **ICEA wants bars raised for Chinese companies in Indian markets**

The India Cellular and Electronics Association (ICEA), a leading organisation of mobile device and consumer electronics companies, has suggested discouraging new EMS (electronics manufacturing services) firms headquartered in China to operate in the country, saying this would lead to their dominating the supply chain.

[https://www.business-standard.com/article/economy-policy/icea-wants-bars-raised-for-chinese-companies-in-indian-markets-123032301370\\_1.html](https://www.business-standard.com/article/economy-policy/icea-wants-bars-raised-for-chinese-companies-in-indian-markets-123032301370_1.html)

### **Competition builds up fast for FMCG companies**

Reliance Industries' (RIL) aggressive expansion of own consumer product brands to neighbourhood stores is expected to add to mounting competition in India's FMCG industry. By-products of stiffer competition could mean lower valuations for some existing players and, probably, some relief to the consumers at the bottom of the pyramid. To be sure, RIL is not alone in articulating its FMCG ambitions. Amul India's goal, under its new CEO, is to become a total foods company and not just a dairy major. Mondelez, meanwhile, has announced plans to invest ₹4,000 crore over next four years in the Indian market. Tata Consumer Products (TCPL) has been aggressively foraying into various categories of consumer staples. Large players such as ITC straddle across most consumer categories.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/competition-builds-up-fast-for-fmcg-companies/articleshow/98951387.cms>

### **Local handset makers struggle to meet PLI targets**

While global smartphone makers such as Apple and Samsung have been meeting the incremental production and sales targets under the production-linked incentive (PLI) scheme, majority of the domestic handset companies are unlikely to meet the same in FY23. Of the five local players selected for the PLI scheme, only two — Dixon-owned Padget Electronics and UTL Neolyncs which manufactures the JioPhone — were able to meet the targets in FY22. Lava International, Bhagwati (Micromax), and local contract manufacturer Optimus have so far failed to meet the targets for all the three years.

<https://www.financialexpress.com/industry/local-handset-makers-struggle-to-meet-pli-targets/3020433/>

## **Agriculture**

### **Narendra Singh Tomar launches DigiClaim platform for speedy disbursement of insurance claims to farmers**

Agriculture Minister Narendra Singh Tomar on Thursday launched a 'DigiClaim' platform under the national crop insurance portal for speedy disbursement of claims to insured farmers. On the occasion, the Minister also transferred an insurance claim totaling Rs 1,260.35 crore through the DigiClaim platform to the insured farmers in Rajasthan, Uttar Pradesh, Himachal Pradesh, Chhattisgarh, Uttarakhand and Haryana with a click of a button, an official statement said. In the current system, there have been several instances of insured farmers' claims being delayed due to a variety of factors. Taking cognizance of farmers' welfare and to expedite the claim disbursement process, the Agriculture Ministry has come up with the DigiClaim module, it said.

<https://www.financialexpress.com/economy/narendra-singh-tomar-launches-digicclaim-platform-for-speedy-disbursal-of-insurance-claims-to-farmers/3020368/>

## Infrastructure

### Nitin Gadkari promises Rs 2 trillion road infra in Jharkhand by 2024

Union Minister Nitin Gadkari on Thursday promised to bolster infrastructure in Jharkhand and asserted that Rs 2 lakh crore highway network will be rolled out in the state by 2024. The Road Transport and Highways minister said Jharkhand will be in the league of developed states in terms of infrastructure and a network of highways will be completed here including stretches under Bharatmala and economic corridors. "The projects what you are seeing at present is just a trailer. I promise I will deliver Rs 2 lakh crore road infrastructure projects in Jharkhand," Gadkari said addressing a rally in state capital Ranchi. The Union minister said Jharkhand has huge resources including coal and iron and a better infrastructure in state could propel country's growth. The road network will boost industry here and create huge employment, Gadkari said, adding that the target is to reduce logistic cost which was much higher in India at 16 per cent as compared to nations like China and the US which has logistics costs hovering around 8 and 12 per cent respectively.

[https://www.business-standard.com/article/economy-policy/nitin-gadkari-promises-rs-2-trillion-road-infra-in-jharkhand-by-2024-123032301173\\_1.html](https://www.business-standard.com/article/economy-policy/nitin-gadkari-promises-rs-2-trillion-road-infra-in-jharkhand-by-2024-123032301173_1.html)

## Energy

### Domestic natural gas consumption up 6.7% YoY in February

Domestic natural gas consumption rose 6.7% year-on-year in February as falling international prices helped boost imports. Both gas consumption and imports have risen for the second straight month in February in a sign that normalcy was returning to the Indian gas market where industries had cut consumption and switched to more affordable alternative fuels after gas prices rose to record highs last year in the international market. Import of liquefied natural gas (LNG) jumped 11% in February over the same month last year, according to the oil ministry data. But for the April-February period, the imports were down 12.8%, reflecting the reduction in the first ten months of the fiscal year. Imports comprised 45% of domestic consumption in the April-February period. The domestic consumption in the April-February period was 5.4% lower than in the previous year.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/domestic-natural-gas-consumption-up-6-7-yoy-in-february/articleshow/98938959.cms>

## Telecom

### TRAI/DoT to bring in QoS norms for 5G services soon

While the 5G network is being rolled out by Bharti Airtel (Airtel) and Reliance Jio (Rjio), government and regulatory bodies are working on quality of services (QoS) norms, which will be released soon. Sources from Telecom Regulatory Authority of India (TRAI) and Department of Telecommunications (DoT) told businessline that they are working on QoS for 5G services, apart from telling telcos to improve the existing 4G services.

<https://www.thehindubusinessline.com/info-tech/trai-dot-to-bring-in-qos-norms-for-5g-services-soon/article66653752.ece>

## States

### Tamil Nadu to focus on bringing large IT companies to newly announced tech cities

The Tamil Nadu government is going to focus more on bringing large technology companies, including Google and Amazon, to the newly announced Tech Cities that will come up in Chennai, Hosur, and Coimbatore, said IT Minister Mano T Thangaraj. "Negotiations are underway, and many companies have approached the government about coming to Tamil Nadu," he said.

<https://www.thehindubusinessline.com/info-tech/tamil-nadu-to-focus-on-bringing-large-it-companies-to-newly-announced-tech-cities/article66653887.ece>

## External

### India's exports to the UAE may cross all-time high of \$32 billion

India expects to achieve its highest ever exports of \$32 billion to the UAE this fiscal even as the two sides plan to integrate their customs and logistics portals for real time tracking of shipments for priority of entry in ports, as part of the bilateral Comprehensive Economic Partnership Agreement (CEPA). "India's exports (to the UAE) are around \$28.3 billion. We are hopeful to touch an all time high of \$32 billion exports this year," said an official. As per the official, the two sides are also working on customs facilitation wherein their logistics and customs portals would get integrated and help in real time data exchange and tracking of ships for priority of entry in ports. A review of the CEPA, which came into force on May 1, 2022, is likely in May.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-exports-to-the-uae-may-cross-all-time-high-of-32-billion/articleshow/98945783.cms>

### India's FY24 urea imports likely to dip by 33%, say trade sources

The import of urea in FY24 might be 4-5 million tonnes, which is lower than the estimated figure of more than 7.5 million tonnes in FY23, trade and industry sources said.

[https://www.business-standard.com/article/economy-policy/india-s-fy24-urea-imports-could-be-around-4-5-million-tonnes-trade-sources-123032301050\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-fy24-urea-imports-could-be-around-4-5-million-tonnes-trade-sources-123032301050_1.html)

### India-UAE partnership: CEPA review to focus on key data sharing

India and the United Arab Emirates (UAE) are gearing up for a review of the Comprehensive Economic Partnership Agreement (CEPA) that may see discussions towards integration of key portals of both nations to boost trade, a senior commerce department official said.

[https://www.business-standard.com/article/economy-policy/india-uae-are-gearing-up-for-a-review-of-cepa-to-boost-trade-123032301043\\_1.html](https://www.business-standard.com/article/economy-policy/india-uae-are-gearing-up-for-a-review-of-cepa-to-boost-trade-123032301043_1.html)

### India's pulses exports may surge to new high this fiscal

India's pulses exports for the financial year will likely scale a new record on rising demand for chickpea and lentils from countries such as China, United Arab Emirates (UAE) and Bangladesh. During the April-January period of the current financial year, pulses exports in terms of volume were up 80 per cent at 5.39 lakh tonnes (lt). In the same period a year ago, exports were 3 lt. In terms of dollar, pulses exports during April-January were up 73 per cent at \$476 million (\$275 million in the same period a year ago). In terms of rupee, exports were up 85 per cent at ₹3,784 crore (₹2,048 crore), as per the latest data from APEDA. In the financial year 2021-22, pulses exports were 4.1 lt, valued at \$379 million.

<https://www.thehindubusinessline.com/economy/agri-business/indias-pulses-exports-may-surge-to-new-high-this-fiscal/article66653663.ece>

### Neighbouring countries, allies to get access to India's 5G testbed

Neighbouring nations like Bangladesh, Maldives, Sri Lanka, Nepal, Bhutan, and other friendly nations like Iran will get access to India's 5G testbed, officials said. The tech will enable start-ups and government agencies in these countries to research and develop 5G technologies suited to their particular needs, and share innovation. The highly discounted testing services will be opened to all allied nations, the officials said. The proposal has come from Telecom Minister Ashwini Vaishnaw, who has pushed for India playing a bigger role in technological partnerships with other nations, they said. "More discussions on the proposal will be soon held. Other nations will be asked to apply for the same," an official said. The development of the indigenous testbed was hailed as a key milestone step for India's becoming self-reliant in the 5G technology domain and building the ecosystem for domestic manufacturing of 5G telecom equipment.

[https://www.business-standard.com/article/economy-policy/neighboring-countries-allies-to-get-access-to-india-s-5g-testbed-123032301089\\_1.html](https://www.business-standard.com/article/economy-policy/neighboring-countries-allies-to-get-access-to-india-s-5g-testbed-123032301089_1.html)

### India, UK hold discussions on bilateral and wider security cooperation

Indian High Commissioner to the UK Vikram Doraiswami, UK's Minister of State for Security Tom Tugendhat on Thursday held discussions on bilateral and wider security cooperation between India, UK. "HC @VDoraiswami met

@TomTugendhat, Minister for Security, for a wide ranging discussion on bilateral and wider security cooperation," Indian High Commission in the UK tweeted on Thursday. Doraiswami recently met Commandant Major General Zack Stenning OBE at the Royal Military Academy, Sandhurst and discussed engagements in the Professional Military Education domain. Taking to Twitter, India's High Commission in London said, "HC @VDoraiswami visited the Royal Military Academy, Sandhurst @BritishArmy on 17 Mar 2023 and had productive discussions with the Commandant Major General Zack Stenning OBE about engagements in the Professional Military Education domain."

[https://www.business-standard.com/article/economy-policy/india-uk-hold-discussions-on-bilateral-and-wider-security-cooperation-123032400052\\_1.html](https://www.business-standard.com/article/economy-policy/india-uk-hold-discussions-on-bilateral-and-wider-security-cooperation-123032400052_1.html)