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Economy

S&P follows Fitch, affirms India's sovereign rating at 'BBB-'

Better performance amid challenging global conditions and the possibility of high growth in coming years prompted S&P Global Ratings to affirm India's sovereign rating at 'BBB (-)' with stable outlook. This is the last investment grade and in line with other agencies. Investors, especially from foreign nations, depend upon such a rating for making decisions about a company. "The sovereign credit ratings on India are anchored by the country's dynamic, fast-growing economy, strong external balance sheet, and democratic institutions supporting policy predictability and compromise," the agency said, while giving its rationale for affirmation. However, it cautioned that these strengths are counterbalanced by the government's weak fiscal performance and burdensome debt stock, as well as the economy's low GDP per capita.

<https://www.thehindubusinessline.com/economy/sp-follows-fitch-affirms-indias-sovereign-rating-at-bbb/article66866097.ece>

Banking and Finance

Market regulatory Sebi proposes new expense slabs for mutual funds

The Securities Exchange Board of India (Sebi) has proposed to make the total expense ratio (TER) charged by mutual funds (MFs), inclusive of the Goods and Services Tax (GST) charged on management fee and has shared revised expense slabs for MFs to account for the tax outgo. According to the proposal, the TERs being changed by MFs will be linked to the total assets being managed by MFs in each asset class rather than the present model, where the TERs are linked to total assets in the scheme. For example, an MF managing equity assets of less than Rs 2,500 crore across schemes will be able to charge a maximum expense of 2.55 per cent in equity schemes, if the present proposal goes through. Further, the regulator has also proposed to bring transaction costs and brokerages within the TER.

https://www.business-standard.com/markets/news/market-regulatory-sebi-proposes-new-expense-slabs-for-mutual-funds-123051801267_1.html

SEBI tightens norms for price sensitive information after study finds corporates flouting rules

Market regulator SEBI proposes to tighten norms for Unpublished Price Sensitive Information (UPSIs) after it found a large number of corporates flouting current rules. In a study conducted with stock exchanges, SEBI found that listed companies have categorised unpublished price-sensitive information wrongly in 92 per cent of instances. SEBI studied 1,100 press releases and found that in 227 instances, the information put out led to a price movement of 2 per cent after adjusting for the index.

<https://www.thehindubusinessline.com/news/sebi-tightens-norms-for-price-sensitive-information-after-study-finds-corporates-flouting-rules/article66867017.ece>

Credit card spends in foreign currency to attract 20% TCS

Foreign currency payments such as digital subscriptions to publications or goods bought on foreign ecommerce sites through international credit cards will count toward an individual's Liberalised Remittance Scheme (LRS) account and attract 20% tax collected at source (TCS), officials said. However, if these purchases are made in Indian rupees,

they will not be counted against LRS and face any TCS, said one of them. According to the officials cited, corporate cards given to employees for official expenditure overseas will also not attract TCS, as these expenses are covered under residual current account transactions outside the LRS.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/credit-card-spends-in-foreign-currency-to-attract-20-tcs/articleshow/100342046.cms>

25% of new credit card issues happen on RuPay network: NPCI Rai

About 25 per cent of all new credit card issuances are happening on the RuPay network, according to Praveena Rai, COO, NPCI (National Payments Corporation of India). "Cards in force are growing fast, driven by the innovative product suite. Volume growth is multiplying; it's more than doubling," Rai said on the sidelines of the launch of the SBI Paytm credit card on the RuPay network. Even though 52 per cent of customers on the UPI network are credit active, only 3–10 per cent use credit cards. The NPCI said that of the over 30 crore UPI users, 2.5–3.0 crore are credit card holders.

<https://www.thehindubusinessline.com/money-and-banking/25-of-new-credit-card-issues-happen-on-rupay-network-npci-rai/article66866851.ece>

Senior citizens go big on small savings scheme

The collections under the government's small savings scheme for senior citizens more than tripled in April, as those eligible scrambled to take advantage of the budget move that doubled the deposit limit, a senior finance ministry official said. The fresh mop-up under the scheme breached ₹10,000 crore in April, the first month when the enhanced limit kicked in, compared with the usual deposit of about ₹3,000 crore for this month, the official told ET. He expected such inflows to remain strong in the coming months as well.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/senior-citizens-go-big-on-small-savings-scheme/articleshow/100341562.cms>

Industry

Automobile dealers' body seeks cut in GST on two-wheelers from 28% to 18%

Automobile dealers' body FADA on Thursday sought a cut in GST on two-wheelers from 28 per cent to 18 per cent, saying the segment being essential for millions should not be categorised as luxury item. The industry body said it has appealed to the finance minister, chair of the GST Council, all GST Council members, the ministry of heavy industries, which supervises the automobile sector, and the ministry of road transport & highways. This timely and decisive intervention would help in making two-wheelers more affordable, reviving demand and reinvigorating an industry that has seen a significant slump in sales over the past few years, the Federation of Automobile Dealers Associations (FADA) said in a statement.

https://www.business-standard.com/industry/auto/automobile-dealers-body-seeks-cut-in-gst-on-two-wheelers-from-28-to-18-123051800851_1.html

Automobile dealership industry revenues to grow by 11-13% in FY24: Icra

Aided by robust sales, revenues of domestic automobile dealership industry are expected to grow by 11-13 per cent in the current fiscal, rating firm Icra said on Thursday. The revenue growth this fiscal will be aided by expected 6-9 per cent volume growth and an increase in vehicle prices during the current financial year, it added. Factors like improving consumer sentiments, as seen through a continued preference for personal mobility and rising disposable income, easing supply-side constraints, better features in the new product models, change in product-mix with increasing skew towards high-priced vehicles, etc., are expected to favourably support the sales growth in the consumer segment, Icra said.

https://www.business-standard.com/industry/auto/automobile-dealership-industry-revenues-to-grow-by-11-13-in-fy24-icra-123051800497_1.html

Retailers clock moderate growth of 6 per cent in April

Retailers clocked moderate sales growth of 6 per cent in April 2023, compared to April 2022, largely due to high base effect, according to the latest survey findings released by the Retailers Association of India (RAI). This growth was led by categories of quick service restaurant and food and grocery segments. Kumar Rajagopalan, CEO, Retailers

Association of India (RAI), said: "Retailers witnessed a modest growth of 6 per cent in April 2023. This is possibly explained because they had a super growth of 23 per cent in April 2022, compared to pre-pandemic period (April 2019) and 41 per cent growth when compared to sales level in April 2021 (y-o-y).

<https://www.thehindubusinessline.com/economy/retailers-clock-moderate-growth-of-6-per-cent-in-april/article66866278.ece>

QSR, lifestyle companies see slower sales in March quarter, April

Sales of large quick-service restaurants, lifestyle, apparel and discretionary products have slowed in the March quarter as well as in April, with companies reporting either flat, low single-digit or declining growth, as consumers downtraded to lower priced products amid higher inflation, moderation in pent-up demand and tighter financial conditions. While retail sales grew in strong double digits consistently over the past year, it slowed to 6% in both March and April - the slowest sales expansion in over 14 months, according to Retailers Association of India (RAI). "The slowdown was visible since February and it continued till April. However, from May, there is slight improvement as people started buying for the upcoming wedding season. We hope for it to improve further during the end of season sale," said Devarajan Iyer, CEO of fashion retailer Lifestyle International. Iyer said markets in south India are relatively stable compared with the north, which is showing more signs of stress.

<https://economictimes.indiatimes.com/industry/services/retail/qsr-lifestyle-companies-see-slower-sales-in-march-quarter-april/articleshow/100341378.cms>

Agriculture

India's sugar production drops 8%, but Uttar Pradesh, Tamil Nadu mills report higher output

Sugar production in the country dipped over 8 per cent to 32.1 million tonnes (mt) until May 15 in the current sugar season (October 2022-September 2023) against 34.92 mt in the previous season, industry sources said. Nearly 500 mills have closed their operations, while 37 factories are still continuing with crushing (as on May 15), including 16 mills in Tamil Nadu and 15 units in Uttar Pradesh, against 116 mills that were in operation during the same period last year, indicating lower sugar production this season.

<https://www.thehindubusinessline.com/economy/agri-business/indias-sugar-production-drops-8-but-uttar-pradesh-tamil-nadu-mills-report-higher-output/article66865317.ece>

Energy

Government plans to 'float' offshore oil blocks-cum-wind farms

The ministry of new and renewable energy (MNRE) is in discussions with the ministry of petroleum and natural gas (MoPNG) to combine the exploration of offshore hydrocarbon blocks with offshore wind farms for better synergies, according to two government officials aware of the plan. The contours of the idea are in the works and initial discussion with the stakeholders has been positive, the officials added. "This is a good concept we are trying to work on. The idea to combine offshore hydrocarbon blocks with wind farms is to extract maximum energy through the same resource or block. We are working on the details of the plan," said the first government official on the condition of anonymity.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/government-plans-to-float-offshore-oil-blocks-cum-wind-farms/articleshow/100338401.cms>

India's coal production grows 8.5 pc to 73 MT in April; despatch rise 11.66 pc to 80.35 MT: Coal Ministry

India's coal production rose by 8.5 per cent to 73.14 million tonnes (MT) during April 2023, according to the ministry of coal. In April 2022, the country's overall coal production was at 67.20 MT, as per the ministry data. India achieved 94.89 per cent of the 77.08 MT production target for April 2023, the data showed. Coal India along with its subsidiaries produced 57.57 MT coal, up 7.67 per cent over 53.47 MT in April 2022. The coal production of Singareni Collieries Company Ltd (SCCL) rose by 4.77 per cent to 5.57 MT, from 5.32 MT in the same month a year ago. While the production from other captive mines was at 10 MT, against 8.41 MT in April 2022, registering a rise of 18.93 per cent.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-coal-production-grows-8-5-pc-to-73-mt-in-april-despatch-rise-11-66-pc-to-80-35-mt-coal-ministry/articleshow/100328594.cms>

E-waste policy recast to focus on number of products recycled

The government is planning to revamp the electronic waste policy, focusing on complete lifecycle management of products and offering incentives to make it an attractive proposition for the industry, said officials. The revised policy could allow the industry to take into account the total volume of electronics products recycled instead of the amount of metals and rare earth minerals extracted from these products, they said. The Niti Aayog and the Ministry of Electronics and Information Technology (MeitY) have held multiple stakeholder consultations to firm up the policy and it may be released soon, said the officials. "The e-waste policy this time will aim to address issues related to collection of waste, producer's responsibility and other policy related issues not adequately addressed earlier," a senior government official at NITI Aayog told ET on condition of anonymity.

<https://economictimes.indiatimes.com/industry/renewables/e-waste-policy-recast-to-focus-on-no-of-products-recycled/articleshow/100337990.cms>

Telecom

Telecom pricing structure needs change: Airtel MD

Bharti Airtel MD Gopal Vittal on Wednesday said the current pricing structure in telecom industry will not work in long run and needs a change. In the January-March earnings call with analysts, Vittal said the customers should pay more for higher usage of data and it should not be an approach of one-size fits all. Giving an example of markets like Indonesia and Thailand, Vittal said, "Our pricing structure is broken and data allowance should be ideally linked to price." "In a consumer industry you would typically have people who are able to pay more get more (services)," Vittal added. In February, Vodafone Idea CEO Akshaya Moondra also said that the tariffs should be increased in the unlimited plan segment where over a period of time the trend suggests a customer pays more for using more. With regard to 5G, Vittal said the company is seeing user engagement on the platform while expressing concern over data pricing, which is amongst the lowest in the world.

<https://www.financialexpress.com/industry/telecom-pricing-structure-needs-change-airtel-md/3091849/>

States

Rajasthan govt to disburse Rs 22,000-cr interest-free crop loans in 2023-24

The state government has drawn up a plan to disburse Rs 22,000 crore as interest-free crop loans in 2023-24. Under this scheme, 3.5 million farmers are expected to benefit. The state government is expected to spend Rs 1,000 crore as interest subsidy. The loans will be disbursed through cooperative banks," an official of the agriculture department said. Cooperative Minister Udaylal Anjana said in 2022-23, as against the target of Rs 20,000 crore, Rs 19,740 crore was disbursed among 2.971 million farmers. This has been the highest disbursement of interest-free crop loans in a fiscal year, the minister added. The minister said the present government had disbursed Rs 9,541.02 crore in 2019-20, Rs 15,325.38 crore in 2020-21 and Rs 18,101.68 crore in 2021-22.

https://www.business-standard.com/economy/news/rajasthan-govt-to-disburse-rs-22-000-cr-interest-free-crop-loans-in-2023-24-123051801137_1.html

External

FinMin applies amnesty scheme for traders failing to meet export obligation

The finance ministry has operationalised the amnesty scheme for traders who defaulted in export obligation under the Advance and EPCG authorisation scheme. As per the amnesty scheme, which was announced in the Foreign Trade Policy on March 31, EXIM traders who failed to meet the export obligation under the Advance and EPCG (export promotion for capital goods) authorisation scheme can come clean by paying customs duty and interest, subject to a ceiling of 100 per cent. The Central Board of Indirect Taxes and Customs (CBIC) asked principal commissioners/commissioners to ensure that the exporters approaching for paying the duty, etc. are registered with the Directorate General of Foreign Trade (DGFT).

https://www.business-standard.com/economy/news/finmin-applies-amnesty-scheme-for-traders-failing-to-meet-export-obligation-123051800640_1.html

Commerce Ministry to hold Chintan Shivir to discuss ways to promote trade

The Commerce and Industry Ministry will hold a two-day Chintan Shivir to discuss ways to promote manufacturing trade, investments, startups, logistics and import substitution, among others, an official said on Thursday. On May 19, the Department of Commerce will be holding a series of sessions on issues such as team building; expediting trade and investment promotion efforts; export strategy on goods and services; import substitution, reducing sub-standard imports and promoting manufacturing through PLI (production linked incentive). Commerce and Industry Minister Piyush Goyal, Ministers of State for Commerce and Industry Som Parkash and Anupriya Patel will address the ministry officials.

https://www.business-standard.com/india-news/commerce-ministry-to-hold-chintan-shivir-to-discuss-ways-to-promote-trade-123051801163_1.html

India looks to build consensus at WTO to block non-trade issues

India is pushing for forging consensus with like-minded countries at the World Trade Organization (WTO) to prevent entry of non-trade issues such as environment and sustainability into the trade negotiations. "Brazil, China, Thailand and South Africa are some of the countries which could get affected and we will try to build a consensus with them," said a government official, who did not wish to be identified. The move by advanced economies to impose green taxes has already made the developing and emerging economies wary of such moves. The US recently approved the Inflation Reduction Act to establish green technology industries and the European Union has unveiled the Carbon Border Adjustment Mechanism, under which tax is levied on certain imports into the region. It also has a law for deforestation-free products.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-looks-to-build-consensus-at-wto-to-block-non-trade-issues/articleshow/100337687.cms>

Exports to EU worth \$1.3 bn to be impacted by deforestation rule: GTRI

India's exports of products like coffee, leather hides and paperboard worth USD 1.3 billion annually to the European Union will get impacted due to the deforestation regulation adopted by the EU earlier this week, a report by economic think tank GTRI said on Thursday. Within three weeks of introducing the carbon border tax, the European Union Council on May 16 adopted the European Union Deforestation-Free Products Regulation (EU-DR). The Global Trade Research Initiative (GTRI) said that the EU-DR appears to prioritise protecting its own agricultural sector and promoting exports, making imports more difficult as it is a trade barrier disguised as a green measure. The regulation covers cattle, buffalo, the meat of bovine animals, preparations, Oil cake, soya beans, palm oil, cocoa bean, powder, chocolate, coffee, leather hide, skin, paper, paperboard, wood, wood articles, wood pulp, boards and wood furniture.

https://www.business-standard.com/economy/news/exports-to-eu-worth-1-3-bn-to-be-impacted-by-deforestation-rule-gtri-123051800646_1.html

India, UK struggling to make progress in free trade talks: Report

India and Britain are struggling to make progress in free trade talks due to differences on some key tariff lines and investment protection rules, making a deal unlikely during Prime Minister Narendra Modi's second term ending next year, Indian sources said. The two nations are unable to agree on concessions on duties levied by India on car and liquor imports, a government official with direct knowledge of the matter said. Besides tariffs, Britain is also pushing India to agree on strong investment-protection provisions either as part of the deal or in a parallel investment treaty, according to a second government official. "Britain has insisted on investor protection if it were to proceed with a final deal," said the person who has direct knowledge of the talks.

https://www.business-standard.com/india-news/india-uk-struggling-to-make-progress-in-free-trade-talks-reports-123051801181_1.html

Electronics exports get a dollar 1-b mobiles boost in April

India's electronics exports in April jumped over 26% to \$2.11 billion from the year ago boosted by shipping of mobile phones of \$1.08 billion, an over 80% surge on year with US major Apple contributing \$750 million, while Korean

giant Samsung exported \$240 million. As per data shared by the commerce ministry, electronics registered the second highest rate of growth amongst the top 11 of the 30 commodities that exhibited growth in April from the same period last year. Only oil meals showed a better growth rate of 95.14%, but from a much smaller base, while exports of 19 commodities declined in April. Of the mobile phone exports, Apple's exports through its three contract manufacturers - Foxconn (Hon Hai), Wistron and Pegatron - rose 400% on year to reach over \$750 million in April from \$150 million last year. Samsung, however, saw a decline in exports at \$240 million from \$399 million last year. <https://economictimes.indiatimes.com/industry/cons-products/electronics/electronics-exports-get-a-dollar-1-b-mobiles-boost-in-april/articleshow/100338306.cms>

Indian Coir products exports reach 110 countries: MSME Min Narayan Rane

MSME Minister Narayan Rane took to Twitter to share the achievements of coir production in India. The tweet read, “#MSME Coir Board has given a new identity to the products made from coconut. Coir products are now being exported to 110 countries of the world. With the participation of 80 per cent of women workers, the rural economy is getting strengthened. Coir products are eco-friendly, along with the Prime Minister’s vision #localforglobal. According to the tweet by the minister, India now exports coir and coir products to 110 countries across the globe. <https://www.financialexpress.com/industry/sme/msme-exim-indian-coir-products-exports-reach-110-countries-msme-min-narayan-rane/3092735/>