



May 26, 2023 – Friday

## Key Developments

### Investors from 21 nations exempted from angel tax

India exempted investments by non-resident entities such as sovereign wealth funds and pension funds from 21 countries from the so-called 'angel tax', leaving out Mauritius, Singapore, and Luxembourg among others that account for significant equity inflow into the country. Private equity and venture capital investment into closely held companies routed through jurisdictions not mentioned will have to undergo scrutiny under the angel tax provisions for valuation, as per a notification by the Central Board of Direct Taxes on Thursday. Tax experts said this will restrict the benefit of the exemption to a select pool of investors as the country receives most of its foreign investment from jurisdictions left out of the list. The Central Board of Direct Taxes (CBDT) issued the notification Thursday exempting foreign central banks, pension funds, sovereign wealth funds and endowment funds from 21 countries from the levy. <https://economictimes.indiatimes.com/tech/startups/investors-from-21-nations-exempted-from-angel-tax/articleshow/100509730.cms>

## Economy

### Infrastructure may get new definition to woo investors

The government is looking to redefine 'infrastructure' and devise a new framework to ease flow of funds to the sector. The finance ministry has tasked a high-level committee under Bibek Debroy, chairman of the Economic Advisory Council to PM, to undertake a comprehensive assessment of the characteristics or parameters defining infrastructure and its financing framework. The development comes amid a massive ramp-up of the country's infrastructure, as part of which the government has announced the National Infrastructure Pipeline and the PM Gatishakti plan. <https://economictimes.indiatimes.com/news/economy/infrastructure/infrastructure-may-get-new-definition-to-woo-investors/articleshow/100511100.cms>

### PM Narendra Modi to chair 8th Niti governing council meet

Prime Minister Narendra Modi will chair the eighth governing council meeting of Niti Aayog on Saturday and deliberate on issues related to health, skill development, women empowerment and infrastructure development, with an aim to make India a developed nation by 2047. The council includes all chief ministers, lieutenant governors of Union Territories and several union ministers. The PM is the chairman of Niti Aayog. "Niti Aayog will be organising its 8th Governing Council meeting on the theme of 'Viksit Bharat @ 2047: Role of Team India' on May 27, 2023," the Aayog said in a statement on Thursday. <https://economictimes.indiatimes.com/news/india/pm-narendra-modi-to-chair-8th-niti-governing-council-meet/articleshow/100511295.cms>

### India poised for world-beating growth, says CEA V Anantha Nageswaran

India's strong credit demand and softening crude oil prices could buoy the economy, putting the South Asian country on course for a 6.5% expansion this fiscal year, according to Chief Economic Adviser V Anantha Nageswaran. These indicators together with an uptick in construction activity may shield the economy from slower global growth and

weather-related risks, the CEA said in an interview at his New Delhi office. "In the economic survey we said 6.5% is our baseline with the downside risks more than the upside risks and we maintained it in the April monthly economic report," said Nageswaran, who advises Finance Minister Nirmala Sitharaman, and is the lead author of the government's annual economic report card.

<https://economictimes.indiatimes.com/news/economy/indicators/india-poised-for-world-beating-growth-says-cea-v-anantha-nageswaran/articleshow/100492543.cms>

## Banking and Finance

### Indian banks' profitability to stabilise, asset quality to improve: S&P

Indian banking is making a strong recovery as asset quality improves and profitability stabilises, said global rating agency Standard and Poor's (S&P) on Thursday. Lenders, for Financial Year 2022-23 (FY23), reported their best results in a decade. "Indian banks' earnings will likely remain healthy. The sector has improved substantially in the past seven years," said Deepali Seth Chhabria, S&P Global Ratings credit analyst. The profits come from higher net interest margins and lower credit costs. The system-wide return on average assets (ROAA) was estimated at 1.2 per cent for FY23. System-wide ROAA will likely hover around 1.1 per cent in FY24. "The formation of new nonperforming loans will remain at cyclical low levels, despite pressure from higher interest rates," said Geeta Chugh, S&P Global Ratings credit analyst. "A recovery in written-off accounts is also boosting the profitability of banks."

[https://www.business-standard.com/industry/banking/indian-banks-profitability-to-stabilise-at-healthy-level-says-s-p-123052500646\\_1.html](https://www.business-standard.com/industry/banking/indian-banks-profitability-to-stabilise-at-healthy-level-says-s-p-123052500646_1.html)

### Restore transaction fee on RuPay cards: Banks request finance ministry

Banks are reaching out to the government to introduce a merchant discount rate (MDR) on RuPay debit cards, The Economic Times (ET) reported. In order to fortify their payment network security and develop innovative payment solutions, the banks need additional funds and feel MDR could serve this purpose well, the report said. MDR is a fee charged to a merchant for the payment processing of debit and credit card transactions. It is also referred to as the transaction discount rate (TDR). At present, there is no MDR for transactions done using RuPay debit cards. A senior bank official said that the Indian Banks' Association (IBA) has written to the finance ministry requesting the restoration of MDR on RuPay debit cards, the report said.

[https://www.business-standard.com/finance/news/restore-transaction-fee-on-rupay-cards-banks-request-finance-ministry-123052500536\\_1.html](https://www.business-standard.com/finance/news/restore-transaction-fee-on-rupay-cards-banks-request-finance-ministry-123052500536_1.html)

### Life insurers see little impact from tax sop removal

Life Insurance Corp. of India (LIC) and other life insurers expect the impact of recent tax changes on high-value, non-participating policies to be minimal. LIC said on an investor call Thursday that only 0.04% of policies sold in FY23 had premiums exceeding ₹5 lakh. The finance minister announced in the February budget the scrapping of the tax exemption on maturity proceeds of non-unit linked insurance plan (ULIP) policies purchased after April 1 with annual premiums above ₹5 lakh. That had led to a rise in pre-booking of high-ticket, non-linked policies in March.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/life-insurers-see-little-impact-from-tax-sop-removal/articleshow/100514498.cms>

### ECB registrations dropped by a third in FY23 amid a 516-bps rise in loan costs

Registrations for external commercial borrowing (ECB), an overseas funding route used by corporates, declined by one-third to \$26.6 billion during the previous fiscal year as global interest rates hardened significantly. The registrations, which had picked up gradually during the first three quarters of 2022-23 (April-March) dropped in the fourth quarter, Reserve Bank of India staff wrote in the central bank's May 2023 bulletin. "With tightening global financial conditions and concomitant rise in international reference benchmark rates, the overall cost of ECB loans went up steeply by 516 bps between March 2022 and March 2023," the RBI staff wrote.

<https://economictimes.indiatimes.com/industry/banking/finance/ecb-registrations-dropped-by-a-third-in-fy23-amid-a-516-bps-rise-in-loan-costs/articleshow/100510937.cms>

## Industry

### **MSME ministry makes Aadhaar authentication for informal micro units voluntary to boost Udyam registration**

Encouraging informal micro enterprises (IMEs) for Udyam registration to access to the benefits of priority sector lending (PSL), the MSMEs ministry has made the Aadhaar authentication for such enterprises voluntary. The notification for the same was issued on May 22 by MSME Development Commissioner Dr Rajneesh. "Having been authorised by the central government, the MSME ministry hereby notifies that Aadhaar authentication of enterprises shall be performed, on voluntary basis, using Yes/No authentication facility, during the process of registration of owners of informal micro enterprises on its digital platform, to facilitate access for availing of priority sector lending," the notification read.

<https://www.financialexpress.com/industry/sme/msme-eodb-msme-ministry-makes-aadhaar-authentication-for-informal-micro-units-voluntary-to-boost-udyam-registration/3101627/>

### **Milk procurement price slashed 10% by dairies, retail rates unchanged**

Major dairies from northern India and Maharashtra have cut procurement price of milk by 10% in the past fortnight, but consumers will not get any benefit of this price cut, said industry executives. The only relief for the consumers will be that there will not be any increase in milk prices for the next few months, they said. Less than two months ago, a section of the Indian dairy sector had approached the central government demanding easing import of milk products such as skimmed milk powder (SMP) and white butter to tide over the "acute" shortage of milk in the country. However, prices of SMP and butter have fallen 5-10% in the past two weeks.

<https://economictimes.indiatimes.com/industry/cons-products/food/milk-procurement-price-slashed-10-by-dairies-retail-rates-unchanged/articleshow/100511058.cms>

### **Phone retailers cash in on note withdrawal as sales show uptick**

Smartphone retailers across the country are seeing an increase in enquiries since the Reserve Bank of India announced withdrawal of ₹2,000 banknotes, with some retailers reporting 10%-11% rise in sales primarily through cash transactions. Some retailers are offering discounts and putting out flyers and posters detailing the number of ₹2,000 notes needed to buy the latest premium handsets to use it as an opportunity to boost sales at a time when overall demand for smartphones has been tepid. The central bank had on May 20 announced withdrawal of ₹2,000 notes from circulation and urged the public to deposit or exchange the notes at bank branches by September 30.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/phone-retailers-cash-in-on-note-withdrawal-as-sales-show-uptick/articleshow/100510601.cms>

## **Agriculture**

### **Centre further ups 2023 wheat production estimate to 112.74 million tonnes**

The Central government on Thursday, in the third advance estimate, said wheat production in the just concluded rabi season was expected to be even more than its initial estimate of February and would be around 112.74 million tonnes on the back of a sharp rise in acreage and higher yields. In February's second advance estimate, the Centre had projected the wheat crop to be around 112.18 million tonnes. The latest numbers mean that according to the Centre's assessment, there has been no impact of the unseasonal rain that hit the standing crop in North and Central India in March and April.

[https://www.business-standard.com/industry/agriculture/centre-further-ups-2023-wheat-production-estimate-to-112-74-million-tonnes-123052500981\\_1.html](https://www.business-standard.com/industry/agriculture/centre-further-ups-2023-wheat-production-estimate-to-112-74-million-tonnes-123052500981_1.html)

### **Centre signs agreement with 6 states to start digital crop survey**

The Centre on Thursday signed an agreement with six states -- Assam, Gujarat, Madhya Pradesh, Odisha, Rajasthan and Uttar Pradesh -- to begin the digital crop survey. The agreement was signed at a workshop organised by the Union agriculture ministry to discuss with state governments the implementation plan of the digital crop survey. On the occasion, a manual for web portal and mobile application for digital crop survey was unveiled. "To move ahead with the initiation of Digital Crop Survey in the states, MoUs were signed between the state governments of Assam, Gujarat, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and government of India," an official statement said.

<https://economictimes.indiatimes.com/news/economy/agriculture/centre-signs-agreement-with-6-states-to-start-digital-crop-survey/articleshow/100508737.cms>

### **Himachal Pradesh aims to bring additional 30,000 acres of land under natural farming in FY24**

The agriculture department of Himachal Pradesh has set the target to bring an additional 30,000 acres of land under natural farming in 2023-24. So far, 1.59 lakh farmers in the state are practicing natural farming on around 50,000 acres of land, officials said. Secretary, Agriculture, Rakesh Kanwar asked the officials in Prakritik Kheti Khushhal Kisan Yojana to engage with farmers to work on area expansion under natural farming ahead of Kharif season, a statement has said. Chairing the review meeting of the Prakritik Kheti Khushhal Kisan Yojana here on Wednesday, Kanwar asked the officials to reach out to the farmers with millet production plan as well for the kharif season and said they must do necessary arrangements for the same, including timely availability of millet seeds to farmers.

<https://economictimes.indiatimes.com/news/economy/agriculture/himachal-pradesh-aims-to-bring-additional-30000-acres-of-land-under-natural-farming-in-fy24/articleshow/100494762.cms>

## **Infrastructure**

### **Govt plans to develop Jawaharlal Nehru Port as smart port within a year: Sonowal**

The government plans to develop the country's premier container port Jawaharlal Nehru Port as a fully smart port within one year, Union Minister Sarbananda Sonowal said on Thursday. Speaking at the 34th anniversary and annual award distribution ceremony of the JNPA, the Minister for Ports, Shipping and Waterways said the government wants the facility to compete with the best ports in the world. "The government will develop JNPA into a fully smart port within one year. We want it to be a fully electronically connected system for better services," the minister said. Sonowal said that plans are to develop all (major) ports in the country into smart ports going forward. "This is to match these facilities with the best ports globally," he added.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-transport/govt-plans-to-develop-jawaharlal-nehru-port-as-smart-port-within-a-year-sonowal/articleshow/100510011.cms>

### **Transport sector accounts for 40 per cent of air pollution; need to develop greener fuels: Gadkari**

Union minister Nitin Gadkari on Thursday said the transport sector contributes to 40 per cent of the air pollution in the country, and exhorted the industry to develop greener fuel alternatives to reduce the problem. Speaking at the GH2 summit here, Gadkari said 90 per cent of this contribution comes from the road transport sector, the portfolio he handles. "We (transport) are responsible for 40 per cent of air pollution in the country...as the transport minister, actually I am responsible for that," Gadkari said, citing the case of New Delhi which is grappling with air pollution woes. "In the transport sector, there is a need for alternate fuels," the minister said, adding that the cost of green hydrogen needs to come down to USD 1 per kg (Rs 83 at current exchange prices) from the present cost of Rs 300 per kg.

<https://economictimes.indiatimes.com/industry/renewables/transport-sector-accounts-for-40-per-cent-of-air-pollution-need-to-develop-greener-fuels-gadkari/articleshow/100509892.cms>

## **Energy**

### **India to crackdown on developers of delayed power projects: RK Singh**

India is planning a crackdown on developers of power projects who miss the scheduled commercial date of operation or project completion deadline, said RK Singh, the Union Minister of Power and New & Renewable Energy, on Thursday. According to him, electricity generation capacity addition is a big challenge and many developers are reportedly delaying projects that they won under the bidding process. Nearly 50,000 MW of under construction projects – for capacity addition – have been held back by bidders.

<https://www.thehindubusinessline.com/economy/policy/india-to-crackdown-on-developers-of-delayed-power-projects-rk-singh/article66892979.ece>

## **Telecom**

### **DoT won't give 5G spectrum to enterprises for private network**

The Department of Telecommunications (DoT) has decided against giving spectrum directly to enterprises for captive private networks, snubbing companies such as Infosys, Larsen & Toubro, Tata Power and GMR, which have been calling for allocation of airwaves without auctions. The DoT is of the view that it won't be feasible to directly allot

spectrum to enterprises for private networks under the present legal framework, according to officials aware of the details. This is in line with the attorney general R Venkataramani's advice backing auctions, which ET had reported March 18. Telcos have also been lobbying against direct allocation of 5G spectrum to companies. "If any enterprise wants to roll out its captive network, it can be done utilising the options already notified by DoT, including leasing of spectrum from telecom operators," an official told ET.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-wont-give-5g-spectrum-to-enterprises-for-private-network/articleshow/100514325.cms>

#### **Trai gives enterprises 2 weeks to verify SMS sending templates**

Enterprises sending commercial messages using telecom networks have two weeks to verify the headers and message templates on the distributed ledger technology (DLT) platform, failing which the headers, templates and messages will be blocked, the Telecom Regulatory Authority of India (Trai) said in a directive on Thursday. This is the latest in the sector regulator's crackdown on pesky calls and messages. Trai had in February issued a directive to telcos and enterprises to re-verify the headers and templates to discourage misuse. "Any further delay on part of PEs (principal entities) to get the re-verification of headers and content templates may result in the blocking of their headers, content templates and messages," Trai warned.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-gives-enterprises-2-weeks-to-verify-sms-sending-templates/articleshow/100510774.cms>

### **States**

#### **ADB, India signs \$141.12 mn loan for industrial corridor development in AP**

The Asian Development Bank (ADB) and the Government of India signed a \$141.12 million loan agreement on Tuesday, the government said in a statement. The loan aims to support the development of essential infrastructure, such as roads, water supply systems, and electricity distribution networks, in three industrial clusters located in Andhra Pradesh. This financing is part of a larger \$500 million multi-tranche financing facility (MFF) approved by ADB in 2016 to enhance infrastructure in the Visakhapatnam and Srikalahasthi-Chittoor nodes.

[https://www.business-standard.com/india-news/adb-india-signs-141-12-mn-loan-for-industrial-corridor-development-123052500967\\_1.html](https://www.business-standard.com/india-news/adb-india-signs-141-12-mn-loan-for-industrial-corridor-development-123052500967_1.html)

### **Healthcare**

#### **Medical device packs will have to display key info**

All medical devices will have to bear details like retail price, country of origin, size and dimensions and consumer care details on the package so that consumers can make an informed decision, the department of consumer affairs has said. In a letter to the department of pharmaceuticals (DOP), the department of consumer affairs has asked that medical devices are required to make these declarations in the interest of consumers. According to the letter which calls for enforcement of provisions of the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011 on medical devices, the plain and conspicuous mandatory declarations are required under the rules in the interest of consumers, it said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/medical-device-packs-will-have-to-display-key-info/articleshow/100511219.cms>

### **External**

#### **Spice exports doubled in the last nine years, tweets Piyush Goyal**

Spice exports from India have doubled in the last nine years, reaching the value of Rs 3,995 crore in the fiscal year 2022-23 from Rs 1,778 crore in 2013-14. The data from the Ministry of Commerce reveals that spices from India were exported to over 165 countries in the fiscal year 2022-23. Among the top export destinations of Indian spices are Bangladesh, UAE, Morocco, Netherlands, Germany and the USA amongst others.

<https://www.financialexpress.com/industry/sme/msme-exim-spice-exports-doubled-in-the-last-nine-years-tweets-piyush-goyal/3101773/>

### **India appeals to the void in WTO dispute over ICT tariffs on mobile phones**

India on Thursday appealed against a ruling by the dispute settlement body at the World Trade Organization (WTO) that had ruled against India's imposition of tariffs on mobile phones and electronic components. The appeal filed before the appellate body — the highest adjudicating authority — at the WTO is considered an 'appeal into the void', as the body is currently dysfunctional after the US blocked the appointment of judges to the body. India said its decision to appeal involves "certain issues of law covered in the panel report and certain legal interpretations developed by the panel in the dispute".

[https://www.business-standard.com/economy/news/india-appeals-to-the-void-in-wto-dispute-settlement-body-over-ict-tariffs-123052501105\\_1.html](https://www.business-standard.com/economy/news/india-appeals-to-the-void-in-wto-dispute-settlement-body-over-ict-tariffs-123052501105_1.html)

### **India bats for bringing fugitive offenders to justice at G20 meeting**

The second meeting of the Anti-Corruption Working Group (ACWG) under India's G20 Presidency, with a focus on international cooperation, innovations in anti-corruption technologies, and India's continued efforts to bring fugitive economic offenders to justice, kick started in Narendra Nagar, Uttarakhand on Thursday. In a press conference, Union Minister of State for Defence and Tourism, Ajay Bhatt, said that the ideas emanating from the meeting will be shared with the larger international community to help in the global fight against corruption. Within this larger goal, the minister stressed the strengthening of ties between each member nation's auditory bodies and building a more closely connected ecosystem of cooperation between these bodies. For this, Bhatt suggested sharing of technological innovations within the G20 members and with other nations too.

[https://www.business-standard.com/economy/news/g20-second-anti-corruption-working-group-meeting-kicks-off-in-rishikish-123052500855\\_1.html](https://www.business-standard.com/economy/news/g20-second-anti-corruption-working-group-meeting-kicks-off-in-rishikish-123052500855_1.html)

### **Eurasian economic union meets to speed up proposed FTA with India**

The Eurasian Economic Union (EAEU) has decided to expedite the proposed free trade agreement with India that would give Indian companies market access to resource-rich Eurasia where China is making deep inroads. The decision was taken at the EAEU meeting under Russia's presidency in Moscow on Wednesday and Thursday. The EAEU comprises Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan. The EAEU meet, which was attended by the presidents of Russia, Kazakhstan and Kyrgyzstan besides over 2,000 delegates, also discussed synergies between the grouping and Brics-SCO ahead of the Shanghai Cooperation Organisation summit in India in July and the Brics (Brazil, Russia, India and China) summit in South Africa in August.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/eurasian-economic-union-meets-to-speed-up-proposed-fta-with-india/articleshow/100510786.cms>