



May 24, 2022 – Tuesday

Key Developments

Sebi lays down operating norms for debt index funds and ETFs

The Securities and Exchange Board of India has released new norms for passively-managed debt funds. Sebi has said that Debt ETFs/ Index Funds could be based on indices comprising of Corporate Debt Securities; or Government Securities, t-bills and/or State Development Loans (SDLs) (G-sec indices); or a combination of all. According to the new norms, the constituents of the index in debt index funds should have adequate liquidity and diversification at issuer level. The constituents of the index shall be periodically reviewed also. Sebi has also directed that the index shall not have more than 25% weight in a particular group(excluding securities issued by PSUs, Public Financial Institutions (PFIs) and Public Sector Banks (PSBs)). The index shall also not have more than 25% weight in a particular sector (excluding G-sec, t-bills, SDLs and AAA rated securities issued by PSUs, PFIs and PSBs). However, this provision shall not be applicable for sectoral or thematic debt indices.

<https://economictimes.indiatimes.com/mf/mf-news/sebi-lays-down-operating-norms-for-debt-index-funds-and-etfs/articleshow/91748584.cms>

Economy

India may go for more duty cuts against runaway inflation

The government is considering some more short- to medium-term measures that can dampen inflation further after cutting excise duty last week to bring down prices of petrol and diesel, said people with knowledge of the matter. The measures under consideration include a reduction in customs duty for essential items such as edible oil and other imported raw materials for industries. A cut in the Agriculture Infrastructure Development Cess (AIDC) - levied on some imports - is also under deliberation. The government is keen to help with inflation management so that monetary tightening is kept to the minimum, as a sharp rise in interest rates can derail the economic recovery. Officials from the finance ministry and the Prime Minister's Office (PMO) had last week discussed steps to rein in prices, said people with knowledge of the discussions.

<https://economictimes.indiatimes.com/news/economy/indicators/india-may-go-for-more-duty-cuts-against-runaway-inflation/articleshow/91753844.cms>

Work generation under NREGS declines in April

Work generation under the Mahatma Gandhi National Rural Employment Guarantee scheme fell sharply in April, suggesting improvement in the urban labour market and thus a dip in demand for work under the rural employment guarantee scheme. Data from the government website shows a 13.67% decline in household work generation last month at 18.5 million compared to 21.2 million in April 21 while persondays work generation under the scheme fell by 18.3% to 278.4 million against 340.7 million in April last year. The decline in work generation corroborates with the decline in demand for work under the rural guarantee scheme, which has witnessed a year-on-year dip and is inching closer to the pre-Covid levels, suggesting reduced dependence on the rural employment guarantee scheme for livelihood.

<https://economictimes.indiatimes.com/news/economy/indicators/work-generation-under-nregs-declines-in-april/articleshow/91751445.cms>

India's economic growth may have slowed to 3.5% in Q4 of FY22: Icra Ratings

The economic growth may have slowed to 3.5 per cent in fourth quarter of 2021-22 from 5.4 per cent in the previous three-month period due to the impact of higher commodity prices on margins, decline in wheat yields and on higher base, Icra Ratings said on Monday. The agency said the hiccups in the recovery of the contact-intensive services attributable to the third wave of Covid-19 in the country may have also affected the economic growth in the quarter. Even the gross value added (GVA) at basic prices (at constant 2011-12 prices) in Q4 FY2022 seems to have eased to 2.7 per cent from 4.7 per cent in Q3 FY2022, it said. Icra's Chief Economist Aditi Nayar said Q4 was a challenging quarter, with the Omicron-fuelled third wave of Covid-19 arresting the momentum in contact-intensive services, and a pervasive pressure on margins from higher commodity prices. Moreover, the heatwave adversely affected wheat output in March 2022.

https://www.business-standard.com/article/economy-policy/india-s-economic-growth-may-have-slowed-to-3-5-in-q4-of-fy22-icra-ratings-122052301043_1.html

Prolonged high temperatures in India could worsen inflation, hurt growth: Moody's

Prolonged high temperatures are credit negative for India, as that could exacerbate inflation and hurt growth, Moody's Investors Service wrote in a note on Monday. India's highly negative credit exposure to physical climate risks means its economic growth, over the long term, will likely become more volatile as it faces increasing, and more extreme incidences of climate-related shocks, it noted. Various parts of India have been experiencing crippling heat over the past few weeks. Multiple reports have emerged of it having an impact on crop yields as well. Moody's said that although heatwaves are fairly common in India, they usually occur in May and June. However, this year New Delhi witnessed the fifth heatwave in May with the maximum temperature touching 49 degrees celsius.

<https://economictimes.indiatimes.com/news/economy/indicators/prolonged-high-temperatures-in-india-could-worsen-inflation-hurt-growth-moodys/articleshow/91737062.cms>

FM Sitharaman's fuel tax cut will tame inflation but hurt Budget math; fiscal deficit may overshoot to 6.9%

India's fiscal deficit may overshoot to 6.9 per cent of GDP this fiscal year, after Finance Minister Nirmala Sitharaman announced various subsidies such as fuel tax cuts last week to lower the inflation, Barclays said in a report. The government had estimated the fiscal deficit to be 6.4 per cent of the GDP in Budget 2022, which may overshoot by 50 basis points in FY 2023. Tax cuts on motor fuels, cooking gas subsidies and duty cuts on imports could alleviate price rises, Barclays said, adding that the measures mean the overall fiscal deficit will likely exceed budgetary estimates by at least Rs 2 lakh crore.

<https://www.financialexpress.com/economy/fm-sitharamans-fuel-tax-cut-will-tame-inflation-but-hurt-budget-math-fiscal-deficit-may-overshoot-to-6-9/2534298/>

Banking and Finance

RBI sets up 6-member committee to review customer service standards

The Reserve Bank of India has set up a six-member committee headed by former Deputy Governor, B. P. Kanungo, to review customer service standards in entities regulated by it. The committee will evaluate the efficacy, adequacy and quality of customer service in regulated entities (REs) vis-à-vis the existing RBI guidelines on customer service, identify gaps, if any, and suggest measures to improve customer service. The committee will review the evolving needs of the customer service landscape, especially in the context of evolving digital/ electronic financial products and distribution landscape and suggest suitable regulatory measures. The committee will identify best practices adopted globally and domestically in customer service and grievance redressal, especially for improvement in services rendered to retail and small customers, including pensioners and senior citizens.

<https://www.thehindubusinessline.com/money-and-banking/rbi-sets-up-6-member-committee-to-review-customer-service-standards/article65453852.ece>

Repo rate hike 'no brainer', says RBI's Shaktikanta Das; brace for more hikes in upcoming monetary policy meets

RBI Governor Shaktikanta Das said Monday expectations of a repo rate hike by the central bank is a 'no brainer', adding that there will be some increase in repo rates in upcoming monetary policy meetings. In an interview to CNBC

TV18, Das said he won't be able to specify the rate, though he added that it would not be accurate to say that rates will be hiked to 5.15 per cent, ie to pre-covid levels. Das was responding to a question on private economists projections which suggest that the RBI may hike interest rates to 5.15 per cent in the next two MPC meetings. In an off-cycle meeting this month, RBI announced a 40 basis points interest rate hike, to counter inflation, which has remained above RBI's upper limit of 6 per cent in the last four months. RBI Governor Das also said the Reserve Bank of India will unveil revised projections on inflation in the upcoming June MPC meeting. The last projections released in March had RBI forecast inflation at 5.7 per cent for full FY 2023. Economists, however, expect inflation to remain above 6 per cent throughout this year.

<https://www.financialexpress.com/economy/repo-rate-hike-no-brainer-rbis-shaktikanta-das-says-brace-for-more-hikes-in-upcoming-monetary-policy-meets/2534504/>

Industry

Input duty cuts will spur demand, say auto, plastic units

A broad spectrum of user industries — ranging from automakers, cement companies, players in the petrochemicals-to-plastics value chain, manufacturers of engineering goods, and the real estate sector — on Sunday welcomed tax cuts on their inputs, and said the relief would largely be passed on to consumers. The tax reliefs, aimed at curbing inflation, would pep up demand for their goods, they said. Vishal Kanodia, managing director at Kanodia Cement, said: "The scrapping of import duty on pet coke and semi coke definitely helps cement manufacturers. It will help reduce the power and fuel costs for manufacturing clinker and cement." Similarly, the increase in export duty on steel would give a boost to the infrastructure sector, especially the road construction sector, while the cement and steel sectors would benefit from the reduction of logistic costs, he said.

<https://www.financialexpress.com/industry/input-duty-cuts-will-spur-demand-say-real-estate-auto-plastic-units/2534158/>

Top mining, steel groups warn of adverse impact from export duty hikes

The increase in export taxes on iron ore, announced by the Indian government over the weekend, will lead to large surpluses at home, and mainly hit producers of low grade ores that depend on overseas markets, a mining industry body said on Monday. On Saturday, the government announced that with effect from Sunday export tariffs on new iron ores and concentrates would be raised to 50% from 30%, and duties on pellets would be hiked to 45% from zero. The government also removed import tariffs for coking coal and coke. "This is self-defeating, actually, because there will be a lot of stockpiling," R.K. Sharma, secretary-general of the Federation of Indian Mineral Industries (FIMI), said, adding that exports to China were also declining because of low grade quality of Indian ore.

https://www.business-standard.com/article/economy-policy/top-mining-steel-groups-warn-of-adverse-impact-from-export-duty-hikes-122052300921_1.html

Steel prices likely to fall by up to 15% in domestic market: EEPC

Steel product prices -- which were continuously rising in the domestic market -- are expected to fall by 10-15 per cent due to duty-related measures taken by the government, industry body Engineering Export Promotion Council (EEPC) on Monday said. Reacting to the government's move to levy export duty on some steel items, EEPC India Chairman Mahesh Desai said engineering goods manufacturers and exporters would benefit from the move and become more competitive in the global markets. "Downstream exporters feel primary steel products prices will fall by 10 per cent for primary producers and 15 per cent for secondary steel producers," he said in a statement. On Saturday, the government announced waiving of customs duty on the import of some raw materials, including coking coal and ferronickel, used by the steel industry.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/steel-prices-likely-to-fall-by-up-to-15-in-domestic-market-eepc/articleshow/91739874.cms>

Hiring may slow down soon as Russia crisis, rising rates bite

The job market frenzy of the last few months is likely to see some tapering off in the coming quarters -- partly because of a natural cooling-off process, as well as factors such as inflationary pressures, the continuing Russia-Ukraine conflict and rising interest rates. Leading recruitment firms and HR experts said the second half of the calendar year may see a 10-20% slowing down from current levels across replacement hiring as well as new job

creation, with companies pulling back on astronomical hikes and counteroffers that have become par for the course in recent times. "What has been happening in the job market for the past few months is not sustainable – the crazy attrition, salary offers will slow down," said Shiv Agrawal, managing director of ABC Consultants. "It could be the beginning of the end of the 'Great Resignation'."

<https://economictimes.indiatimes.com/jobs/hiring-may-slow-down-soon-as-russia-crisis-rising-rates-bite/articleshow/91751471.cms>

Over 70% ER&D firms in India to hike spending in GCCs, ESPs: Survey

Over 70 per cent of the companies that have their global capability centres (GCC) and engineering services provider arms in India are planning to increase their budget in the range of 10-25 per cent this year, according to a joint survey by Deloitte and industry body Nasscom. ER&D (Engineering R&D) spend in India GCCs within 'automotive and transportation' and 'industrial' sectors is expected to grow the most, and predicted to be in the range of 10-25 per cent, the survey report said. "Earlier reports have pegged the Indian ER&D market growth at a CAGR of 12 per cent until 2025 and this growth story has been well reinforced by the findings of the pulse survey. With more companies planning to strengthen their presence in the country, the growth prospects for India GCCs and ESPs have grown manifolds," Deloitte India partner Keerthi Kumar said.

<https://economictimes.indiatimes.com/news/company/corporate-trends/over-70-erd-firms-in-india-to-hike-spending-in-gccs-esps-survey/articleshow/91746817.cms>

Restaurants warned on levying service charges

The Department of Consumer Affairs has taken a strict note of restaurants levying service charges and cautioned them against the practice. In addition to this, eateries have also been warned that any attempts to make customers pay for these charges by default will be considered a violation of the law and businesses of this nature could be fined or closed if the issue continues. The ministry has called a meeting with the association on 2nd June to discuss similar agendas like complaints raised by consumers; restaurants making charges and bans compulsory; restaurants charging for what are supposedly optional services in an underhand way; waiters shaming patrons who choose not to pay.

<https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/restaurants-warned-on-levying-service-charges/articleshow/91743541.cms>

Agriculture

Soyabean output likely to be below govt estimates: SEA

The Solvent Extractors' Association (SEA) of India feels that the soyabean crop is likely to be lower at 10 million tonnes (mt) against the government's estimate of 13.83 mt. Atul Chaturvedi, President, SEA, in his monthly letters to its members, said the Union Ministry of Agriculture and Farmers Welfare's third advance estimate for major crops had estimated the oilseeds output at 38.5 mt. It was at 35.95 mt during the last year. Stating that these are good tidings, he hoped that oilseed production would continue growing in the coming years. According to the government estimate, the soyabean crop is at 13.83 mt, and the rape-mustard seed crop at 11.75 mt.

<https://www.thehindubusinessline.com/markets/commodities/soyabean-otuput-likely-to-be-below-govt-estimates-sea/article65453235.ece>

Comfortable reservoir water levels allay crop loss fears

Despite the scorching heatwaves across large parts of the country, average water levels in 140 major reservoirs in the country are up 6% on year, Central Water Commission (CWC) has said, allaying fears of water scarcity hitting agriculture crops. However, reservoir water levels were down 8% on year each in eastern and western parts of the country. The comfortable water reservoir levels augurs well for forthcoming kharif crops such as paddy, pulses, oilseeds and coarse cereals. Monsoon rains are expected to arrive at Kerala coast on May 27, three days ahead of "normal date", according to the India Meteorological Department (IMD). Also, the rainfalls are predicted to be "normal" for the fourth year in a row.

<https://www.financialexpress.com/economy/comfortable-reservoir-water-levels-allay-crop-loss-fears/2533910/>

Infrastructure

Government allows ownership change for BOT toll projects after one year of operations

The road transport and highway ministry has approved changes in the model concession agreement for toll projects under the build-operate-transfer mode to allow transfer of ownership after one year of commercial operations. Earlier, the change of ownership was allowed two years after the beginning of the operation of such projects. The Ministry of Road Transport and Highways (MoRTH) has approved changes in Model Concession Agreement (MCA) of Build-Operate-Transfer (BOT-toll) projects, permitting the change of ownership from existing two years to one year after Commercial Operation Date (COD), according to an office memorandum. The memorandum further said the concessionaires applying for change of ownership should not be in default of payment of premium to state-owned National Highways Authority of India (NHAI).

<https://economictimes.indiatimes.com/news/economy/infrastructure/government-allows-ownership-change-for-bot-toll-projects-after-one-year-of-operations/articleshow/91749486.cms>

Project cost is now the only parameter for awarding HAM highway projects

The Road Transport Ministry has made significant changes to the bid criteria for awarding projects under the Hybrid Annuity Model (HAM). Under the new clauses, the lowest bid project cost will be the only criteria for evaluation of bids. This is a deviation from the earlier HAM bids where operation and maintenance (O&M) costs were also a bid parameter. According to sector watchers, the move came about since bidders were quoting very low O&M costs to bag projects, raising suspicions on whether they would be interested in looking after the projects for the longer term. Last week, the Road Transport Ministry directed highway builders to furnish an additional performance security in an attempt to rein in errant bidders that bid abnormally low. The decision taken on Monday is to be seen in a similar light.

<https://economictimes.indiatimes.com/news/economy/infrastructure/project-cost-is-now-the-only-parameter-for-awarding-ham-highway-projects/articleshow/91748345.cms>

Railways may scrap new dedicated freight corridors, enhance existing ones

The ministry of railways is mulling scrapping the three newly proposed dedicated freight corridors (DFCs) — East Coast, East-West, and North-South — and instead enhancing the capacity of the current corridors. This alternative is being planned as the existing projects continue to be delayed due to land acquisition troubles. The ministry is thinking of adding new track lines to its existing eastern and western DFCs passing major areas in the proposed stretches, senior officials said.

https://www.business-standard.com/article/economy-policy/railways-may-scrap-new-dedicated-freight-corridors-enhance-existing-ones-122052300616_1.html

PE investment in real estate records 98% QoQ rise in Q1 2022: Report

The real estate sector in India received \$1,180 million in Q1 2022, recording a growth of 98% quarter on quarter (QoQ) over Q4 2021, which had received PE investments of \$597 mn. In the 2021 calendar year the total private equity investment (equity + debt) was recorded at \$6,199 million, recording a rise of 57% YoY over 2020, according to Knight Frank India. Since 2011 the real estate sector received cumulative PE investments of over \$50 billion (50,809 million). Office remained the favoured asset class attracting \$2,882 mn in CY 2021 while in Q1 2022 the sector attracted \$732 mn. The real estate sector is expected to receive PE investments of an estimated \$6.8 bn (6,884 mn) in the calendar year of 2022. The office sector received 62% of the private equity investments in Q1 2022, followed by retail (21%), warehousing (10%) and residential (6%). From the perspective of annual numbers, the calendar year 2021 witnessed a surge of 57% to \$6,199 million when compared to \$3,945 million received in CY 2020. Office constituted 46% of the private equity investments in 2021, followed by warehousing (21%), residential (19%) and retail (13%). The number of deals went up from 20 in 2020 to 52 in 2021.

<https://www.financialexpress.com/money/pe-investment-in-real-estate-records-98-qoq-rise-in-q1-2022-report/2534578/>

Robust NRI investment giving real estate a big push

What can be viewed as a significant achievement in the domain of an expanding customer base for the Indian real estate sector, NRIs have begun to appreciate Indian properties and invest in them on a monumental scale. A recently-

released report by 360 Realtors stated that NRI investments in the real estate sector accounted for \$13.1 billion in 2021 and are projected to grow by 12% in 2022. The robust infrastructure growth and the rise of modern luxury and ultra-luxury property in the realty space are the primary reason for a spurt in the NRI investment. The corporate sector is booming across many Indian cities, and surrounding it are many super luxury, premium residential projects that completely match the living standards of NRIs abroad. This is why many cities are emerging as top investment destinations for NRIs wanting to live in the same environment and realty atmosphere. Mostly, NRIs buy property for self use, like taking a respite or breather from their high-pressure and tedious work on vacations or holidays with their families.

<https://www.financialexpress.com/money/robust-nri-investment-giving-real-estate-a-big-push/2534521/>

Energy

Govt may invoke emergency powers to let power producers step out of PPAs

The government could invoke its emergency powers to make 40 GW domestic coal-based plants continue to generate power when they start blending imported coal even though their power purchase agreements (PPA) do not allow higher fuel costs to be passed on to the buyer. The government would allow these plants to sell electricity on the power exchanges if the states they have PPAs with do not buy costlier electricity generated by them, people aware of the deliberations told ET. In April, the union power ministry had asked all power plants using domestic coal to import 10% of their fuel requirement and blend it with local coal.

<https://economictimes.indiatimes.com/industry/energy/power/govt-may-invoke-emergency-powers-to-let-power-producers-step-out-of-ppas/articleshow/91751332.cms>

ONGC becomes 1st gas producer to trade on IGX

State-owned Oil and Natural Gas Corporation (ONGC) on Monday said it has become the first gas producer to trade domestic gas on the Indian Gas Exchange, trading unspecified volumes from its eastern offshore KG-DWN-98/2 block. In a statement, ONGC said it will increase volumes slowly. "ONGC has become the first exploration and production (E&P) company in India to trade domestic gas on Indian Gas Exchange. The first online trade was made on May 23, 2022 by ONGC Director (Onshore) & In-charge Marketing Anurag Sharma on India's first automated national level Gas Exchange, IGX," it said. After the deregulation in gas pricing ecosystem in 2000-21, ONGC has prepared itself to reap the benefits.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/ongc-becomes-1st-gas-producer-to-trade-on-igx/articleshow/91748119.cms>

Telecom

Rising smartphone prices: Semiconductor shortage may hit telcos' revenues

The chip shortage is not only affecting the supply and prices of smartphones, it is likely to hit telecom operators as well. Rising prices of smartphones due to the chip shortage could defer upgrades by feature phone users and consequently slow the movement of 2G subscribers to 4G. Telecom industry executives apprehend if this were to happen, all telecom operators may see slower addition of 4G users, affecting average revenue per user (Arpu). As per industry estimates, a 2G user's Arpu moves up by around four times on upgrading to 4G.

<https://www.financialexpress.com/industry/rising-smartphone-prices-semiconductor-shortage-may-hit-telcos-revenues/2534083/>

States

Karnataka to formulate Design Policy

The Government of Karnataka is set to formulate and implement a design policy and has proposed design education. The State will also host a large design festival, called 'Bengaluru Design Festival' along with the Bengaluru Tech Summit (BTS22), scheduled in November. Ashwath Narayan, Minister of Information Technology-Biotechnology, and Science and Technology of Karnataka, said that the State is interested in formulating and implementing a design policy for the State. He made the statements at a meeting in London with officials from the World Design Council (WDC), World Design Organization (WDO), and UK Design Council.

<https://www.thehindubusinessline.com/news/karnataka-to-formulate-design-policy/article65453515.ece>

Healthcare

Govt steps up contact tracing in view of Omicron sub-variants

India has intensified contact tracing to look for the spread of coronavirus infection, clustering and occurrence of severe cases, after the detection of the BA.4 and BA.5 sub-variants of the Omicron in the country, the head of India's Covid Working Group told ET. "Contact tracing has been intensified once again ... As of now no immediate clustering has been seen in the country," NK Arora, head of the Covid Working Group of India's National Technical Advisory Group on Immunisation (NTAGI), said on Monday. "We don't want to leave any stone unturned to complement genome sequencing; sewage surveillance has also been expanded to over 50 sites."

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/govt-steps-up-contact-tracing-in-view-of-omicron-sub-variants/articleshow/91751712.cms>

External

Japan has played an important role in India's development journey: PM Modi on sidelines of Quad summit

Addressing the Indian diaspora on the sidelines of Quad summit, Prime Minister Narendra Modi highlighted the special role Japan has played in India's development journey. Before Swami Vivekananda went to Chicago, he came to Japan and the country left a huge imprint on his mind, said the Prime Minister justifying our strong historical ties. Commenting on Indo-Japan ties, the Prime Minister said "India and Japan are natural partners. Japan has played an important role in India's development journey. Our relationship with Japan is of intimacy, spirituality, cooperation and belonging." Earlier today, the PM met the CEOs of prominent Japanese firms who have earned global recognition. Later in the day, PM Modi will attend an event convened by US President Joe Biden to launch the Indo-Pacific Economic Framework.

<https://economictimes.indiatimes.com/news/india/japan-has-played-an-important-role-in-indias-development-journey-pm-modi-on-sidelines-of-quad-summit/articleshow/91743596.cms>

India, US sign new investment incentive agreement

India and the US on Monday signed an Investment Incentive Agreement (IIA). It will supersede one, signed 25 years back. Foreign Secretary Vinay Kwatra signed the agreement in Tokyo on behalf of India while Chief Executive Officer of US International Development Finance Corporation (DFC), Scott Nathan did the same for US. A statement issued by the Finance Ministry here noted significant developments have taken place since the signing of the earlier IIA in 1997 including the creation of a new agency called DFC, a development finance agency of Government of USA, as a successor agency of the erstwhile Overseas Private Investment Corporation (OPIC) after the enactment of a recent legislation of USA, the BUILD Act 2018.

<https://www.thehindubusinessline.com/economy/india-us-sign-new-investment-incentive-agreement/article65453770.ece>

WTO must allow grain export from public stock: India

India wants the World Trade Organization (WTO) to allow exports of foodgrain from public stocks for international food aid and humanitarian purposes, especially on a government-to-government basis, an official said on Monday. Ahead of a key ministerial meeting of the WTO next month, India has said that it does not expect a big outcome on agriculture issues although food security is a subject of discussions. Fisheries subsidies, e-commerce, response to the pandemic, including Trade-Related Aspects of Intellectual Property Rights (TRIPS) waiver, and WTO reforms are the other areas where outcomes could be possible, said the official, who did not wish to be identified.

<https://economictimes.indiatimes.com/news/economy/policy/wto-must-allow-grain-export-from-public-stock-india/articleshow/91751570.cms>

India sends 40,000 MT of petrol to crisis-hit Sri Lanka

India on Monday said it has delivered around 40,000 metric tonnes of petrol to Sri Lanka, days after supplying 40,000 metric tonnes of diesel under the Indian credit line to help ease the acute fuel shortage in the debt-ridden island nation which is grappling with its worst economic crisis. India extended an additional USD 500 million credit line to

Sri Lanka last month to help the neighbouring country import fuel as it has been struggling to pay for imports after its foreign exchange reserves plummeted sharply in recent times, causing a devaluation of its currency and spiralling inflation. India on Saturday provided another 40,000 metric tonnes of diesel to Sri Lanka under the credit line facility. A severe shortage of foreign reserves has led to long queues for fuel, cooking gas and other essentials while power cuts and soaring food prices have heaped misery on the people.

<https://www.financialexpress.com/economy/india-sends-40000-mt-of-petrol-to-crisis-hit-sri-lanka/2535219/>