



April 27, 2023 – Thursday

Economy

Startups fire 9,400 employees between January- March, more cuts coming

As the funding winter continues, startups laid off about 9,400 employees in the Jan-March period, according to data from recruitment firm Careernet shared exclusively with ET. Edtech firms Byju's, Unacademy, social media startup ShareChat, apartment-management platform MyGate and car-servicing company GoMechanic were among the ones that fired a significant chunk of their team, the report said. About 70% of all startups laid off 100-300 people each in the quarter. This included the likes of instant delivery services provider Dunzo, healthtech software-as-a-service (SaaS) startup Innovaccer and ride-hailing major Ola among others. While the layoffs are expected to continue, hiring in senior roles have also dropped around 80% in the March quarter compared to the same period last year, according to Careernet.

<https://economictimes.indiatimes.com/tech/startups/startups-fired-9400-in-march-quarter-more-cuts-on-cards-report/articleshow/99796103.cms>

ILO reviewing work hours in India, report by July-August

The International Labour Organisation will soon unveil an India-specific report on working hours and work schedules in the country and their impact on the workers' work-life balance. This comes at a time when some states have raised the daily work hours to 12 from eight. A similar provision is expected to find place in the central law. A person familiar with the development told ET that the ILO has commissioned the study and the report is expected to be out by July-August this year. "The ILO is of the view that working hours and work-life balance is often neglected while framing labour-related policies, either by the Centre or the states. Hence, it is important to highlight the issue to draw the attention of the government," the person said on the condition of anonymity.

<https://economictimes.indiatimes.com/news/india/ilo-reviewing-work-hours-in-india-report-by-july-august/articleshow/99796115.cms>

Seasonal supply side problems adding to inflation, govt monitoring continuously: Finance Minister

Union Finance Minister Nirmala Sitharaman on Wednesday said seasonal supply side problems add to inflation and that they are being monitored continuously with efforts being made to bring down prices of essential commodities. Highlighting that efforts have also been made to bring down fuel and natural gas prices, she said these are imports coming into the country and the prices are high in the global market, due to the impact of Covid and Russia-Ukraine war. "On prices, since November 2021, when the Prime Minister himself has instructed us to reduce the excise duty on fuel, as a result before Deepavali one announcement was made. Then sometime in June 2022, again we reduced the excise duty further. As a result, price of fuel came down somewhat," Sitharaman said during a press conference here.

<https://economictimes.indiatimes.com/news/economy/indicators/seasonal-supply-side-problems-adding-to-inflation-govt-monitoring-continuously-finance-minister/articleshow/99785071.cms>

Indian economy demonstrates strength, GDP to grow at 6% in FY23: Acuite

India's gross domestic product (GDP) growth will be at 6 per cent in FY24, said credit rating agency Acuite Ratings and Research. In its monthly commentary on the economy, Acuite said that despite the global macro economy

remaining characterised by contradictions and financial system instability risks coming to the fore, the Indian economy continues to demonstrate strength and stability. Most lead indicators at the start of 2023 continue to display resilience, with incremental data Feb-23/Mar-23 faring better than Jan-23.

https://www.business-standard.com/economy/news/indian-economy-demonstrates-strength-stability-gdp-to-grow-at-6-in-fy23-acute-123042600658_1.html

Banking and Finance

Loans against fixed deposit grow the fastest

Fixed deposits aren't just a safe way to park one's savings, but are becoming a popular tool to borrow funds. As interest rates climb to a three year high, those who would have taken a personal loan or an unsecured business loan are resorting to borrowing over the FDs as collateral. Loans against FDs rose 43 percent last fiscal year, the highest rate in nearly a decade, data shows and has emerged as one of the fastest growing retail loan products which have been driving the bank loan books. Outstanding portfolio of loan against shares are at Rs 1.13 lakh crore as of end February, up from Rs 79,349 crore a year ago.

<https://economictimes.indiatimes.com/news/economy/finance/loans-against-fixed-deposit-grow-the-fastest/articleshow/99790871.cms>

Industry

Govt pays PLI incentives worth Rs 2,874 crore towards 8 sectors in FY23

Claims under the production-linked incentive (PLI) scheme stood at Rs 3,420 crore in 2022-23 (FY23), of which the government paid incentives of Rs 2,874 crore to PLI beneficiaries until March across eight sectors — mobile manufacturing, information technology hardware, pharmaceutical (pharma), bulk drug, medical device, telecommunications (telecom), food processing, and drone. This translates into 1.4 per cent of the Rs 1.97 trillion that has been allocated for five years towards the scheme. The incentive payout is set to peak over the next two to three years, which will be crucial, Additional Secretary in the Department for Promotion of Industry and Internal Trade Rajeev Singh Thakur said on Wednesday.

https://www.business-standard.com/companies/news/govt-pays-pli-incentives-worth-rs-2-874-crore-towards-8-sectors-in-fy23-123042600713_1.html

Hotels seek to cash in on religious tourism boom

The average Indian's spiritual journey for peace and redemption now has an eager set of companions - in the shape of travel planners and hoteliers. Pilgrimage tourism has rebounded in the nation of multiple faiths after two consecutive years of Covid-induced curbs, prompting hotel companies and service providers to build new and premium facilities at religious sites traditionally known for spartan accommodation. Tata Group's Indian Hotels Co (IHCL), which owns the Taj chain, announced the signing of two new hotels in Ayodhya this week. Both the Vivanta and Ginger branded hotels are greenfield projects. Parveen Chander, executive vice president, sales and marketing, IHCL, said the chain had also signed a hotel in Vrindavan recently as the historical city is a 'significant' part of the Krishna pilgrimage circuit.

<https://economictimes.indiatimes.com/industry/services/hotels/-restaurants/hotels-look-to-cash-in-on-religious-tourism-boom/articleshow/99796257.cms>

Agriculture

El Nino contingency plan being readied for farmers & output

The government is putting in place a contingency plan to mitigate harm and protect farmers and farm output as chances of El Nino in the monsoon this year rises, said senior officials. The ministry of agriculture and farmers' welfare has set up a system for specific advisory services and forecasts for the main agricultural belt of the country based on different rainfall scenarios. It will also come out with agromet advisories specific to different regions to help farmers take appropriate steps to mitigate any damage to crops. It is in constant touch with the India Meteorological Department (IMD) to prepare a specific plan of action for each region in the country. According to

the forecast by the official weather office, some areas of northwest India, parts of west-central, and some pockets of northeast India are likely to receive normal to below normal rainfall this year.

<https://economictimes.indiatimes.com/news/economy/agriculture/el-nino-contingency-plan-being-readied-for-farmers-output/articleshow/99795941.cms>

ISMA cuts sugar output estimates by 3.5% to 328 lakh tonnes for 2022-23

Sugar industry body ISMA has revised downwards the country's sugar production estimate to 328 lakh tonnes for the current marketing year ending September, from an earlier projection of 340 lakh tonnes. The downward revision has been made due to a fall in sugar output in Maharashtra to 105 lakh tonnes in the 2022-23 marketing year (October-September), from an earlier projection of 121 lakh tonnes. Sugarcane crushing season has ended in the state. "ISMA has revised its all-India sugar production estimate for 2022-23 (after diversion into ethanol) to 328 lakh tonnes, after considering diversion of about 40 lakh tonnes of sugar equivalent into ethanol," the association said in a statement on Wednesday.

https://www.business-standard.com/india-news/isma-cuts-sugar-output-estimates-by-3-5-to-328-lakh-tonnes-for-2022-23-123042600305_1.html

Infrastructure

Truckers may get clean energy sops

India is likely to offer incentives to fleet owners for adoption of CNG, LNG, electric or green hydrogen-powered trucks as part of the proposed green ports policy. The move is aimed at reducing the intensity of emissions at major ports, a senior government official told ET. India currently has 12 major ports that handle around half of the country's total cargo movement. Each major port has been asked to establish at least one LNG bunkering station by 2030 and have an adequate number of EV charging stations in port campuses or nearby by 2025. Major ports come under the administrative control of the shipping ministry, while the remaining ports (called non-major) come under the state governments and their maritime boards. "Key interventions include prompting use of renewable energy, reducing air emissions, optimising water usage, improving solid waste management and lowering carbon emission per tonne of cargo handled by 30% by 2030, and 70% by 2047," the official quoted above said.

<https://economictimes.indiatimes.com/industry/renewables/truckers-may-get-clean-energy-sops/articleshow/99796424.cms>

Energy

India to triple renewables auctions as 2030 green target looms

India will more than triple the capacity of auctions used to allocate renewable energy projects as the nation seeks more progress toward a 2030 clean power target. A new federal government timeline outlines plans to strike agreements on installations of a total of 50 gigawatts of solar and wind projects during the year through March 2024. That compares with an average of 15 gigawatts auctioned annually in the last five fiscal years, according to BloombergNEF.

<https://www.financialexpress.com/industry/india-to-triple-renewables-auctions-as-2030-green-target-looms/3063874/>

Power Ministry asks states to withdraw any tax on generation of electricity

Ministry of Power has asked states not to levy or impose tax or duty on generation of electricity especially from hydro projects for it being illegal and also exhorted them to withdraw any such levies promptly. "It has come to the notice of Government of India (GoI) that some state governments have imposed taxes / duties on generation of electricity. This is illegal and unconstitutional," said a power ministry communique to chief secretaries of all states and Union Territories on Tuesday. The ministry said any tax / duty on generation of electricity, which encompasses all types of generation viz. thermal, hydro, wind, solar, nuclear, etc. is illegal and unconstitutional.

https://www.business-standard.com/india-news/power-ministry-asks-states-to-withdraw-any-tax-on-generation-of-electricity-123042601248_1.html

No plans to extend ALMM for renewable energy player, says official

There are no plans to further extend the Approved List of Models and Manufacturers (ALMM) of solar photovoltaic modules at the moment, a senior government official said on Wednesday. Lalit Bohra, Joint Secretary at the Ministry of New and Renewable Energy (MNRE), has made the remarks at the annual 'Mercom India Renewables Summit 2023' in the national capital. Replying to a question on plans of extension to the ALMM, he said: "ALMM was only deferred for a year. As of now, we are very clear we are not extending it". The government earlier extended the ALMM by one year till March 2024 amid industry raising concerns over raw material availability and supply chain. ALMM was introduced to boost domestic manufacturing.

https://www.business-standard.com/india-news/no-plans-to-extend-alm-for-renewable-energy-player-says-official-123042601178_1.html

Power Min revises framework to supply cheapest power lot first to consumers

The government has revised the framework for electricity supply to provide the cheapest power lot first to consumers and help state utilities to meet demand in a cost-effective manner. The power ministry has revised the structure of the Day-Ahead National level Merit Order Despatch Mechanism to lower the overall cost of electricity generation, which will translate into lower power prices for consumers, an official statement said Wednesday. As per the revised mechanism, the cheapest generating resources (power) across the country will be despatched (supplied) first to meet the system demand. The gains out of the proposed Day-Ahead National Merit Order Dispatch Mechanism would be shared between generating stations and their consumers.

https://www.business-standard.com/india-news/power-min-revises-framework-to-supply-cheapest-power-lot-first-to-consumers-123042600870_1.html

Telecom

J-K admin approves transfer land to BSNL for 4G saturation in over 300 uncovered villages

The Jammu and Kashmir administration on Wednesday approved the transfer of land to Bharat Sanchar Nigam Limited for saturation of 4G mobile services in all uncovered villages of the Union Territory, a spokesperson said. The approval to transfer the land free of charge was given by the administrative council, which met here under the chairmanship of Lt Governor Manoj Sinha, he said. The decision is in consonance with the policy of the Centre to provide land free of charge for saturation of 4G mobile services, the spokesperson added. "There are 303 villages that will be covered under the scheme in Jammu and Kashmir. It will lead to saturation of 4G services and ensure seamless connectivity under the Universal Service Obligation Fund," he said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/j-k-admin-approves-transfer-land-to-bsnl-for-4g-saturation-in-over-300-uncovered-villages/articleshow/99793786.cms>

States

Gujarat govt's new PSU policy mandates bonus shares, dividends, buybacks

The Gujarat government issued a new policy regarding the minimum amount of dividend distribution and bonus shares for its state public sector undertakings on Tuesday, April 26. The guideline also applies to companies listed on stock exchanges. The new policy mandating compulsory dividends and bonus shares is expected to add to the valuation of Gujarat PSUs. In its resolution, the finance department of the state government stated that a minimum of 30 per cent of profit after tax or 5 per cent of the net worth of the PSU, whichever is higher, should be the minimum level of dividend declared for shareholders. However, the new guidelines clarify that only the minimum level and maximum permissible level of dividends can be declared. The market took the development positively, and the shares of most public sector companies in Gujarat rallied 8 to 15 per cent on April 26. Notably, all the seven listed PSUs of the state make profits.

https://www.business-standard.com/markets/news/gujarat-govt-s-new-psu-policy-mandates-bonus-shares-dividends-buybacks-123042600471_1.html

Healthcare

Govt approves National Medical Devices Policy 2023, eyes 12% market share

The Centre on Wednesday gave its nod to the National Medical Devices Policy 2023 with an aim to achieve 10-12 per cent share in the growing global market over the next 25 years. The current share of India in the global medical devices market is an abysmal 1.5 per cent. Moreover, the policy is expected to help the medical devices sector grow from \$11 billion (Rs 90,000 crore) now to \$50 billion (Rs 4.5 trillion) by 2030. Mansukh Mandaviya, Union health minister, said that the policy has been designed keeping in mind the need to have a holistic policy framework and will accelerate the growth of this sector.

https://www.business-standard.com/india-news/govt-approves-national-medical-devices-policy-2023-eyes-12-market-share-123042601134_1.html

External

SCO will help amplify fight against food, energy security challenges: India

India on Wednesday said that with the world facing challenges of a "looming economic recession", a closer cooperation amongst the Shanghai Cooperation Organisation (SCO) members will play a pivotal role in combating challenges such as food and energy security. Speaking at the 19th meeting of the Shanghai Cooperation Organisation Interbank Consortium (SCO IBC), Vivek Joshi, Union Secretary for Department of Financial Services, also said that India has been contributing to mitigate the challenges of food and energy security. Today, when the world is facing challenges of a looming economic recession, a closer cooperation among SCO Member States shall play a pivotal role in combating global challenges such as food and energy security concerns, he said. As part of India's contribution to mitigating these challenges, India's Prime Minister has launched the global Mission 'LIFE' which stands for Lifestyle for Environment.

https://www.business-standard.com/india-news/sco-will-help-amplify-fight-against-food-energy-security-challenges-india-123042600508_1.html

Indo-Korea bilateral trade grows 17% to record \$27.8 bn in 2022: Kotra

The bilateral trade between India and Korea grew by 17.3 per cent to USD 27.8 billion in 2022, according to Korea Trade-Investment Promotion Agency (KOTRA). In 2021, the value of bilateral trade between the two countries stood at USD 23.7 billion. Korea's exports to India increased by 21 per cent to USD 18.9 billion, while imports increased by 10.5 per cent to USD 8.9 billion. Addressing India-Korea Future Industry Partnership Event 2023, Ambassador of the Republic of Korea to India, Chang Jae-bok on Wednesday said, "India and Korea must focus on the critical issue of green energy and learn from each other's strengths. Green energy, hydrogen energy, and EVs are the future, and Korea's leadership in producing EVs since 2005 is an excellent example for India".

https://www.business-standard.com/india-news/indo-korea-bilateral-trade-grows-17-to-record-27-8-bn-in-2022-kotra-123042600901_1.html

India, EFTA nations discuss prospects of resuming FTA negotiations

India and the European Free Trade Association (EFTA), comprising four nations of Iceland, Switzerland, Norway, and Liechtenstein, on Wednesday discussed the prospects of resuming their negotiations towards a trade deal — Trade and Economic Partnership Agreement — a joint statement said. The development comes against the backdrop of a meeting between high-level delegations from India and EFTA to boost bilateral trade and economic partnership. During the meeting, both sides exchanged views on the state of play of their negotiations and explored ways to 'advance the talks'. "The participants acknowledged the challenges posed by the current global economic and trade environment, as well as the need to address the bilateral trade and economic partnership issues constructively and pragmatically. Both sides agreed to continue their efforts to resolve all outstanding issues and work towards deepening and strengthening the economic partnership while contributing to a more inclusive global trading system," the statement said.

https://www.business-standard.com/economy/news/india-efta-nations-discuss-prospects-of-resuming-fta-negotiations-123042601244_1.html

USTR again places India on priority watch list in 2023 IPR report

The United States Trade Representative (USTR) again placed India on the 'Priority Watch List' along with China and Russia and four others, for lack of adequate intellectual property rights protection and enforcement. In its 2023

Annual Special 301 Report, that identifies trade barriers to American companies due to IP laws of other countries, the USTR said that India remained one of the most challenging economies for IP enforcement and protection and the country's overall IP enforcement was inadequate. "Patent issues continue to be of particular concern in India," the USTR said, citing the potential threat of patent revocations, lack of presumption of patent validity, and the narrow patentability criteria under the Indian Patents Act impact companies across different sectors.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/ustr-again-places-india-on-priority-watch-list-in-2023-ipr-report/articleshow/99794739.cms>