



June 07, 2023 – Wednesday

## Economy

### India to remain fastest-growing economy among largest EMDEs: World Bank

The World Bank on Tuesday said India would remain the fastest-growing economy in terms of both aggregate and per capita gross domestic product (GDP) among the largest emerging market and developing economies. It retained India's FY24 growth forecast at 6.3 per cent. "Greater than expected resilience in private consumption and investment, and a robust services sector in India, is supporting growth in 2023. Growth is projected to pick up slightly through FY26 as inflation moves back toward the midpoint of the tolerance range and reforms payoff," the multilateral development bank said in its "Global Economic Prospects" report.

[https://www.business-standard.com/economy/news/india-to-remain-the-fastest-growing-economy-says-world-bank-report-123060601010\\_1.html](https://www.business-standard.com/economy/news/india-to-remain-the-fastest-growing-economy-says-world-bank-report-123060601010_1.html)

## Banking and Finance

### RBI permits banking units at IFSC to settle NDDCs in rupee

The Reserve Bank of India said it has permitted banks operating International Financial Services Centre (IFSC) to offer non-deliverable derivatives contracts utilising rupees to resident non-retail users for hedging. The step has been taken in order to develop the onshore rupee non-deliverable derivatives contract market and to provide residents with the flexibility to efficiently plan their hedging activities, the RBI announced on its website on Tuesday. The newly-permitted transactions will be cash-settled in rupees and shall have the flexibility of cash settlement between two relevant banks and between a bank and a person residing outside India in rupees or any foreign currency, the regulator said.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-permits-banking-units-at-ifsc-to-settle-nddcs-in-rupee/articleshow/100801591.cms>

### Bank loan rates drop in April, a first in 11 months

Bank lending rates declined for the first time in April after rising for 11 consecutive months, data from the Reserve Bank of India showed. The decline in average lending rates was nearly 23 basis points month-on-month. Average lending rates dropped to 9.09% in April from 9.32% in March. Analysts are crediting this drop to seasonality in the credit cycle when growth remains tepid in the first quarter. While both sets of banks saw a month-on-month dip, it was higher for private banks at 44 bps versus 18 bps for public sector banks. "This sequential dip has come after 11 months of consecutive rise and could have some seasonality due to March-ending," said Jai Mundhra, research analyst with ICICI Securities. "While the dip has happened for the first time since the beginning of the current rate hike cycle, it is pertinent to note that lenders had earlier seen such dip in December and October 2022."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-loan-rates-drop-in-april-a-first-in-11-months/articleshow/100802843.cms>

### NBFC loan sanctions up 2% YoY in Q4, rises in investment sector: Report

Loan sanctions by non-banking finance companies (NBFC) grew 2 per cent year-on-year (YoY) to Rs 4.46 trillion in the fourth quarter of Financial Year 2022-23 (Q4 FY23), said a report on Tuesday. Sanctions for consumption-

oriented areas and housing were tepid, but those for investment activities like commercial vehicles and equipment did better, according to data from Finance Industry Development Council (FIDC) and CRIF. Sanctions by NBFCs expanded 7 per cent in the third quarter ended December 2022 (Q3 FY23) compared to the same period last year. The sanctions in absolute terms were Rs 4.17 trillion in Q3 FY23.

[https://www.business-standard.com/finance/news/nbfc-loan-sanctions-up-2-yoy-in-q4-rises-in-investment-sector-report-123060600454\\_1.html](https://www.business-standard.com/finance/news/nbfc-loan-sanctions-up-2-yoy-in-q4-rises-in-investment-sector-report-123060600454_1.html)

#### **RBI's MPC starts deliberations on policy rate, decision on Thursday**

The Reserve Bank's rate-setting monetary policy panel began deliberations on Tuesday amid expectations that the central bank will keep the benchmark interest rates unchanged at 6.5 per cent on the back of easing retail inflation and the need to push economic growth. Headed by Reserve Bank Governor Shaktikanta Das, the six-member Monetary Policy Committee (MPC) will meet for three days and the decision would be announced on Thursday, June 8. After the last MPC meeting in April, the RBI paused its rate hike cycle and stayed with the 6.5 per cent repo rate. Prior to that the central bank had cumulatively hiked the repo rate by 250 basis points since May 2022 in a bid to contain inflation.

[https://www.business-standard.com/economy/news/rbi-s-mpc-starts-deliberations-on-policy-rate-decision-on-thursday-123060600521\\_1.html](https://www.business-standard.com/economy/news/rbi-s-mpc-starts-deliberations-on-policy-rate-decision-on-thursday-123060600521_1.html)

#### **FinMin extends date for MSMEs to submit refund claims till July 31**

The finance ministry has extended the deadline for MSMEs by one month, till July 31, to submit refund claims for performance or bid security and liquidated damages forfeited by government departments and public sector entities during the Covid-19 period. To give relief to MSMEs, finance minister Nirmala Sitharaman in 2023-24 Budget announced 'Vivad se Vishwas-I' scheme which provides that in cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the forfeited amount relating to bid or performance security will be returned to them by government and government undertakings.

[https://www.business-standard.com/india-news/finmin-extends-date-for-msmes-to-submit-refund-claims-till-july-31-123060501098\\_1.html](https://www.business-standard.com/india-news/finmin-extends-date-for-msmes-to-submit-refund-claims-till-july-31-123060501098_1.html)

#### **E-invoices must for firms with ₹5 cr+ annual turnover**

The Central Board of Indirect Taxes and Customs (CBIC) has enabled e-invoice for taxpayers with an aggregate annual turnover (AATO) between ₹5 crore and ₹10 crore. E-invoices will become mandatory for all businesses with annual turnover above ₹5 crore from August 1. Officials said enabling it by over a month in advance will help small businesses in smooth transition and fix any difficulty faced by them, besides addressing any technical glitch. This will give time to the industry to ensure that any vendor supplying goods or services above ₹5 crore turnover is mandatorily issued an e-invoice to avoid any dispute with respect to availing input tax credit (ITC). Taxpayers can view the total turnover for the last fiscal year and also for the current fiscal year, based on the returns submitted up to this point.

<https://economictimes.indiatimes.com/news/economy/policy/e-invoices-must-for-firms-with-5-cr-annual-turnover/articleshow/100802549.cms>

#### **Despite heavy supply, debt cost slips marginally for states to 7.32 per cent**

Despite larger than notified supplies, the average cost for the states that hit the market on Tuesday will be less in terms of coupons, which slipped by 3 bps to 7.32 per cent. Twelve states have raised Rs 17,300 crore through state government securities in the auction held on Tuesday, which is a sharp 47 per cent higher than the indicated Rs 11,800 crore for this week in the auction calendar. In spite of that, the weighted average cut-off eased by 3 bps to 7.32 per cent from the last auction. The fall is also regardless of the fact that there was a mild rise in the weighted average tenor to 16 years from 15 years, Icria Ratings said in a note.

<https://economictimes.indiatimes.com/news/economy/finance/despite-heavy-supply-debt-cost-slips-marginally-for-states-to-7-32-per-cent/articleshow/100798980.cms>

#### **Non-life insurance premium grew 18.1% to Rs 18,031.48 crore in May**

Non-insurance sector reported an 18.06 per cent rise year-on-year to Rs 18,031.48 crore for May (excluding specialised companies, Agricultural Credit Insurance Company of India, and ECGC), the latest data released by the

General Insurance Council showed. The general insurance companies, which is 91 per cent of the non-life market, grew 17.45 per cent in May to Rs 15,933 crore while health insurance companies reported a 22.94 rise to Rs 2,098 crore.

[https://www.business-standard.com/finance/insurance/non-life-insurance-premium-grew-18-to-rs-18-031-48-crore-in-may-123060601058\\_1.html](https://www.business-standard.com/finance/insurance/non-life-insurance-premium-grew-18-to-rs-18-031-48-crore-in-may-123060601058_1.html)

#### **Indian households to make over 50% non-cash transactions by FY26: Report**

Indian households make 35 per cent of their financial transactions digitally and usage is expected to cross 50 per cent by Financial Year 2025-26 (FY26), said a report on Tuesday. Pay-to-merchant payments (P2M) account for a significant proportion of digital transactions. Households use digital payment methods for 80 per cent of grocery, food delivery, and travel transactions. First-time e-commerce users during the pandemic accelerated the adoption of digital payments, said the report by Redseer Strategy Consultants and Plural by Pine labs. The Indian e-commerce market is worth Rs 400,000 crore and it is expected to reach Rs 900,000 crore by FY26, with customers from Tier 2 and smaller cities driving most of this growth.

[https://www.business-standard.com/economy/news/indian-households-to-make-over-50-non-cash-transactions-by-fy26-redseer-123060600568\\_1.html](https://www.business-standard.com/economy/news/indian-households-to-make-over-50-non-cash-transactions-by-fy26-redseer-123060600568_1.html)

#### **Industry**

#### **Auto companies await clarity on PLI subsidy for FY23**

More than a year after the ₹25,938 crore production-linked incentive (PLI) scheme for India's auto sector came into effect, qualified manufacturers await clarity on whether they will receive sops for the first year of the programme. At the core of the issue is the delay in the release of the standard operating procedure (SOP) by the government. Though the programme came into effect on April 1, 2022, the SOP got released only on April 27 this year. Manufacturers are required to get their products certified for the scheme after calculating the domestic value addition (DVA) as per the SOP. Only then will they receive the incentive.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-companies-await-clarity-on-pli-subsidy-for-fy23/articleshow/100805916.cms>

#### **Govt to clear dues to EV makers under FAME scheme by month-end**

The government will clear the held-up dues of Faster Adoption and Manufacturing of and Electric Vehicles (FAME India) beneficiaries by June-end, a senior official from the ministry of heavy industries (MHI) said Tuesday. Speaking at an event organised by the Federation of Indian Chambers of Commerce & Industry (FICCI), Hanif Qureshi, joint secretary with MHI, said, "There have been some delays, but we "IFCI has strong internal processes. They have introduced certain changes where the views of OEMs are taken before the bills are cleared," he said, adding that the system had been streamlined.

<https://economictimes.indiatimes.com/industry/renewables/govt-to-clear-dues-to-ev-makers-under-fame-scheme-by-month-end/articleshow/100802709.cms>

#### **India to have 87% EVs by 2047 with policy boost: FICCI-YES Bank report**

India will have 87 per cent electric vehicle (EV) penetration in new vehicle sales and 85 per cent localisation of the XEV value chain by 2047, the FICCI-YES Bank report's on e-mobility said on Tuesday. "The projected segment-wise penetration is 91 per cent for three-wheelers, 90 per cent for two-wheelers, 79 per cent for passenger vehicles, and 67 per cent for buses by 2047," FICCI-YES Bank report 'India@2047: Electric Mobility' said. Terming the global shift towards electrification as a huge opportunity for India's current market of over 20 million domestic vehicles, the report described high upfront costs, constraints on vehicle finance, safety concerns, nascent global inroads, and limited access to key raw materials, R&D and skillsets combined with low order volumes, rapid technology evolution, and issues in charging infrastructure development & utilisation as challenges for mobility in India.

[https://www.business-standard.com/industry/news/india-to-have-87-evs-by-2047-with-policy-boost-ficci-yes-bank-report-123060600938\\_1.html](https://www.business-standard.com/industry/news/india-to-have-87-evs-by-2047-with-policy-boost-ficci-yes-bank-report-123060600938_1.html)

#### **75% of Indian businesses will increase investment on data streaming: Report**

With data streaming having become the backbone of several critical areas of a business, 75 per cent of Indian businesses are expected to increase their investment on data streaming as it is critical to business competitiveness, according to the latest '2023 Data Streaming Report' by Confluent, a global data streaming platform. Based on a survey of 2,250 IT leaders, including 300 in India, the report states that a robust data streaming technology is a must-have for running a more efficient, responsive, and ultimately more competitive business in this digital-first era.

[https://www.business-standard.com/finance/news/75-of-indian-biz-will-increase-investment-on-data-streaming-report-123060600587\\_1.html](https://www.business-standard.com/finance/news/75-of-indian-biz-will-increase-investment-on-data-streaming-report-123060600587_1.html)

#### **India's internet economy to grow 6-fold to \$1 trn by 2030: Report**

India's internet economy is expected to register six-fold growth and touch USD 1 trillion by 2030, mainly driven by the e-commerce vertical, a joint report by Google, Temasek and Bain & Company released on Tuesday said. The report estimates that India's internet-economy was in the range of USD 155-175 billion in 2022. According to the report, the growth will be led by the B2C e-commerce segment, followed by B2B e-commerce, software-as-a-service providers and online media led by over-the-top players. "India's internet economy is expected to grow 6 x to USD 1 trillion by 2030," Google India, Country Manager & Vice President, Sanjay Gupta said while sharing details of the report.

[https://www.business-standard.com/economy/news/india-s-internet-economy-to-grow-6-fold-to-1-trn-by-2030-report-123060600385\\_1.html](https://www.business-standard.com/economy/news/india-s-internet-economy-to-grow-6-fold-to-1-trn-by-2030-report-123060600385_1.html)

#### **SaaS, digital firms' projections indicate weak Q1 for Indian IT firms**

There may be a further demand slowdown for Indian IT firms in the quarter ending June, going by the latest results of global software-as-a-service (SaaS) and digital engineering firms. Analysts though expect the demand to revive in the second half of 2023-24 as deal pipelines remain strong and there would be additional business from cost-optimisation initiatives that will benefit the Indian IT sector. According to a ICICI Securities report, SaaS and digital engineering companies' commentary and revenue guidance suggests weak demand in the June-ending quarter with subsequent revival of demand in the second half of the fiscal. "(This is) because, even though the sales cycle is lengthening, the pipeline is not shrinking. Plus, there is demand from cost-optimisation opportunities," it said.

<https://economictimes.indiatimes.com/tech/information-tech/saas-digital-firms-projections-indicate-weak-q1-for-indian-it-firms/articleshow/100802700.cms>

#### **Tech slowdown toll: 6 out of 10 companies hiring more gig workers**

Gig jobs are eating into the permanent jobs pie of the IT sector. The result: the pace of hiring for permanent roles across IT firms is slowing down. According to CIEL HR Services research shared exclusively with ET, permanent jobs have grown by less than 5% in 2023 vs 2022 while the number of gig workers has increased by 40%. Amid an uncertain business environment, engaging gig workers offers greater flexibility to these companies, as they can hire them on an as-needed basis without the commitments associated with permanent employees. In 2023, six out of every 10 companies are hiring gig workers, compared with just two last year, according to CIEL research of more than 100 IT services providers. "Slowdown in the tech industry has accelerated the adoption of the gig workforce," CIEL HR chief executive Aditya Mishra said. More and more Indian IT players are now adopting a blended workforce strategy: blending permanent and contractual workforce with gig workers.

<https://economictimes.indiatimes.com/tech/technology/tech-slowdown-toll-6-out-of-10-companies-hiring-more-gig-workers/articleshow/100801813.cms>

### **Agriculture**

#### **Centre removes 40% procurement ceiling to boost production of pulses**

Department of Consumer Affairs on Tuesday announced increasing domestic production of pulses. The department said in a statement that it has removed the procurement ceilings of 40 per cent for tur, urad, and Masur under Price Support Scheme (PSS) operations for 2023-24. According to the statement, the decision, in effect, assures the procurement of these pulses from farmers at minimum support price (MSP) without ceilings.

[https://www.business-standard.com/industry/agriculture/centre-removes-ceiling-for-procurement-of-tur-urad-masur-under-pss-123060600857\\_1.html](https://www.business-standard.com/industry/agriculture/centre-removes-ceiling-for-procurement-of-tur-urad-masur-under-pss-123060600857_1.html)

## Infrastructure

### **Govt will come out with policies to get public transport in most Indian cities: Advisor to PM**

The government will come out with policies to introduce public transport in most Indian cities, and the electric vehicle industry can expect "very large" support in this segment, Advisor to Prime Minister Tarun Kapoor said on Tuesday. In an analysis, it was realised that public transport is missing in most of the Indian cities. "So, while the government now will come out with policies to get public transport to most of the Indian cities, we will also ensure that this happens with electricity and not with diesel. Therefore, on public transport also you can look forward to a very large support from the government coming in. "So that not only we will see the transition from diesel buses, but we will also see more and more of public transport, which is missing, and electric coming in," he said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/govt-will-come-out-with-policies-to-get-public-transport-in-most-indian-cities-advisor-to-pm/articleshow/100791262.cms>

## Energy

### **Will not face shortage of coal this year, even during Monsoon: Pralhad**

India will not face any shortage of coal this year even during the monsoon, Coal and Mines Minister Pralhad Joshi said on Tuesday. No matter what is the demand this year, the government is prepared to meet the same, the minister said at a conference on underground coal mining here. "I assure the country on behalf of Coal India and the coal ministry that there will not be any shortage of coal even in the monsoon this time," he said. The preparation is good and it is "our responsibility" to meet the entire demand this year, Joshi said.

[https://www.business-standard.com/economy/news/will-not-face-shortage-of-coal-this-year-even-during-monsoon-pralhad-123060600509\\_1.html](https://www.business-standard.com/economy/news/will-not-face-shortage-of-coal-this-year-even-during-monsoon-pralhad-123060600509_1.html)

### **Oil firms may get to operate fields for full economic life**

The oil ministry is planning to offer companies the licence to operate oilfields for their full economic life in a shift from the current practice of limited durations, with a view to reducing uncertainties for investors and make investments in the Indian upstream attractive, according to people familiar with the matter. The proposal is expected to apply to all future contracts as well as existing contracts at the time of renewal, they said. Companies will not be required to seek renewal in future contracts, helping them plan their investments better. For the existing contracts, the current rules allow an extension of only 10 years. If the oil ministry's proposal takes off, the renewal will be for the entire economic life of an oilfield.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/oil-firms-may-get-to-operate-fields-for-full-economic-life/articleshow/100802114.cms>

## Telecom

### **Telcos set to meet rollout obligations for 26 GHz despite lack of device ecosystem**

Reliance Jio and Bharti Airtel plan to set up telecom networks utilising the 26 GHz spectrum band to meet the minimum roll out obligations, despite no device ecosystem, executives at the two telcos said. The companies were earlier considering seeking an extension from the Department of Telecommunications (DoT) on the deadline to meet roll out obligations. But with the equipment makers assuring of supply of gear, the telcos have decided to set up the radios in all telecom circles to meet the basic roll out conditions.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-set-to-meet-rollout-obligations-for-26-ghz-despite-lack-of-device-ecosystem/articleshow/100802914.cms>

### **Telcos may have to share data to curb pesky messages**

The telecom regulator's latest directive for digital consent collection as part of its efforts to curb pesky and fraud messages to customers will require telecom operators to share data among them for it to be effective, industry executives said. Also, the scale of consent collection is huge and may require more time than the Telecom Regulatory Authority of India (Trai) has allowed, they said. Digital consent acquisition was part of the regulator's original mandate asking telcos to move commercial messaging onto a blockchain-based distributed ledger technology (DLT) platform, the executives said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-may-have-to-share-data-to-curb-pesky-messages/articleshow/100802922.cms>

## States

### **Himachal to frame policy to find alternatives to plastic: CM Sukhu**

Chief Minister Sukhvinder Singh Sukhu announced that Himachal Pradesh will develop a policy aimed at discovering alternative options to plastic. Within a year, the state plans to create this policy and encourage industries to explore substitutes for plastic. During a state-level event on World Environment Day, CM Sukhu expressed the intention to eventually impose a "comprehensive ban on plastic usage". Additionally, he emphasized the importance of utilizing plastic waste in road building and suggested incorporating culture and environment-focused subjects into the educational curriculum to foster environmental consciousness among children, according to an official statement.

[https://www.business-standard.com/india-news/himachal-to-frame-policy-to-find-alternatives-to-plastic-cm-sukhu-123060600018\\_1.html](https://www.business-standard.com/india-news/himachal-to-frame-policy-to-find-alternatives-to-plastic-cm-sukhu-123060600018_1.html)

### **Andhra govt to handhold MSMEs from manufacturing to marketing: CM Reddy**

Andhra Pradesh Chief Minister Y.S. Jagan Mohan Reddy on Monday directed officials to extend all possible help to MSMEs by handholding from manufacturing to marketing their products globally as they play a crucial role in the growth of the economy. He also asked them to formulate an action plan to provide a separate wing for MSMEs in the Industries Department at the Secretary level and extend the required technology.

[https://www.business-standard.com/india-news/andhra-govt-to-handhold-msmes-from-manufacturing-to-marketing-cm-reddy-123060501133\\_1.html](https://www.business-standard.com/india-news/andhra-govt-to-handhold-msmes-from-manufacturing-to-marketing-cm-reddy-123060501133_1.html)

## External

### **India's palm oil imports hit 27-month low, buyers pick cheaper soft oils**

India's palm oil imports sank to a 27-month low in May as buyers cancelled expensive cargoes of the edible oil and replaced them with cheaper soybean and sunflower oil, six dealers told Reuters on Tuesday. Palm oil imports by India fell to 441,000 tonnes last month, down 14% from 510,094 tonnes in April, according to average estimates from the dealers. May imports were the lowest since February 2021, the dealers added. The drop in purchases by the world's biggest importer of vegetable oils could weigh on palm oil prices, which are already trading near their lowest level in 30 months.

[https://www.business-standard.com/economy/news/india-s-palm-oil-imports-hit-27-month-low-buyers-pick-cheaper-soft-oils-123060600239\\_1.html](https://www.business-standard.com/economy/news/india-s-palm-oil-imports-hit-27-month-low-buyers-pick-cheaper-soft-oils-123060600239_1.html)

### **Steel exports down 19% in May on weakened global demand, increasing competition from China**

Indian finished steel exports declined by 19 per cent in May to 0.69 million tonnes (mt) over April while it dropped 12 per cent on a year-on-year basis (May 2022), as per provisional data of the Steel Ministry, accessed by businessline. The decline is indicative of continued global recessionary pressures impacting demand and stress on price from competing countries like China.

<https://www.thehindubusinessline.com/economy/steel-exports-down-19-in-may-on-weakened-global-demand-increasing-competition-from-china/article66937551.ece>

### **German, Indian defence majors near deal to build submarine in India**

Germany and India are closing in on a \$5.2 billion deal to build diesel submarines in India, reported Economic Times (ET) on Tuesday. German Chancellor Olaf Scholz asked German and European defence majors to supply New Delhi with modern military gear making a way for India to gradually remove its dependence on Russia in the defence sector. Russia-Ukraine war pushed New Delhi to expand its military cooperation beyond its top supplier Moscow. German company Thyssenkrupp AG's marine arm and India's Mazagon Dock Shipbuilders Limited are likely to jointly bid for an approximate \$5.2 billion project to build six submarines for the Indian navy, said Economic Times report citing sources.

[https://www.business-standard.com/india-news/german-indian-defence-majors-near-deal-to-build-submarine-in-india-report-123060600781\\_1.html](https://www.business-standard.com/india-news/german-indian-defence-majors-near-deal-to-build-submarine-in-india-report-123060600781_1.html)