



August 08, 2023 – Tuesday

### Key Developments

#### Lok Sabha passes Digital Personal Data Protection Bill, 2023

The Lok Sabha on Monday passed the Digital Personal Data Protection Bill, 2023 which lays down the obligations of entities handling and processing data as well as the rights of individuals. The bill proposes a maximum penalty of Rs 250 crore and minimum of Rs 50 crore on entities violating the norms. The norms of the bill will apply to personal data collected within India from data principals online, and personal data collected offline, but subsequently digitised. It will also apply to such processing outside India if it is for offering goods or services to individuals in India. The bill provides for the processing of digital personal data in a manner “that recognises both the right of individuals to protect their personal data and the need to process such personal data for lawful purposes”. Key provisions of the bill are:

<https://economictimes.indiatimes.com/news/india/lok-sabha-passes-digital-personal-data-protection-bill-2023-amid-opposition-protests/articleshow/102497253.cms?from=mdr>

### Economy

#### Govt confident higher production in August will bring down tomato prices

The central government is expecting the produce of tomatoes to increase from 2,23,000 MT in July to 5,44,000 MT in August in major producer states, bringing down prices of the vegetable and providing respite to consumers. "As the production in major growing areas especially in Himachal Pradesh go up, we will see cooling down of prices," according to a senior official from the Ministry of Consumer Affairs, Food and Public Distribution. The harvest in Himachal Pradesh, which is the main source of tomatoes in the national capital region and other northern markets, is expected to jump from 2,000 MT in July to 30,000 MT in August, providing relief to consumers. The production in other states such as Karnataka, Tamil Nadu, Maharashtra, Telangana, Madhya Pradesh and Andhra Pradesh are also expected to rise significantly in August, September and October. It is expected to touch 9,56,000 MT in September and 13,33,000 MT in October.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-confident-higher-production-in-august-will-bring-down-tomato-prices/articleshow/102511887.cms>

#### India's sovereign ratings by global agencies utterly absurd, says Sanjeev Sanyal

India should be rated at least one or two grades higher than what it is at present by global rating agencies, Sanjeev Sanyal, Member of the Economic Advisory Council to the Prime Minister, said on Monday. Sanyal said India just about makes it past the investment grade in the ratings of the agencies, which is "utterly absurd". "In terms of sovereign ratings, if India was fairly rated, it should be at least one, if not two grades higher. There is no reason for India to be at the bottom of the investment grade," Sanyal said.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-sovereign-ratings-by-global-agencies-utterly-absurd-says-sanjeev-sanyal/articleshow/102511413.cms>

#### Rising food prices may push July inflation up by 190 bps to 6.7%: Report

Citing the sharp rise in food prices, economists at a foreign bank have forecast a steeply higher retail inflation print for July, pegging it at 6.7 per cent, up 190 basis points from the previous month. Deutsche Bank India economists led by chief economist Kaushik Das, in a report on Monday ahead of the monthly inflation print and the Reserve Bank's monetary policy review, said that the July consumer price-based inflation index (CPI) is likely to print at 6.7 per cent on-year as against 4.8 per cent in June.

[https://www.business-standard.com/economy/news/rising-food-prices-may-push-july-inflation-up-by-190-bps-to-6-7-report-123080700838\\_1.html](https://www.business-standard.com/economy/news/rising-food-prices-may-push-july-inflation-up-by-190-bps-to-6-7-report-123080700838_1.html)

## Banking and Finance

### SEBI sets reform agenda for FY24; proposes digital assurance, voting norms

The Securities and Exchange Board of India (Sebi) has laid out its reform agenda for the ongoing financial year, proposing measures around digital assurance of financial statements, making e-voting more accessible, limiting risks in derivatives, a new pricing discovery mechanism for delisting, and greater disclosures for unlisted companies under a conglomerate. In its annual report for financial 2022-23 released on Monday, the markets regulator outlined the steps taken and proposed the new ones in a bid to bring more transparency, improve disclosure standards, tighten enforcements, and provide greater investor protection.

[https://www.business-standard.com/markets/news/sebi-sets-reform-agenda-for-fy24-proposes-digital-assurance-voting-norms-123080700796\\_1.html](https://www.business-standard.com/markets/news/sebi-sets-reform-agenda-for-fy24-proposes-digital-assurance-voting-norms-123080700796_1.html)

### PSB's net profit more than doubles at 124.8% in Q1 to Rs 34,418 crore

The net profit of public-sector banks (PSBs) jumped 124.8 per cent year-on-year (Y-o-Y) to Rs 34,418 crore in the first quarter (Q1) of this financial year (FY24) on treasury gains and healthy growth in net interest income (NII) backed by strong credit offtake. The robust growth in other income and a decrease in provisions also contributed to a healthy bottom line, according to analysis based on data compiled by BS Research Bureau for listed state-owned banks. State Bank of India, the country's largest lender, accounted for nearly half of the net profit of PSBs in Q1.

[https://www.business-standard.com/companies/results/psb-s-net-profit-more-than-doubles-at-124-8-in-q1-to-rs-34-418-crore-123080700667\\_1.html](https://www.business-standard.com/companies/results/psb-s-net-profit-more-than-doubles-at-124-8-in-q1-to-rs-34-418-crore-123080700667_1.html)

### 85% taxpayers opt for old regime, 55% fully utilise 80C benefit: Survey

Only 15% of India's taxpayers chose the new tax regime, showed the findings of a survey by Clear, an online tax filing platform, whereas 85% still opted for the old regime. Budget 2023 caused a lot of confusion among taxpayers regarding the choice between the old and new tax regimes. The government introduced various incentives in the 2023 Budget to encourage the adoption of the new regime.

[https://www.business-standard.com/finance/personal-finance/85-taxpayers-continue-to-flock-to-old-regime-reveals-clear-survey-123080700222\\_1.html](https://www.business-standard.com/finance/personal-finance/85-taxpayers-continue-to-flock-to-old-regime-reveals-clear-survey-123080700222_1.html)

### Centre's debt profile safe and prudent; external debt-to-GDP ratio eases: Finance Ministry

The Central government's debt profile remains safe and the share of its external debt in the country's gross domestic product dropped to 2.7% in FY23 from 3.3% in FY14 at the current exchange rate, the finance ministry told the Lok Sabha on Monday. In a written reply, minister of state for finance Pankaj Chaudhary said: "The risk profile of Central government's debt stands out as safe and prudent in terms of accepted parameters of indicator-based approach for debt sustainability. The government debt is held predominantly in domestic currency."

<https://economictimes.indiatimes.com/news/economy/finance/centres-debt-profile-safe-and-prudent-external-debt-to-gdp-ratio-eases-finance-ministry/articleshow/102506487.cms>

## Industry

### Niti Aayog looking at tax related issues of engineering, leather, textile industry

Government think-tank Niti Aayog is looking at tax-related issues, including inverted duty structure in three sectors of engineering, leather, and textiles, an official said on Monday. The issues are likely to be taken up with higher authorities for their resolution to promote the growth of these sectors, the official said. Industry representatives of leather and engineering sectors said that they have shared a list of GST (Goods and Services Tax) and inverted duty

structure-related issues with the Niti Aayog. "We expect the government to resolve those issues as it would help in promoting manufacturing and exports from the country," an industry official said. The leather sector has recommended the reinstatement of basic customs duty on the import of wet blue, crust and finished leathers. The exercise assumes significance as these three sectors are labour-intensive and contribute significantly to the country's merchandise exports.

<https://economictimes.indiatimes.com/news/economy/policy/niti-aayog-looking-at-tax-related-issues-of-engineering-leather-textile-industry/articleshow/102503395.cms>

#### **Auto retail sales up 10% in July; three-wheelers at record pace: FADA**

Staying with the growth momentum, automobile retail sales in July posted a 10 per cent year-on-year increase, with 1.77 million units sold. Three-wheelers took the lead with a record growth of 74 per cent, according to the Federation of Automobile Dealers' Associations (Fada). However, sales declined by 5 per cent month-on-month (m-o-m) mainly due to heavy rains. Except for three-wheelers, which recorded 9 per cent growth, all other categories dipped m-o-m. Three-wheelers hit record sales in July at 94,148 units, surpassing the previous high of 86,857 units in March this year.

[https://www.business-standard.com/industry/auto/auto-retail-sales-up-10-in-july-y-o-y-three-wheelers-at-record-pace-fada-123080700216\\_1.html](https://www.business-standard.com/industry/auto/auto-retail-sales-up-10-in-july-y-o-y-three-wheelers-at-record-pace-fada-123080700216_1.html)

#### **Indian auto component industry saw highest-ever jump at 33% in FY23: ACMA**

The turnover of the Indian auto component industry saw a record increase of 33 per cent to Rs 5.59 trillion in the financial year 2023, propelled by pent-up demand, a more reliable supply of raw materials and the sale of larger vehicles such as sport utility vehicles, the Automotive Component Manufacturers Association of India (Acma) reported on Monday. Auto component exports saw a rise of 5 per cent to \$20.1 billion, while component imports jumped by 11 per cent to \$20.3 billion. Notably, about 30 per cent of auto component imports originated from China.

[https://www.business-standard.com/industry/auto/indian-auto-component-industry-saw-highest-ever-jump-at-33-in-fy23-acma-123080700531\\_1.html](https://www.business-standard.com/industry/auto/indian-auto-component-industry-saw-highest-ever-jump-at-33-in-fy23-acma-123080700531_1.html)

#### **EV sales in local market will continue to increase, with or without subsidies: ACMA**

Sales of electric vehicles in the local market will continue to increase, with or without subsidies, and despite the slowdown being witnessed the last two months after the reduction of incentives under FAME II (Faster Adoption and Manufacturing of Electric Vehicles), Sunjay Kapur, President, Automotive Component Manufacturers Association (ACMA) said. Kapur informed with deeper focus on localisation of advanced technologies, vehicle electrification will continue to rise in the local market driven by cost economics. These investments in developmental capabilities will also help the industry neutralize threats if at all Tesla's Chinese suppliers were to set up base in the country.

<https://economictimes.indiatimes.com/industry/renewables/ev-sales-in-local-market-will-continue-to-increase-with-or-without-subsidies-acma/articleshow/102505601.cms>

#### **Demand for essential items at decade-high levels**

Purchases of daily groceries and essentials increased 8.5% year-on-year in the April-June quarter, highest in a decade, helped by recovery in rural markets and higher offtake of voluminous product categories, especially atta. FMCG goods sales volume in rural markets went up 5.3% and 12% in cities from a year earlier, when urban sales had fallen, while consumption in villages grew 2%, according to data from Kantar Worldpanel, a global consumer research firm owned by communications and advertising company WPP. Kantar analyses actual household consumption by volume and also monitors branded and unorganised products, including unpackaged voluminous commodities, unlike Nielsen and Bizom, which track retail sales and kirana orders, mostly in the branded category. Companies said there is always a one-quarter lag in Kantar's data and their primary sales.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/demand-for-essential-items-at-decade-high-levels/articleshow/102511940.cms>

#### **Indian diamond traders explore non-US markets**

Indian traders are looking at destinations such as Vietnam, Cambodia, Thailand, other Asean countries and China to export cut and polished diamonds, as the US may stop importing diamonds of 1 carat and above from India starting

January as it believes those may have originated from the mines operated by Alrosa of Russia, a country which is under US sanctions. Trade sources said the restrictions are expected to be announced in September. Vipul Shah, chairman of the Gem & Jewellery Export Promotion Council, said: "Discussions with G7 countries, the US, and our government are currently underway. Meanwhile, we are preparing ourselves to enter newer markets. The demand has already slowed down from the US, our major buyer. The industry has to survive and therefore, we have to penetrate other countries."

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/indian-diamond-traders-explore-non-us-markets/articleshow/102511674.cms>

#### **Laptop, tablet sales jump on import curbs**

Laptops and tablets are flying off the shelves and ecommerce sites amid concerns about shortages and price increases following the government's decision to restrict their free import. Sales spiked by up to 25% last weekend sequentially over the previous weekend, retailers and brands said. Online platforms such as Amazon running its Independence Day sales saw a surge in laptop sales following the government announcement, industry executives said. The sales momentum is continuing even on Monday, they said.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/laptop-tablet-sales-jump-on-import-curbs/articleshow/102515336.cms>

#### **'Long tail' smartphone brands flex muscles as bigger rivals stutter**

India's smartphone market is witnessing relatively faster growth for 'long-tail' pricey brands such as Apple and OnePlus, reflecting evident upward mobility in a consumer market where the mid-to-budget end – despite its disproportionate aggregate share - is a relative straggler lately. The combined market share of long-tail companies, which also include some budget brands, expanded to 33.7% in Q2, from 22.6% a year ago, IDC India data showed. Of the group, growth was led by Apple, OnePlus, Infinix and Tecno (both budget Transsion brands). Apple and OnePlus, the priciest of these brands, both expanded at 61.1% on-year in the June quarter, while Tecno and Infinix each grew 44.1%, according to IDC India. As per Counterpoint Research, the long-tail brands accounted for 26% market share in Q2, as compared with 18% a year ago. It added that besides growth at Apple, OnePlus, Infinix and Tecno, Indian brand Lava's shipments surged 53% on year in the April-June period.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/long-tail-smartphone-brands-flex-muscles-as-bigger-rivals-stutter/articleshow/102511287.cms>

#### **IT firms with focus on niche verticals fare well amid downturn**

Pureplay and vertically focussed IT services firms in niche segments are seeing continued demand, have a brighter outlook for the year, and are faring better than larger peers in the industry, given the niche vertical focus and low base effect. Companies in the space have niche specialisations, such as KPIT Technologies, which is a software integration partner to the automotive and mobility ecosystem, L&T Technology Services (LTTS), and Tata Elxsi, are pure-play Engineering Research (ER&D) services companies. KPIT Technologies in Q1 reported a 56.9 per cent year-on-year (y-o-y) rise in profits at ₹134.4 crore. Revenues, too, jumped 51 per cent. Kishor Patil, co-founder, CEO, and MD of KPIT Technologies, said: "Opportunities remain stronger as mobility players continue to invest in new technologies in the areas of electrification, vehicle autonomy, connectivity, and personalisation."

<https://www.thehindubusinessline.com/books/reviews/business-economy/it-firms-with-focus-on-niche-verticals-fare-well-amid-downturn/article67168780.ece>

### **Energy**

#### **Refiners rake in big profits from exports even as volumes shrink**

India's refiners exported nearly 10% less diesel and petrol in 2022-23 than in the previous year although they gained in value terms, making 26% more in dollar and 35% more in rupee terms, helped by high global prices and a depreciated rupee. It came amid reports last year that the country's refiners were doubling down on exports to serve Europe, which was shunning Russian fuel. Diesel and petrol exports combined amounted to \$42 billion (about ₹3,33,620 crore) in 2022-23, securing higher profits to fuel exporters, mainly private sector refiners, and foreign exchange benefits to the country, according to the petroleum and natural gas ministry data.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/refiners-rake-in-big-profits-from-exports-even-as-volumes-shrink/articleshow/102512056.cms>

## States

### Delhi's draft climate action plan aims to reduce dependence on hydropower

As Delhi prepares for the impact of climate change, the city government's draft action plan proposes a reduction in the national capital's reliance on hydropower from other states, taking into account potential future challenges to generation capacity due to changes in temperature and precipitation. According to the Delhi Economic Survey 2022-23, the total electricity procured by Delhi in 2021-22 stood at 37,460 million units. Of this, about 16.65 per cent came from power plants owned by the Delhi government. The rest was bought from the central government and other states.

[https://www.business-standard.com/economy/news/delhi-s-draft-climate-action-plan-aims-to-reduce-dependence-on-hydropower-123080700345\\_1.html](https://www.business-standard.com/economy/news/delhi-s-draft-climate-action-plan-aims-to-reduce-dependence-on-hydropower-123080700345_1.html)

### Tamil Nadu & Karnataka keep up with their impressive performance in South

Tamil Nadu and Karnataka have outpaced the all India average in GST collections in July, keeping up with their impressive performance in the first four months of this fiscal year. Telangana, on the other hand, has slipped into single digit year-on-year growth rate in July after clocking a double digit growth in April, May and June. Neighbouring Andhra Pradesh recorded a single digit growth year-on-year in two of the four months this fiscal year, including July. In May, it managed to equal the national average growth rate of 11%. Out of four months, Kerala exceeded the national average in June and equalled it in May. In April and July, the coastal state fell below the national average, compared to the same period last year.

<https://economictimes.indiatimes.com/news/economy/finance/gst-collections-tamil-nadu-karnataka-keep-up-with-their-impressive-performance-in-south/articleshow/102511213.cms>

## Healthcare

### Banning imports of used equipment to help medical industry reach \$50 bn

Steps such as raising customs duty on certain items, banning import of used or old equipment, and introduction of performance linked incentive scheme for value-added production will help India's medical devices industry touch \$ 50 billion by 2030, a report by think tank GTRI said. Suggesting six action points for the government and industry for accelerating growth of the sector, the Global Trade Research Initiative (GTRI) also asked the government to not allow input tax credit (ITC) for the IGST paid on import of items where basic customs duty is zero; combatting foreign influence; and encourage local sourcing for essential Make in India products.

[https://www.business-standard.com/industry/news/banning-imports-of-used-equipment-to-help-medical-industry-reach-50-bn-123080700264\\_1.html](https://www.business-standard.com/industry/news/banning-imports-of-used-equipment-to-help-medical-industry-reach-50-bn-123080700264_1.html)

## External

### India's rice export ban now sparks concern that sugar might be next

After India banned some rice exports to control domestic prices, traders are worried another food staple could be vulnerable: sugar. The world has become increasingly dependent on sugar exports from the South Asian nation as global supplies tighten. Uneven rainfall across India's agricultural belts has stoked concern that sugar production will fall short, potentially dropping for a second straight year in the season starting October.

[https://www.business-standard.com/economy/news/india-s-rice-export-ban-now-sparks-concern-that-sugar-might-be-next-123080700364\\_1.html](https://www.business-standard.com/economy/news/india-s-rice-export-ban-now-sparks-concern-that-sugar-might-be-next-123080700364_1.html)

### MeitY officials to meet OEMs on Tuesday over import restriction concerns

Senior officials from the Ministry of Electronics and Information Technology (MeitY) are set to meet with original equipment manufacturers (OEMs) of PCs, tablets, and laptops on Tuesday. The meeting will address concerns over the recent import licensing policy for these products, announced last week. MeitY is anticipated to hold two separate

meetings; one with major global electronics firms such as Dell, HP, and Apple, and another with domestic contract manufacturers who provide local product assembly capacities to these firms, sources revealed to Business Standard. [https://www.business-standard.com/industry/news/meity-officials-to-meet-oems-on-import-restriction-concerns-on-tuesday-123080700664\\_1.html](https://www.business-standard.com/industry/news/meity-officials-to-meet-oems-on-import-restriction-concerns-on-tuesday-123080700664_1.html)

#### **India, Nepal & Bangladesh working on a first-of-its-kind tripartite electricity trade deal in South Asia**

In a first, India, Nepal and Bangladesh are working on a tripartite power trade deal under which Nepal will supply up to 500 megawatts (MW) of hydropower to Bangladesh using India's transmission line, a move that can further boost cross-border electricity trading in South Asia. Besides, there are also plans to lay a dedicated transmission line connecting Nepal and Bangladesh via India, which is at official level talks at present. Two routes have been identified for the same.

<https://www.thehindubusinessline.com/news/india-nepal-bangladesh-working-on-a-first-of-its-kind-tripartite-electricity-trade-deal-in-south-asia/article67168538.ece>

#### **India turns net importer of steel in July 2023**

India turned net importer for steel in July – for the first time this fiscal – with 5,87,000 tonnes coming in, a report of the Steel Ministry, accessed by businessline shows. Exports for the month were 5,13,000 tonnes.

<https://www.thehindubusinessline.com/economy/india-turns-net-importer-of-steel-in-july-2023/article67167501.ece>