



September 22, 2023 – Friday

## Economy

### India to clock GDP growth of 6.5% in FY24: NITI Aayog member Arvind Virmani

The Indian economy will grow at around 6.5 per cent in the current fiscal, notwithstanding high crude oil prices and increased uncertainty due to climate changes, NITI Aayog member Arvind Virmani said on Thursday. Virmani also asserted that the gross household savings ratio in India has consistently gone up. In an interview with PTI, he said: "My growth projection (of India's GDP growth) is 6.5 per cent plus minus 0.5 per cent... because my experience is that the fluctuations in global GDP more or less has balanced out for us, assuming normal changes."

[https://www.business-standard.com/economy/news/india-to-clock-gdp-growth-of-6-5-in-fy24-niti-aayog-member-arvind-virmani-123092100270\\_1.html](https://www.business-standard.com/economy/news/india-to-clock-gdp-growth-of-6-5-in-fy24-niti-aayog-member-arvind-virmani-123092100270_1.html)

### India to become \$5 trillion economy, third-largest by 2027: RBI DG Patra

India will be a USD 5 trillion economy and the third largest in the world by market exchange rates by 2027, aided by the demographic advantage and pace of financial sector development, Reserve Bank Deputy Governor Michael D Patra has said. Delivering a speech at the 16th SEACEN-BIS High-Level Seminar hosted by the National Bank of Cambodia on Monday, Patra said it is widely believed that during the next two decades -- if not for longer -- the centre of gravity of the global economy will shift eastward to Asia.

[https://www.business-standard.com/economy/news/india-to-become-5-trillion-economy-third-largest-by-2027-rbi-dg-patra-123092101302\\_1.html](https://www.business-standard.com/economy/news/india-to-become-5-trillion-economy-third-largest-by-2027-rbi-dg-patra-123092101302_1.html)

### Indian consumer spending likely to be higher this festive season: Report

Indian consumer spending is expected to be higher this festive season, on the back of increasing purchases of celebratory items and luxury goods, according to a survey by Deloitte. Deloitte's ConsumerSignals research said that about half of the participants believe they can effectively handle significant unexpected expenses in the near future. "With the festive season nearing, Indian consumer confidence is increasing, with 56 per cent indicating their readiness to spend on celebratory items," it added. In the short term, the survey said, consumer spending is set to rise, particularly in clothing, personal care and recreation, entertainment and leisure. "These trends point to increased spending as the festive season nears," it said.

<https://economictimes.indiatimes.com/news/economy/indicators/indian-consumer-spending-likely-to-be-higher-this-festive-season-report/articleshow/103835817.cms>

## Banking and Finance

### Bank credit grows 15.07% YoY in early Sept; deposits expands by 12.8%

Getting a boost from the festive period, bank credit expanded by 15.07 per cent year-on-year as of September 8, 2023, according to Reserve Bank of India data. The outstanding credit of commercial banks, excluding the effect of HDFC's merger with HDFC Bank in July, stood at Rs 144.43 trillion, according to Reserve Bank of India data. Factoring in the merger of HDFC with HDFC Bank, the credit stood at Rs 150.38 trillion as of September 8, 2023.

[https://www.business-standard.com/finance/news/bank-credit-grows-15-07-yoy-in-early-sept-deposits-expands-by-12-8-123092101365\\_1.html](https://www.business-standard.com/finance/news/bank-credit-grows-15-07-yoy-in-early-sept-deposits-expands-by-12-8-123092101365_1.html)

#### **RBI proposes changes in wilful defaulter norms**

The Reserve Bank on Thursday proposed tighter norms for treatment of wilful defaulters under which banks and other lenders will be required to examine all accounts with outstanding amount of Rs 25 lakh and more to see if the borrower is deliberately not repaying the loan. The central bank has issued a 'Draft Master Direction on Treatment of Wilful Defaulters and Large Defaulters' on which comments have been invited till October 31. According to Reserve Bank of India (RBI), the draft Master Direction expands the scope for regulated entities which can classify borrowers as wilful defaulters and broadens the definition of wilful default. It also refines the identification process and mandates a review and finalisation on wilful default aspects within six months of an account being classified as a non-performing asset, as per the central ..

<https://economictimes.indiatimes.com/news/economy/policy/rbi-proposes-changes-in-wilful-defaulter-norms/articleshow/103842121.cms>

#### **"No distress": Finance Ministry clears concerns over plummeting household savings**

India's finance ministry on Thursday cleared concerns over dropping household savings and said that there is "no distress" as it is being circulated. In a post on X (formerly Twitter), the finance ministry stated, "Household Savings/Nominal GDP has remained constant - from around 20.3% to 19.7% as of FY22. As RBI puts it, the household sector includes unincorporated enterprises or the quasi-corporate sector." It also said that the overall household savings (current prices) - which includes financial, physical and jewellery - has grown at a CAGR of 9.2% between 2013-14 and 2021-22 (8 years). "Nominal GDP has grown at a CAGR of 9.65% during the same period," it said.

<https://economictimes.indiatimes.com/news/economy/indicators/no-distress-finance-ministry-clears-concerns-over-plummeting-household-savings/articleshow/103830298.cms>

#### **Financial conditions strained by global macros, lower domestic liquidity in August: Crisil Index**

Financial conditions in August were strained by global macros and lower domestic liquidity, according to CRISIL's Financial Conditions Index (FCI). The index value moderated to 0.7 in August, after peaking at 1.1 in the previous month. A higher index value indicates easier financial conditions, and vice versa. FCI has trended up in the previous four months.

<https://www.thehindubusinessline.com/economy/financial-conditions-strained-by-global-macros-lower-domestic-liquidity-in-august-crisil-index/article67329939.ece>

#### **Savings declined but resulted in rise in assets: SBI chief economist**

The net financial savings of the household sector has moderated to 5.1% of GDP in FY23 from 7.6 per cent in FY20, as households shifted their savings to physical assets amid low interest rates during the pandemic, according to State Bank of India's (SBI) Research report. They also declined from 11.5 per cent of Gross Domestic Product (GDP) in FY21. "It has been said that it (net financial savings rate) fell to a 50-year-low. However, this is completely misleading as household savings must be looked into as a sum total of physical and financial savings. Besides typical bank deposits, households have put money into insurance and mutual funds", according to Soumya Kanti Ghosh, group chief economic adviser, SBI.

[https://www.business-standard.com/economy/news/financial-savings-rate-down-as-households-shifted-money-to-physical-assets-123092101148\\_1.html](https://www.business-standard.com/economy/news/financial-savings-rate-down-as-households-shifted-money-to-physical-assets-123092101148_1.html)

#### **Market regulator SEBI eases corporate bond issuance norms for large firms**

The Securities and Exchange Board of India (Sebi) relaxed the framework mandating large corporates (LCs) to access the corporate bond market for debt-raising on Thursday. At its board meeting on Thursday, the capital markets regulator increased the threshold for defining LCs and removed penalties imposed on companies failing to raise the mandated amount through debt securities issuance. Sebi's rules, primarily aimed at deepening the corporate bond market, require LC borrowers to secure one-fourth of their incremental borrowing through debentures within a two-year period.

[https://www.business-standard.com/economy/news/market-regulator-sebi-eases-corporate-bond-issuance-norms-for-large-firms-123092101319\\_1.html](https://www.business-standard.com/economy/news/market-regulator-sebi-eases-corporate-bond-issuance-norms-for-large-firms-123092101319_1.html)

## Industry

### **Corporate Affairs Ministry extends Company Law Committee tenure by one year**

The Corporate Affairs Ministry (MCA) has extended by one more year the tenure of the existing Company Law Committee (CLC). This panel was set up in September 2019 to promote ease of living by providing ease of doing business to law-abiding corporates and fostering improved corporate compliance for stakeholders at large.

<https://www.thehindubusinessline.com/economy/corporate-affairs-ministry-extends-company-law-committee-tenure-by-one-year/article67330903.ece>

### **Five month extension to mandatory testing of commercial vehicles through automated testing stations**

The Road Transport Ministry has given a five month extension to mandatory testing of commercial vehicles through automated testing stations. An official statement said the date for mandatory testing is now notified as October 1, 2024. "It is also mandated that fitness testing of the vehicle shall be done only through automated testing station." These automated testing stations (ATS) need to be registered and operational in the jurisdiction of a registering authority. Fitness certificates can be extended by two years for vehicles up to eight years old, and one year for vehicles older than eight years. In April last year the centre said that heavy, medium, and light goods or passenger vehicles should mandatorily be vetted at automated testing stations from June 1, 2024 onwards.

<https://economictimes.indiatimes.com/industry/auto/auto-news/five-month-extension-to-mandatory-testing-of-commercial-vehicles-through-automated-testing-stations/articleshow/103833550.cms>

### **Pharma companies must adopt revised quality norms: Government**

The government will shortly issue a notification making it compulsory for pharmaceutical companies to implement revised Good Manufacturing Practices (GMP) to improve quality in the face of children said to have died from toxic cough syrup and eye drops that allegedly caused infections. The notification is likely this month, people in the know told ET. "The idea is to bring in quality and reduce manufacturing of those drugs which are not of standard quality. A need has been felt to revisit and implement GMP at par with global standards. A notification will be put up soon," said a senior government official.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-companies-must-adopt-revised-quality-norms-government/articleshow/103819218.cms>

## Agriculture

### **Centre makes it mandatory for traders, wholesalers & processors to disclose weekly sugar stocks**

Keeping a close watch over sugar stocks and trades to avoid hoardings, the government on Thursday issued orders to mandatory disclose the stock position of sugar for traders, wholesaler, retailer, big Chain Retailer and processors of sugar on its portal (esugar.nic.in) of Department of Food and Public Distribution on every Monday of the week. "This mandatory weekly stock disclosure for these entities is another proactive step in the Government of India's efforts to maintain a balanced and fair sugar market. By preventing hoarding and speculation, GoI is aiming to ensure that sugar remains affordable for all consumers. This proactive measure empowers regulatory authorities to closely monitor stock levels and take prompt action against any potential market manipulation," the government release said.

<https://economictimes.indiatimes.com/news/economy/agriculture/centre-makes-it-mandatory-for-traders-wholesalers-processors-to-disclose-weekly-sugar-stocks/articleshow/103839179.cms>

## Infrastructure

### **Rising logistics demand expected to create 10 mn jobs in India by 2027**

Buoyed by government policies and rising economic activities, the Indian logistics industry is poised for rapid growth and is expected to create 10 million jobs by 2027, a report said on Thursday. Propelled by recent industry reforms, including the government's Production-Linked Incentive (PLI) scheme, robust production figures, as well as changing

consumption patterns, innovative business models such as 3PL (Third-Party Logistics) and surging rural demand, India's logistics industry is poised for rapid growth in the coming years, the report by TeamLease Services said.

[https://www.business-standard.com/economy/news/rising-logistics-demand-expected-to-create-10-mn-jobs-in-india-by-2027-123092101259\\_1.html](https://www.business-standard.com/economy/news/rising-logistics-demand-expected-to-create-10-mn-jobs-in-india-by-2027-123092101259_1.html)

### **Parliamentary panel again asks civil aviation ministry about enterprise value of Air India disinvestment**

A Parliamentary panel on Thursday again asked the civil aviation ministry to explain about how the enterprise valuation of Rs 18,000 crore was arrived for the disinvestment of Air India that was completed in January last year. The matter has been mentioned by the Department-Related Parliamentary Standing Committee on Transport, Tourism and Culture in its report tabled in the Rajya Sabha. The report pertains to the action taken by the government on the recommendations/observations of the committee in the report on Demands for Grants (2023-24) of the civil aviation ministry. Tata Group's Talace Pvt Ltd has acquired Air India, Air India Express and a 50 per cent stake in Air India Airport Services Pvt Ltd (AISATS) through the disinvestment process.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/parliamentary-panel-again-asks-civil-aviation-ministry-about-enterprise-value-of-air-india-disinvestment/articleshow/103843023.cms>

### **Ready-to-move-in residential properties outpace demand for under-construction projects: Survey**

The demand for ready-to-move-in residential properties outstrips that for under-construction projects, according to Housing.com and NAREDCO. Amid escalating housing prices and increasing home loan rates over the past year, prospective homebuyers are seeking tax incentives and flexible payment plans. According to the survey, 48 per cent of respondents favour real estate investment, significantly outperforming other asset classes such as stocks, fixed deposits and gold. In addition, the data indicates that 18 per cent prefer the stock market, 19 per cent opt for fixed deposits and 15 per cent choose gold.

<https://www.thehindubusinessline.com/companies/ready-to-move-in-residential-properties-outpace-demand-for-under-construction-projects-survey/article67330661.ece>

## **Telecom**

### **Connected vehicles to boost e-SIM demand by 3 million in 1-1.5 years**

Increased focus of automakers on connected vehicles is likely to spur demand for embedded sims (e-sims) by as much as 3 million over the next 12-18 months. This, industry experts said, would drive growth in enterprise business for telecom operators. Experts predict the widespread adoption of e-SIMs in automobiles will quadruple the demand for semiconductor chips by 2025. "We believe that the number of OEM (original equipment maker) fitment connected vehicles could increase by around 2-3 million over the next 12-18 months," a spokesperson for Bharti Airtel said, adding that demand for e-sims is led by manufacturers' focus on launching internet-enabled vehicles with connectivity and smart features at the core of the product offering.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/connected-vehicles-to-boost-e-sim-demand-by-3-million-in-1-1-5-years/articleshow/103851099.cms>

## **States**

### **Tamil Nadu lags in Q1 tax collection; MP and UP shine**

Madhya Pradesh recorded the highest growth in tax revenues among major States in the first quarter. The State own tax revenue (SOTR) of Madhya Pradesh grew 23 per cent year-on-year to ₹23,387 crore in the April-June quarter. Tamil Nadu recorded the lowest growth in this period at 2 per cent.

<https://www.thehindubusinessline.com/news/tamil-nadu-lags-in-q1-tax-collection-mp-and-up-shine/article67330447.ece>

## **Healthcare**

### **Now, Indian medical graduates can practise in the US, Australia, Canada**

The National Medical Commission of India (NMC) has been awarded the coveted World Federation for Medical Education (WFME) recognition status for ten years, the Union health ministry said in a press release on Thursday.

The ministry said in a release that the recognition will allow Indian medical graduates to pursue postgraduate training and practise in countries requiring WFME recognition, such as the United States, Canada, Australia, and New Zealand.

[https://www.business-standard.com/india-news/now-indian-medical-graduates-can-practise-in-the-us-australia-canada-123092100482\\_1.html](https://www.business-standard.com/india-news/now-indian-medical-graduates-can-practise-in-the-us-australia-canada-123092100482_1.html)

## External

### India unlikely to export sugar in 2023-2024, says ED&F Man Commodities

India is unlikely to export sugar in 2023-24 season as output will be less than a year earlier, Kona Haque, head of research at ED&F Man Commodities said on Thursday. Nearly a month ago government sources told Reuters that India is expected to ban mills from exporting sugar in the next season beginning October, halting shipments for the first time in seven years after lack of rain cut cane yields.

[https://www.business-standard.com/economy/news/india-unlikely-to-export-sugar-in-2023-24-season-says-ed-f-man-commodities-123092200016\\_1.html](https://www.business-standard.com/economy/news/india-unlikely-to-export-sugar-in-2023-24-season-says-ed-f-man-commodities-123092200016_1.html)

### Indian exporters fear Canada row could disrupt shipments

With India and Canada enmeshed in a diplomatic row, engineering and apparel exporters fear that their shipments to this growing market could be disrupted. Both nations have paused negotiations for a Free Trade Agreement, which has further upset the exporters at a time when India's merchandise exports during April to August 2023 have fallen to \$172.95 billion from \$196.33 billion in the same period a year earlier. India was negotiating an interim Indo-Canada Early Progress Trade Agreement (EPTA), which would have finally culminated into a Comprehensive Economic Partnership Agreement (CEPA) or a wide-ranging FTA. After the relaunch of FTA negotiations between the two countries in March 2022, nine rounds of negotiations had already been held until July this year.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-exporters-fear-canada-row-could-disrupt-shipments/articleshow/103845891.cms>

### India begins anti-dumping probe on drawer sliders, sulphur black imports from China

India has initiated a probe into the alleged dumping of drawer sliders by Chinese firms in the country. It has also initiated an anti-dumping probe on sulphur black imports from China. The move is aimed at protecting domestic players from cheap imports from the neighbouring country. The probe on drawer sliders was started after a complaint by Highhope Furniture Fittings Manufacturers Associates Pvt Ltd was received, which stated that the domestic industry is getting injured. The period of investigation is FY23. In both cases, the Directorate General of Trade Remedies (DGTR) said that there is sufficient prima facie evidence of injury being caused to the domestic industry by dumped imports from China.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-begins-anti-dumping-probe-on-drawer-sliders-sulphur-black-imports-from-china/articleshow/103840169.cms>

### EU carbon tax and other laws to impact \$37 billion of India's exports: Report

The Council on Energy, Environment and Water has said that India's exports of around \$37 billion, which is approximately 43% of the country's exports to the EU as of 2022, are likely to be impacted due to the bloc's various non-tariff measures (NTM) including the Carbon Border Adjustment Mechanism (CBAM). Some of the recent regulations that can prove to be NTMs include the EU's CBAM and Deforestation-free Regulation (EUDR), and the United States' Inflation Reduction Act, it said. NTMs are policy measures other than ordinary customs tariffs that can have an economic effect on trade. "While developed countries have lowered their tariff levels over time, they have gradually increased the issuance of NTMs," the think tank said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/eu-cbam-other-laws-to-impact-37-billion-of-indias-exports/articleshow/103836767.cms>