



October 17, 2023 – Tuesday

## Economy

### Wholesale inflation hits 6 month high in Sept but stays in negative

India's wholesale price index (WPI)-based inflation touched a six-month high of -0.26 per cent in September, even as it remained in negative territory for the sixth consecutive month, data released by the ministry of commerce and industry on Monday showed. The continuing deflation in factory gate prices comes on the back of a high base and a sharp deceleration in food prices.

[https://www.business-standard.com/economy/news/wholesale-inflation-hits-6-month-high-in-sept-but-stays-in-negative-123101600843\\_1.html](https://www.business-standard.com/economy/news/wholesale-inflation-hits-6-month-high-in-sept-but-stays-in-negative-123101600843_1.html)

### Indian economy projected to grow at 6.3% in FY24, says FICCI Survey

The economy is expected to grow at 6.3 per cent in the financial year 2023-24 (FY24), according to the latest Economic Outlook Survey released by Federation of Indian Chambers of Commerce and Industry (Ficci) on Monday. The healthy financial sector, robust urban demand, uptick in private investment over government's front-loading of capex, pick-up in real estate and the festival season are all expected to be contributing factors. "The latest round of the survey puts forth an annual median GDP (gross domestic product) growth forecast for the year 2023-24 at 6.3 per cent - with a minimum and maximum growth estimate of 6.0 per cent and 6.6 per cent, respectively. The GDP growth is expected to moderate in 2023-24 — from the 7.2 per cent growth number clocked in the year 2022-23," the survey read.

[https://www.business-standard.com/economy/news/indian-economy-projected-to-grow-at-6-3-per-cent-in-fy24-ficci-survey-123101600968\\_1.html](https://www.business-standard.com/economy/news/indian-economy-projected-to-grow-at-6-3-per-cent-in-fy24-ficci-survey-123101600968_1.html)

### Experts see WPI inflation rising in second half this fiscal

The Wholesale Price Index (WPI) in India is likely to rise in the second half of the ongoing fiscal and a prolonged deflationary trend could impact growth, experts said on Monday. Wholesale inflation remained in the negative territory for the sixth straight month in September at (-) 0.26 per cent on easing prices of food items, especially vegetables. Deflation in WPI in September is primarily due to the fall in prices of chemicals and chemical products, mineral oils, textiles, basic metals, and food products as compared to the year-ago period, the commerce and industry ministry said on Monday. "In September, the WPI exhibited its sixth consecutive month of contraction, with a decline of 0.3 per cent year-on-year (y-o-y), lower than the previous month's contraction of 0.5 per cent," CareEdge Chief Economist Rajani Sinha said. "The continued contraction in WPI can be attributed to the deceleration in food prices, as well as the ongoing decline in fuel and manufactured product prices," Sinha said.

<https://economictimes.indiatimes.com/news/economy/indicators/experts-see-wpi-inflation-rising-in-second-half-this-fiscal/articleshow/104472020.cms>

## Banking and Finance

### More entities get RBI's in-principle nod to operate as payment aggregator

The Reserve Bank of India (RBI) has granted in-principle authorisation to a total of 37 existing payment aggregators (PAs) and 23 new PAs, as on October 16. Eight existing PAs and 18 new applications are under process. On February

15, the RBI released a list in which it granted in principle approval to 50 entities for a payment aggregator's license, while around 27 applications are still under review. Of the 50-odd entities who have received the RBI's in-principle authorisation, 32 are existing entities that were operating as online PAs and 19 are new ones.

[https://www.business-standard.com/finance/news/more-entities-get-rbi-s-in-principle-nod-to-operate-as-payment-aggregator-123101601186\\_1.html](https://www.business-standard.com/finance/news/more-entities-get-rbi-s-in-principle-nod-to-operate-as-payment-aggregator-123101601186_1.html)

#### **Lenders bank on the festival spirit, offer high savings rates**

Banks, especially mid- and small-size private banks and small finance banks (SFBs) have introduced special rates on savings accounts as part of their festival season offers to attract more low-cost deposits. Rates on fixed deposits (FDs) have been elevated for more than a year with SFBs offering up to 9.45-9.50 per cent. Recently, banks have been relying more on bulk deposits to boost their deposit base amid muted retail deposit accretion.

<https://www.thehindubusinessline.com/money-and-banking/lenders-bank-on-the-festival-spirit-offer-high-savings-rates/article67427549.ece>

#### **Industry**

#### **MCA plans to crowdsource ideas for rules update**

The Ministry of Corporate Affairs (MCA) will soon start crowdsourcing ideas for amending a wide gamut of rules under the Companies Act, 2013, as it is on the verge of releasing a framework this month to seek public consultations, a senior official said. The move is part of broader efforts by the government to reduce India Inc's compliance burden and make it easier for companies to do business. It's also in sync with the 2023-24 budget announcements. Once the framework is ready, the MCA will also hold physical consultations with stakeholders through its regional directors, the official told ET. A "comprehensive review" of the dozens of rules that have so far been incorporated will be undertaken with the involvement of stakeholders. "Stakeholders will also be able to send in their inputs through the usual online mode," said the official, who did not wish to be identified.

<https://economictimes.indiatimes.com/news/economy/policy/mca-plans-to-crowdsource-ideas-for-rules-update/articleshow/104477068.cms>

#### **Govt mulling another PLI scheme for batteries to bring down cost: Singh**

The government will bring out another production-linked incentive scheme for batteries to bring down cost and boost the adoption of electric vehicles in India, union minister R K Singh said on Monday. Speaking at the EV (electric vehicles) Ready India Dashboard of OMI Foundation, the Union Power and New & Renewable Energy Minister said, "We are coming out with another production-linked incentive (PLI) to increase the volumes (of storage or battery)." He was of the view that the price of storage will come down with (higher) volumes. "Price of storage will come down only if you add volumes. That is why there is a production-linked incentive (PLI) for storage," he said.

[https://www.business-standard.com/economy/news/govt-mulling-another-pli-scheme-for-batteries-to-bring-down-cost-singh-123101600464\\_1.html](https://www.business-standard.com/economy/news/govt-mulling-another-pli-scheme-for-batteries-to-bring-down-cost-singh-123101600464_1.html)

#### **Indian steel mills hold back on export offers amid low realisations, poor demand and competing Chinese offers**

India's steel mills have held back on export offers following sluggish global demand and competitive pricing from China. The focus incidentally has shifted to the domestic market, where the price of the benchmark hot rolled coils (HRCs) have moved up by ₹750-₹2000 per tonne, across categories, since the beginning of this month. According to trade sources, the October export price put out by various Indian mills was at \$579 per tonne; the same as the September price; indicative of sluggish demand. In August, HRC prices were slightly lower at \$569 per tonne. In comparison, offers from China were cheaper in the global market.

<https://www.thehindubusinessline.com/companies/indian-steel-mills-hold-back-on-export-offers-amid-low-realisation-poor-demand-and-competing-chinese-offers/article67427156.ece>

#### **SUVs drive passenger vehicle sales to new peak**

Passenger vehicle sales crossed the two million mark in half a year for the first time as utility vehicles continued to propel consumer demand at the start of the festive season in September. Sales of cars, sedans and utility vehicles hit a record 361,717 units in September, rising 1.9% year on year on a high base, data released by industry body Society of Indian Automobile Manufacturers (SIAM) on Monday showed. Quarterly and half-yearly sales of passenger

vehicles touched new peaks at 1,074,189 units and 2,070,163 units, respectively, in the periods ended September, SIAM data showed. The sales growth is almost entirely powered by robust demand for sports utility vehicles (SUVs) amid a spate of new launches.

<https://economictimes.indiatimes.com/industry/auto/auto-news/suvs-drive-passenger-vehicle-sales-to-new-peak/articleshow/104481271.cms>

#### **Indian EV battery market to grow to \$28 billion by 2028: report**

The Indian EV battery market will grow from \$16.77 billion in 2023 to \$27.70 billion by 2028, with a compound annual growth rate (CAGR) of 10.56 per cent during the period spanning 2023 to 2028, according to GameChanger Law Advisors and Speciale Invest. Moreover, the report points to huge potential for India in manufacturing EV battery packs as the country is heavily dependent on importing 60–65 per cent of the total component requirement for battery packs. The Indian EV market was valued at \$3.21 billion in 2022 and is expected to grow to \$113.99 billion by 2029 at a compound annual growth rate of 66.52 per cent. In 2022, 25 per cent of EVs sold in India were purchased by fleet operators, including taxis. In recent years, EV sales in India have significantly increased because they are a cleaner and more efficient alternative to gasoline-powered vehicles. With the growth of sales of EVs in India, the government has set a target to achieve 30 per cent electrification of India's vehicle fleet by 2030.

<https://www.thehindubusinessline.com/companies/indian-ev-battery-market-to-grow-to-28-billion-by-2028-report/article67426649.ece>

#### **IT firms ride deal wins through downturn, but uncertainty looms**

Even as revenue and profit metrics slump for Indian IT firms, deal wins continue to remain robust, despite a downturn in the industry. However, the uncertainty in the macro environment is preventing the companies from capitalising on the deal wins in the near term. For the three IT majors that have posted second-quarter results, Total Contract Values(TCV) have risen. Infosys' large deal TCV increased to \$7.7 billion from \$2.3 billion last quarter. HCL Tech recorded order bookings of \$3,969 million, with 16 large deals, up from \$1,565 million last quarter.

<https://www.thehindubusinessline.com/info-tech/it-firms-ride-deal-wins-through-downturn-but-uncertainty-looms/article67427356.ece>

### **Agriculture**

#### **Cane-derived ethanol prices may be hiked to woo investors**

The government is expected to increase the price of ethanol derived from sugarcane juice or syrup to encourage the industry to make additional investments in making ethanol, said people from the sugar industry. Currently, the price of ethanol extracted from sugarcane juice or syrup is ₹65.60 per litre for the supply year 2022-23, which was fixed by the government at the beginning of December 2022.

<https://economictimes.indiatimes.com/news/economy/agriculture/cane-derived-ethanol-prices-may-be-hiked-to-woo-investors/articleshow/104477007.cms>

#### **Maharashtra may cut area under chana and wheat, shift to maize and jowar**

Maharashtra, the second largest producer of chana and sixth largest for wheat in the country, plans to cut area under chana and wheat by 27% and 20% respectively during the rabi season. Instead, it plans to increase area of crops like jowar and maize, which need comparatively less water. Above-normal temperatures in October, low reservoir levels and chances of El Nino impacting the ensuing winter season have increased worries of farmers from rain-fed areas.

<https://economictimes.indiatimes.com/news/economy/agriculture/maharashtra-may-cut-area-under-chana-and-wheat-shift-to-maize-and-jowar/articleshow/104476909.cms>

### **Infrastructure**

#### **Residential sales in top 7 cities expected to surpass 215,000 units by the end of 2023: report**

The first nine months of 2023 saw residential sales of 196,220 units recorded in the top 7 cities, the highest since 2008, and are expected to surpass 215,000 units by the end of 2023, according to JLL India's Residential Market Update, Q3 2023. The robust quarterly sales of 69,600 units were backed by commensurate quality launches by the developers, the report said. "On a sequential basis, sales saw an uptick of 7.9 per cent in Q3 2023. It is interesting to note that residential sales broke all records with average quarterly sales of over 65,000 units until the third quarter of 2023. The prominent launches by branded developers saw good sales traction across all 7 cities," said Siva Krishnan, Head, Residential, India, JLL.

<https://www.thehindubusinessline.com/news/real-estate/residential-sales-in-top-7-cities-expected-to-surpass-215000-units-by-the-end-of-2023-report/article67426806.ece>

## Energy

### OMCs to prepare joint roadmap on green hydrogen push, to tap cleaner fuel

Oil-marketing companies (OMCs) may soon submit a joint road map for the adoption of green hydrogen to accelerate their energy transition plans, officials said. The Ministry of Petroleum and Natural Gas Ministry has asked OMCs to submit a detailed plan to increasingly adopt green hydrogen and provide a leg-up to their energy transition plans, the officials said. Public-sector undertakings (PSUs) under the ministry target to produce more than 1 million tonnes (mt) of green hydrogen by 2030.

[https://www.business-standard.com/industry/news/omcs-to-prepare-joint-roadmap-on-green-hydrogen-push-to-tap-green-fuel-123101600992\\_1.html](https://www.business-standard.com/industry/news/omcs-to-prepare-joint-roadmap-on-green-hydrogen-push-to-tap-green-fuel-123101600992_1.html)

### Ahead of festive season, Coal India's fuel supply to thermal power plants rises 6% in October

State-owned Coal India on Monday said its supply of fossil fuel to the country's coal-fired electricity generating units increased by six per cent to 23.5 million tonnes in the first half of October, ahead of the festive season. The supply was increased amid a sudden rise in power demand even as unseasonal rains hit the operations in coal bearing areas of Coal India's arms based in the eastern part of the nation.

<https://www.financialexpress.com/business/industry-ahead-of-festive-season-coal-indias-fuel-supply-to-thermal-power-plants-rises-6-in-october-3274585/>

## Telecom

### Dial T for telco tax: Supreme Court rings in tweaks

In a ruling that will potentially bring additional tax liabilities of about \$1 billion on the telecom sector this fiscal year alone, impacting operator cash flows, the Supreme Court on Monday held that licence fees payable by the telcos will be treated as entirely "capital in nature". It set aside a Delhi HC order that categorised licence fees before and after July 31, 1999, differently, as capital expense and revenue expense, respectively. Rejecting this recharacterisation, a top court bench comprising Justices B V Nagarathna and Ujjal Bhuyan said the licence fees remain capital regardless of instalment payments after the New Telecom Policy 1999 came into effect.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dial-t-for-telco-tax-supreme-court-rings-in-tweaks/articleshow/104481568.cms>

## States

### Jaipur's lac bangle industry shines on demand, worth Rs 75-80 crore

Lac bangles made in Jaipur are becoming popular in the country and abroad. Lac is a sticky substance produced by certain insects, and is used in making varnishes, dyes, and sealing wax. The 250-year-old lac bangle industry is primarily unorganised; hence, no official data is available on its market size. Trade estimates, however, show that Jaipur's lac bangle industry alone is worth around Rs 75-80 crore. Over 500 traders of the city are engaged in the business while 20,000 artisans are directly or indirectly involved.

[https://www.business-standard.com/industry/news/jaipur-s-lac-bangle-industry-shines-on-demand-worth-rs-75-80-crore-123101601020\\_1.html](https://www.business-standard.com/industry/news/jaipur-s-lac-bangle-industry-shines-on-demand-worth-rs-75-80-crore-123101601020_1.html)

## External

### **Two-wheeler exports fell by 20% to 1.69 mn units in H1 of FY24: Siam**

Two-wheeler exports from India have decreased by 20 per cent year-on-year (Y-o-Y) to 1.69 million units in the first half (H1) of 2023-24 (FY24) due to a challenging geopolitical situation and foreign exchange (forex) crises in key markets such as South Asia, industry body Society of Indian Automobile Manufacturers (Siam) said on Monday.

On the other hand, passenger vehicle (PV) exports in H1FY24 increased by 5 per cent to 336,754 units because the key markets are much more diversified worldwide, Vinod Aggarwal, president, Siam, told reporters during a press conference.

[https://www.business-standard.com/industry/auto/two-wheeler-exports-fell-by-20-to-1-69-mn-units-in-h1-of-fy24-siam-123101600634\\_1.html](https://www.business-standard.com/industry/auto/two-wheeler-exports-fell-by-20-to-1-69-mn-units-in-h1-of-fy24-siam-123101600634_1.html)

### **Overall trade gains may be limited for India in FTA with UK: GTRI**

The proposed free-trade agreement (FTA) between India and the United Kingdom (UK) may result in only 'limited trade benefits' for Delhi since many of its exports already enjoy low or zero tariffs, according to a report. The average tariff on goods imported into India from the UK is 4.2 per cent. Substantial growth in Indian exports to the UK will ultimately depend on product quality improvements, rather than the FTA alone.

[https://www.business-standard.com/economy/news/overall-trade-gains-may-be-limited-for-india-in-fta-with-uk-gtri-123101601084\\_1.html](https://www.business-standard.com/economy/news/overall-trade-gains-may-be-limited-for-india-in-fta-with-uk-gtri-123101601084_1.html)

### **US at WTO on import curbs on IT: Companies will avoid doing business with India**

The US, China, South Korea and Taiwan on Monday raised concerns at India's import restriction on computers, tablets and other electronic products. At a meeting of the committee on market access at the World Trade Organization (WTO), the US said the measure prompts its firms to think twice about doing business in India and it would impact its exports while China and Taiwan sought the purpose of this policy. "The US said that the surprise import licensing requirements without notice or opportunity for public comment prompts its firms to think twice about doing business in India," said a Geneva-based official.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-at-wto-on-import-curbs-on-it-companies-will-avoid-doing-business-with-india/articleshow/104477254.cms>