



March 06, 2024 – Wednesday

## Economy

### Slowdown in growth in new orders, output drags services PMI in Feb to 60.6

India's service sector activity continued to expand in February, but a tad lower than January when it had hit a six-month high figure. A slowdown in growth in new orders and output in the country's dominant services sector pulled the headline Purchasing Managers' Index (PMI) figure in February to 60.6 from a six month high of 61.8 in January, according to a survey released by S&P Global in partnership with HSBC on Tuesday

[https://www.business-standard.com/economy/news/slowdown-in-growth-in-new-orders-output-drags-services-pmi-in-feb-to-60-6-124030500722\\_1.html](https://www.business-standard.com/economy/news/slowdown-in-growth-in-new-orders-output-drags-services-pmi-in-feb-to-60-6-124030500722_1.html)

### Govt reviews FDI policy in space; up to 74% automatic FDI allowed

The government Tuesday said it has reviewed the extant Foreign Direct Investment (FDI) Policy in the space sector and allowed upto 74% FDI under automatic route in satellites-manufacturing and operation, satellite data products and ground and user segments. This includes end-to-end manufacturing and supply of satellite and payload, establishing the satellite systems including control of in-orbit operations of the satellite and payloads. "The investee entity shall be subject to sectoral guidelines as issued by Department of Space from time to time," the commerce and industry ministry said in a statement, adding that the decision will take effect from the date of FEMA notification.

<https://economictimes.indiatimes.com/news/economy/policy/govt-reviews-fdi-policy-in-space/articleshow/108238974.cms>

## Finance

### Banks turn to bulk deposits to meet credit demand on tepid retail FDs

Banks, struggling with slow growth in deposits, have tapped the bulk deposit market aggressively in the last few months, resulting in the outstanding certificates of deposit (CDs) in the banking system rising to a decadal high. Reserve Bank of India (RBI) data show that outstanding CDs in the banking system rose to ₹3.81 lakh crore - the highest since April 2014. These deposits are also not coming cheap as interest rates on these instruments have risen to a maximum of 8.22% which is also the highest since May 2019.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-turn-to-bulk-deposits-to-meet-credit-demand-on-tepid-retail-fds/articleshow/108246269.cms>

### Securitisation of loans originated by small finance banks to cross Rs 10,000 cr in FY2024, says ICRA

The amount of funds raised through securitisation by the small finance banks (SFBs) is expected to exceed Rs 10,000 crore in FY2024, as against Rs 6,400 crore in FY2023, including both pass-through certificate issuance as well as direct assignments, said ICRA. Q3FY2024 alone witnessed the quarterly record high securitisation volumes of Rs 4,200 crore. The market share of SFBs in the securitisation market would accordingly touch a peak of 6 per cent in FY2024 from levels of sub-2 per cent prior to FY2022, it added.

<https://www.financialexpress.com/business/industry-securitisation-of-loans-originated-by-small-finance-banks-to-cross-rs-10000-cr-in-fy2024-says-icra-3414301/>

### **Indian banks to enhance KYC standards with multi-level verification**

Banks in India are gearing up to further enhance their Know Your Customer (KYC) protocols by integrating additional verification layers aimed at bolstering the identification of both accounts and account holders, according to a report by the Economic Times. Financial institutions are devising plans to upgrade all existing accounts, with particular attention directed towards those tethered to a single phone number that is associated with multiple or joint accounts. Additionally, banks are poised to demand heightened verification from individuals maintaining multiple accounts opened with varying sets of documentation.

[https://www.business-standard.com/finance/news/indian-banks-to-enhance-kyc-standards-with-multi-level-verification-124030500169\\_1.html](https://www.business-standard.com/finance/news/indian-banks-to-enhance-kyc-standards-with-multi-level-verification-124030500169_1.html)

### **NPCI discusses means to grow UPI ahead december market cap deadline**

The National Payments Council of India (NPCI), which has developed India's instant payment system – United Payments Interface – met ecosystem players on Tuesday to discuss steps that are needed to grow UPI further. The meeting is significant ahead of the December deadline set by NPCI, before which no single player can have a market share of more than 30 per cent. At present, PhonePe and Google Pay control 80 per cent of the UPI payments market. The share could become more skewed in favour of these players following the restrictions on Paytm Payments Bank, which has around 15 per cent market share.

[https://www.business-standard.com/industry/news/npci-discusses-means-to-grow-upi-ahead-december-market-cap-deadline-124030501233\\_1.html](https://www.business-standard.com/industry/news/npci-discusses-means-to-grow-upi-ahead-december-market-cap-deadline-124030501233_1.html)

### **Nabard estimates Rs 3.62 trn priority sector credit potential for FY25**

The National Bank for Agriculture and Rural Development (Nabard) has projected a priority sector credit potential of Rs 3.62 lakh crore for 2024-25. This projection reflects a remarkable 32 per cent rise from its previous year's assessment, a bank official said Tuesday. The announcement was made during the State Credit Seminar held today, where Nabard launched the State Focus Paper (SFP) for FY 2024-25. The SFP serves as a consolidated document, outlining district-wise realistic potential in physical and financial terms for Rajasthan.

[https://www.business-standard.com/industry/news/nabard-estimates-rs-3-62-trn-priority-sector-credit-potential-for-fy25-124030500676\\_1.html](https://www.business-standard.com/industry/news/nabard-estimates-rs-3-62-trn-priority-sector-credit-potential-for-fy25-124030500676_1.html)

### **States borrowing cost falls to 32-week low of 7.40 percent**

Amid continuing lower supplies, the borrowing cost for states fell to a 32-week low of 7.40 per cent Tuesday, down by 4 bps from the previous week's auctions. Throughout January, the interest rates were hovering at a two-year high of close to 7.9 per cent. Then rates started falling after states began to auction lower than earlier disclosed debt after the government cleared the Central share of tax devolution in early February. Eleven states raised Rs 28,000 crore from state government securities (SGS), which is 27 per cent lower than the Rs 38,200 crore indicated for this week in the auction calendar, according to a note by Icra Ratings. As a result, the weighted average cut-off eased by 4 bps to 7.40 per cent, the lowest in the past 32 weeks.

<https://economictimes.indiatimes.com/news/economy/finance/states-borrowing-cost-falls-to-32-week-low-of-7-40-percent/articleshow/108241749.cms>

## **Industry**

### **EAC-PM pitches for mandating EV sales by all automobile manufacturers**

The Economic Advisory Council to the PM (EAC-PM) has proposed the introduction of a transferable mandate, prescribing a certain percentage of auto manufactured must be electric vehicles. The advisor also suggested ensuring greater adoption of EVs in the government fleet to enhance demand for electric vehicle cars.

[https://www.business-standard.com/industry/news/eac-pm-pitches-for-mandating-ev-sales-by-all-automobile-manufacturers-124030501299\\_1.html](https://www.business-standard.com/industry/news/eac-pm-pitches-for-mandating-ev-sales-by-all-automobile-manufacturers-124030501299_1.html)

### **Heavy industries ministry weighs reduction of GST on flex fuel vehicles**

The heavy industries ministry is examining requests seeking reduction in GST on flexible fuel vehicles (FFVs) from the current 28 per cent, sources said. The ministry is in consultation with various stakeholders and other government

departments. Once the consultations are completed, the ministry will submit a recommendation to its finance counterpart. Thereafter, the GST Council will take a decision on the issue, a senior official said.

[https://www.business-standard.com/industry/news/heavy-industries-ministry-weighs-reduction-of-gst-on-flex-fuel-vehicles-124030500694\\_1.html](https://www.business-standard.com/industry/news/heavy-industries-ministry-weighs-reduction-of-gst-on-flex-fuel-vehicles-124030500694_1.html)

### **India working to develop own pure-hydrogen based DRI tech for green-steel making**

India is looking at developing its own pure-hydrogen based DRI (direct reduction of iron) technology to be used in making of green steel. The process will be unique to the country and the detailed project report so prepared "is under – scrutiny" across ministries, a senior government official aware of the discussions, told businessline.

<https://www.thehindubusinessline.com/news/science/india-working-to-develop-own-pure-hydrogen-based-dri-tech-for-green-steel-making/article67916708.ece>

### **Digital to overtake TV in revenues by the end of 2024: FICCI-EY report**

It has been a slow year for the Indian media and entertainment (M&E) business. After two years of double-digit growth, it grew at just about 8 per cent in 2023 over 2022. It now stands at Rs 2.33 trillion in advertising and pay revenues. Online gaming and live events are among the fastest-growing parts of the business, albeit on a small base. The big surprise is print media, which grew by 4 per cent. Indian cinema had a great 2023, and it shows. The movie business grew 14 per cent. Television, which is facing the brunt of the advertising slowdown and the rising migration to digital, saw a de-growth of 2 per cent.

[https://www.business-standard.com/industry/news/digital-to-overtake-tv-in-revenues-by-the-end-of-2024-ficci-ey-report-124030500326\\_1.html](https://www.business-standard.com/industry/news/digital-to-overtake-tv-in-revenues-by-the-end-of-2024-ficci-ey-report-124030500326_1.html)

## **Infrastructure**

### **Despite high prices, more Indians want to buy a 3 BHK home: FICCI-Anarock**

Despite the price rise, more Indians now want to buy bigger homes as compared to earlier, findings of a report released on Tuesday revealed. In a trend reversal, 50 per cent of Indians now want to buy a 3BHK home, more than any other residential property type, according to the FICCI-Anarock Consumer Sentiment Survey (H2 2023). It showed that in 2022, the highest number of Indians wanted to buy 2BHK homes (45 per cent). In 2023, 37 per cent of Indians wanted to buy 2BHK homes. These findings, based on a survey of 5,510 respondents across 14 Indian cities, were revealed at the FICCI Real Estate Summit in Delhi. It also said that the preference change is despite the fact that 55 per cent of Indians continued to believe their disposable income had been "majorly" impacted by inflation.

[https://www.business-standard.com/industry/news/despite-high-prices-more-indians-want-to-buy-a-3-bhk-home-ficci-anarock-124030500495\\_1.html](https://www.business-standard.com/industry/news/despite-high-prices-more-indians-want-to-buy-a-3-bhk-home-ficci-anarock-124030500495_1.html)

### **Real estate cos approach FinMin over GST notices**

Real estate companies have sought the finance ministry's intervention after goods and services tax authorities served notices on 27 big and medium-sized developers over intra-group royalty payments for the usage of brand names in special purpose vehicles set up to implement projects. In their representations to the finance ministry, realty players said most of the developers use SPV model for each project and imposition of 18% GST will inflate project cost and dent their margins substantially, people aware of the development said. The companies that have been served notices have approached the finance ministry individually, sources said. "We have received representation from the real estate companies on the imposition of GST... We are looking into it," a senior official told ET. He, however, did not divulge names of the players.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/real-estate-cos-approach-finmin-over-gst-notices/articleshow/108246090.cms>

## **Energy**

### **Govt extends mandate for utilities to import 6% of coal needs until June**

The Indian government has extended the mandate for the country's power producers to import 6% of their coal requirements until June, despite adequate domestic availability, amid transport constraints and higher electricity

demand, a power ministry note said on Tuesday. India last year had asked utilities to import 6% of their coal requirements until March due to an unprecedented surge in power and coal demand.

[https://www.business-standard.com/industry/news/govt-extends-mandate-for-utilities-to-import-6-of-coal-needs-until-june-124030500721\\_1.html](https://www.business-standard.com/industry/news/govt-extends-mandate-for-utilities-to-import-6-of-coal-needs-until-june-124030500721_1.html)

### **Private Indian firms look to bet big on coal-fired power after long absence**

Private Indian firms have expressed interest in building at least 10 gigawatts (GW) of coal-fired power capacity over a decade, four sources familiar with the matter said, ending a six-year drought in significant private involvement in the sector. Adani Power, JSW Group and Essar Power are among the companies that have told India's power ministry they would be keen to expand old plants or develop stalled projects facing financial stress, according to the sources and a government presentation seen by Reuters.

[https://www.business-standard.com/industry/news/private-indian-firms-look-to-bet-big-on-coal-fired-power-after-long-absence-124030500437\\_1.html](https://www.business-standard.com/industry/news/private-indian-firms-look-to-bet-big-on-coal-fired-power-after-long-absence-124030500437_1.html)

### **India's coal output reaches 881 MT in Apr-Feb**

India produced 880.72 million tonne (MT) of coal in April-February this fiscal and is now just 119.28 MT away from its 1 billion tonne coal production target for FY24. In 2022-23, India's total coal output was 893 million tonnes (MT). For the ongoing 2023-24 fiscal, the government has a target to produce 1 billion tonne (BT) of coal.

<https://www.financialexpress.com/business/industry-indias-coal-output-reaches-881-mt-in-apr-feb-3414517/>

## **Telecom**

### **Big tech cos delisting small apps over fees but won't pay fair share for network use: COAI**

Telecom operators' body has called out the duplicity of large traffic generators (read: Google) who refuse to pay their fair share for using telecom networks on the pretext that it would hurt startups and small businesses but at the same time delist startups for not paying app store service fees. Ironically, these same LTGs (large traffic generators) vehemently oppose the proposal for making a fair-share contribution to telecom infrastructure costs required to carry their disproportionately large traffic, SP Kochhar, director-general of the Cellular Operators Association of India (COAI) said in a statement on Tuesday.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/big-tech-cos-delisting-small-apps-over-fees-but-wont-pay-fair-share-for-network-use-coai/articleshow/108245897.cms>

### **DoT creating digital twin of real assets to unlock monetisation opportunities**

The telecom department is creating a digital good to enable cross-sector data flows among telecom companies, infrastructure planners, tech giants and startups to unlock monetisation opportunities which are currently undiscovered due to privately held data. It will also seek to ensure privacy and security of such data. The Sangam Digital Twin initiative, combining the capabilities of 5G, internet of things, artificial intelligence and augmented/virtual reality, would be a metaverse of real-world assets created as a simulation environment, a top official at the Department of Telecommunications (DoT) said. It would be able to generate real-time insights for various use cases which are currently dependent on loose and inadequate data compilation, the official added.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-creating-digital-twin-of-real-assets-to-unlock-monetisation-opportunities/articleshow/108224066.cms>

### **Government may treat satellite broadband as telecom service**

The government is likely to treat satellite broadband as a telecom service, and accordingly, the likes of Bharti-backed Eutelsat OneWeb, Elon Musk's Starlink, Jeff Bezos-led Amazon Kuiper and Canada's Telesat are set to be eligible for 100% FDI through the automatic route, akin to telecom service providers, top lawyers and senior satellite industry executives said. Such a move is likely to offer much needed clarity to global investors on the applicable foreign ownership rules, especially to companies planning to launch broadband-from-space services in India, and pave the way for top dollar inflows into India's satcoms sector, these people added.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/government-may-treat-satellite-broadband-as-telecom-service/articleshow/108245666.cms>

## States

### **PM to unveil development projects worth over Rs 19,600 cr in Odisha today**

Prime Minister Narendra Modi will on Tuesday launch development projects worth over Rs 19,600 crore and address a public meeting in Odisha's Jajpur district, an official statement said. The prime minister will launch projects related to various sectors, including Oil and Gas, Railways, Road, Transport & Highways and Atomic Energy, the statement said.

[https://www.business-standard.com/economy/news/pm-to-unveil-development-projects-worth-over-rs-19-600-cr-in-odisha-today-124030500088\\_1.html](https://www.business-standard.com/economy/news/pm-to-unveil-development-projects-worth-over-rs-19-600-cr-in-odisha-today-124030500088_1.html)

### **UP approves green hydrogen policy, setting up of 800 MW thermal plants**

The Uttar Pradesh government on Tuesday approved a green hydrogen policy, and a proposal for setting up two units of 800 MW in Anpara in collaboration with NTPC at a cost of Rs 8,624 crore. The decisions were taken at a Cabinet meeting presided by Chief Minister Yogi Adityanath. "So far, hydrogen production technology has relied on electricity or gas, known as gray hydrogen. A significant effort is now underway to transition from gray hydrogen to green hydrogen. The policy outlines an ambitious goal to produce one million metric tonne of green hydrogen annually within the next 4 years, by 2028," an official release quoted Energy Minister AK Sharma as saying.

[https://www.business-standard.com/industry/news/up-approves-green-hydrogen-policy-setting-up-of-800-mw-thermal-plants-124030501015\\_1.html](https://www.business-standard.com/industry/news/up-approves-green-hydrogen-policy-setting-up-of-800-mw-thermal-plants-124030501015_1.html)

## External

### **RBI urges state refiners to make payments for some oil imports in Rupees**

The Reserve Bank of India has asked the country's major state-owned refiners to press Persian Gulf suppliers to accept at least 10 per cent of oil payments in rupees in the next financial year, three executives at the processors said. The move is aimed at promoting the Indian currency in international trade and cutting dependence on dollars, said the executives, who asked not to be named due to the sensitivity of the matter. The government is worried that India's booming demand for energy will put downward pressure on the rupee, and also wants to leverage the growth in consumption to its own advantage, they said.

[https://www.business-standard.com/economy/news/rbi-urges-state-refiners-to-make-payments-for-some-oil-imports-in-rupees-124030500439\\_1.html](https://www.business-standard.com/economy/news/rbi-urges-state-refiners-to-make-payments-for-some-oil-imports-in-rupees-124030500439_1.html)

### **India, Indonesia bright spots for investment opportunities: BlackRock**

US investment firm BlackRock sees India and Indonesia as two Asia-Pacific countries offering a lot of investment opportunities, its head of research for the region said on Tuesday. Manjesh Verma, BlackRock Head of APAC Credit and Fixed Income Research, at an investment forum in Jakarta said the two emerging market countries were advantageous due to their large populations.

[https://www.business-standard.com/economy/news/india-indonesia-bright-spots-for-investment-opportunities-blackrock-124030500293\\_1.html](https://www.business-standard.com/economy/news/india-indonesia-bright-spots-for-investment-opportunities-blackrock-124030500293_1.html)

### **As India gets poll ready, FTA talks with UK in last leg**

India and the UK are in the final stages of negotiating a free trade agreement with time running out as New Delhi gets ready to hold general elections in the next two months. A team of British trade negotiators is visiting New Delhi to iron out differences on India's demand for more visas for its workers and a social security agreement, and UK's asks for access in India's government procurement and inking a bilateral investment treaty before a trade pact. Officials said most talks have been completed at the negotiator level and a final decision on signing the FTA now rests with the two governments. "It is a political call now. The UK has been raising more demands- sometimes tariffs, sometimes government procurement," said an official. Earlier, the two sides were discussing that an announcement was likely in the first week of March followed by signing of the pact by the top leaders around March 12.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/as-india-gets-poll-ready-fta-talks-with-uk-in-last-leg/articleshow/108246180.cms>

### **India's palm oil imports plunge to 9-month low in February; sunflower oil rises**

India's palm oil imports in February plunged to their lowest levels in nine months, as higher prices prompted buyers to reduce purchases of the tropical oil and increase buying of sunflower oil, five dealers told Reuters on Tuesday. Lower purchases by India, the world's biggest importer of vegetable oils, could weigh on benchmark Malaysian palm oil futures, but will help to reduce sunflower oil inventories in the Black Sea region.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-palm-oil-imports-plunge-to-9-month-low-in-february-sunflower-oil-rises/articleshow/108229739.cms>

#### **Jaishankar in Seoul: India pitches for maritime security partnership with S Korea**

India on Tuesday pitched to create a maritime security partnership with South Korea and called for Seoul's participation in the Indo-Pacific Oceans Initiative to boost bilateral ties in the Indo-Pacific region. The suggestions were put forward by External Affairs Minister S Jaishankar during his address at the Korea National Diplomatic Academy in Seoul on Tuesday. Jaishankar met the South Korean NSA and its Trade Minister on day one of his two-day trip. "If I were to give some examples for RoK (Republic of Korea) as an important trading country, maritime security is a very very vital concern. We in India host a Fusion Centre which is built as a result of a number of White Shipping agreements with different partners where you actually have a common operative picture across the entire Indian ocean.

<https://economictimes.indiatimes.com/news/india/jaishankar-in-seoul-india-pitches-for-maritime-security-partnership-with-s-korea/articleshow/108251368.cms>