



March 12, 2024 – Tuesday

Economy

India could be in upper-middle income category over FY33-FY36: Ind-Ra

The Indian economy, under different scenarios, would enter the upper-middle-income category with a per capita income of \$4,466–\$13,845 over financial years 2033–2036 and to a \$15 trillion economy over financial years 2043–2047, a report by India Ratings and Research said on Monday. The ratings agency's report has estimated that to reach \$30 trillion by financial year 2047, the Indian economy will have to grow at 9.7 per cent per annum over financial years 2024–2047. However, the Ind-Ra report said that the target of reaching \$30 trillion by 2047 would not be easy and a lot would depend on how the global and domestic macroeconomic environment unfolds.

https://www.business-standard.com/economy/news/india-could-be-in-upper-middle-income-category-over-fy33-fy36-ind-ra-124031100727_1.html

Rural spending getting captured in urban consumption; women SHGs helping boost incomes: SBI Research

Improvements in physical infrastructure and connectivity have impacted rural demand and supply patterns, with rural spending getting captured in urban areas, according to latest SBI research. “A farmer can travel many kms easily to buy and sell things and these purchases will be counted in urban numbers (implying less numbers captured for rural and semi-urban areas) even though they are bought by primarily rural populace,” SBI researchers said in a report released Monday. The researchers noted that the phenomenal growth in income of self-help groups may also be a factor contributing to this shift, which has been helped by better banking linkages and access to credit.

<https://economictimes.indiatimes.com/news/economy/indicators/rural-spending-getting-captured-in-urban-consumption-women-shgs-helping-boost-incomes-sbi-research/articleshow/108388246.cms>

Domestic demand to keep India's growth above other G20 emerging markets: Moody's

Global rating agency Moody's expects India's economic growth in 2024-25 growth above that of other emerging market G20 peers, given its domestic demand managed to sustain momentum. India's real GDP growth accelerated to 8.4 per cent year over year in the October-December quarter of 2023, up from upwardly revised prints of 8.1 per cent in July-September and 8.2 per cent in April-June. The global rating agency Moody's attributed India's firm growth primarily to solid capital expenditure, defying private consumption which remained "sluggish" amid still-weak rural demand. On the supply side, an 11.6 per cent surge in manufacturing output and strong service sector activity more than offset a decline in agricultural output in India, it said.

<https://economictimes.indiatimes.com/news/economy/indicators/domestic-demand-to-keep-indias-growth-above-other-g20-emerging-markets-moodys/articleshow/108384808.cms>

Finance

Customer complaints with RBI Ombudsman up 68% in 2022-23

Customer complaints with the Reserves Bank Ombudsman were up by 68 percent in 2022-23 according to the Annual Report of Ombudsman Schemes released by the Reserve Bank on Monday. Under the Reserve Bank Integrated Ombudsman Scheme (RBIOS), the central bank received 7,03,544 complaints between April 1, 2022 and March 31,

2023, showing an increase of 68.24% over last year. Public sector banks accounted for 41 percent of the complaints followed by the private sector banks which accounted for 31 percent of the complaints. In terms of category of complaints a fifth (20.27 percent) of the complaints were concerning mobile and internet banking, while another fifth (20.13 percent) were concerning loans and advances. The ombudsman's office handled about 33 percent of the complaints.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/customer-complaints-with-rbi-ombudsman-up-68-in-2022-23/articleshow/108405183.cms>

Looking at mandating more disclosures to de-risk SME IPOs, says SEBI chief

Risk management and making the markets and investments more robust in terms of disclosures and ensuring easy liquidity for investors is top of the agenda for Securities and Exchange Board of India Chairperson Madhabi Puri Buch. The rampant oversubscriptions that some companies on the SME IPO board have been receiving and listing gains that are in several multiples of their issue price are on the radar of the regulator which is working on more disclosure to address issues of manipulation at the IPO and trading levels.

Their small IPO sizes and low free float made it relatively easy to manipulate both at the IPO level and at the trading level. "I think as a first step we are clear that some more disclosures are needed in terms of the risk factors," said Buch, in a freewheeling chat with woman journalists in Mumbai.

<https://www.thehindubusinessline.com/markets/disclosures-risk-management-and-instant-liquidity-is-on-sebis-agenda/article67939540.ece>

SEBI expands framework for qualified stock brokers

SEBI on Monday expanded its framework for qualified stock brokers (QSBs), setting out three additional parameters for their identification that includes brokers' compliance score, proprietary trading volumes and grievance redressal mechanism. Brokers can now voluntarily opt to become QSBs. Current parameters include number of active clients, total assets of clients with the broker, brokers' trading volumes and end of day margin obligations of all clients of a broker. "To further protect the interest of investors and for building trust in the securities market, it has been decided to extend the framework of QSBs to more stockbrokers," the regulator said on Monday. For each stock broker, the percentage of a particular parameter compared to the aggregate of the respective parameter summed across all stock brokers will be calculated. The values will be calculated annually and the revised list of QSBs will be released jointly by stock exchanges, in consultation with SEBI. Those QSBs which no longer belong to the list, will continue to comply with the enhanced obligations and responsibilities for an additional three financial years or such time as specified by market infrastructure institutions.

<https://www.thehindubusinessline.com/markets/sebi-expands-framework-for-qualified-stock-brokers/article67939484.ece>

Rupee ends higher on dollar inflows, likely RBI intervention caps rise

The Indian rupee rose for a third straight session on Monday on the back of dollar inflows, but its rally was run into by likely intervention from the central bank. The rupee closed at 82.7575, up from its previous close of 82.7850. The local unit had hit an over six-month intraday high of 82.65, but the Reserve Bank of India (RBI) likely purchased dollars via state-run banks to prevent a significant appreciation in the rupee, traders said.

https://www.business-standard.com/finance/news/rupee-ends-higher-on-dollar-inflows-likely-rbi-intervention-caps-rise-124031100547_1.html

RBI takes delivery of \$5 bn dollar/rupee swap to bolster liquidity: Bankers

The Indian central bank did not roll over and took delivery of the \$5 billion dollar/rupee swap that matured on Monday, aiming to bolster foreign exchange reserves and rupee liquidity, four bankers said. The Reserve Bank of India's dollar/rupee sell-buy swap conducted in March 2022 matured on Monday. The central bank had the option to take delivery of the swap, roll it over entirely, or opt for a partial rollover.

https://www.business-standard.com/finance/news/rbi-takes-delivery-of-5-bn-dollar-rupee-swap-to-bolster-liquidity-bankers-124031100714_1.html

SEBI chief flags bubble in midcap, smallcap space

The Securities and Exchange Board of India (Sebi) chairperson, Madhabi Puri Buch, on Monday raised concerns over stretched valuations of small- and mid-cap stocks, which are generally favoured by retail investors and have continued to enjoy their patronage through monthly purchase mandates to mutual funds built around such investment themes. "There are pockets of froth in the market. Some people call it a bubble, some may call it froth," Buch told reporters in Mumbai. "It may not be appropriate to allow that froth to keep building." On Monday, the BSE Midcap and Smallcap indices declined 0.2% and 2%, respectively. Over the past one year, the BSE Midcap index has surged by 62%, while the BSE Smallcap index has gained 57%.

<https://economictimes.indiatimes.com/markets/stocks/news/pockets-of-froth-in-small-mid-cap-stocks-sebi-chairperson-buch/articleshow/108405884.cms>

Sidbi secures first green climate fund project worth \$120 million

Development bank Sidbi on Monday said it has secured approval from the Green Climate Fund (GCF) for its first anchored project, Avaana Sustainability Fund (ASF), valued at USD 120 million. The closure was announced at the 38th board meeting of the GCF, which will invest USD 24.5 million in the fund, in Kigali, Rwanda, on March 5, Sidbi, an accredited entity of GCF, said in a statement.

https://www.business-standard.com/finance/news/sidbi-secures-first-green-climate-fund-project-worth-120-million-124031100590_1.html

Plan afoot to reclassify items for GST clarity in FMCG sector

The Central Board of Indirect taxes and Customs (CBIC) is planning to prepare a list of products which end up in litigation purely due to classification issues. The fitment committee is likely to look into such items where there is a minor change in composition but the tax slabs are different, creating confusion in tax liability, mostly in the fast-moving consumer goods (FMCG) sector, which recently attracted many tax notices. "Classification issue is a problem with some products and the fitment committee is working on the detail list where there is grey area and which has attracted maximum litigation," a senior official told ET on condition of anonymity.

<https://economictimes.indiatimes.com/news/economy/policy/plan-afoot-to-reclassify-items-for-gst-clarity-in-fmcg-sector/articleshow/108409459.cms>

Industry

PLI schemes will get India get investments in chip manufacturing: US

India's provide production-linked incentives (PLI) for companies to set up semiconductor units is encouraging for American companies, a US official said. The investment Micron Technology, a semiconductor major headquartered in Idaho, will make in Sanand, Gujarat, demonstrates the rising interest of American companies in the country, said India-born Arun Venkataraman, US Assistant Secretary for Commerce, in Mumbai.

https://www.business-standard.com/industry/news/pli-schemes-will-get-india-get-investments-in-chip-manufacturing-us-124031100526_1.html

Centre to develop non-personal data collection platform for India Inc

As a part of the recently announced IndiaAI Mission, the Centre will develop a non-personal data collection platform, which will be accessible to Indian startups and companies, said Union Minister Rajeev Chandrasekhar on Monday. Addressing a press conference in Thiruvananthapuram, the Minister said, "For AI, data sets are the raw material. Therefore, there will be a non-personal data collection platform that will be available only for Indian startups and companies, and not for foreign companies." The Minister also said that the IndiaAI Mission will facilitate the development of indigenous foundational models which will be based on local Indian languages and datasets.

https://www.business-standard.com/industry/news/centre-to-develop-non-personal-data-collection-platform-for-india-inc-124031101007_1.html

India will have 2-3 more semiconductor fabs: S Krishnan

The Ministry of Electronics & IT (MeitY) has been working aggressively on multiple areas, particularly, to boost domestic semiconductor industry, and the use of artificial intelligence (AI) responsibly. In an interaction with ET's Muntazir Abbas, MeitY secretary, S Krishnan, a 1989 batch Indian Administrative Service (IAS) officer of the Tamil Nadu cadre, who took over barely six months back, is at the helm of many prestigious initiatives, and in an

exclusive interaction talks on semiconductor ecosystem, mobile components manufacturing, deepfakes menace, and implementation of the Digital Personal Data Protection (DPDP) Act 2023. Edited excerpts
<https://economictimes.indiatimes.com/industry/cons-products/electronics/india-will-have-2-3-more-semiconductor-fabs-s-krishnan/articleshow/108391422.cms>

Wedding-related consumption remains muted amid fewer dates, slowdown

Wedding-related consumption has remained muted this fiscal year, unlike FY23, due to absence of pent up demand, lower number of wedding dates and overall impact of consumption slowdown, chief executives of several companies said. As per industry estimates, sales of categories like ethnic wear and wedding wear, gold jewellery and electronic household appliances have declined by 10-20% in FY24 till February as compared to the same period in FY23. However, luxury and premium products bucked the trend of sales decline mirroring the overall trend in consumption, chief executives said.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-cosmetics/-jewellery/wedding-related-consumption-remains-muted-amid-fewer-dates-slowdown/articleshow/108399702.cms>

Infrastructure

Expect completion of 4 more smart cities, logistics park by FY25: NICDC CEO

After building Gujarat's Dholera Special Investment Region, the government is in the process of bringing up two smart cities and logistics parks each by the end of next financial year under the National Industrial Corridor Development Programme. While Krishnapatnam and Tumakuru, part of the Chennai-Bengaluru Industrial Corridor (CBIC), are being developed as smart cities, Nangal Chaudhary and Greater Noida, under the Delhi-Mumbai Industrial Corridor (DMIC), are upcoming logistics and multimodal hubs, Rajat Saini, chief executive officer (CEO) and managing director (MD) of the National Industrial Corridor Development Corporation (NICDC), told Business Standard.

https://www.business-standard.com/economy/news/expect-completion-of-4-more-smart-cities-logistics-park-by-fy25-nicdc-ceo-124031100839_1.html

State-run IIFCL seeks infrastructure tag for space sector

State-run infrastructure financing firm IIFCL has proposed to the government that the space sector should be classified as part of the infrastructure sector. IIFCL, which plans to come out with a public offer next fiscal year has disbursed around ₹18,000 crore in loans in FY24, is also providing transaction advisory services to India's premier space agency, the Indian Space Research Organisation (ISRO). "We have requested the government to include space as a part of the harmonious list of infrastructure sectors," said its chairman, PR Jaishankar, adding that IIFCL, through its subsidiary IIFCL Projects Limited (IPL), is already formulating a partnership framework for scaling up Launch Vehicle Mark 3 production on a public-private partnership (PPP) basis for ISRO and its commercial space missions arm, NewSpace India Ltd. (NSIL).

<https://economictimes.indiatimes.com/industry/banking/finance/state-run-iifcl-seeks-infrastructure-tag-for-space-sector/articleshow/108408599.cms>

Dwarka Expressway set to bring more money into Gurgaon realty market

The inauguration of the Dwarka Expressway by Prime Minister Narendra Modi is expected to boost real estate prices in this part of Gurgaon, said real estate experts. Developers including Sobha, Raheja, Signature Global, M3M, Godrej and Hero Realty have projects along the corridor and some of them are planning to launch more projects as infrastructure development is expected to generate more demand. "With the expressway now complete, we are witnessing a promising downturn in unsold inventory levels in these sectors, from a significant 25-30% eight to 10 years ago to a mere 7-8% now," said Anshuman Magazine, chairman, India, South-East Asia, Middle East & Africa, CBRE.

<https://economictimes.indiatimes.com/industry/services/property/-construction/dwarka-expressway-set-to-bring-more-money-into-gurgaon-realty-market/articleshow/108410275.cms>

Energy

Discoms' power cost, debt rose with rising demand in FY23: Govt report

As power demand touched record levels during the last financial year, the cost of electricity for the power distribution companies (discoms) escalated, and so did their debt for meeting their working capital needs. Power demand grew at 8.9 per cent between financial year (FY) 2021 and 2023, as against 4.3 per cent between FY14 and FY20. In the latest annual integrated rating and ranking of power distribution utilities by the Ministry of Power, it said the growth in power demand and global geopolitical challenges resulted in “an unprecedented increase in national power purchase costs of 71 paise per unit in FY23.”

https://www.business-standard.com/industry/news/discoms-power-cost-debt-rose-with-rising-demand-in-fy23-govt-report-124031101136_1.html

Centre working on payment security mechanism to buy 150,000 e-buses

The Centre is preparing a payment security mechanism (PSM) to catalyse procurement of 150,000 electric buses (e-buses). The mechanism will insulate e-bus suppliers from ill health of state transport utilities (STUs) which operate them, according to officials. Under the present model, e-buses are procured by central agencies and then handed over to STUs, which operate the buses and recover costs. The STUs are then responsible for paying back the bus makers. Inefficiencies in fare collection and improper upkeep of buses hampers viability of such operations. E-bus suppliers have been asking for a central government-backed payment security mechanism to ensure they are paid for the vehicles they supply. The lack of such a mechanism has hampered recent attempts to deploy e-buses.

<https://economictimes.indiatimes.com/industry/renewables/centre-working-on-payment-security-mechanism-to-buy-150000-e-buses/articleshow/108407060.cms>

Telecom

Spectrum auction may see muted demand

India's second 5G spectrum auction — the telecom sector's most watched event — starts May 20. But analysts expect muted demand as Reliance Jio, Bharti Airtel and Vodafone Idea (Vi) have adequate 5G airwave holdings and since 5G penetration remains low in absence of any consumer-centric use cases for the masses. Airtel and Vi are likely to focus on specific bands in markets where they face spectrum renewals. Some analysts, though, say Airtel and Jio could spend some extra cash to boost sub-GHz spectrum holdings.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/spectrum-auction-may-see-muted-demand/articleshow/108409914.cms>

States

REC to finance power, infra projects worth Rs 1.20 trillion in Rajasthan

Government-owned power sector financier REC Ltd on Monday said it has signed an agreement with the Rajasthan government to provide up to Rs 1.2 lakh crore in six years for power and infrastructure related projects. REC Ltd, under the power ministry, has signed an agreement with the government of Rajasthan on March 10, according to a statement. As per the agreement, REC will finance up to Rs 20,000 crore per annum for a period of six years projects across power and non-power infrastructure sectors.

https://www.business-standard.com/finance/news/rec-to-finance-power-infra-projects-worth-rs-1-20-trillion-in-rajasthan-124031100571_1.html

Dharavi redevelopment project survey to commence on March 18

The Adani Group-led Dharavi Redevelopment Project Pvt Ltd (DRPPL) will start the survey to collect data from informal tenement residents of Dharavi from March 18. This data will be used by the state government to determine rehabilitation eligibility criteria under the proposed redevelopment project. The joint venture between the Adani Group and the government of Maharashtra will also create a digital library of one of the world's largest informal settlements. In November 2022, the Adani Group had also won the Rs 23,000 crore Dharavi Redevelopment Project to redevelop Asia's largest slum cluster spread over 600 acres in the heart of India's commercial capital Mumbai with a bid of Rs 5,069 crore.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/dharavi-redevelopment-project-survey-to-commence-on-march-18/articleshow/108406310.cms>

Healthcare

Govt revamps pharma scheme, entails financial assistance to drug cos

The Department of Pharmaceuticals has revamped a scheme which entails financial assistance to drug companies to help them upgrade their facilities to produce medicines conforming to global standards, an official release said on Monday. As per the revamped Pharmaceuticals Technology Upgradation Assistance Scheme (PTUAS), the government has expanded the scope of the initiative beyond MSMEs to include any pharmaceutical manufacturing unit with a turnover of less than Rs 500 crore that requires technology and quality upgradation, the Chemicals and Fertilisers ministry said in a statement.

https://www.business-standard.com/industry/news/govt-revamps-pharma-scheme-entails-financial-assistance-to-drug-cos-124031100644_1.html

Insacog calls meet on Friday to assess rise in Covid cases

As Covid-19 cases rise in the country, the network of laboratories set up to monitor genomic variations of the coronavirus in India will hold a meeting on Friday. "By Friday we will come to know about the overall situation and the proportion of other existing sub-variants," said a member of Insacog on the condition of anonymity. Parts of North India have been seeing an increase in Covid-19 numbers for the last few days. Last week, Delhi recorded 63 new Covid-19 cases, the capital's highest daily total since May of last year. The last time the daily number of Covid-19 cases in Delhi exceeded 50 was in May 2023. Sandeep Budhiraja, group medical director, Max Healthcare, said there has been an increase in both flu and Covid cases. However, the respite is that the disease is "generally mild."

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/insacog-calls-meet-on-friday-to-assess-rise-in-covid-cases/articleshow/108409226.cms>

External

Bangladesh, Sri Lanka, among countries looking to start rupee trade: Goyal

Many developed and developing countries including Bangladesh, Sri Lanka, and nations of the Gulf region are keen to start trade in rupee with India as it would help cut transaction costs for businesses, Commerce and Industry Minister Piyush Goyal has said. He expressed confidence that the development is going to be a "very game-changing" dimension to India's international trade.

https://www.business-standard.com/economy/news/bangladesh-sri-lanka-among-countries-looking-to-start-rupee-trade-goyal-124031100275_1.html

Govt can withdraw duty concessions if EFTA doesn't invest \$100 billion

India will have the option of temporarily withdrawing customs duty concessions on EFTA country goods under the trade agreement between the two sides, if the four European nation bloc would not fulfil its \$100 billion investment obligations. Though the investments have to flow in 15 years -- \$50 billion in the first 10 years (counted after implementation of the pact) and another \$5 billion in next five years, the trade deal also provides for a three-year grace period to the EFTA bloc to meet the obligations, according to the documents accompanying the agreement.

https://www.business-standard.com/industry/news/govt-can-withdraw-duty-concessions-if-efta-doesn-t-invest-100-billion-124031100851_1.html