



March 18, 2024 – Monday

Economy

India's forex reserves touch 2-year high, set to cross record levels

India's foreign exchange reserves are on their way to crossing their record-high levels, after increasing for the third straight time in the week ended March 8. Reserves rose \$10.47 billion during the week, recording the highest weekly increase since July 14, 2023, to touch a two-year high of \$636.1 billion as of March 8, as per Reserve Bank of India data. In the previous two weeks, reserves had cumulatively risen by \$9.5 billion, of which an increase of \$6.55 billion was seen in the week ended March 1, 2024. The record high for reserves stands at \$645 billion, achieved in October 2021.

<https://www.thehindubusinessline.com/markets/forex/indias-forex-reserves-touch-2-year-high-set-to-cross-record-levels/article67961879.ece>

Finance

Public sector banks told to spell out 3-year business plans by March-end

The government has directed state-owned banks to submit their business plans till 2026-27 by the end of this month, officials said, adding that these plans will be assessed on a quarterly basis by the government-nominated directors on the boards of the banks. The business plans will cover strategies to increase low-cost deposits, raise capital, resolve bad loans, improve cybersecurity and undertake financial inclusion outreach, said a senior government official. "In addition to the quarterly review by the government nominee, there will be mid-year and annual reviews by the finance ministry to assess the performance of the lenders and ensure corrective course correction," said the official, who did not wish to be identified.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/public-sector-banks-told-to-spell-out-3-year-business-plans-by-march-end/articleshow/108568919.cms>

Banks asked to check mis-selling, safeguard account holders' interest: DFS Secy

Financial Services Secretary Vivek Joshi has said that public sector banks have been asked to check mis-selling of insurance products and ensure protection of account holders' interest. Banks have been sensitised on the matter, as the Department of Financial Services (DFS) regularly gets complaints that fraudulent and unethical practices are being adopted by banks and life insurance companies for procuring policies from the bank customers, he told PTI in an interview. "Banks have been asked to give utmost importance to the interest of account holders," he said. There have been instances where life insurance policies were sold to customers aged above 75 years in tier-II and III cities.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-asked-to-check-mis-selling-safeguard-account-holders-interest-dfs-secy/articleshow/108560235.cms>

Government's dividend collection from CPSEs hits record Rs 61,149 crore

The government's dividend mopup from non-financial central public sector enterprises (CPSEs) and entities in which it holds minority stakes has touched a record ₹61,149 crore, 22% higher than the revised estimate for 2023-24, with

almost a fortnight to go this fiscal, according to the latest finance ministry data. Dividend receipts in the first half of March alone totalled nearly ₹10,000 crore. The revised estimate in the interim budget last month estimated the dividend collection for 2023-24 at ₹50,000 crore, higher than initial target of ₹43,000 crore. "The dividend collection has surpassed all expectations this fiscal. CPSEs across sectors have been performing well, and the strong dividend flow is the clearest sign of that," said an official, who did not wish to be identified. "Also, global crude oil prices didn't quite surge as was feared after the Israel-Hamas war in October last year. So, the profitability of oil companies didn't quite take a beating, which augurs well for dividend flow. Power sector companies, too, have been doing well." <https://economictimes.indiatimes.com/news/economy/finance/governments-dividend-collection-from-cpses-hits-record-rs-61149-crore/articleshow/108571950.cms>

Fintechs lead small-ticket loans' volume with 77% market share: Study

Fintech companies in the country have seen an uptick in the volume and value of small-ticket loans disbursed over the past six years, data from a joint report by Experian India and the Digital Lenders Association of India (DLAI) shows. In financial year 2018 (FY18), fintechs accounted for 50 per cent of the loan volumes disbursed with a ticket size less than Rs 1,00,000. In the same category, their market share has expanded to 77 per cent in FY24 (till September 2023).

https://www.business-standard.com/industry/news/fintechs-lead-small-ticket-loans-volume-with-77-market-share-study-124031700502_1.html

Industry

Auto companies target smaller towns as rural sales growth beats urban

Passenger vehicle (PV) sales growth in rural areas has consistently outpaced urban areas for several years, prompting original equipment makers (OEMs) to expand networks in smaller towns. On a high base of 4.2 million PVs sold in 2023-24 (FY24), the industry projects moderate 3-5 per cent overall growth in the sales for FY25.

https://www.business-standard.com/industry/auto/auto-firms-focus-on-network-expansion-in-rural-areas-as-pv-sales-beat-urban-124031700141_1.html

Top auto companies seek to introduce one electric car a month in next two years

India's mainstream carmakers, from Maruti Suzuki to Hyundai and Tata Motors, are seeking to democratize the electric power train in personal mobility through the introduction of one electric car a month over the next two years, breaking consumer resistance over affordability through more mass-market choices than ever before. "The adoption of EVs in passenger vehicle segment in India has been rather slow. Currently it is only 2.2% despite the substantial GST rate advantage. There are mainly 3 reasons for this slow adoption: the high acquisition cost (EVs are typically 1.35-1.7 times more expensive than corresponding gasoline cars), range anxiety among potential buyers due to lack of charging infrastructure and the relatively less number of mass models in this segment.

<https://economictimes.indiatimes.com/industry/renewables/top-auto-companies-seek-to-introduce-one-electric-car-a-month-in-next-two-years/articleshow/108567648.cms>

MeitY revises AI advisory after push back from industry

Facing backlash from the tech industry, the Ministry of Electronics and Information Technology (MeitY) has revised its advisory asking companies to take government permission before launching "under-tested" or "unreliable" AI platforms in the country. The revised advisory has dropped this requirement but has asked tech players to label AI-generated deep fake content. Tech platforms have to ensure that their respective AI platforms do not exhibit bias and refrain from interfering with electoral processes. The revised norms are applicable immediately. The Ministry had set a deadline of March 15 to comply with the earlier advisory. But tech firms skipped submitting status reports as they were still seeking further clarifications from the government on the exact specifics of the AI directives issued by the Centre.

<https://www.thehindubusinessline.com/info-tech/meity-revises-ai-advisory-after-push-back-from-industry/article67961693.ece>

Space start-ups get \$330 million investments in three years

Recently, the government amended rules governing foreign direct investments (FDI) in the Indian space sector, making it easier for investors to enter the market. At the helm of affairs is Dr Pawan Goenka, the Chairman of IN-SPACe, the space regulator. In a chat with businessline, Dr Goenka spoke about how roomy space is for investors. Excerpts:

<https://www.thehindubusinessline.com/business-tech/space-start-ups-get-330-million-investments-in-three-years/article67960884.ece>

India lags behind in geospatial patents but is scrambling to catch up

India remains a small player when it comes to filing geospatial technology patents, despite government attempts, including a comprehensive policy in 2022. According to industry data, 140 geospatial patents were filed from India in 2022, which was just 0.2 per cent of the 66,400 total patents from the country that year, the latest period for which data is available. Tapping the potential holds significance as industry estimates peg the market size of geospatial tech at over \$450-651 billion globally by 2025. Geospatial technology refers to tools and systems that help map the earth's surface, understand societies, and interpret spatial patterns. It uses tools such as thematic mapping, telemetry, remote sensing, and global positioning system (GPS) for collecting data.

https://www.business-standard.com/technology/tech-news/india-lags-behind-in-geospatial-patents-but-is-scrambling-to-catch-up-124031700329_1.html

Agriculture

Govt to buy 1,650 tonnes of onions from traders for Bangladesh

National Cooperative Export Ltd (NCEL), the government's export agency, will buy 1,650 tonnes of onions at ₹29/kg from private traders for exports to Bangladesh, said industry people. This will be the first official export of the key kitchen staple from India in more than three months since the country banned its export from December 8 to March 31. In March first week, the Centre allowed export of 64,400 tonnes of onions to countries from which it had received requests through diplomatic channels, government officials said at the time.

<https://economictimes.indiatimes.com/news/economy/agriculture/govt-to-buy-1650-tonnes-of-onions-from-traders-for-bangladesh/articleshow/108568966.cms>

Infrastructure

Rural housing scheme to be revamped

The Centre will launch a revamped Pradhan Mantri Awaas Yojana- Grameen (PMAY-G) after general elections to build another 20 million affordable houses in the next five years with enhanced financial assistance. With the current affordable rural housing scheme coming to an end in March, the Budget for 2024-25 unveiled a plan to build additional houses to meet the requirement arising from an increase in the number of families.

<https://www.financialexpress.com/policy/economy-rural-housing-scheme-to-be-revamped-3426845/>

India's first underwater metro surpasses 70,000 passenger count on day 1

The Howrah Maidan-Esplanade metro section, which passes below the Hooghly river through the country's first under-water transportation tunnel, carried more than 70,000 passengers on the first day of its operation, an official said on Saturday. Commercial operation on the stretch started on Friday after Prime Minister Narendra Modi inaugurated it on March 6.

https://www.business-standard.com/india-news/india-s-first-underwater-metro-surpasses-70-000-passenger-count-on-day-1-124031600745_1.html

Energy

Coal PSUs must plan pithead-based thermal projects, says Coal Secy Meena

The Coal Ministry has asked Coal India Ltd and NLC India Ltd to go for pithead-based thermal projects with an aim to reduce transportation cost and improve availability of dry fuel, a top government official said. The plan is that all new thermal projects of Coal India Ltd (CIL) and NLC India Ltd should come up near the coal mines, Coal Secretary Amrit Lal Meena told PTI.

https://www.business-standard.com/industry/news/coal-psus-must-plan-pithead-based-thermal-projects-says-coal-secy-meena-124031700136_1.html

Kerosene consumption falls significantly by 26% CAGR during FY14-23: Data

Kerosene consumption in the country has declined sharply by 26 per cent CAGR between 2013-14 and 2022-23, mainly due to government policies to promote clean energy. The latest 'Energy Statistics India 2024' of the National Statistical Office (NSO) stated, "The impact of energy policies of recent time is evident on the consumption of kerosene as a fuel in the country".

https://www.business-standard.com/economy/news/kerosene-consumption-falls-significantly-by-26-cagr-during-fy14-23-data-124031700101_1.html

Foreign investment dwindles as India struggles to boost oil production

A supercharged economy, growing at 8 per cent, is fuelling India's thirst for more oil, but domestic production has been declining. That leaves a \$200 billion fuel import market open for suppliers such as Russia, Saudi Arabia, and Iraq, and global traders Vitol, BP, and Trafigura. Industry officials say there just isn't enough on the table for state-run behemoth ONGC or private companies to make large investments in field development. Foreign oil companies, which possess advanced drilling technologies, prefer to drill in countries such as Guyana and Brazil, which offer high prospectivity.

https://www.business-standard.com/economy/news/foreign-investment-dwindles-as-india-struggles-to-boost-oil-production-124031700331_1.html

States

Kerala creates over 1 lakh MSMEs for second year in a row

Kerala's MSME sector has made a big leap by adding over one lakh ventures for the second consecutive year in 2023-24, taking the total number of newly set up units to 2,40,396 since the launch of the Year of Enterprises in 2022-23.

<https://www.thehindubusinessline.com/economy/kerala-creates-over-1-lakh-msmes-for-second-year-in-a-row/article67960729.ece>

Healthcare

Centre seeks more time to frame policy on online sale of medicines

The Centre has urged the Delhi High Court to grant some time to frame a policy on the online sale of medicines on the grounds that the issue was "complex" and any modification in the manner of sale of drugs would have far-reaching consequences. The high court granted the Union Ministry of Health and Family Welfare four months as a last and final opportunity to frame the policy.

https://www.business-standard.com/industry/news/centre-seeks-more-time-to-frame-policy-on-online-sale-of-medicines-124031700157_1.html

External

India's smartphone exports to US jump to \$ 3.53 bn in Apr-Dec FY24

India's smartphone exports to the US jumped to \$ 3.53 billion in April-December this fiscal against \$ 998 million in the same period last year, according to the Commerce Ministry data. The increasing outbound shipments led to an increase in the smartphones' market share to 7.76 per cent during April-December this fiscal from 2 per cent in the same period of last year, the data showed.

https://www.business-standard.com/economy/news/india-s-smartphone-exports-to-us-jump-to-3-53-bn-in-apr-dec-fy24-124031700451_1.html

US, UAE, Singapore, South Africa give a fillip to India's exports in Feb

A turnaround in February shipments to key export destinations such as the US, United Arab Emirates (UAE), Singapore and South Africa led to double-digit export growth from India touching a 20-month high. After growth in

merchandise exports remained in negative territory for most of 2023, outbound shipments have turned positive for three consecutive months since December last year despite the continuing global economic turmoil.

https://www.business-standard.com/economy/news/us-uae-singapore-south-africa-give-a-fillip-to-india-s-exports-in-feb-124031700460_1.html

India's oil imports to be disrupted as US-Venezuela tensions escalate

Indian imports of cheap Venezuelan oil, the country's fifth-biggest crude supplier in 2019, may face disruptions from April as the US and the South American country are embroiled in a dispute over renewing a six-month permission for crude exports. Uncertainty over Venezuelan supplies for Indian refiners comes amid reduced discounted Russian flows also targeted by the US, and the Indian government's move to slash diesel and petrol prices by Rs 2/litre. Brent crossed \$85 per barrel for the first time since November on Thursday.

https://www.business-standard.com/economy/news/india-s-oil-imports-to-be-disrupted-as-us-venezuela-tensions-escalate-124031700192_1.html