



March 29, 2024 – Friday

Economy

Core sector growth bounces back to a three-month high in February

Growth in output of the eight key infrastructure sectors — known as the core sector — rose to a three-month high of 6.7 per cent year-on-year (Y-o-Y) in February from 4.1 per cent in January. According to data released by the Ministry of Commerce and Industry on Thursday, output accelerated in sectors like crude oil (7.9 per cent), refinery products (2.6 per cent) and electricity (6.3 per cent). Also, during February, double-digit growth was seen in sectors like coal (11.6 per cent), natural gas (11.3 per cent) and cement (10.2 per cent).

https://www.business-standard.com/industry/news/core-sector-growth-bounces-to-three-month-high-in-february-govt-data-124032801065_1.html

India set for strong economic rebound seen in 2000s: RBI Dy Guv Patra

India's growth trajectory is poised for a significant upswing following the pandemic, with early indicators hinting at a return to the robust growth rates exceeding 7 per cent seen in the 2000s. The Reserve Bank of India (RBI) Deputy Governor Michael Debabrata Patra made this observation on Monday during Nomura's 40th Central Bankers Seminar in Tokyo, Japan. The speech was subsequently released on the RBI website on Thursday. Patra said that while private consumption continues to be a key driver, it is investments and exports that are expected to fuel this resurgence. Although global headwinds have subdued export growth, public expenditure on infrastructure is emerging as a pivotal force in driving the growth momentum forward. Recent surveys indicate a surge in private investment sentiment.

https://www.business-standard.com/economy/news/india-set-for-strong-economic-rebound-seen-in-2000s-rbi-dy-guv-patra-124032801003_1.html

MGNREGA wages hiked by 3-11% for FY25

Ahead of the general elections, the Centre has notified hikes in the range of 3-11% in the daily wages of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) workers for the upcoming financial year. As per a notification issued by the rural development ministry showed on Wednesday, the new wages will be effective from April 1, 2024. The rural development ministry had raised MGNREGA wages by 2-10% for FY24. The rural development ministry notified the wage hikes after taking permission from the Election Commission of India.

<https://www.financialexpress.com/policy/economy-mgnrega-wages-hiked-by-3-11-for-fy25-3439920/>

Statistical Commission to be made advisory body of NSSO

To address the issues of delays and inadequacies in the socio-economic surveys conducted by the National Sample Survey Office (NSSO), the government is planning to appoint the National Statistical Commission (NSC) as an advisory body to the survey office, whose role would be to provide technical assistance to NSSO and oversee its survey exercise, an official aware of the matter told FE. The NSC is expected to play the role of the erstwhile "Governing Council" of the NSSO, which was dissolved in 2006. The Governing Council had members who were experts, and not part of the government. Their suggestions were useful in fixing gaps in the survey exercises, which field officers were not necessarily aware of.

<https://www.financialexpress.com/policy/economy-statistical-commission-to-be-made-advisory-body-of-nss-3439752/>

Finance

RBI announces temporary halt to Rs 2,000 banknote exchange/deposit on April 1

The Reserve Bank of India (RBI) has stated that the exchange or deposit of Rs 2,000 banknotes will not be possible on Monday, April 1, 2024, at its 19 issue offices across the country. This temporary halt is due to operations linked with the annual closing of accounts. The facility will resume on Tuesday, April 2, 2024, according to the RBI's announcement. "The facility of exchange/deposit of Rs 2,000 banknotes will not be available on Monday, April 1, 2024 at the 19 issue offices of the Reserve Bank of India due to operations associated with the annual closing of accounts," it said.

<https://economictimes.indiatimes.com/news/economy/finance/rbi-announces-temporary-halt-to-rs-2000-banknote-exchange/deposit-on-april-1/articleshow/108855963.cms>

Bank credit to industry grows 8.6% in Feb on increased borrowing: RBI data

Bank credit to industry grew 8.6 per cent year-on-year in February mainly due to accelerated pace of borrowing by sectors, like infrastructure and textiles, Reserve Bank of India (RBI) data released on Thursday revealed. Credit growth to agriculture and allied activities remained robust at 20.1 per cent in February compared to 15 per cent in the year-ago month, said the RBI's data on sectoral deployment of bank credit.

https://www.business-standard.com/industry/news/bank-credit-to-industry-grows-8-6-in-feb-on-increased-borrowing-rbi-data-124032800878_1.html

Govt updates list of banks authorised to import gold, silver during FY25

The government on Thursday updated the list of banks authorised to import gold and silver during 2024-25. As per the list, 11 banks, including HDFC Bank and ICICI Bank, have been authorised by the Reserve Bank of India to import gold and silver for 2024-25 with effect from April 1. The authorisation will be valid up to March 31 next year. "List of banks authorised to import gold/silver...has been updated," the Directorate General of Foreign Trade (DGFT) said in a public notice. Three banks -- Indian Overseas Bank, Punjab National Bank, and Union Bank of India -- have authorised by the RBI to import only gold for 2024-25 with effect from April 1 this year.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/govt-updates-list-of-banks-authorized-to-import-gold-silver-during-fy25/articleshow/108858618.cms>

Rate hikes not fully transmitted, RBI may hold repo in April meet

The Reserve Bank of India (RBI) is likely to stick to its policy stance of 'withdrawal of accommodation', stating that less than half of the 250-basis-point cumulative increase in rates in the current cycle of rate hardening was transmitted to outstanding bank loans. Transmission could be a key monitorable for the central bank before it decides to change its stance, which, in turn, is a precursor to a rate reduction. Bank of America (BoFA) economist Aastha Gudwani said though the pace and extent of monetary transmission to lending and deposit rates have improved after the introduction of the external benchmark-linked rate (EBLR) regime, it is still lagging behind the RBI's policy rate increases.

<https://economictimes.indiatimes.com/news/economy/indicators/rate-hikes-not-fully-transmitted-rbi-may-hold-repo-in-april-meet/articleshow/108860096.cms>

Credit cards-in-force cross 10 crore mark in Feb even as spends fall 10%

Cards-in-force crossed the milestone of 10 crore cards outstanding in February, even as spends declined by over 10 per cent in the truncated month, as per data by the Reserve Bank of India.

<https://www.thehindubusinessline.com/money-and-banking/credit-cards-in-force-cross-10-crore-mark-in-feb-even-as-spends-fall-10/article68003165.ece>

Banks ready systems for capturing int'l credit card spends under LRS

Commercial banks are gearing up to capture overseas credit card spends under the liberalised remittance scheme (LRS) from April 1, even though their plea for a review of the issue is still pending with the government. Last year,

the government announced that credit card spends in a foreign currency would be a part of LRS' annual limit of \$250,000. Additionally, cardholders also have to pay tax collected at source (TCS) of up to 20 per cent for foreign transactions made through a credit card. The implementation of the scheme was deferred following representations from industry players.

https://www.business-standard.com/economy/news/banks-ready-systems-for-capturing-int-l-credit-card-spends-under-lrs-124032800996_1.html

Banks set to gain as bond yields soften 14 basis points in a quarter

Commercial banks are poised to make trading gains as the yield on the benchmark 10-year government bond fell by 14 basis points (bps) in the January-March quarter to settle at 7.06 per cent on the last trading day of the fourth quarter. Yields on the other two most traded securities also declined. The yield on the five-year government bond fell by 8 bps, whereas that on the 14-year bond fell by 23 bps during the quarter.

https://www.business-standard.com/economy/news/banks-set-to-make-trading-gains-as-bond-yields-soften-by-14-bps-in-q4-fy24-124032800968_1.html

India's Apr-Feb fiscal deficit at Rs 15.01 trn, hits 86.5% of FY24 target

India's fiscal deficit between April and February for the current financial year (FY24) jumped to Rs 15.01 trillion or 86.5 per cent of the full-year revised target of Rs 17.34 trillion from Rs 11 trillion, data released by the Controller General of Accounts (CGA) showed on Thursday. In comparison, the fiscal deficit was 82.8 per cent of the target during the corresponding period (April-February) in FY23.

https://www.business-standard.com/economy/news/govt-exhausts-86-5-of-fiscal-deficit-target-during-apr-feb-period-of-fy24-124032800949_1.html

Govt's gross liabilities rise to Rs 160.69 lakh crore at Dec-end: Finance Ministry

Total gross liabilities of the government increased marginally to Rs 160.69 lakh crore at the end of December 2023 from Rs 157.84 lakh crore at September-end, the finance ministry said on Thursday. This represented a quarter-on-quarter increase of 1.8 per cent in the September quarter of 2023-24, said the public debt management quarterly report (October-December 2024). "During the quarter, the yield on Indian domestic bond initially rose but softened thereafter on account of decline in crude oil prices, lower than expected domestic CPI prints for October and November and news about possible inclusion of Indian Government Bonds (IGBs) in a major global emerging market index," the report said.

<https://economictimes.indiatimes.com/news/economy/indicators/govts-gross-liabilities-rise-to-rs-160-69-lakh-crore-at-dec-end-finmin/articleshow/108857278.cms>

States, Union Territories plans to borrow up to Rs 2.5 trn in Q1FY25

States and Union Territories (UTs) plan to borrow up to Rs 2.5 trillion through state government securities in the first quarter of the upcoming financial year, the Reserve Bank of India said in a release on Thursday. The indicative borrowing for the quarter was marginally higher than expectations, said market participants. "The market estimate was around Rs 2.2 trillion," a dealer at a state-owned bank said. "However, they normally borrow only 60-70 per cent of the calendar amount in the first quarter," he said.

https://www.business-standard.com/economy/news/states-union-territories-plans-to-borrow-up-to-rs-2-5-trn-in-q1fy25-124032801080_1.html

Expert panel on GIFT IFSC 'Global Finance and Accounting Hub' submits report

The Expert Committee on developing the GIFT City in Gujarat as 'Global Finance and Accounting Hub' has recommended a comprehensive regulatory regime for undertaking bookkeeping, accounting, taxation and financial crimes compliance services from the IFSC in India.

<https://www.thehindubusinessline.com/news/expert-panel-on-gift-ifsc-global-finance-and-accounting-hub-submits-report/article68003149.ece>

Industry

Car shipments shifting back to pre-Covid gear; Maruti, Hyundai at the top

Made-in-India car exports are set to touch pre-Covid levels, despite global uncertainty, amid an increase in demand for models such as the Hyundai Creta, Maruti Suzuki Grand Vitara, Kia Seltos and Mahindra XUV700 from customers in Australia, Latin America and Southeast Asia. According to industry estimates, Indian carmakers are set to ship more than 675,000 vehicles in the fiscal year that ends March 31, recovering from a low of 404,000 reported in the aftermath of the pandemic in FY21. Around 663,000 cars were exported from the country in the last financial year. Vehicle exports were dominated by Maruti Suzuki and Hyundai, which together accounted for two-thirds of all cars shipped out of the country. Homegrown auto makers like Tata Motors and Mahindra & Mahindra had a modest share of 0.4% and 2%, respectively, as per industry data.

<https://economictimes.indiatimes.com/industry/auto/auto-news/car-shipments-shifting-back-to-pre-covid-gear-maruti-hyundai-at-the-top/articleshow/108829722.cms>

Smart TV prices to go up this year, shipments down 16 pc in India in 2023: Report

Prices of smart TVs are likely to increase in the first half of the ongoing calendar year as prices of panels have gone up in the international market, according to a report on Thursday. The brands are likely to pass on the increase in rates, resulting in a hike in smart TV prices, according to the latest research from Counterpoint's IoT Service. However, the report also expects "smart TV shipments to increase by 9 per cent" this year, as the demand for premium models will increase and consumers will likely upgrade to a larger screen. "The push towards online purchases is set to increase as consumers' confidence in online platforms is increasing, which will encourage them to buy premium models from these platforms. The increasing preference for premium TVs will drive the overall market's average selling price (ASP) further," it said.

<https://economictimes.indiatimes.com/industry/cons-products/durables/smart-tv-prices-to-go-up-this-year-shipments-down-16-pc-in-india-in-2023-report/articleshow/108858724.cms>

Hotels to see 9-11% revenue growth in FY25; third straight year in current upcycle: CareEdge Ratings Report

CareEdge Ratings said on Thursday that in financial year 2024, the hospitality industry will clock a revenue per available room growth of 12-14% on a high base of the previous fiscal. As per CareEdge Ratings, the growth momentum in the hotel industry is expected to be sustained in financial year 2025, resulting in a likely year on year revenue growth by 9-11% backed by domestic leisure and business travel and complemented by increasing foreign tourist arrivals, contributing to an improved credit profile for industry players. This will make it the third straight year of an upcycle. Pan-India, average room rates (ARRs) are expected to be around Rs 7,200 to Rs 7,400 in the current fiscal, which is likely to rise further to Rs 7,700 to Rs 7,900 in the next fiscal.

<https://economictimes.indiatimes.com/industry/services/travel/hotels-to-see-9-11-revenue-growth-in-fy25-third-straight-year-in-current-upcycle-careedge-ratings-report/articleshow/108855795.cms>

Amitabh Kant's growth call: 10K big companies, 10 champion states

India needs to create 10,000 large companies to achieve the size and scale of manufacturing necessary to meet its growth ambitions, Amitabh Kant, India's Group of Twenty (G20) Sherpa, said on Thursday. He added that the country should aspire to 10 per cent growth driven by the manufacturing sector. Speaking at the Business Standard Manthan event, Kant said that over the next five years, India should aim for 10 champion states to grow at a rate exceeding 10 per cent. This growth can drive India's economy to expand by 9-10 per cent for the next three and a half decades, akin to the growth trajectories of South Korea, China, Taiwan, and Singapore.

https://www.business-standard.com/specials/bs-events/amitabh-kant-s-call-10k-companies-10-champion-states-for-india-s-growth-124032801004_1.html

Only 4% of firms in India have 'maturity' to tackle cyber threats: Cisco

Only 4 per cent of organisations in India have a 'mature' level of readiness needed to be resilient against modern cybersecurity risks, while 37 per cent are at the 'progressive' stage, 52 per cent are 'formative', and 7 per cent are 'beginners', according to Cisco's 2024 Cybersecurity Readiness Index. Globally, 3 per cent of companies are at a mature stage. The 2024 Cisco Cybersecurity Readiness Index comes at a time when companies continue to be targeted with a variety of techniques that range from phishing and ransomware to supply chain and social engineering attacks. Also, while they are building defences against these attacks, they still struggle to defend against them, slowed down by their own overly complex security postures that are dominated by multiple point solutions.

https://www.business-standard.com/industry/news/only-4-of-firms-in-india-have-maturity-to-tackle-cyber-threats-cisco-124032800634_1.html

Reviewing all competition regulations, says CCI chief

The Competition Commission of India (CCI) has embarked on a comprehensive review of all its regulations, Ravneet Kaur, chairperson, said on Thursday. "In the immediate future, we are going to review all our regulations. We are looking at comprehensive amendments of the general regulations and some other regulations as well. We are going to go through a process of public consultation, and will also take into consideration the concerns of various stakeholders," Kaur said, at a conference here.

<https://www.financialexpress.com/business/industry-reviewing-all-competition-regulations-says-cci-chief-3439860/>

Agriculture

In a first, more govt agencies allowed to source wheat directly for Bharat Atta

With the government's increased focus on its Bharat brand of staples as part of efforts to tame prices, the National Agricultural Cooperative Marketing Federation of India (Nafed) and National Co-operative Consumers' Federation of India (NCCF) have been asked to procure wheat directly from farmers for the first time, said a senior official. The two agencies manage sales of Bharat Atta as well as other products under labels such as Bharat Chana Dal and Bharat Rice. The Food Corporation of India (FCI) has thus far been the sole government agency procuring wheat from farmers and selling it to Nafed and NCCF to meet their requirements for Bharat Atta, which was launched by the government last year.

<https://economictimes.indiatimes.com/news/economy/agriculture/in-a-first-more-government-agencies-allowed-to-source-wheat-directly-for-bharat-atta/articleshow/108859680.cms>

Energy

Centre annuls auction of 13 critical mineral blocks

The Centre has cancelled auction for 13 of 20 blocks on offer in the first round of critical mineral bids following tepid response. Out of the 13 mines, two got no bids and 11 attracted less than three bids each. "It has been decided to return the bid security to bidders for 11 mineral blocks that got less than three bids each," an official aware of the development said. These blocks which received poor response hold glauconite, nickel, chromium and platinum group elements (PGE), potash, nickel and copper, molybdenum ore, graphite, and lithium, titanium and bauxite (aluminous laterite). They are spread across Bihar, Jharkhand, Odisha, Tamil Nadu, Uttar Pradesh, and Jammu and Kashmir (J&K).

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/centre-annuls-auction-of-13-critical-mineral-blocks/articleshow/108859880.cms>

IREDA Board approves Rs 24,200 cr borrowing for FY25

State-owned Indian Renewable Energy Development Agency Ltd's (IREDA) board on Thursday approved a proposal of Rs 24,200 crore borrowing for 2024-25. The borrowing includes fundraising through bonds, perpetual debt instruments (PDI), term loans, commercial papers, and external commercial borrowings (ECB), a regulatory filing said.

<https://www.financialexpress.com/business/industry-ireda-board-approves-rs-24200-cr-borrowing-for-fy25-3439519/>

Coal India's supplies to thermal power plants hits 610.8 MTs, breaches FY24 target

Coal India (CIL) on Thursday announced that its coal supplies to thermal power plants of the country hit 610.8 million tonnes (MTs) on Wednesday surpassing the annual target of 610 MTs to this sector. "This was the highest to date and the company achieved the feat four days earlier than the FY 2024 closure," CIL said in a regulatory filing. This is 29.3 MTs or 5 per cent higher in comparison to 581.5 MTs of last fiscal's same period. CIL's coal supplies to the power sector exceeded the target for the second consecutive year. In FY 2023, off-take to power plants was 586.6 MTs against the programmed commitment of 565 MTs.

<https://www.financialexpress.com/business/industry-coal-indias-supplies-to-thermal-power-plants-hits-610-8-mts-breaches-fy24-target-3439347/>

India set to send teams to Chile seeking lithium and copper assets, report says

India will send two delegations next month to Chile to scout for lithium and copper resources, a government source said, as rapid economic expansion and New Delhi's efforts to speed up the energy transition stoke demand for critical minerals. As part of India's drive to explore overseas for mineral assets, state firms National Aluminium Company, Hindustan Copper and unlisted Mineral Exploration and Consultancy have set up a company called Khanij Bidesh India (KABIL).

<https://economictimes.indiatimes.com/industry/renewables/india-set-to-send-teams-to-chile-seeking-lithium-and-copper-assets-report-says/articleshow/108846732.cms>

Telecom

India's fixed communication revenue to grow to \$13.2 bn in 2028 vs \$11.5 bn in 2023: GlobalData

Revenue from fixed communication services in India is expected to grow at a rate of 2.9% compounded annually, to \$13.2 billion 2028 from \$11.5 billion in 2023, driven by fixed broadband services, a report said. According to a GlobalData report out Thursday, revenue from fixed broadband services will grow at a CAGR of 3.5% in the 2023-2028 period, driven by a growth in broadband subscription and higher average revenue per user (ARPU) from fiber broadband. This, even as revenue from fixed voice services is set to decline at a CAGR of 4% over the five-year period, in line with the decline in fixed voice ARPU levels as users increasingly adopt mobile/OTT-based communication services, and operators offer free voice minutes with their fixed bundled plans, the report said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/indias-fixed-communication-revenue-to-grow-to-13-2-bn-in-2028-vs-11-5-bn-in-2023-globaldata/articleshow/108844910.cms>

Healthcare

Essential medicines to cost slightly more from April 1

Prices of essential medicines, including painkillers, antibiotics and anti-infectives, are set to see a minuscule increase from April 1. Drug pricing regulator announced an annual change of 0.0055% increase in prices of drugs under the National List of Essential Medicines (NLEM), in line with the annual change in the wholesale price index. "Based on the WPI data provided by the office of the Economic Advisor, Department of Industry and Internal trade Ministry of Commerce and Industry, the annual change in WPI works out as (+) 0.00551% during the calendar year 2023 over the corresponding period in 2022," said the notice by the National Pharmaceutical Pricing Authority (NPPA).

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/essential-medicines-to-cost-slightly-more-from-april-1/articleshow/108860122.cms>

Domestic drug firms to witness 8-10% revenue growth in FY25: Report

Revenue growth of leading 25 domestic drug firms is expected to moderate to 8-10 per cent in the next fiscal year, rating agency Icria said on Thursday. The revenue of the companies, which account for 60 per cent of the overall Indian pharmaceutical industry, witnessed an increase of 13-14 per cent in the current fiscal year. Following the high base of 2023-24, the revenue growth momentum from the US and Europe markets is expected to moderate to 8-10 per cent and 7-9 per cent, respectively, Icria said.

https://www.business-standard.com/industry/news/domestic-drug-firms-to-witness-8-10-revenue-growth-in-fy25-report-124032800666_1.html

External

Indian rice traders hike prices to mirror higher export duty

Top exporter India's rice export prices rose this week as traders factored in higher duty on rice shipments, while demand remained lacklustre in Thailand. India's 5% broken parboiled variety was quoted at \$550-\$558 per ton this week, up from last week's \$543-\$550. Earlier this month, prices hit a record high of \$560. "We've had to raise prices since the government is considering the total transaction value instead of Free on Board (FOB) value to calculate the

20% export duty. This has pushed our export prices higher," said a New Delhi-based dealer with a global trade house. <https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-rice-traders-hike-prices-to-mirror-higher-export-duty/articleshow/108853020.cms>

Diesel exports plunge 25% to \$20 billion as global prices soften

India's diesel exports fell 25% year-on-year in the first 11 months of this financial year to \$20 billion as prices in the international markets softened. The export volume increased marginally to 26 million metric tonnes (mmt) from 25.8 mmt during the April 2023-February 2024 period, according to the petroleum and natural gas ministry data. Petrol exports fetched \$10 billion during this period, about 13% less than a year earlier. In volume terms, however, petrol exports increased 4% to 12.1 mmt.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/diesel-exports-plunge-25-to-20-billion-as-global-prices-soften/articleshow/108860163.cms>

100-day plan: Commerce Department to identify export barriers, launch 'Trade Connect e-Platform'

The Commerce Department has sought inputs from export bodies on trade barriers and non tariff measures they face in different countries to incorporate ways to combat such barriers in the 100-day action plan to be presented to the new government that takes over after the general elections. The 'Trade Connect e-Platform', which seeks to provide information to new and aspiring exporters on the identification of products for export, non-tariff barriers, updated tariff schedule of items, applicable customs duty and benefits under India's FTAs, will also be launched as part of the 100-day action plan, a source tracking the matter told businessline. "The 100-day action plan will contain various measures to boost exports to move towards achieving the \$2 trillion goal for 2030. Launch of the Trade Connect ePlatform is also a step in the direction. Addressing non tariff barriers is also likely to be part of the plan as they hinder export growth in markets where tariffs are already low," the source said.

<https://www.thehindubusinessline.com/economy/100-day-plan-commerce-department-to-identify-export-barriers-launch-trade-connect-e-platform/article68003118.ece>