



Public Finance

India likely to keep April-Sept borrowing under 60% of FY24 goal, sources say

The Indian government's borrowing for April-September is likely to be between 55% and 58% of its gross borrowing target for next fiscal year, two government officials said on Wednesday, to front-load expenditure and keep bond supply closer to market expectations. *(The Economic Times)*

Despite near record supply, states' borrowing cost dips marginally

As many as 12 states raised Rs 32,600 crore at the weekly auction of government securities on Tuesday at an average price of 7.68 per cent, down by 2 basis points over last week, making it the second largest auction in the quarter. Aditi Nayar, the chief economist and head of research at Icrs Ratings, said the drawdown is a sharp 24 per cent more than indicated in the quarterly borrowing calendar. Additionally, the drawdown is more than double the year-ago level. *(The Economic Times)*

Centre approves Rs 1,816 crore to 5 states as disaster relief

A High Level Committee, headed by Home Minister Amit Shah, has approved the release of an additional Rs 1,816 crore to five states, including Karnataka, as central assistance for the natural disasters faced by them. According to an official statement, the assistance will be provided to Assam, Himachal Pradesh, Karnataka, Meghalaya and Nagaland for floods, landslides and cloudburst that occurred during 2022. *(The Economic Times)*

AP govt pegs Budget outlay at ₹2,79,279 crore

Andhra Pradesh government has pegged the budget outlay for the year 2023-24 at ₹2,79,279 crore, with a lion's share of allocations going to the flagship welfare schemes being implemented under the Navaratnas. The Andhra Pradesh government's Budget outlay for 2022-23 and 2021-22 was ₹2.56 lakh crore and ₹2.29 lakh crore, respectively. *(BusinessLine)*



Taxation

Govt unlikely to roll back tax plan on high-value life insurance

The Indian government is unlikely to make changes to its budget proposal of taxing the total returns on high-value life insurance policies, two government officials said on Wednesday, amid demands by insurance companies to reconsider the move. *(The Economic Times)*

AWS India to contest tax demand on cloud income

The department has contended that receipts from cloud computing services were in the nature of royalty and fee for technical services and fee for technical services and were taxable in India *(The Economic Times)*

Panel working on classification of millet products to determine GST rates

A Goods and Services Tax (GST) panel is finalising classifications of millet-based products to determine the tax rates applicable on them. According to sources, the fitment panel – comprising officials from the Centre and states – would classify products where millets are a dominant ingredient. *(Business Standard)*

Fraternity, prosperity and polarisation

One of the most heartening and fraternal features of intergovernmental fiscal relations in India to date has been the progressivity of the horizontal devolution of tax revenues between states. *(Business Standard)*

MCD to use drones to survey industrial area properties for tax assessment

In a first, the Municipal Corporation of Delhi (MCD) will use drones to survey properties in the city's industrial areas for tax assessment, officials said on Tuesday. This will help in verifying details submitted by residents of their properties while paying tax, an MCD official said. *(Business Standard)*

NHAI likely to discontinue fixed toll tax at Delhi-Gurugram Expressway

Commuters may no longer have to pay the 'fixed toll' charge on the Delhi-Gurugram Expressway as the National Highway Authority of India (NHAI) has reportedly planned to implement a 'pay-per-road-use' system. This means that travellers will only have to pay for the distance travelled on the expressway. *(Mint)*



National Accounts and State of the Economy

Economy likely to log in a tepid 6 pc growth next fiscal: Crisil

The economy is likely to log in 6 per cent growth next fiscal, in line with consensus estimates, driven by an increased capex by the private sector, rating agency Crisil said on Thursday. The private sector capex is expected to deliver double-digit revenue growth for the second year on the trot, it added. *(The Economic Times)*

Global uncertainty rising, need to maintain 'margins of safety': CEA V Anantha Nageswaran

The global uncertainty has been on a rising trend and has gone up a few notches in the last week, said India's Chief Economic Advisor V Anantha Nageswaran adding that countries need to live with this, not just this year but for the next year and beyond. Nageswaran said that the key thing to do when you are facing uncertain times is to make sure that you have margins of safety in your operations, whether it is for corporations or for investors. *(The Economic Times)*

Crisil cuts India's next fiscal year growth aim by 100 bps as global woes curb consumption lift-off

Crisil, a rating company, projects a slower growth for the Indian economy at 6% amid a challenging global macroeconomic environment, against a likely 7% growth this fiscal in terms of real gross domestic product. Crisil's projection for FY24 is lower than the Reserve Bank of India's 6.4% forecast. The slower world economy on the back of aggressive rate hikes by major central banks would create downside risks to India's growth. *(The Economic Times)*

Wholesale inflation eases to 25-month low of 3.85% in February

The wholesale price based inflation eased for the ninth consecutive month to 3.85 per cent in February on easing prices of manufactured items and fuel and power, showed the government data released on Tuesday. The wholesale price index (WPI) based inflation rate was 4.73 per cent in January this year and 13.43 per cent in February 2022. *(The Economic Times)*

India's retail inflation eases to 6.44% in February

India's retail inflation declined marginally to 6.44 per cent year-on-year in February as against 6.52 per cent in January, data released by the Ministry of Statistics and Programme Implementation showed on Monday. *(The Economic Times)*

Inflation to impact profitability and growth: S&P Business Outlook Survey

The headline value of the index or the net balance declined to 21% in February compared to 28% in October, indicating a weaker degree of optimism. The global average was 32%, whereas the emerging markets averaged 33%, as per the report released on Monday. *(The Economic Times)*

Inflation expected to come down over the year: RBI MPC member Ashima Goyal

Inflation is expected to come down over the year, RBI Monetary Policy Committee (MPC) member Ashima Goyal said on Sunday, asserting that the government's supply-side action coordinated with a flexible inflation-targeting regime has kept the rate of price rise lower than that in other countries. Goyal said that India has successfully dealt with 'pluri-shocks' over the past three years, showing considerable resilience. *(The Economic Times)*

High CPI inflation, falling WPI inflation show pressure on households, cheer for industry; where's money going

The retail inflation in February was 6.44%, slightly lower than in January but still above the RBI's target range of 2-6%. On the flip side, wholesale inflation fell to a 25-month low of 3.85%. The main reason behind the divergence between CPI and WPI is the difference in the weightage of the food basket and fuel prices. *(The Hindu)*



Banking and Monetary Policy

SVB collapse: Name mix-up sends an Indian bank's customers into panic mode

The collapse of Silicon Valley Bank (SVB) in California had impacted the customers of Mumbai-based Indian bank. A cooperative bank called Shamrao Vithal Cooperative Bank

(SVC) had been getting queries from panicked customers regarding the safety of their deposits due to similarity in name of the bank, as per media reports. *(The Economic Times)*

Sharp rise in MCLR to intensify policy transmission next fiscal

The report notes that banks have drawn down Rs 5 lakh crore from the reverse repo window in FY23, which has enabled them to address a surge in the gap between incremental credit and deposits, but this will not be available in FY24. Therefore, MCLR will show a significant rise, the report noted. *(The Economic Times)*

Banks from 18 nations open 30 special Vostro accounts for trade in rupee

Several banks, including HDFC Bank and UCO Bank, have opened as many as 30 special vostro accounts as of date to facilitate overseas trade in the rupee, a top government official said on Wednesday. Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said as of date, some 18 countries have already opened special vostro accounts with Indian banks. "About 30 banks from overseas countries have signed up with 30 banks on our side, so 30 accounts...The transaction has started in bits and pieces," he told reporters here. *(The Economic Times)*



External Sector

India, US sign pact on semiconductor supply chain, innovation partnership

India and the US on Friday signed a pact on setting up a semiconductor supply chain and innovation partnership, and established a semiconductor sub-committee under the framework of the India-US Commercial Dialogue, revived after three years. The first engagement of the sub-committee is expected to take place before the end of 2023. *(Business Standard)*

India and Australia sign audio-visual co-production agreement

India and Australia have signed an audio-visual co-production agreement under which private, quasi-government or governmental agencies of the two countries enter into contracts to produce films together. An audio-visual co-production, made in accordance with the agreement, will be entitled to claim all the benefits extended in both the countries. *(The Hindu)*

India, Australia to partner for mineral projects to develop supply chain

Working towards investment in critical mineral projects, including lithium, to develop supply chains between the two countries, India and Australia held bilateral talks. The Union Minister for Coal, Mines and Parliamentary Affairs, Pralhad Joshi, and Minister for Resources and Northern Australia, Madeleine King, announced the partnership and have identified five target projects (two lithium and three cobalt) on which to undertake detailed due diligence. *(Business Standard)*

World markets set for aftershocks as SVB collapse ripples out

Markets were set for a bumpy ride this week as the fallout from collapsed startup-focused lender Silicon Valley Bank (SVB), the biggest U.S. bank failure since the 2008 financial crisis, coincides with key economic data and policy meetings. *(BusinessLine)*

India, Australia agree for early conclusion of talks to expand trade pact; eye USD 100-bn trade

India and Australia expressed their commitment for concluding the negotiations for expanding the scope of existing free trade agreement by the end of this year with an aim to push the bilateral trade to USD 100 billion. The issue came up for discussions during the meeting of joint ministerial commission between commerce and industry minister Piyush Goyal and his Australian counterpart Don Farrell. *(ThePrint)*

G-20 meet to focus on blue economy, responsible AI

Responsible application of Artificial Intelligence (AI) and the 'Blue Economy' will be the primary issues in focus during brainstorming sessions at the three-day Supreme Audit Institutions-20 (SAI20) Engagement Group delegates' meet. *(The Hindu)*

India's forex reserves rise for first time in 5 weeks to USD 562.40 bn

The Reserve Bank of India said India's foreign exchange reserves rose for the first time in five weeks to USD 562.40 billion as of the week ended March 3. The reserves rose USD 1.46 billion at the end of last week after falling by a total of USD 15.8 billion in the previous four weeks, the RBI's statistical supplement showed. *(ThePrint)*

Cuba open to trade in rupee with India as it could ease financial transactions: Cuban Minister

Cuba is open to carrying out rupee trade with India as it could help it "deal with US blockade" that makes it difficult to carry out financial transactions, Cuban Minister of Foreign Trade and Investment Rodrigo Malmierca Diaz said in an interview. Diaz said that there was a great potential to increase trade and investment ties between the two countries by working with enterprises from both sides. *(BusinessLine)*

New Foreign Trade Policy by March end, says commerce secretary

The Union government will launch the new foreign trade policy by the end of this month, commerce secretary Sunil Barthwal told reporters at a press briefing. The policy for 2022-27, slated to be announced on 30 September last year, was deferred in a last-minute change of plans. *(Mint)*

US inflation up, keeps Federal Reserve on track for interest rate hike

US consumer prices increased solidly in February as Americans faced persistently higher costs for rents and food, posing a dilemma for the Federal Reserve, whose fight against inflation has been complicated by the collapse of two regional banks. In the 12 months through February, the CPI increased 6.0 per cent, marking the smallest year-on-year gain since September 2021. The CPI rose 6.4 per cent on a year-on-year basis in January. The Federal Reserve was seen raising its benchmark rate a quarter of a percentage point next week and again in May. *(Business Standard)*

India, US, and Japan talk greater cooperation on 5G, telecom stacks

Telecom Minister Ashwani Vaishnav's meeting with Japan's Digital Minister Kono Taro and US Commerce Secretary Gina Raimondo over the weekend focused on firming up greater cooperation on 5G, telecom stacks, and enabling tech. *(Business Standard)*

New foreign trade policy to focus on MSMEs, Ecomm Zones, AI

India's upcoming foreign trade policy will seek to handhold MSMEs to build their financial capabilities, set up special zones for ecommerce exports and develop new mechanisms to

support services related to artificial intelligence and Internet of Things. *(The Economic Times)*



Agriculture and Rural Economy

Too early to say about impact of high temperatures on wheat crop, says Agriculture Minister

Union Agriculture Minister Narendra Singh Tomar on Tuesday said there has not been any effect seen so far on wheat crop due to high temperatures and it will be too early to say about the likely impact. On whether there has been any adverse impact seen in wheat crop as harvesting has started in some states like Madhya Pradesh, Tomar said, "Weather-related challenges are always there in front of agriculture." *(The Economic Times)*

Heatwave yet to affect vegetable output, prices

An intense heatwave that parts of India is witnessing hasn't so far affected vegetable output and prices, as there is still moisture in the soil after last year's plentiful rains improved the water table, farmers and traders said. Supply of fish too is ample, as aquaculture farms also aren't facing any shortage of water. *(The Economic Times)*

Milk supplies in South may start improving from mid-April with early onset of flush season

A tightness in milk supply, being witnessed in the South, may start easing by the middle of April with the likely early onset of the flush or the peak production season. A weaker flush last year coupled with exports of butter amidst a post-Covid rebound in consumer demand for dairy products resulted in tight milk supply in the South in the recent weeks. *(BusinessLine)*

Attracting new generation to farming a major challenge, says Tomar

Admitting that the government's role is to balance the interests of farmers and consumers, Union Agriculture Minister Narendra Singh Tomar on Tuesday said the feeling of indifference towards agriculture among the new generation is a big challenge for which the government has been taking a number of steps to generate interest in the farm sector. *(BusinessLine)*

CSIR-NIIST transfers tech to produce leather from agro-residue

CSIR-National Institute for Interdisciplinary Science and Technology (NIIST), in Thiruvananthapuram signed three agreements on Monday for transfer of technology, including manufacture of leather from agro-residues as an alternative to animal and synthetic leather. The tie-ups with government and private organisations were formalised in the presence of N Kalaiselvi, Director-General, Council of Scientific and Industrial Research (CSIR); Javed Iqbal, Chairman, CSIR-NIIST Research Council; and C Anandharamakrishnan, Director, CSIR-NIIST, on the sidelines of the 'One Week One Lab' programme. *(BusinessLine)*

Millet milk, Bhindi chips and the plant protein push

In the international year of millets, it was not surprising that grains like sorghum, ragi and bajra were dominating Aahar 2023, the mega food and hospitality fair held at New Delhi's

Pragati Maidan. From millet flakes to sorghum crisps to ragi dosa mixes and millet noodles, players big and small were showcasing their new ranges. But it was Hyderabad-based start-up Nourish You's Millet Milk that caught the eye.[\(BusinessLine\)](#)

Cotton crop estimates further lowered to 313 lakh bales

Ahmedabad, March 16 Led by a dip in production in the cotton growing regions of Telangana and Maharashtra, India's cotton crop for the 2022-23 season (October-September) is estimated to hit a low of 313 lakh bales (each of 170 kg), as against the earlier projection of 321.50 lakh bales. Last year's cotton crop was estimated at 307 lakh bales.[\(BusinessLine\)](#)

Andhra Pradesh: Agriculture and allied sectors allocated a budget of ₹41,437 crore in 2023-24

Agriculture Minister Kakani Govardhan Reddy presented the 2023-24 budget for agriculture and allied sectors with a total outlay of approximately ₹41,437 crore, including ₹11,909 crore for water resources, in the Legislative Assembly on Thursday. Mr. Govardhan Reddy pegged the growth of agriculture and allied sectors during the financial year 2022-23 at 13.18%, marginally up from 13.07% the previous year (2021-22), and claimed that they were more than the national average of 10% and 11.30% respectively.[\(The Hindu\)](#)

CO2 rise won't just affect crops: Prof. Lewis H. Ziska

Lewis H. Ziska, associate professor at Columbia University's Mailman School of Public Health, had to quit the U.S. Department of Agriculture after 25 years of service in 2019 to protest interference by the Trump administration in his research on the negative effects of rising carbon dioxide on nutritional composition of rice. Published in Science Advances, a top-notch scientific journal, the research found that increased carbon dioxide in the atmosphere reduced Vitamin B and E in rice plant which could impact 50% of daily calorie intake by more than 6 million rice eaters in the world.[\(The Hindu\)](#)



Industry, Manufacturing, Services and Technology

States to get ₹3,000 crore to promote vehicle scrappage; ₹5,000 crore for Unity Malls

States will get ₹5,000 crore for the construction of Unity malls and ₹3,000 crore for scrapping old vehicles as incentives under the "Scheme for Special Assistance to States for Capital Investment" in fiscal year 2023-24, beginning April 1.[\(BusinessLine\)](#)

FICCI Manufacturing Survey : Cost pressures abating, sustained growth momentum expected for March quarter

Inflation-led cost pressures seem to be abating while growth momentum is expected to sustain in the fourth quarter of FY23 backed by expectations of higher production levels in the manufacturing sectors. Increased cost of finance, cumbersome regulations, high logistics cost and low global demand among challenges.

Paints business margin to reduce with entry of Grasim Industries

Grasim Industries entry into paints business to impact industry margin by 1.5 per cent to 4 per cent depending on its success. Aditya Birla flagship, Grasim announced its entry into paints business in January 2021 with plans to rollout six manufacturing units across India. *(BusinessLine)*

IPEF negotiations: India to oppose mandatory labour, environment standards

India will oppose any attempt to weave in mandatory commitments on labour and environment standards in the three pillars — supply chains, clean energy & infrastructure and fair economy — of the US-led Indo-Pacific Economic Framework it is negotiating with member countries, sources tracking the matter have said. *(BusinessLine)*

Digital Competition Act: Big Tech cos make beeline to submit views to MCA-appointed panel

Big Tech firms including Google, Meta and Amazon on Saturday made elaborate presentations to the MCA-appointed Committee on Digital Competition Law on how the proposed Digital Competition Act should be fashioned. This is the first occasion when Big Tech firms are making their submissions after the panel was constituted on February 6 to study the need for an ex-ante framework in the country, international practices on the subject, and the existing legal framework. *(BusinessLine)*

Industrial growth improved to 5.2 per cent in January, second-highest since July 2022

Industrial production grew by 5.2 per cent in January, showed data released by Statistics Ministry on Friday. The growth number derived from Index of Industrial Production (IIP) was 4.7 per cent in December and 2 per cent in January last fiscal. Buoyed by growth in manufacturing, mining and power sectors. *(BusinessLine)*

Ensure airlines do not practice predatory pricing under cloak of free market economy, Parliament panel tells government

A parliamentary panel has asked the Civil Aviation Ministry to cap the upper and lower levels of airfares, and ensure that predatory pricing mechanism is not adopted by the airlines under the cloak of free market economy. Among others, there have been complaints about sudden surge in air ticket prices during peak travel seasons. *(The Hindu)*

Fragrance and flavour industry to touch over \$5 bn in 3-4 years: Industry body

The fragrance and flavor industry in India is likely to grow at a rate of 12% each year over the next three to four years, reaching a size of over USD 5.2 billion by the end of this period. This growth is being driven by factors like rising disposable incomes and changing consumer preferences. The major user industries of this segment are food and beverages, personal care, homecare, pharmaceuticals and cosmetics, and these include major multinational companies, domestic companies and small businesses. *(The Economic Times)*



State's precarious financial situation pushes paddy farmers to the brink

The precarious financial situation of the government seems to have pushed paddy farmers to the brink in the State. A section of farmers who suffered heavy losses due to unseasonal rain during the 2021 rabi season are yet to be compensated despite their crops being insured under the Pradhan Mantri Fasal Bima Yojana and the restructured Weather Based Crop Insurance Scheme. *(The Hindu)*

Central policies leading to an emergency in the country's power sector: K. Krishnankutty

Electricity Minister K. Krishnankutty on Friday blamed the policies followed by the Central government for setting the stage for an "emergency" in the country's power sector. Central policies favouring entry of private monopolies in power generation and distribution are likely to trigger an increase in power tariffs in the near future, Mr. Krishnankutty said, replying to questions in the State Assembly. *(The Hindu)*

State gets ₹15,610.94 crore from IGST so far this fiscal

Kerala has received ₹15,610.94 crore by way of Integrated Goods and Services Tax (IGST) till February in this fiscal, according to data furnished in the State Assembly on Friday. Finance Minister K. N. Balagopal, replying to questions in the House, said the State has repeatedly demanded the Central government and the GST Council to ensure accuracy in IGST settlements. *(The Hindu)*

Kannur district panchayat Budget focuses on education, agriculture, tourism

The Kannur district panchayat Budget for the year 2023-24 has laid stress on education, agriculture, and tourism. District panchayat vice president Binoy Kurian presented the Budget with an estimated income of ₹125.12 crore, expenditure of nearly ₹122 crore, and a surplus of over ₹2 crore. *(The Hindu)*