



Public Finance

States' capex may cross 3% of GSDP

Capital expenditure of states could cross 3% of gross state domestic product in 2023-24, following the Centre's capital spending push in the annual budget, showed an ET analysis of 16 states. The analysis revealed that the capex of the 16 states, which account for 80% of the GDP and the total expenditure of the states, could be about 20% higher than in the current financial year. *(The Economic Times)*

States raise record Rs 35,800 crore through securities auction

In the largest-ever state government securities auction so far, this fiscal, 12 states on Tuesday raised Rs 35,800 crore at an average annualised price of 7.74 per cent. The current drawdown is 15 per cent higher than the amount indicated for the week in the auction calendar and 66 per cent higher than the year-ago period. This is the penultimate week in the borrowing calendar for the states this fiscal. *(The Economic Times)*

Government to spend ₹4.5 lakh crore more on infrastructure projects

The government is expected to spend ₹4.46 lakh crore more on infrastructure projects than the original estimates, a report released by the infrastructure and project monitoring division of the Ministry of Statistics and Programme Implementation (MoSPI) on Tuesday said. *(The Economic Times)*

'India's eye-watering 1.7% spend on transport upgrade to set stage for \$5-trillion economy'

India will spend a whopping 1.7% of its GDP on transport infrastructure this year – about twice the level in America and most European countries – a feat that has been noticed even by The Economist, which called it an 'eye-watering' upgrade that will set stage to achieve a \$5-trillion economy. The NDA government has increased the capital outlay on infrastructure to \$122 billion for the fiscal year starting April as it looks to provide a strong impetus to job creation and boost economic activity amid a global slowdown. *(The Hindu)*



Taxation

GST 2.0: Is this the right time? And what kind of reforms do we need? GST 2.0: Is this the right time? And what kind of reforms do we need?

As the GST collection turns robust — an outcome of widening tax base and plugging of leakages — this is the right time to usher in the next phase of India's most ambitious tax reform. So, what kind of reforms should be part of GST 2.0? *(The Economic Times)*

Govt's claim that 22% of GST payers account for 90% of collections is misleading

In response to an Oxfam report that says the poorer half of India's population pays two-thirds of the Goods and Services Tax (GST) collected by the government while the richest 10% account for just 3-4% of GST collections, the government has highlighted another statistic: 90% of the GST collected comes from just 22% of GST payers, comprising large businesses with a turnover above ₹50 crore. *(Mint)*

Govt may remove income tax benefit given to debt mutual fund investors

As of now, investors in debt mutual funds pay income tax on capital gains for a holding period of three years according to their tax slab. Those with investments of more than 3 years are taxed at the rate of 20% with indexation benefits or 10% without indexation. *(The Economic Times)*

GST appellate tribunal may be headed by a former SC judge

The Goods and Services Tax (GST) Appellate Tribunal is likely to be headed by a former Supreme Court judge or a former Chief Justice of a High Court and its framework may permit the resolution of disputes involving dues or fines of less than ₹50 lakh by a single-member bench. Amendments to the GST laws to enable the tribunal's constitution, are expected to be introduced in the Lok Sabha. *(The Hindu)*

Mobile App Launched for Taxpayers to View AIS

The Income-Tax Department has launched a mobile app where taxpayers can view and request to correct any discrepancy in the Annual Information Statement (AIS) so that they can rectify it or calculate their tax liability accordingly. *(The Economic Times)*

GSTN has enabled the registration of 'one person company'

The Goods and Services Tax Network (GSTN) has enabled the registration of 'one person company' under the GST regime on its portal. There was no such option in the form notified by Central GST or State GST Acts. The GSTN has issued an advisory to this effect following representations from businesses. This will bring many small businesses registered under the ambit of GST regime. *(The Economic Times)*



National Accounts and State of the Economy

G20 second Framework Working Group meeting to discuss global macro-economic issues: CEA V Anantha Nageswaran

A host of global issues pertaining to inflation, energy security and climate change would be discussed in the G20 second Framework Working Group meeting scheduled to begin Friday, Chief Economic Advisor V Anantha Nageswaran said here on Thursday. India along with the United Kingdom would play a 'facilitator role' in discussing the issues with member countries during the two-day summit, he said. *(The Economic Times)*

9 states may post higher nominal GDP growth than country's 10.5%

Nine states have projected growth rates higher than the 10.5% forecast for the country in 2023-24, according to an ET analysis of budgets of 17 bigger states that account for nearly 90% of the country's gross domestic product (GDP). The average nominal GDP growth projected by the nine states for FY24 is 14%, well above the 10.5% nominal growth for

the country projected in the Union budget as well as the average of 11.1% for all the 17 states analysed. *(The Economic Times)*

OECD Raises FY24 India Growth Forecast to 5.9%

The Organisation for Economic Co-operation and Development (OECD) Friday raised India's growth forecast for FY24 to 5.9% from 5.7% in November. "We are impressed by the reforms India has been taking over the years. Also, steps like trying to open up the economy. We want India to keep the reform state of mind," said Alvaro Santos Pereira, acting chief economist, OECD. *(The Economic Times)*

Work Generated Under NREGS Declines in Feb

Work generation under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) moderated for a second straight month sequentially in February, indicating a marginal pick-up in industrial activities, government data showed. About 198.4 million person-days of work were generated in February, down 4.1% from 206.9 million in January, showed data compiled by the rural development ministry. However, on a year-on-year basis, February's work generation figure was down by 25.5%. *(The Economic Times)*

India Inc's Strong Debt Profile Key to Economy's Macro Stability: MoF

The strong debt profile of Indian companies was key to maintaining the country's macroeconomic stability, which is expected to further improve as the current account deficit (CAD) for this fiscal year is set to be smaller than earlier estimates, a finance ministry report said Monday. *(The Economic Times)*

Indian economy to grow at 7%; inflation set to moderate: Finance Ministry

The Indian economy is expected to grow at 7 per cent in FY23 despite global headwinds while retail inflation would moderate in line with wholesale inflation which fell to a 25-month low in January, the Finance Ministry said on Monday. Supported by the gains from high services exports, the moderation in oil prices, and the recent fall in import-intensive consumption demand, India's current account deficit is estimated to fall in FY23 and FY24, providing a buffer to the rupee in uncertain times, Monthly Economic Review by the ministry said. *(Mint)*

RBI says optimistic of growth trajectory

The Reserve Bank of India is optimistic about India's growth outlook, "whatever the odds", and expects it to maintain the pace seen in the current fiscal year. "Unlike the global economy, India would not slow down – it would maintain the pace of expansion achieved in 2022-23," RBI staff wrote in the March bulletin of the State of the Economy, published on Tuesday. "We remain optimistic about India, whatever the odds." *(Mint)*

RBI does not expect India to slowdown like global economy in FY23, raises concern on inflation

The Reserve Bank of India (RBI) does not expect India to slow down in the fiscal year FY23, unlike the global economy. It believes the country will maintain its pace of expansion by the end of the financial year. Hence, RBI is optimistic about India. However, the central bank did raise its concern about inflation, especially core inflation. In its March 2023 bulletin, RBI said, "unlike the global economy, India would not slow down – it would maintain the pace of expansion achieved in 2022-23." *(Mint)*

'Economic growth potential hinges on states' efficiency'

The Indian economy could achieve its potential of growing at 8-8.5% if states improve their efficiency in areas such as labour and land, said Bibek Debroy, chairperson of the Economic Advisory Council to the Prime Minister (EAC-PM). *(Mint)*

Delhi's per capita income grew by 7.54% in 2022-23: survey

Delhi's per capita income is estimated to have grown by 7.54%, from ₹2.52 lakh in 2021-22 to ₹2.72 lakh in the current fiscal, according to the Economic Survey of Delhi 2022-23 tabled in the Assembly on Monday. The per capita income of Delhi has been around 2.6 times higher than the national average, said the report. *(The Hindu)*

IREDA Initial Public Offering Gets CCEA Nod

The Cabinet Committee on Economic Affairs (CCEA) on Friday approved an initial public offer (IPO) of government-owned Indian Renewable Energy Development Agency Ltd (IREDA). The IPO will include a stake sale by the government and an issue of fresh equity to raise funds. The Department of Investment and Public Asset Management (DIPAM) will drive the listing process, a statement from the government said. *(The Economic Times)*



Banking and Monetary Policy

'Central banks can emulate RBI's model'

The playbook adopted by the Reserve Bank of India in times of crises, front led by champion banks and supported by robust deposit insurance, is more suitable for cut, copy and paste by central banks of developed markets, according to State Bank of India's economic research report "Ecowrap". *(BusinessLine)*

PSBs' gross NPAs decline to 5.53% in Apr-Dec

The government has taken various reforms following which asset quality of public sector banks has improved significantly with gross NPA ratio declining from the peak of 14.6 per cent in March 2018 to 5.53 per cent in December 2022, Parliament was informed on Monday. *(BusinessLine)*

Women own 35% of a/cs, add up to only 20% of total deposit amount

Women own a little over one-third of deposit accounts but only one fifth of the total deposit amount in scheduled commercial banks, a report by the Statistics Ministry showed. It also revealed that only one of four bank employees are women. *(BusinessLine)*

India's financial sector stable, worst of inflation is over: Das

Even as it hiked the repo rate by another 35 bps on Wednesday, RBI believes that the worst of the CPI inflation is behind us, and GDP growth prospects continue to be robust despite concerns of a global recession or slowdown. *(BusinessLine)*

India will not slow down: RBI article

Unlike the global economy which is risk of recession, India would not slow down and maintain the pace of expansion achieved in 2022-23, said the RBI March bulletin. Even as global growth is set to slow down or even enter a recession in 2023 as global financial markets wager, India has emerged from the pandemic years stronger than initially

thought, with a steady gathering of momentum since the second quarter of the current financial year, said an article in the bulletin. *(ThePrint)*

Banks Reach Out to RBI, Seek Easing of MSME Bad Loan Rules

Banks have reached out to the Reserve Bank seeking relaxation in recognition of non-performing assets in the MSME sector. Banks want that a restructured MSME account under the Covid package be considered NPA from the latest date and not from the date prior to restructuring. This will give some relief to banks as it would lessen their provisioning burden. *(The Economic Times)*



External Sector

UK inflation jumps to 10.4% for the first time, surprising analysts

Britain's inflation rate rose for the first time in four months in February, surprising an analysts and increasing pressure on the Bank of England to raise interest rates at its meeting on Thursday. The consumer price index jumped to 10.4 per cent in the 12 months through February from 10.1 per cent the previous month, as high energy prices continued to squeeze household budgets, the Office for National Statistics said Wednesday. *(Business Standard)*

India's forex reserves fall to over 3-month low of \$560 billion

India's foreign exchange reserves fell to \$560 billion as of the week ended March 10, lowest since early-December, the Reserve Bank of India's (RBI) statistical supplement showed. The reserves stood at \$562.40 billion in the week to March 3. *(The Hindu)*

'Big German investments in India soon'

Major German investments are imminent in India's automotive and health sectors, the country's Ambassador said in an interview following German Chancellor Olaf Scholz's visit to New Delhi in February. *(Mint)*

India, EU conclude another round of talks for proposed trade agreement

India and the European Union (EU) concluded the fourth round of talks for a comprehensive free trade agreement in Brussels, a move aimed at further strengthening economic ties between the two sides. India and the 27-nation bloc resumed negotiations on June 17 last year after a gap of over eight years on the proposed agreements on trade, investments and Geographical Indications (GI). *(BusinessLine)*

China, Russia should push for more 'practical' cooperation: Xi to Putin

China and Russia should work more closely to push forward greater 'practical cooperation', Chinese President Xi Jinping told his Russian counterpart Vladimir Putin. *(Business Standard)*

EU says it's ready to work with India on carbon tax

The European Union is willing to collaborate with India in easing the administrative burden for businesses while enforcing its Carbon Border Adjustment Mechanism (CBAM), which seeks to impose tariffs on imports with a high carbon footprint entering the 27-member bloc. *(Mint)*

India to contribute 33% to world milk output by 2033-34: Amit Shah

Driven by village-level milk co-operative societies, India's annual milk production will touch 330 million tonnes and contribute 33 per cent to the global milk output by 2033-34, said Union Minister for Home and Co-operation Amit Shah. *(BusinessLine)*

European carbon tax may cast a cloud over FTA talks

India should take up the European Union's proposed carbon tax with the bloc as it could attract a 20-35% duty on key Indian shipments, potentially clouding free trade talks between the two sides, trade experts said. *(Mint)*

Stop funding new oil & gas plans, expanding reserves: UN Chief Guterres

UN Secretary-General António Guterres on Monday called upon nations to cease the funding of all new oil and gas discoveries and projects, and stop the expansion of existing oil and gas reserves if the world has to avert a climate catastrophe. *(Business Standard)*

Esma to penalise but let European Union banks deal with India CCPs

The European Securities and Markets Authority (Esma), financial markets regulator of the European Union, will allow European banks to continue doing business with their Indian central counterparties (CCPs), even after its April 30 deadline, by imposing a "penal capital charge". *(Business Standard)*

How war fed Indo-Russia trade

One year into the Ukraine war, goods trade between Russia and India has touched new highs. The New Delhi-Moscow relations have withstood the West's pressures, and bilateral trade has been the biggest benefactor as well as a catalyst in this transformation. However, a sharp surge in imports from sanctions-hit Moscow has made trade figures overwhelmingly one-sided. *(Mint)*

Japan-India discusses multiple projects

Japan's Prime Minister Fumio Kishida's visit to India, which ended on Monday, placed semiconductor cooperation, the Mumbai-Ahmedabad bullet train project and the development of the Northeast in focus. The two-day visit was Kishida's second to India since taking office as Prime Minister in 2021. *(Mint)*

India should target USD 350 bn exports through e-comm by 2030; needs separate policy: GTRI

India should target USD 350 billion worth of goods export through e-commerce by 2030 and for that the government needs to address pain points of the sector by taking steps like formulating a separate policy, a report by economic think tank Global Trade Research Initiative (GTRI) said. *(The Economic Times)*

Banks borrow \$164.8 billion from US Fed in rush to backstop liquidity

Banks borrowed a combined \$164.8 billion from two Federal Reserve backstop facilities in the most recent week, a sign of escalated funding strains in the aftermath of Silicon Valley Bank's failure. *(Business Standard)*

Banking crisis: No Europe contagion after US bank rescues, says ECB

European Central Bank supervisors see no contagion for euro zone banks from recent sector turmoil, a source said on Friday, even as rescue deals for Credit Suisse and First Republic Bank failed to arrest pressure on their share prices. *(Business Standard)*



Agriculture and Rural Economy

Centre launches DigiClaim for quicker settlement of crop insurance claims

The government on Thursday launched a digitised claim settlement module — DigiClaim — under the Pradhan Mantri Fasal Bima Yojana (PMFBY) which will help farmers receive the disbursed amount electronically like in the case of PM-Kisan. As for the launch, it has been made operational in six States with demonstration of actual transfer of claims in bank accounts of beneficiary farmers. *(BusinessLine)*

Farmers hold 'Kisan Mahapanchayat' at Ramlila Maidan over unfulfilled demands

Thousands of farmers will gather at Ramlila Maidan here on Monday for the 'Kisan Mahapanchayat' to press for a legal guarantee on the minimum support price amid heightened security. The Morcha spearheaded an over a year-long agitation against the central government's now-repealed farm laws. *(The Hindu)*

India hosts roundtable on millets to strategise production and consumption globally

India held its first mega-global event Global Millets (Shree Anna) Conference in Delhi to celebrate 2023 as the International Year of Millets (IYM). The aim of United Nations to declare 2023 as the International Year of Millets on India's initiative is to elevate awareness of millets for food security and nutrition, enhance investment in R&D and extension, and to inspire stakeholders towards improving production, productivity and quality of millets. *(The Economic Times)*

Some damage to rabi crops due to unseasonal rains; yet to receive full report from states: Centre

The Centre on Monday said there has been some damage to the rabi (winter) crops including wheat due to unseasonal rains and hailstorm brought about by western disturbance, but it is yet to receive a report from the states. Speaking to PTI, Minister of State for Agriculture Kailash Choudhary said the state governments are utilising the funds under the State Disaster Relief Fund (SDRF). *(The Economic Times)*

An impending water crisis can cripple India's agriculture sector. Here's how to tackle it

The world is heating up as climate change looms large, destroying lives and livelihoods. From a significant drop in food and water security, to energy crises and erosion of natural life, global warming is a bane impacting every aspect of human life. According to an India-specific fact derived from data in an October 2022 Lancet report, between 2000-04 and 2017-21, India saw a 55% increase in annual heat-related deaths of people older than 65 due to extreme heat. Globally, heat-related mortality for the same vulnerable cohort rose by about 68% during the same period. *(The Economic Times)*

Unseasonal rain expected to increase prices of commodities in short supply

Prices of everyday essentials like wheat, jeera, chana and some fruits and vegetables are expected to increase as the unseasonal rainfall has damaged the crops. Unseasonal rainfall is expected to increase prices of commodities in short supply and reduce the returns for

farmers in commodities that are perishable and where farmers have lost their crop. *(The Economic Times)*

Agri Ministry ropes in Nafed for promotion of millets

The Agriculture Ministry on Monday said it has roped in cooperative Nafed for promotion of the government's millets initiative at global scale, including installation of millet vending machines and setting up of an experience centre in Delhi-NCR. Nafed, which has entered into a MoU with the ministry in this regard, will set up a millet corner in Nafed Bazaar Retail Stores, install millet vending machines across Delhi-NCR, an official statement said. *(The Economic Times)*

Centre ensures food security through transparent policy for foodgrains procurement

The Centre is committed to ensure food security through a transparent and uniform policy for procurement of foodgrains at Minimum Support Price (MSP) by government agencies across the country, it stated on Thursday. The Centre has fixed an estimate of 34.2 million tonnes (MT) wheat procurement through Food Corporation of India (FCI) for 2023-24 rabi marketing season. *(Mint)*

States to get rewards for organic farming

The Central government has designed a scheme for rewarding states that push organic farming in a measure to cut ballooning subsidies for chemical fertilizers. As per the plan, if promotion of organic farming by a state leads to a decline in the use of chemical fertilizers, then half the subsidy saved on that account will be transferred to the state, said Professor Ramesh Chand, member, NITI Aayog. *(Mint)*



Industry, Manufacturing, Services and Technology

Tamil Nadu, Karnataka, among 7 States to get textile parks

The Centre has selected sites in Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, Madhya Pradesh and Uttar Pradesh to set up new textile parks, a year and a half after the PM Mega Integrated Textile Regions and Apparel (PM MITRA) scheme was announced. The parks would provide state-of-the-art infrastructure for the textiles sector, attract investment of crores and create lakhs of jobs. The scheme was announced in October 2021, and the parks will be set up by 2026-27. *(The Hindu)*

SIBC signs MoU in sustainable infra, defence manufacturing with Maha govt

Sweden India Business Council has signed a memorandum of understanding with the Maharashtra government for cooperation in the area of waste to energy, sustainable infrastructure and transportation, defence manufacturing and investment, the industry body said on Sunday. The MoU was signed on Saturday evening in the presence of Maharashtra Deputy Chief Minister Devendra Fadnavis. *(The Economic Times)*

India aims to become global hub for green shipbuilding by 2030: Sonowal

With an aim to make India a global hub for building green ships, the ministry of ports, shipping and waterways (MoPSW) on Wednesday launch 'Green Tug Transition

Programme' (GTTP) that will convert all tugboats working in the country into 'Green Hybrid Tugs', running on non-fossil fuel like Methanol, Ammonia, Hydrogen. *(Mint)*

Icea revises outlook for domestic steel demand to 7-8% for next fiscal

Icea on Wednesday revised its outlook for domestic steel demand to 7-8 per cent for the next fiscal. With the central government's capex outlay in FY2024, Icea has revised upwards its steel consumption growth estimate for FY2024 to 7-8 per cent from 6-7 per cent, it said in a report. *(Business Standard)*

India's e-commerce market projected to touch \$150 b in 2026: Report

India's e-commerce market is projected to grow from \$83 billion in 2022 to \$150 billion in 2026, according to FIS 2023 Global Payments Report. The report added that cash use declined from 71 per cent of POS transaction value in 2019 to just 27 per cent in 2022. The Unified Payments Interface (UPI) has helped e-commerce account-to-account (A2A) payments grow to \$12 billion, which is up 53 per cent between 2021 and 2022, and digital wallets have also grown from 5 per cent to 35 per cent of POS value. *(BusinessLine)*

India set to surpass China in need for oil as growth paths diverge

A change is on the horizon for oil demand, with India set to eclipse China as the most important driver of global growth and potentially the last, as the world shifts to a greener future. A swelling population, which has likely already surpassed that of China, will help to underpin that growth along with consumption trends. *(Business Standard)*

For FY24, NHAI Eyes 1,987km Monetisation

National Highway Authority of India (NHAI) aims to monetise 1,987 kilometres (km) of highways in 2023-24 through 'toll operate transfer' and infrastructure investment trust (InvITs) modes, people familiar with the development said. The highways body has lined up 30 National Highway sections as part of the plan, with the 124-km Trichy-Thuvankurichi-Madurai (Tamil Nadu) section being the longest and the 4.4-km Badarpur elevated corridor in Delhi being the shortest in the list. *(The Economic Times)*



News on Kerala

State gets ₹1,090 crore for Jal Jeevan Mission as it struggles to meet targets

Jal Jeevan Mission-related works in Kerala have received ₹1,090.39 crore more but the State continues to face a tough job meeting the targets set for the Centrally assisted rural household water supply scheme. *(The Hindu)*

Property taxes in State to go up from April 1

Property taxes in Kerala are set to increase from April 1 this year with the State government going in for a staggered hike in taxes by 5% each year for the next five years. *(The Hindu)*

UK expresses interest to partner with Kerala in higher education sector: CM

The United Kingdom has evinced interest to work with the Kerala government in the higher education sector among others, Chief Minister Pinarayi Vijayan said on Wednesday. *(Business Standard)*

₹65.82 crore project to increase poultry meat production

In the first phase of the project, around 1,000 poultry farms would be established in Kerala along with processing plants, units for manufacturing value-added products, broiler breeding farms, and Kudumbashree marketing centres. *(The Hindu)*

Supplyco procures 31,691 tonnes of paddy from Alappuzha so far

The Kerala State Civil Supplies Corporation (Supplyco), which began paddy procurement in February, purchased 31,691 tonnes from farmers so far this season. Farmers have undertaken paddy farming on 28,663 hectares in the district, a major portion of which is in Kuttanad. *(The Hindu)*

Global cues enhances export of eggs; Cochin airport airlifts record quantity

Riding on global cues, the export of hatching eggs from the State has seen a significant rise in the past few months, aided by strong demand for Indian eggs in West Asia and Malaysia. The export data from the Cochin International airport reveals that there has been a clear uptick in the export of Indian eggs through the port in recent months. *(The Hindu)*

NDA is trying to sabotage MGNREGS, says Rahul

Congress leader and Wayanad MP Rahul Gandhi on Tuesday said the National Democratic Alliance (NDA) government at the Centre was trying to sabotage the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). *(The Hindu)*

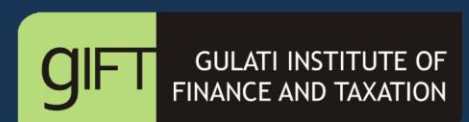
World Bank to fund Kerala's waste management programme

The World Bank will provide funding for the State government's waste management programme in light of the landfill fire at Brahmapuram. In a meeting between Chief Minister Pinarayi Vijayan and World Bank officials, it was decided to immediately conduct a drone survey of all dumping yards in the State, following which a fire audit will also be conducted. *(The Hindu)*

Adopt knowledge translation for social benefits: Bindu

Higher Education Minister R. Bindu has laid stress on the government's priority in facilitating knowledge translation to usher in social benefits rather than catering to the interests of corporate establishments. It focused on improving the quality of life and ensuring social justice, particularly in the case of knowledge translation in the public health sector, she added. *(The Hindu)*

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