



June 06, 2022 – Monday

Economy

Another rate hike on cards, say experts ahead of RBI's MPC meeting

With inflation showing no signs of abatement, the Reserve Bank is likely to increase the benchmark lending rate in quick succession in its forthcoming monetary policy review on Wednesday, a hint for which has already been given by Governor Shaktikanta Das, opined experts. There are speculations that the central bank may go for at least 35 basis points (bps) hike over and above the 40 bps hike effected last month after an off-cycle Monetary Policy Committee (MPC) meeting. Experts are expecting more hikes in repo rate in the coming months. Governor Das-headed MPC will meet for three day beginning Monday. The decision taken during the meeting will be announced by the governor on Wednesday. The retail inflation, which RBI factors in while arriving at its monetary policy, galloped for a seventh straight month to touch an 8-year high of 7.79 per cent in April, mainly on account of surging commodity prices, including fuel, due to ongoing Russia-Ukraine war.

<https://www.financialexpress.com/economy/another-rate-hike-on-cards-say-experts-ahead-of-rbis-mpc-meeting/2549139/>

PM Modi to inaugurate Iconic Week Celebrations of Finance, Corporate Affairs ministries

Prime Minister Narendra Modi will inaugurate the Iconic Week Celebrations of the Ministry of Finance and the Ministry of Corporate Affairs on June 6. The PMO noted in a statement that this week is being celebrated as part of the 'Azadi Ka Amrit Mahotsav' (AKAM) from June 6 to 11. Modi will launch the national portal for credit-linked government schemes - Jan Samarth Portal. It is a one-stop digital portal linking government credit schemes, the PMO said, adding that it's a first of its kind platform which directly connects beneficiaries to lenders. The main purpose of the Jan Samarth portal is to encourage inclusive growth and development of various sectors by guiding and providing them with the right type of government benefits through simple and easy digital processes. The portal ensures end-to-end coverage of all the linked schemes.

<https://economictimes.indiatimes.com/news/economy/policy/pm-modi-to-inaugurate-iconic-week-celebrations-of-finance-corporate-affairs-ministries/articleshow/92015043.cms>

Banking and Finance

SIDBI's 59-min loan scheme: Total sanctions to MSMEs near 2.5 lakh involving over Rs 80k crore so far

Bank loans sanctioned to micro, small and medium enterprises (MSMEs) under SIDBI's 59-minute loan approval scheme as of June 1, 2022, stood at 2,40,852 involving Rs 81,690 crores, according to MSME Ministry's monthly data on PSB-Loans-in-59-minutes programme. Out of total loans sanctioned, 2,23,507 loans involving Rs 66,256 crores were disbursed so far. Moreover, during the first two months (April-May) of the financial year 2022-23, around 1,101 loans were sanctioned while 818 were disbursed, data indicated as sanctioned loans as of April 1, 2022, were 2,39,751 while loans disbursed were 2,22,689. Launched in November 2018, the scheme enables in-principle bank approval for collateral-free term loans or working capital loans to MSMEs from Rs 1 lakh to Rs 5 crore. However, the amount disbursed via the scheme had only a single-digit share of 4.63 per cent in the total bank credit of Rs 17.63 lakh crore to MSMEs in April 2022. The latest data on sectoral deployment of bank credit was released by the Reserve Bank of India on May 31, 2022.

<https://www.financialexpress.com/industry/sme/msme-fin-sidbis-59-min-loan-scheme-total-sanctions-to-msmes-near-2-5-lakh-involving-over-rs-80k-crore-so-far/2549352/>

General insurers urge IRDAI for mandatory KYC of customers

Non-life insurers have requested the insurance regulator IRDAI to permit verifying the contact details of policyholders. This would enable them to get in touch with customers during an emergency and help them with sales. General insurers have pointed out that for any financial transaction such as mutual funds or bank account opening, KYC is needed.

<https://www.thehindubusinessline.com/money-and-banking/general-insurers-urge-irdai-for-mandatory-kyc-of-customers/article65496778.ece>

CPSEs to execute sale of units having Cabinet nod for privatisation: DIPAM

Strategic sale of units of CPSEs for which Cabinet approval is already in place will have to be executed by the respective state-owned companies in accordance with the guidelines to be laid down by DIPAM shortly, the finance ministry has said. However, those transactions for which Expression of Interest (Eoi) have been issued will continue to be handled by the Department of Investment and Public Asset Management (DIPAM), it said. DIPAM, in an office memorandum dated June 1, said that the strategic sale proposal of any CPSE (Central Public Sector Enterprise) unit which has been approved by the Cabinet Committee on Economic Affairs (CCEA) or Alternative Mechanism (AM) will be taken forward by the state-owned company in accordance with the new guidelines.

https://www.business-standard.com/article/economy-policy/cpses-to-execute-sale-of-units-having-cabinet-nod-for-privatisation-dipam-122060500240_1.html

FPIs outflow continues for 8th straight month; pull out nearly Rs 40,000-cr

Continuing its heavy selling spree for the eighth consecutive month, foreign investors pulled out nearly Rs 40,000 crore from the Indian equity market in May on fears of an aggressive rate hike by US Federal Reserve that dented investor sentiments. With this, net outflow by foreign portfolio investors (FPIs) from equities reached at Rs 1.69 lakh crore so far in 2022, data with depositories showed. Going ahead, FPI flows will remain volatile in the emerging markets on account of rising geo-political risk, rising inflation, tightening of monetary policy by central banks, among others, Shrikant Chouhan, Head - Equity Research (Retail), Kotak Securities said. According to the data, foreign investors withdrew a net amount of Rs 39,993 crore from equities in May. This massive outflow is the major factor for the weakness in the Indian market.

https://www.business-standard.com/article/markets/fpis-outflow-continues-for-8th-straight-month-pull-out-nearly-rs-40-000-cr-122060500616_1.html

Industry

CAIT to form clusters of traders on cooperative model to battle e-commerce companies

Traders' body Confederation of All India Traders (CAIT) on said it will launch a campaign to form clusters of traders on the cooperative model to step up its efforts against alleged business malpractices by e-commerce companies. The body will convene a two-day traders conference later this month to strategize the roadmap of the 90-day national campaign beginning July 1, 2022. The first phase of the campaign will be launched in Delhi NCR, Maharashtra, Gujrat, Madhya Pradesh, Uttar Pradesh, Rajasthan, Chattisgarh, Odisha, Tamil Nadu and West Bengal. "In the wake of current highly vicious scenario in retail trade and e-commerce trade which is highly gripped with the monopolistic, dominating and anti-competitive practices by big corporate houses, FMCG and mobile companies, and others in different verticals even as malpractices of major e-commerce companies are causing huge damage to businesses of small traders, the business community of India has decided to retort back," CAIT said in a statement. This is in addition to impressing upon the government to roll out retail trade policy, e-commerce policy, and subsequent rules apart from taking the route of the court of law, the body said.

<https://www.financialexpress.com/industry/sme/msme-eodb-cait-to-form-clusters-of-traders-on-cooperative-model-to-battle-e-commerce-companies/2549126/>

Total EV registrations reported a 9% decline in May on lower 2W sales

The total electric vehicle registrations in the country reported a nine per cent decline in May 2022 on a sequential basis. This is the second month in a row that sales of electric two-wheelers, a key driver of overall EV volume growth, have reported a month-on-month decline. Total EV registrations (all segments included) in May 2022 stood at 65,813 units, as compared to 72,519 units in April 2022 and 77,245 units in March 2022. In the second wave that hit May 2021, total EV registrations stood at 3311 units, according to data on Vahan Dashboard. According to a report by JMK Research, last month, the overall high-speed electric two-wheeler registrations stood at about 39,438 units, as compared to 49,141 units in April 2022 and 49,591 units in March 2022.

<https://www.thehindubusinessline.com/companies/total-ev-registrations-reported-a-9-decline-in-may-on-lower-2w-sales/article65497237.ece>

Agriculture

Indian dairy firms address climate concerns via green initiatives

For a dairy organisation, generating 400 metric standard cubic meters (MCM) of gas on a daily basis is something unthinkable. But at AmulFed dairy in Gandhinagar, it is one of the several green initiatives aimed at addressing climate concerns. It uses dairy waste to generate natural gas, which is used in boilers and the canteen. "This is worth ₹5-6 crore of annual savings in gas purchases," said Anil Bayati, General Manager, AmulFed dairy, which has a milk-processing capacity of 50 lakh litres per day (LLPD) to make dairy products.

<https://www.thehindubusinessline.com/economy/agri-business/indian-dairy-firms-address-climate-concerns-via-green-initiatives/article65493945.ece>

Infrastructure

640 infra projects running behind schedule, some up to 26 years

A new railway line of 142 kms between Hejjala and Chamarajanagar in Karnataka has been waiting for around 312 months or 26 years to be laid. This is one of 647 projects facing time overrun as on May 1, according to a report prepared by the Infrastructure and Project Management Division (IPMD) under the Statistics Ministry. New line between Hejjala and Chamarajanagar is part of Bengaluru-Satyamangalam railway projects. The project was approved in 1996-97. However, according to information placed on the website by South Western Railway, the Tamil Nadu government as well as the Central Empowered Committee (CEC) did not give permission to carry out survey in the Satyamangalam forest area. During the year 2013-14, it was decided that the project shall be taken up between Kengeri-Chamarajanagar where there is no forest land involved. The line was to take-off from Kengeri but during the survey, it was observed that forest land was involved and hence to avoid it, the take-off station was shifted to Hejjala.

<https://www.thehindubusinessline.com/economy/about-647-infra-projects-facing-delay-up-to-26-years-cost-overrun-spikes-23/article65496632.ece>

Energy

India has achieved target for ethanol blending 5 months before deadline: PM Modi

Prime Minister Narendra Modi announced that India has achieved the target of 10 per cent ethanol blending in petrol five months before deadline. Making the announcement at a programme on the 'Save Soil Movement', which coincided with the World Environment Day, Modi cited a number of measures taken by his government to protect the environment, saying its efforts have been multi-dimensional despite the country having a negligible role in climate change. The rise in ethanol blending in petrol from two per cent in 2014 to 10 per cent now has reduced carbon emission by 27 lakh tonnes and saved Rs 41,000 crore of forex reserve. This has also brought Rs 40,000 crore of income to farmers, he added.

<https://economictimes.indiatimes.com/industry/renewables/india-has-achieved-target-for-ethanol-blending-5-months-before-deadline-pm-modi/articleshow/92016119.cms>

Coal supply by CIL to captive power plants, cement sector drops in May

The coal dispatch by state-owned CIL to captive power plants and sectors like cement registered a decline in May as compared to the year-ago month. While the fuel supply by Coal India Ltd (CIL) to captive power plants dropped 39.74

per cent in May 2022 over the year-ago period, dispatch to the cement sector declined 16.74 per cent, according to latest government data. The coal supply by the PSU to the sponge sector also dropped 8.74 per cent year-on-year in May. However, supply to the steel sector went up by 67.83 per cent and to the power sector increased by 19.48 per cent last month, over May 2021. In the wake of the short supply of coal to the non-regulated sector, industry bodies had earlier sought Prime Minister Narendra Modi's intervention in the matter, stating that industries are compelled to purchase power from exchanges at higher rates due to increased demand.

https://www.business-standard.com/article/companies/coal-supply-by-cil-to-captive-power-plants-cement-sector-drops-in-may-122060500214_1.html

India turns 10% of its petrol green; targets to double it by 2025-26

India has achieved the target of supplying 10 per cent ethanol-blended petrol five months ahead of schedule and is aiming to double the blend by 2025-26 in order to cut oil import dependence and address environmental issues. The original target for doping 10 per cent ethanol, extracted from sugarcane and other agri commodities, in petrol originally was November 2022 but this has been achieved in June thanks to tremendous effort by state-owned fuel retailers Indian Oil Corporation (IOC), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL). "Due to the coordinated efforts of the public sector oil marketing companies (OMCs), the target of 10 per cent blending has been achieved much ahead of the targeted timelines of November, 2022 with OMCs attaining an average 10 per cent ethanol blending in petrol (10 per cent ethanol, 90 per cent petrol) across the country," an official statement said. This, it added, translates into a forex impact of over Rs 41,500 crore, reduced greenhouse gas (GHG) emissions of 27 lakh tonnes and has also led to the expeditious payment of over Rs 40,600 crore to farmers.

https://www.business-standard.com/article/markets/india-turns-10-of-its-petrol-green-targets-to-double-it-by-2025-26-122060500465_1.html

India to meet 50% of its energy needs from renewables by 2030: Minister

Union Rural Development and Panchayati Raj Minister Giriraj Singh said India has set an ambitious target of meeting half of its energy needs from renewable resources by the decade-end and reach the net zero emission levels by 2070. The minister said the word is facing consequences of developed nations' exploitations of the nature. Around 18 per cent of the world's population lives in India on just 2.4 per cent of land, yet the country's contribution to carbon emission is only 5 per cent, he said. To combat the climate change, he said the country has adopted a five-point agenda, which includes meeting its 50 per cent of its energy demand every year, which is 500 GW, from renewable resources by 2030. India will reduce carbon emissions by one billion tonnes a year till 2030, the minister said. "By 2070, the country will achieve the target of net zero emissions," Singh added.

https://www.business-standard.com/article/current-affairs/india-to-meet-50-of-its-energy-needs-from-renewables-by-2030-minister-122060500529_1.html

Gujarat to reduce carbon emissions from power production to 139 million tonnes by 2030

Ahmedabad, Gujarat has set a target to reduce carbon emissions from energy production to 139 million tonnes by 2030 by raising its installed capacity of renewable energy to 68,000 MW over the next eight years, a state government official said. A release said the state reduced its carbon emissions by about 115 per cent in 2022 as compared to 2017, mainly due to an increase in the installed capacity of renewable energy in power generation. The reduction in carbon emissions from renewable energy in Gujarat was 12.08 million tonnes in 2017-18, which increased to 26.01 million tonnes, or around 115 per cent in 2021-22, the Gujarat government said in the release issued on the occasion of World Environment Day.

<https://economictimes.indiatimes.com/industry/renewables/gujarat-to-reduce-carbon-emissions-from-power-production-to-139-million-tonnes-by-2030/articleshow/92020320.cms>

Telecom

Discoms can now settle dues through EMIs within four years

The government on Friday allowed electricity distribution companies to settle their dues to power generating companies and transmission companies in equated monthly instalments (EMIs). As per the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified on Friday, total dues including late payment surcharge up to the date of the notification of these rules shall be rescheduled and the due dates redetermined for payment by a distribution licensee in equated monthly instalments. Late payment surcharges are payable by a discom to a genco on account of delay in payment of monthly charges beyond the due date.

https://economictimes.indiatimes.com/industry/energy/power/discoms-can-now-settle-dues-through-emis-within-four-years/articleshow/92026743.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Domestic telecom network vendors under mandatory testing rule from July 1

The requirement to get telecom equipment tested for bugs and security issues will not only impact MNC players like Nokia and Ericsson but also Indian companies like TCS as there are not enough labs for conducting these tests. Industry sources said that this will impact 4G rollouts in addition to further delaying the 5G network.

While global network vendors have to follow the government's Mandatory Testing and Certification of Telecom Equipment policy, according to industry sources, indigenous players such as TCS, Tech Mahindra and STL will also have to submit their telecom equipment as per MTCTE.

<https://www.thehindubusinessline.com/info-tech/domestic-telecom-network-vendors-under-mandatory-testing-rule-from-july-1/article65497043.ece>

States

Punjab govt to impose ban on single-use plastic from July

The Punjab government announced to impose a ban on single-use plastic from July. During a virtual state-level function to mark World Environment Day 2022, Secretary, Science, Technology and Environment Rahul Tewari announced the decision of the state government for environment protection. He said the ban on single-use plastic will be imposed from July to make Punjab greener and healthier. The Centre had also issued an advisory to states and union territories to phase out single-use plastic and contribute to improve the environment under the overarching mandate of "Clean and Green".

https://www.business-standard.com/article/current-affairs/punjab-govt-to-impose-ban-on-single-use-plastic-from-july-122060500493_1.html

Healthcare

WHO outlines five preventive measures to stop human-to-human monkeypox transmission

The World Health Organisation in its latest readout expressed grave concern over rising cases of monkeypox. With over 780 monkeypox cases being detected in 27 countries, the world health body has decided to take action on priority so that the spread of the virus can be stopped. During an interaction, WHO official Maria Van Kerkhove said, we have to raise awareness of what monkeypox is, and what it isn't. And we have to increase surveillance.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/who-outlines-five-preventive-measures-to-stop-human-to-human-monkeypox-transmission/articleshow/92019735.cms>

External

'Districts as Export Hubs initiative by govt will give Indian MSMEs ammunition to beat China'

With the intent to fructify an ambitious export target for FY23, The Directorate General of Foreign Trade (DGFT) has sought Rs 6,000 crores in funding for the 'Districts as Export Hubs' initiative. All eyes are already on India as it ups its ante to produce and export more in the wake of global supply chain disruption. Moreover, labor shortage, lack of raw materials, etc. due to covid-19 impact have severely dented China's potential to continue its global exports momentum, with many countries opting for the China +1 strategy being the icing on the cake for India. With all these factors at play, industry experts view the proposal as a step in the right direction, and the timing couldn't have been more appropriate. In the project's first phase, work will begin on the 200 out of the 700-odd districts in India. The

aim is to boost production in the remotest of towns and connect businesses to foreign buyers. This will be a shot in the arm for India's medium, small and micro enterprises (MSMEs), who are the backbone of the country's economy. <https://www.financialexpress.com/industry/sme/cafesme/msme-exim-districts-as-export-hubs-initiative-by-govt-will-give-indian-msmes-ammunition-to-beat-china/2549225/>

Govt not to impose countervailing duty on certain aluminium products from Malaysia

The government has decided not to impose countervailing duty on certain aluminium products being imported from Malaysia, as the finance ministry has not accepted the recommendations of the directorate general of trade remedies (DGTR). The commerce ministry's investigation arm DGTR had conducted a probe into alleged exports subsidisation by Malaysia on 'aluminium primary foundry alloy ingot in different forms' following a complaint by the domestic industry and on January 31 this year recommended imposition of the duty. "The central government, after considering the...final findings of the designated authority (DGTR), has decided not to accept the...recommendations," an office memorandum of Department of Revenue said. In an application to the directorate, domestic firms had alleged that subsidised imports from Malaysia are causing material injury to them and had requested the imposition of countervailing duties on the imports.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/govt-not-to-impose-countervailing-duty-on-certain-aluminium-products-from-malaysia/articleshow/92015707.cms>

Nepal starts exporting additional 144 MW electricity to India

Nepal has started exporting an additional 144 MW of electricity generated by its Kaligandaki hydropower plant to India through its power exchange market. Buoyed by continuous rainfall this year, the Himalayan nation is exporting surplus electricity to India through its power exchange market for the second consecutive year, according to the Nepal Electricity Authority (NEA), the state-owned power utility body. The NEA earlier started selling 37.7 MW electricity generated by its 24 MW Trishuli and 15 MW Devighat power plants from Wednesday midnight after the Himalayan nation's power plants started generating surplus energy. "After the addition of electricity generated from 144 MW Kaligandaki Hydropower Project, Nepal will be selling a total of 178 MW electricity to India through India Energy Exchange Limited (IEX)," said Thike.

<https://www.financialexpress.com/economy/nepal-starts-exporting-additional-144-mw-electricity-to-india/2549192/>

India, Qatar launch Start Up Bridge; Qatar to set up Chair on Indian studies

India and Qatar have launched A Start Up Bridge between Invest India and Invest Qatar to push start up sectors and an understanding has been reached to set up an ICCR Chair of Indian studies at Qatar University. India has assured of India's assistance in meeting Qatar's food security. This assurance came during Vice President of India (HVPI) M Venkaiah Naidu's ongoing visit to Doha. He is accompanied by a high-level delegation including Minister of State for Health and Family Welfare Dr. Bharati Pravin Pawar and three Members of Parliament, Sushil Kumar Modi, Vijay Pal Singh Tomar and P. Ravindhranath.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/vice-president-venkaiah-naidu-launches-india-qatar-start-up-bridge-to-linkup-ecosystems-of-two-economies/articleshow/92023652.cms>

US, Germany propose India-G7 partnership to fund decarbonisation

The United States and Germany, on behalf of the G7, have proposed setting up an India-G7 partnership to help fund and support India's transition from a "fossil-based economy to a carbon-neutral economy". Both countries are keen to announce the partnership at the G7 Summit, where India has been invited, later this month. The idea, sources said, is to devise an India-specific 'Just Energy Transition Plan (JETP)' taking into account India's position on ensuring climate justice while addressing climate change challenges as well as its commitments on increasing the share of renewable sources in its energy mix.

<https://economictimes.indiatimes.com/industry/renewables/us-germany-propose-india-g7-partnership-to-fund-decarbonisation/articleshow/92024685.cms>