



December 14, 2022 – Wednesday

Economy

Nov inflation down, RBI's rate hike in Feb could be modest: CARE Ratings

With core inflation continuing to be high, credit rating agencies like Acuite Ratings & Research and CARE Ratings do not expect any significant downtrend in the retail inflation for the next few months. "It is a pleasant surprise to see the headline CPI inflation print at 5.88 per cent in Nov-22 from 6.77 per cent in Oct-22 since most market participants estimated it to be above 6.0 per cent. This is an 11-month low figure and is clearly driven by the faster-than-expected decline in food inflation which stood at 5.1 per cent in the previous month," Suman Chowdhury, Chief Analytical Officer said. According to Chowdhury, the fall in retail inflation has been due to the quick drop in vegetable prices which is a seasonal phenomenon apart from the continuing softness in edible oil prices.

https://www.business-standard.com/article/economy-policy/nov-inflation-down-rbi-s-rate-hike-in-feb-could-be-modest-care-ratings-122121300556_1.html

NITI Aayog launches revamped Women Entrepreneurship Portal to onboard 2.5 lakh women entrepreneurs

The government's public policy think tank NITI Aayog on Tuesday announced the launch of its Women Entrepreneurship Platform (WEP) 3.0 web portal to support women entrepreneurs in India. The platform will target to onboard 2.5 lakh women entrepreneurs, engage with 500 partners and host over 200 capacity-building online and offline events. Global Alliance for Mass Entrepreneurship (GAME) – the nonprofit for entrepreneurship in India will be the platform's programme manager for the next three years to manage the platform end-to-end and will also be in charge of developing, operating and maintaining the portal. WEP was conceived in 2017 to boost the ecosystem for women entrepreneurship in India by aggregating key stakeholders and resolving information asymmetry existing in the ecosystem. As an aggregator platform, WEP provides services in six key areas viz., community and networking, funding and financial assistance, incubation and acceleration, compliance and tax assistance, entrepreneur skilling and mentorship, and marketing assistance.

<https://www.financialexpress.com/industry/sme/msme-tech-niti-aayog-launches-revamped-women-entrepreneurship-portal-to-onboard-2-5-lakh-women-entrepreneurs/2911927/>

Banking and Finance

Govt likely to issue green bonds in Jan-March quarter: MoS Finance

Sovereign Green Bonds are likely to be issued during the January-March period of the current fiscal, Minister of State for Finance Pankaj Chaudhary said on Tuesday. The objective of Sovereign Green Bonds is to mobilize resources for green infrastructure as part of the government's overall market borrowings in 2022-23, he said in a written reply in the Rajya Sabha. "The framework for these bonds has been brought out. The bonds are likely to be issued from January to March 2023. The proceeds will be deployed in public sector projects which help in reducing carbon intensity of the economy," he said.

https://www.business-standard.com/article/economy-policy/govt-likely-to-issue-green-bonds-in-jan-march-quarter-mos-finance-122121300680_1.html

Banks wrote off NPAs over 10 lakh crore in last five financial years, says FM Sitharaman

Banks have written off bad loans worth Rs 10,09,511 crore during the last five financial years, finance minister Nirmala Sitharaman informed Parliament on Tuesday. The non-performing assets (NPAs), including those in respect of which full provisioning has been made on completion of four years, are removed from the balance sheet of the bank concerned by way of write-off, she said in a reply to Rajya Sabha. "Banks write off NPAs as part of their regular exercise to clean up their balance sheet, avail tax benefit and optimise capital, in accordance with RBI guidelines and policy approved by their boards. As per inputs received from RBI, Scheduled Commercial Banks (SCBs) wrote off an amount of Rs 10,09,511 crore during the last five financial years," she said.

<https://www.financialexpress.com/industry/banking-finance/banks-wrote-off-npas-over-10-lakh-crore-in-last-five-financial-years-says-fm-sitharaman/2911550/>

45% jump in FY22 credit to women-led MSMEs from pre-Covid level by public sector banks: RBI data

Credit extended by public sector banks (PSBs) to women-led MSMEs during the financial year 2021-22 has jumped 45 per cent from the pre-Covid level (FY20) and 14.2 per cent from FY21, according to the data from the Reserve Bank of India (RBI) shared by the minister of state in the finance ministry Bhagwat Karad in a written reply to a question in the Rajya Sabha on Tuesday. The amount increased from Rs 5.76 lakh crore in FY20 to Rs 7.31 lakh crore in FY21 and further to Rs 8.36 lakh crore in FY22. The number of loans disbursed to women MSMEs also jumped 22.6 per cent to 3.05 crore in FY22 from 2.49 crore in FY20 and 5.5 per cent from 2.89 crore in FY21. Growth in credit to women-led MSME units is part of the overall credit growth in the MSME sector. The total amount of credit extended to MSMEs in FY22 increased by 24.6 per cent from FY20 and 12.7 per cent from FY21, indicating the rise in credit demand among small businesses fast-tracking their Covid recovery.

<https://www.financialexpress.com/industry/sme/msme-tech-45-jump-in-fy22-credit-to-women-led-msmes-from-pre-covid-level-by-public-sector-banks-rbi-data/2911991/>

RBI removes informal NDF restrictions on banks

India's central bank has lifted informal restrictions placed on banks for trading in the non-deliverable forward market (NDF), four bankers told Reuters on Tuesday. The Reserve Bank of India had placed these restrictions in October to manage the volatility on the Indian rupee. . The rupee in October reached a record low of 83.29 against the dollar.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-removes-informal-ndf-restrictions-on-banks/articleshow/96192373.cms>

Govt gets Rs 60.46 cr tax from TDS on virtual digital assets

The government on Tuesday said an amount of Rs 60.46 crore has been received in tax from entities for transactions in virtual digital assets (VDAs), including cryptocurrencies, since the introduction of TDS provisions in July. The government, from April 1, has brought in a 30 per cent income tax plus surcharge and cess on transfer of crypto assets, like Bitcoin, Ethereum, Tether and Dogecoin. Also, to keep a tab on the money trail, a 1 per cent Tax Deducted at Source (TDS) under section 194S of I-T Act has been brought in on payments over Rs 10,000 towards virtual digital currencies from July 1. In a written reply to a question in the Rajya Sabha, Minister of State for Finance Pankaj Chaudhary said CBDT conducts outreach/ awareness programmes for deductors/taxpayers and also takes appropriate action, including search & seizure operations, surveys, enquiries etc, as required.

<https://economictimes.indiatimes.com/news/economy/finance/govt-gets-rs-60-46-cr-tax-from-tds-on-virtual-digital-assets/articleshow/96198851.cms>

Industry

PLI scheme qualifiers, steel ministry to ink pacts to materialise investment proposals

Qualifiers of PLI scheme for specialty steel will soon sign agreements with the steel ministry to take their investment proposals forward. The selected players have already been sent letter of approvals post selection in the scheme, a senior steel ministry official said. On Friday, the government announced selection of 67 entries with an investment potential of Rs 42,500 crore under the scheme. The proposed investments are expected to generate 70,000 job opportunities and add 26 million tonnes of speciality steel capacity in the country. When asked about the next course of action, the official replied, "Now the selected companies will sign a memorandum of understanding (MoU) soon with the ministry of steel to take their commitments forward." Except for the divestment-bound RINL, all major steel

players along with a few others participated in the scheme, the official said, adding there was no application received from any international player.

<https://www.financialexpress.com/industry/pli-scheme-qualifiers-steel-ministry-to-ink-pacts-to-materialise-investment-proposals/2911359/>

India's passenger vehicle wholesales surge 28 per cent in November

India's passenger vehicle wholesales registered a 28 per cent year-on-year growth in November, stated data from industry body Society of Indian Automobile Manufacturers on Tuesday. The surge can be attributed to robust demand for both utility vehicles and cars. Overall passenger vehicles dispatched from companies to dealers stood at 2,76,231 units last month as compared to 2,15,626 units in November 2021. Utility vehicle wholesales rose 32 per cent to 1,38,780 units in November against 1,05,091 units in the year-ago period. Similarly, passenger car dispatches increased 29 per cent to 1,30,142 units from 1,00,906 units in November 2021. Van sales, however, dropped to 7,309 units last month from 9,629 units in November 2021.

<https://economictimes.indiatimes.com/industry/auto/auto-news/indias-passenger-vehicle-wholesales-surge-28-pc-in-november/articleshow/96192100.cms>

Auto companies to face heavy penalties over violation of emission norms

The Parliament has approved a new law that stipulates heavy fines on a company's annual domestic sales numbers for violation of the mandated Corporate Average Fuel Economy (CAFE) score, which is a limit set on the total emission of pollutants produced, the TOI reported. Under CAFE, penalties could be imposed on an auto company's entire fleet and not on an individual model. With a strict law in place, car companies will be forced to make more efficient vehicles. The clause in the broader Energy Conservation (Amendment) Bill 2022 says that a company, if found in violation of fleet emission scores, will have to shell out a fine of Rs 25,000 per car sold. Penalties may run into thousands of crores of rupees for large volumes.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-companies-to-face-heavy-penalties-over-violation-of-emission-norms/articleshow/96194867.cms>

Retailers and malls work out new sales plan amid delay in winter

Delay in the onset of winters, shorter duration of cold temperatures, and flattening seasonality are forcing makers of seasonality-centric product categories to rework their strategies. Categories like soft drinks and ice-cream, which generally see a slump in demand during the winter season, have escalated production cycles, while retailers of winter apparel have cut down on inventory stocks and shopping malls plan to advance their winter end-of-season sales amid a significant fall in the number of peak winter days, industry insiders said. "Since winters are not so severe, we are making more of lighter pre-winter apparel, since those are safer bets, rather than be stuck with heavy winter inventories," said Harkirat Singh, managing director of Aero Club that makes Woodland apparel and footwear.

<https://economictimes.indiatimes.com/industry/services/retail/retailers-and-malls-work-out-new-sales-plan-amid-delay-in-winter/articleshow/96207532.cms>

Wedding season set to boost demand for apparel, jewellery

The wedding season has boosted sales growth for categories like apparel, jewellery, large packs of staples and edible oil by up to 30% in the last fortnight with the industry expecting a record number of marriages planned till February that will aid faster recovery in overall demand, industry executives said. Absolute sales are much more than pre-Covid levels in 2019. Executives said categories like refrigerators, washing machines and televisions have also seen a jump in enquiries and marginal improvement in demand since December, which they said, will pick up pace from January onwards when the number of auspicious days are much more.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/wedding-season-set-to-boost-demand-for-apparel-jewellery/articleshow/96207459.cms>

More than 5.57 lakh companies struck off due to non-compliance with companies law provisions

More than 5.57 lakh companies were struck off the records in the last five years due to non-compliance with various provisions of the companies law, according to the government. Minister of State for Corporate Affairs Rao Inderjit Singh on Tuesday said that 5,57,055 companies were struck off under Section 248 of the Companies Act, 2013 read with the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 in the country

in the last five years. They were struck off due to non-compliance with provisions of the Act, he said in a written reply to Rajya Sabha. He also said that the term 'shell company' is not defined under the Act. It normally refers to a company without active business operation or significant assets, which in some cases are used for illegal purpose such as tax evasion, money laundering, obscuring ownership and benami properties, he added.

<https://economictimes.indiatimes.com/news/company/corporate-trends/more-than-5-57-lakh-cos-struck-off-due-to-non-compliance-with-companies-law-provisions/articleshow/96202716.cms>

Five in 10 companies focusing on hiring contract workers amidst mass layoffs: Survey

Five in 10 companies are focusing on hiring contract workers amidst mass layoffs, finds a new survey. Businesses do not have the bandwidth to increase their fixed costs by hiring full-time employees. The current demand is hence being met by people readily available due to layoffs. Contract staffing has emerged as a viable short-term staffing solution, says the survey by Spectrum Talent Management. The states of Maharashtra, Tamil Nadu, Karnataka, Andhra Pradesh, Odisha and Rajasthan have witnessed the highest demand for contractual staffing. Compared to last year, the demand range has a variance of 10%. The demand is higher in FMCG, followed by sectors like e-commerce, manufacturing, retail, logistics and healthcare.

<https://economictimes.indiatimes.com/news/company/corporate-trends/five-in-10-companies-focusing-on-hiring-contract-workers-amidst-mass-layoffs-survey/articleshow/96189264.cms>

Agriculture

Govt eases import rules to give agro chem technology a 'Make in India' push

The Centre has asked officials to encourage pesticide companies to import formulations and produce necessary agro chem in the country. It has, therefore, relaxed some rules under ease of doing business while continuing with the compulsory registration of technology with the Central Insecticide Board (CIB). "We have taken some decisions that will help improve the "Make in India" push, as any technology in operation for 20 years abroad should also be available in the country. However, importers of formulations have to register," said PK Singh, chairman of the Registration Committee (RC) of the CIB. For instance, in the 442 meeting of the RC, which was held last month but minutes were made public a few days ago, it has been decided that accelerated storage data could be considered for the grant of a provisional shelf-life.

<https://www.thehindubusinessline.com/economy/agri-business/govt-eases-import-rules-to-allow-technology-in-agro-chem-for-make-in-india-push/article66259323.ece>

Infrastructure

Centre looks to close Chabahar port negotiations by end of FY23

After having resolved most issues plaguing the crucial international deal, India and Iran have expedited negotiations on the long-term agreement for the usage of the strategic Chabahar Port, with the former targeting a March 2023 deadline for the conclusion of talks, Business Standard has learnt.

https://www.business-standard.com/article/economy-policy/govt-aims-to-close-negotiations-over-chabahar-port-by-fy23-end-122121301113_1.html

Railway ministry drops proposal for monetisation of stations on PPP mode

The ministry of railways has dropped its proposal for monetisation of stations on public-private partnership mode, and projects are now being taken up under engineering, procurement and construction (EPC) mode, a source said. The source also told PTI that the ministry of railways has been asked to expedite monetisation of other assets, including trains, goodsheds, hill rail, stadiums, railway colonies and railway land parcels among others. "Largest asset class (stations) dropped. Stations earlier proposed on PPP mode are now being taken up under EPC mode," the source said. The ministry has so far raised only Rs 1,829 crore against the target of Rs 30,000 crore in the current financial year, the source added.

https://www.business-standard.com/article/economy-policy/railway-ministry-drops-proposal-for-monetisation-of-stations-on-ppp-mode-122121300816_1.html

Telecom

India will be first to hold satellite spectrum auction: Trai Chairman

India will be the first country to auction spectrum for satellite communication, and it should be designed to attract investments in the sector, telecom regulator Trai chairman PD Vaghela said on Tuesday. Speaking at a Broadband India Forum summit on SatCom, Vaghela said the Telecom Regulatory Authority of India (Trai) will soon make recommendations to make permissions required for satellite communication from various ministries -- Information and Broadcasting, Space and Telecom -- seamless to enhance ease of doing business in the sector. He also said Trai has received a reference from the Department of Telecommunication for the spectrum required to be put to auction and associated aspects of satellite-based communication.

https://www.business-standard.com/article/economy-policy/india-will-be-first-to-hold-satellite-spectrum-auction-trai-chairman-122121300533_1.html

States

Rs 64,000 cr investment proposal for J-K; Rs 2,500 cr already received: Govt

The Jammu and Kashmir government has reported investment proposal to the tune of Rs 64,000 crore of which over Rs 2,500 crore has already been received, Lok Sabha was informed on Tuesday. Union Minister of State for Home Nityanand Rai said Rs 840.55 crore investment has come in 2017-18, Rs 590.97 crore investment in 2018-19, Rs 296.64 crore in 2019-20, Rs 412.74 crore in 2020-21 and Rs 376.76 crore in 2021-22.

<https://economictimes.indiatimes.com/news/economy/finance/rs-64000-cr-investment-proposal-for-j-k-rs-2500-cr-already-received-govt/articleshow/96197602.cms>

External

India-UK negotiations on free trade agreement to continue

Negotiations on a Free Trade Agreement between India and Britain will continue, India's trade ministry said on Tuesday, following talks between its minister Piyush Goyal and his British counterpart Kemi Badenoch in New Delhi. "The Ministers urged the negotiating team to work together with an aim to iron out the differences in the spirit of mutual accommodation..." the ministry said in a statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uk-negotiations-on-free-trade-agreement-to-continue/articleshow/96204284.cms>

India, UAE discuss future coop in BRICS, SCO framework; Iran FM speaks with Jaishankar

India and UAE have discussed possibilities of future cooperation within the framework of BRICS and SCO during the visit of External Affairs Minister S Jaishankar to UAE on Monday. On the same day Jaishankar also held telephonic conversation with his Iranian counterpart on a variety of issues including connectivity initiatives close on heels of Iranian Deputy Foreign Minister's visit to India. The issue of future cooperation in BRICS and SCO was discussed when Sheikh Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs and International Cooperation, and Jaishankar met over a working dinner in Abu Dhabi, during which they discussed enhancing cooperation across all fronts, with particular emphasis on areas of health, technology, digitalisation, economy, and trade, in light of the comprehensive economic partnership signed in 2022 by the two nations.

<https://economictimes.indiatimes.com/news/india/india-uae-discuss-future-coop-in-brics-sco-framework-iran-fm-speaks-with-jaishankar/articleshow/96211949.cms>

India imports 46.14 lakh tonnes of urea in Apr-Nov this fiscal

Urea production stood at 187.21 lakh tonnes during April-November period of this fiscal, while imports were at 46.14 lakh tonnes to meet domestic demand. In a written reply in the Rajya Sabha, Minister of State for Chemicals and Fertilisers Bhagwanth Khuba shared the data for consumption, production and import of urea in the last three years. As per the data, urea production stood at 250.72 lakh tonnes in the 2021-22 fiscal as against 246.05 lakh tonnes in 2020-21 and 244.58 lakh tonnes in the 2019-20 financial year. Urea imports stood at 91.36 lakh tonnes in the last fiscal, 98.28 lakh tonnes in 2020-21 and 91.23 lakh tonnes in 2019-20.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/chem/-/fertilisers/india-imports-46-14-lakh-tonnes-of-urea-in-apr-nov-this-fiscal/articleshow/96197617.cms>