



February 08, 2023 – Wednesday

Economy

Vivad se Vishwas-II: Govt aims to settle 500 cases involving about Rs 1 trn

The Central government is aiming to resolve about 500 cases, involving an estimated Rs 1 trillion, under the new voluntary settlement scheme, which has been proposed to bring an end to its contractual disputes with private parties, according to officials.

https://www.business-standard.com/article/economy-policy/vivad-se-vishwas-ii-govt-may-settle-500-disputed-cases-valued-at-rs-1-trn-123020701784_1.html

20.7 mn households seek MGNREGA work in Jan, 2.26% less than in December

Around 20.7 million households have sought work under the flagship MGNREGS in January 2023, which is about 9.69 per cent more than the pre-pandemic month of January 2020, but almost 11.38 per cent lower than the work demand of January 2021 and 21.41 per cent lower than that of January 2022, data furnished in the MGNREGS website showed.

https://www.business-standard.com/article/economy-policy/20-7-million-households-seek-work-under-mgnrega-in-january-shows-data-123020701815_1.html

Banking and Finance

RBI may conclude FY23 with a 25 bps rate hike to tame India's sticky core inflation

The Reserve Bank of India's rate-setting panel is expected to opt for a smaller rate increase of 25 basis points (bps) in its last policy review of the ongoing fiscal (FY23). RBI's Monetary Policy Committee (MPC) may also shift to a neutral stance while focusing on growth this time around. The decision of RBI Governor Shaktikanta Das-headed six-member MPC will be announced on Wednesday at 10 am. The prediction of a smaller rate hike can be attributed to softening of retail inflation and the US Federal Reserve moderating the pace of increase in its benchmark interest rate.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-may-conclude-fy23-with-a-25-bps-rate-hike-to-tame-indias-sticky-core-inflation/articleshow/97697039.cms>

Non-bank lenders surpassed banks in microlending segment in September 2022: Report

Non-bank lenders have surpassed banks in the microlending segment by assets, as per data for September 2022 disclosed by a credit information company on Tuesday. Non-banking finance companies-microfinance institutions (NBFC-MFIs) accounted for 35.1 per cent of the outstanding loans as of September 2022, surpassing banks which held a 34.8 per cent stake, the report by Crif High Mark said. The NBFC-MFIs' market share stood at 34.1 per cent in preceding June quarter as against 35.6 per cent for banks, while in the year-ago period, it stood at 32.2 per cent as against banks' 40.7 per cent.

<https://economictimes.indiatimes.com/industry/banking/finance/non-bank-lenders-surpassed-banks-in-microlending-segment-in-september-2022-report/articleshow/97703891.cms>

Sebi to put onus of detecting price rigging, insider trading on brokers

The Securities and Exchange Board of India (Sebi) is planning to put the onus on stock brokers for the identification and surveillance of fraudulent practices such as price manipulation, insider trading, front-running, and spoofing, among others. Under a proposal floated by the capital market regulator, senior management of the stock broking firms will be responsible for ensuring trade surveillance in compliance with regulatory requirements. These surveillance and control systems will be used to detect, prevent or report fraud or market abuse by clients, promoters, employees or even analogous persons. Stock brokers will have to assess factors like relations between clients based on KYC, matched trades that suggest pre-arrangement or circular trading, unusual price movements, timing of trades in sensitive period, change in client behaviour which may show huge gains before material announcements, among a dozen of other factors.

https://www.business-standard.com/article/markets/market-regulator-sebi-wants-stock-brokers-to-play-sherlock-holmes-123020701828_1.html

Rs 1.45 trillion extra resources for FCI's capital needs, says govt

In an attempt to clear the air on the outlay of Rs 1.45 trillion shown as internal and extra budgetary resources (IEBR) for Food Corporation of India (FCI) in the Union Budget 2023-24 (FY24), the Centre on Tuesday said the figure represents an indicative estimate of short-term working capital requirement of the FCI. It is to provide money for the cost of procurement and managing public distribution system (PDS) operation costs. Costs from these working capital requirements are included in the food subsidy released to FCI from the Budget, said an official statement. The IEBR of FCI for FY24 — in line with the Budget documents — is projected to jump a staggering 164 per cent to nearly Rs 1.45 trillion, from the 2022-23 (FY23) Revised Estimates (RE) of Rs 55,000 crore.

https://www.business-standard.com/article/economy-policy/fci-s-iebr-indicates-short-term-capital-needs-for-fy24-says-centre-123020701924_1.html

States bond prices down by 7 bps to 7.61% despite sharp spike in supply

Even though the states have borrowed heavily from the market -- bond issuances at the weekly auction on Tuesday rose sharply by 42 per cent -- the average prices came down by 7 bps to a three-week low of 7.61 per cent. Twelve states have raised Rs 20,300 crore through state government securities on Tuesday, which is a sharp 42 per cent increase on-year, though the amount raised is 23 per cent lower than what was indicated for the week in the auction calendar. Accordingly, the weighted average cut-off eased considerably by 7 bps to 7.61 per cent, which is a three-week low, despite the weighted average tenor remaining stable at 15 years, according to a note by Icria Ratings.

https://www.business-standard.com/article/economy-policy/states-bond-prices-down-by-7-bps-to-7-61-despite-sharp-spike-in-supply-123020701808_1.html

Industry

FinMin asks govt dept and PSEs to refund 95% of the performance or bid security forfeited from MSMEs during the pandemic

In a relief to MSMEs, the Finance Ministry on Monday asked all government departments and public sector enterprises to refund 95 per cent of the performance or bid security and liquidated damages that were deducted from SMEs for government tenders during the two years of the pandemic, reported PTI. The Finance Ministry's Expenditure Department on Monday issued an office memorandum stating that all contractors or suppliers registered as MSMEs with the Ministry of MSME as on March 31, 2022 would be eligible to claim a refund of the forfeited amount for contracts which had an original delivery or completion period between February 19, 2020, and March 31, 2022.

<https://www.financialexpress.com/industry/pli-scheme-attracted-rs-45000-crore-investment-created-3-lakh-jobs-niti-aayog/2973157/>

Demand woes for FMCG, retail: No signs of green shoots yet

Several consumer goods and retail companies such as Marico, Dabur, V-Mart Retail, Godrej Consumer Products and Havells said in their recent earnings calls for the December quarter that demand continues to be stressed with no signs of green shoots yet. That's due to persistent inflation, which may have slowed from its peak but is still high year-on-year and increased again recently for some commodities such as milk and barley. They now expect demand

recovery will spill over to the next fiscal, a delay of three to six months from earlier expectations. Chief executives told analysts that rural consumption is yet to pick up and there has been some stress in discretionary spending in urban areas since Diwali. Havells India managing director Anil Rai Gupta said the company had expected the stability in prices in the October–December period to drive growth in the March quarter.

<https://economictimes.indiatimes.com/industry/cons-products/fmkg/demand-woes-for-fmkg-retail-no-signs-of-green-shoots-yet/articleshow/97707904.cms>

Electric passenger vehicles retail sales decline 10.51% in January

Electric passenger vehicles retail sales declined by 10.51 per cent sequentially to 3,346 units in January 2023 over 3,739 vehicles sold in December last year, according to automobiles body FADA. Tata Motors's electric PV sales were down 17 per cent at 2,426 vehicles in January as against 2,926 units delivered in December 2022. MG Motor sales volume also dropped 12.55 per cent to 425 units against 486 units sold in the month earlier. BYD India reported 164 per cent growth in ePV volumes at 132 vehicles in January 2023 as compared to 50 vehicles retailed in December last year while BMW India sales stood 123 cars against 29 units in December 2022, according to FADA. Hyundai Motor India ePV sales were recorded at 111 units in the previous month over 91 units retailed in December 2022.

<https://economictimes.indiatimes.com/industry/renewables/electric-passenger-vehicles-retail-sales-decline-10-51-in-january/articleshow/97699205.cms>

Scrapped govt vehicles will be replaced with green options for lowering oil Bill: Gadkari

Government vehicles to be scrapped under the Centre's vehicle scrappage policy will be replaced with cleaner mobility technology vehicles, road transport and highways minister Nitin Gadkari said Tuesday while speaking at the 7th edition of the ET Auto EV Conclave in the city. Finance minister Nirmala Sitharaman said while unveiling the union budget that all state and central government-owned vehicles including buses owned by transport corporations and public sector undertakings that have been on the road for over 15 years would be scrapped.

<https://economictimes.indiatimes.com/news/economy/policy/scrapped-govt-vehicles-will-be-replaced-with-green-options-for-lowering-oil-bill-gadkari/articleshow/97708219.cms>

Agriculture

Kharif rice procurement up marginally from last year at 43.7 mt

The Indian government has met nearly 85 per cent of its kharif rice procurement target between October 1 and February 1. This may help it to reach last year's procurement level at the end of the season and ease pressure on foodgrain distribution. A bumper harvest of wheat coupled with comfortable procurement may further help it to increase allocation under the food security law. Pan-India procurement in terms of rice was 43.73 million tonnes (mt) valued at over ₹1.36 lakh crore in the four months since the kharif marketing season began on October 1. This is compared with 43.59 mt bought during the same period a year ago. The target from the entire kharif season (October 1-March 31) is 52.1 mt. So far, 87 lakh farmers have got the benefit from the paddy procurement programme as the Centre buys at minimum support price (MSP) of ₹2,060/quintal (Grade A variety).

<https://www.thehindubusinessline.com/economy/agri-business/kharif-rice-procurement-up-marginally-from-last-year-at-437-mt/article66481915.ece>

Oil palm sector in Telangana gets a ₹1,000 crore boost

The Telangana government has provided ₹1,000 crore in Budgetary support to the oil palm sector in the Budget tabled in the State Assembly on Monday. This is expected to go a long way in achieving the ambitious target that the State has set to promote the plantation crop on 8.5 lakh hectares. A couple of years ago, the State Government launched an action plan to increase the area under oil palm plantations by 40 times — from the current 20,350 hectares to 8.5 lakh hectares. A predominantly rainfed region, the State has significantly augmented irrigation facilities by constructing the Kaleshwaram Lift Irrigation project and the ancillary projects under the project.

<https://www.thehindubusinessline.com/economy/agri-business/oil-palm-sector-in-telangana-gets-a-1000-crore-boost/article66481644.ece>

Rs 15,626 cr sanctioned under Agriculture Infrastructure Fund, says Govt

Loans amounting to Rs 15,626 crore have been sanctioned under Agriculture Infrastructure Fund to create 21,380 infrastructure units at an aggregate investment of more than Rs 32,000 crore all over the country till January this year. The Central Government is providing grants-in-aid to states to promote Agriculture Infrastructure Fund and to improve agriculture. Ministry of Agriculture in a reply in the Lok Sabha on Tuesday said, "In order to increase agriculture productivity and export, various measures were taken by the government, including Agriculture Infrastructure Fund (AIF) which encourages farmers, agri-entrepreneur, start-ups, Farmer Producers Organization, SHGs etc to adopt innovation and farm mechanisation in Indian agriculture."

https://www.business-standard.com/article/economy-policy/rs-15-626-cr-sanctioned-under-agriculture-infrastructure-fund-says-govt-123020701767_1.html

India ranks first, contributes 24 pc of global milk production: Centre to Lower House

Union Minister of Fisheries, Animal Husbandry and Dairying Parshottam Rupala on Tuesday told Lok Sabha that India is the highest milk producer in the world contributing twenty-four per cent of global milk production in the year 2021-22. "According to production data of Food and Agriculture Organization Corporate Statistical Database (FAOSTAT), India is the highest milk producer in the world contributing twenty-four per cent of global milk production in the year 2021-22," the minister said in a written reply in Lok Sabha. He further said that the milk production of India has registered a fifty-one per cent increase during the last eight years- during the year 2014-15 and 2021-22 and increased to twenty-two crore tonne in the year 2021-22.

<https://economictimes.indiatimes.com/news/economy/indicators/india-ranks-first-contributes-24-pc-of-global-milk-production-centre-to-lower-house/articleshow/97712350.cms>

Energy

India's non-fossil power generation touches 174 GW in 2022: R K Singh

India's non-fossil fuel-based power generation capacity was at 174.53 gigawatt (GW) at the end of December 31, 2022, Parliament was informed on Tuesday. The country's total power generation capacity, including 235.81 GW from the thermal base, was at 410 GW at the end of 2022, Minister for Power, New and Renewable Energy R K Singh said in a written reply to the Rajya Sabha. "So far, a total of 174.53 GW power generation capacity from non-fossil fuel-based energy resources has been installed in the country as on 31.12.2022," he said. The capacity includes 63.30 GW solar power, 46.85 GW large hydro, 41.93 GW wind power, 10.73 GW bio power, 4.94 GW small hydro power and 6.78 GW nuclear power. In another reply, the minister said 2,97,609 million units (MU) energy from various sources of renewable energy in the April-December period of 2022-23.

https://www.business-standard.com/article/companies/india-s-non-fossil-power-generation-touches-174-gw-in-2022-r-k-singh-123020700721_1.html

Telecom

DoT to frame security standards for a key 5G tech

The Department of Telecommunications (DoT) has initiated an exercise to frame security standards around network function virtualisation (NFV), a key feature of 5G technology. The basic parameter for the upcoming standards is to safeguard the telecom networks. The National Centre for communication Security (NCCS), a unit under DoT, has started work to frame security standards that will be binding on telecom operators as well as equipment makers. NFV is an intrinsic feature of 5G, which allows some telecom network functions to be virtualised or being software driven. With virtualisation of some components of networks, a lot of opex and capex can be saved.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-to-frame-security-standards-for-a-key-5g-tech/articleshow/97703687.cms>

States

Andhra govt clears Rs 1.10 trn proposal of NTPC for new energy park

A total of 3,552 foreign companies and subsidiaries of foreign companies have been closed in India between 2017 and 2022. According to information provided by the Ministry of Corporate Affairs in a written reply in the Rajya Sabha on Tuesday, the closure of operations of a company is a business decision peculiar to each company which

may be include factors such as cessation of operation of branch office, expiration of validity of permission or licence etc granted by the Reserve Bank of India, not starting its operation due to change of business policy of the parent company, foreign company establishing a private limited company in India, closure of Parent Company, management's decision, closure of liaison office/ branch office in India on completion of project of parent Company. The reasons for closure of subsidiaries of foreign companies are also similar, said the Ministry in reply.

https://www.business-standard.com/article/companies/3-552-foreign-companies-subsidiaries-closed-in-india-between-2017-2022-123020700814_1.html

External

5G smartphone shipments in India surge by 74% in 2022: CyberMedia Research

Shipments of 5G smartphones spurted by 74 per cent in 2022 even as overall mobile phone shipments declined by 8 per cent in the year, CyberMedia Research said on Tuesday. According to the CyberMedia Research (CMR) report, Xiaomi led the overall smartphone market with a 21 per cent market share while Samsung led in the shipment of 5G smartphones with a 23 per cent market share. Driven by a resilient consumer appetite to switch and upgrade, the premium smartphone market continued to gain traction, the report said. In fact, the uber-premium smartphone segment (over Rs 1 lakh) grew a whopping over 95 per cent year-over-year. The overall smartphone market continued to post a decline, driven by the tough market conditions in the second half of 2022, CMR, Analyst- Industry Intelligence Group, Menka Kumari said. CMR estimates that around USD 20 billion (about Rs 1.65 lakh crore) worth of 5G Smartphones were shipped in 2022.

https://www.business-standard.com/article/current-affairs/5g-smartphone-shipments-in-india-surge-by-74-in-2022-cybermedia-research-123020702007_1.html