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Economy

RBI focused on meeting 4% inflation target: Das

Reserve Bank of India (RBI) Governor Shaktikanta Das said Wednesday the central bank is focused on bringing down consumer inflation to the mandated 4% target amid an improving outlook for capital flows, which could ease the seemingly tight liquidity situation he described as transitory. A day before an out-of-turn monetary policy committee (MPC) meeting, called to help draft the RBI's explanatory letter to the government over missing the mandated inflation target, Governor Das referred to the epic Mahabharata to underscore the steadfastness in the panel's approach to achieving the goal of price stability. "No one can match the prowess of Arjuna, but our constant endeavour is to keep Arjuna's eye on inflation, which is our primary target," Das told delegates at the annual banking conclave organised by industry body FICCI. "Domestic inflation remains elevated. We are closely monitoring the inflation trends as well as the effect of our past actions. In our view, price stability, sustained growth and financial stability need not be mutually exclusive."

"In this unsettling global environment, the Indian economy has been growing steadily, drawing strength from its macroeconomic fundamentals and buffers," Das said. "Our recovery and growth have been more broad-based."

<https://economictimes.indiatimes.com/markets/stocks/news/rbi-focused-on-meeting-4-inflation-target-das/articleshow/95264964.cms>

India an oasis of stability and an island of calm amid global challenges, says FM Nirmala Sitharaman

Careful planning, targeted facilitation, fiscal prudence and understanding of the strengths of the Indian economy have helped the Narendra Modi government make India an island of calm amid challenging global developments, said Finance Minister Nirmala Sitharaman at an event on Wednesday. The minister said that during her IMF & World Bank meetings in Washington D.C., she was informed by visitors that India seems to be an oasis of stability and calm. "(Was told) that the challenges are being carefully firewalled and the Indian economy now is very clearly attractive for investors," she said. "Between 2020 and today, we seem to have come out to a situation where the challenges continue, newer challenges are also building up but India is seen as an island of a certain level of calm," the finance minister said in Bengaluru at the three-day Global Investors' Meet, 'Invest Karnataka 2022'.

<https://economictimes.indiatimes.com/news/economy/indicators/india-an-oasis-of-stability-and-an-island-of-calm-amid-challenges-says-fm-nirmala-sitharaman/articleshow/95253525.cms>

Banking and Finance

Digital wholesale rupee a landmark in history of currency; retail e-Rupee launch soon, says RBI gov Das

The Reserve Bank of India (RBI) governor Shaktikanta Das on Wednesday termed the launch of wholesale e-rupee a landmark moment in the history of currency. "Central Bank Digital Currency (CBDC) or digital rupee (e₹) will transform the way business is done and the way transactions are conducted," Das said in his address at FICCI's Banking Conference – FIBAC 2022. He added that RBI is currently working towards a phased implementation of the e-rupee. "Yesterday, we started our pilot project on wholesale CBDC. We propose to commence the pilot project for retail CBDCs shortly," he added. For the unversed, CBDC is a regular currency issued digitally. It is the legal tender issued by a central bank in digital form. India's CBDC is called 'e₹', and it can be exchanged one-for-one

for fiat currency as it is a digital form of rupee. "It is the same as a fiat currency and is exchangeable one-to-one with the fiat currency. Only its form is different," said RBI. The use case for the wholesale pilot is settlement of secondary market transactions in government securities. The use of e₹-W, or wholesale, is expected to make the interbank market more efficient, according to the banking regulator.

<https://www.financialexpress.com/economy/digital-wholesale-rupee-a-landmark-in-history-of-currency-retail-e-rupee-launch-soon-says-rbi-guv-das/2770861/>

Sebi pegs dues worth Rs 67,228 cr as 'difficult to recover': Annual report

Capital markets regulator Sebi has segregated dues to the tune of Rs 67,228 crore under "difficult to recover" category at the end of March 2022. Overall, the regulator has dues worth Rs 96,609 crore that needs to be recovered from entities, including those that failed to pay the fine imposed on them, failed to pay fees due to markets watchdog and did not comply with its direction to refund investors' money, according to Sebi's annual report for 2021-22. Out of Rs 96,609 crore, the regulator said that Rs 63,206 crore, which is 65 per cent of the total, pertains to Collective Investment Scheme (CIS) and deemed public issues of PACL Ltd and Sahara Group company -- Sahara India Commercial Corporation Ltd.

https://www.business-standard.com/article/pti-stories/sebi-pegs-dues-worth-rs-67-228-cr-as-difficult-to-recover-annual-report-122110201187_1.html

NaBFID likely to make first fund commitment this financial year, says MD

The National Bank for Financing Infrastructure and Development (NaBFID) is likely to make its first commitment of funds to a project within the current financial year and is also eyeing a retail bond issuance, managing director Rajkiran Rai G said on Wednesday. The projects that NaBFID is looking at include transmission, energy, solar power, roads, Rai said, adding that the development financial institution would consider both greenfield and brownfield projects. Rai was appointed as MD of NaBFID in July. "We are already talking to merchant bankers. Most probably our raising of money will be by issuing bonds. So we may see some bond issuances in this financial year itself," Rai said at a banking event in Mumbai. "There is a project pipeline - there is greenfield, there is brownfield, there are lot of NCD issuances, basically completed projects. We will also be looking at retail, I feel that for 10-year, 15-year to 20-year bonds there are enough opportunities, enough appetite," he said.

https://www.business-standard.com/article/economy-policy/nabfid-likely-to-make-first-fund-commitment-in-this-fy-md-rajkiran-rai-122110201581_1.html

Industry

Govt extends date of quality control order for 2 steel grades till Jan 23

The government has extended the enforcement date of its Steel and Steel Products Quality Control Order for two grades of ferrosilicon and ferronickel by three months till January 2023. "The Steel and Steel Products Quality Control Order dated December 22, 2020, and subsequent order dated April 26, 2022, the date of enforcement of Indian Standards (IS) 1110:1990 ferrosilicon specification and IS 4409:1973 specification for ferronickel is extended further," according to a Steel Ministry notification. The extension is for three months till January 23, 2023, the notification dated November 1, 2022, said.

https://www.business-standard.com/article/economy-policy/govt-extends-date-of-quality-control-order-for-2-steel-grades-till-jan-23-122110200762_1.html

Govt puts several dormant entities out of business

The ministry of corporate affairs (MCA) is striking off entities which have not commenced business activities even six months after their incorporation, in a nationwide move to tackle money laundering through shell and dormant companies, people in the know told ET. More than 40,000 companies have been identified and are being deregistered, the people said. Of these, more than 7,500 have been identified by the registrar of companies (RoC) in Delhi and Haryana alone, they added. The government had undertaken a similar exercise after the demonetisation in 2016. "However, during that exercise, the companies which were dormant for over two years and didn't show any business operations were identified and struck off ... In this case, we are taking action against those which haven't commenced any business six months from their incorporation," said a senior government official.

<https://economictimes.indiatimes.com/news/company/corporate-trends/govt-puts-several-dormant-entities-out-of-business/articleshow/95263173.cms>

As rural demand weakens, FMCG distributors offer more credit to retailers

Rural demand has been a pain point for fast-moving consumer goods (FMCG) companies for the last six quarters, but the situation has now worsened with distributors being forced to extend more credit to retailers. Also, the frequency with which distributors procure stocks from companies has reduced.

https://www.business-standard.com/article/economy-policy/as-rural-demand-weakens-fmkg-distributors-offer-more-credit-to-retailers-122110201397_1.html

Textile players should move up the value chain and produce high value products: Union Minister Piyush Goyal

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Piyush Goyal on Tuesday asked textile industry players to move up the value chain and focus on producing high value products. In an interaction with the beneficiaries of the Production Linked Incentive (PLI) Scheme 2.0 for textiles at a review meeting in New Delhi, Goyal asked the beneficiaries to focus on improving the quality of textile products made in India to make them world-class. The review meeting was attended by representative of 49 companies and key dignitaries of Ministry of Textiles. The Unique Selling Proposition (USP) of the Indian textile industry must not be restricted to cheap labor, said Goyal. He also called attention to the remuneration of the textile sector workers, asking that they should be paid fairly, given social security and brought into the formal sector.

<https://www.financialexpress.com/industry/sme/msme-eodb-textile-players-should-move-up-the-value-chain-and-produce-high-value-products-union-minister-piyush-goyal/2771424/>

SMEs struggle most with digital marketing, order management, payments in online sales: BCG survey

Even as awareness and adoption of digital tools are gradually increasing among SMEs to sell more online and grow faster, there are multiple aspects of digital sales where enterprises have been struggling. While more than 60 per cent of SMEs expect their online sales will further increase in the future, digital marketing was the major area of challenge for 78 per cent of them, said a BCG India MSME Survey 2022 of over 1,000 MSMEs by Boston Consulting Group on Wednesday. Apart from digital marketing, online order management was another area of struggle for 50 per cent of respondents followed by digital payments (49 per cent), virtual catalogues (45 per cent), e-store design (43 per cent), online data backup (42 per cent) and customer service (33 per cent), the survey showed. However, to tide over these challenges, around 50 per cent of SME respondents said they are open to banks helping them navigate such issues for a fee. The survey was part of a BCG and FICCI report Riding India's Digital Super-cycle.

<https://www.financialexpress.com/industry/sme/msme-tech-smes-struggle-most-with-digital-marketing-order-management-payments-in-online-sales-bcg-survey/2771494/>

Two-wheeler sales race ahead on festive fuel

Nearly two million scooters and motorcycles were bought by customers in the festive season, signaling a healthy revival in demand across rural and semi-urban markets, where sales had languished over the last three years as the pandemic hit the purchasing power of entry-level customers. Senior executives and dealers ET spoke to said the industry posted record sales in the 32-day period starting Navratri amidst better-than-expected uptick in demand. The industry now expects two-wheeler sales this fiscal to grow by 20%, up from 16-17% estimated at the start of the year. Two-wheeler makers saw monthly retail sales of 1.7 million units in October 2022 compared with 1 million, 1.10 million and 1.4 million units in the same month of 2021, 2020 and 2019, respectively.

<https://economictimes.indiatimes.com/news/india/two-wheeler-sales-race-ahead-on-festive-fuel/articleshow/95264216.cms>

Commercial vehicle sales may reach previous peak by FY24: Report

The sales of commercial vehicles will reach the previous peak of close to 1 million units a year by FY24 aided by a rapid recovery in India's economic activity levels and a resurgence in replacement demand after multiple muted years, according to a new report from Fitch Ratings. The ratings agency expects CV sales to grow at a rate of 14-19% over the coming few years. Apart from a better macroeconomic environment, the CV industry will also benefit from better availability of financing, the report noted. Meanwhile, higher fuel prices will nudge fleet operators to replace their older vehicles with newer, more efficient ones.

<https://economictimes.indiatimes.com/industry/auto/auto-news/overall-commercial-vehicle-volume-to-reach-close-to-1-mn-units-by-fy24-fitch-ratings/articleshow/95251906.cms>

Agriculture

Cabinet approves Rs 51,875 cr subsidy for P&K fertilisers for rabi season

The government on Wednesday approved a subsidy of Rs 51,875 crore for phosphatic and potassic (P&K) fertilisers for second half of 2022-23 as part of efforts to provide affordable soil nutrients to farmers. The Cabinet Committee on Economic Affairs (CCEA), chaired by Prime Minister Narendra Modi approved nutrient-based subsidy (NBS) rates for P&K fertilisers for 2022-23 rabi season, an official statement said. The CCEA has approved a subsidy of Rs 98.02 per kg for nitrogen (N), Rs 66.93 per kg for phosphorus (P), Rs 23.65 per kg for potash (K) and Rs 6.12 per kg for sulphur (S), it said. "Subsidy approved by the Cabinet for the NBS Rabi-2022 (from 01.10.2022 to 31.03.2023) will be Rs 51,875 crore including support for indigenous fertiliser (SSP) through freight subsidy," the statement said.

<https://www.financialexpress.com/economy/punjab-govt-pays-rs-18660-crore-to-farmers-lifts-88-lakh-metric-tonnes-of-paddy-says-cm-bhagwant-mann/2763347/>

Solvent Extractors Assn seeks release of 100 kg GM mustard for this rabi

The Solvent Extractors Association of India (SEA), a premier body of oilseed extractors, has urged the Central government to disburse about 100 kg of the recently approved genetically modified mustard seed, which it will then sow in 200 out of the 1,000-odd model mustard farms that it plans to set up this rabi season. Sowing of mustard for the current rabi season started on a strong note, with a near 34 per cent year-on-year increase till last week, in the area under the crop. "The Association is setting up over 1,000 model mustard farms in Rajasthan, Madhya Pradesh, Punjab and Uttar Pradesh during the current rabi season and has requested the government to provide GM seeds, recently approved by Genetic Engineering Appraisal Committee (GEAC), for cultivation in 200 farms," SEA said in a statement.

https://www.business-standard.com/article/economy-policy/sea-seeks-100-kgs-of-gm-mustard-for-planting-in-200-farms-this-rabi-122110201444_1.html

Kharif onion output estimated to be 13 pc lower; ample rabi onions to contain prices: Report

Decline in acreage and lack of improvement in crop yields is likely to result in 13 per cent fall in onion output for the kharif season 2022-23 to 9.5 million tonnes compared to last year, according to a report. In 2021-22 kharif season, the total onion output stood at 10.8 million tonnes, Crisil said in a report on Wednesday. However, price escalation following lower output is expected to be contained due to ample availability of rabi onion stocks, the report added. The rabi 2021-22 season witnessed bumper production to the tune of 20 million tonnes, an increase of 17 per cent year-on-year, it added. India consumes about 13 lakh tonnes of onions every month, making it one of the most important vegetable crops for household consumption, the Crisil report said.

<https://economictimes.indiatimes.com/news/economy/agriculture/kharif-onion-output-estimated-to-be-13-pc-lower-ample-rabi-onions-to-contain-prices-report/articleshow/95261420.cms>

Govt must have fixed higher price for ethanol derived from sugarcane juice: ISMA

The sugar industry has welcomed the revision of ethanol prices for the marketing season of 2022-23 commencing on December 1, 2022. The revised prices announced for ethanol manufactured from C-heavy molasses and B-heavy molasses will encourage sugar mills to divert more sugar towards ethanol production. However, the revision of the price of ethanol manufactured from sugarcane juice/sugar syrup is not enough to drive additional investments in new capacity building, said Indian Sugar Mills Association (ISMA) Director-General, Sonjoy Mohanty. He was reacting to the Cabinet Committee on Economic Affairs approving a hike in ethanol prices under the Ethanol-Blended Petrol (EBP) Programme .

<https://www.thehindubusinessline.com/economy/agri-business/govt-must-have-fixed-higher-price-for-ethanol-derived-from-sugarcane-juice-isma/article66086547.ece>

Infrastructure

NHAI now accepts electronic bank guarantees, aims to adopt digital tech

The National Highways Authority of India (NHAI) has started accepting electronic bank guarantees and digitalised all its existing bank guarantees, an official statement said on Wednesday. The move is aimed at improving the efficiency and transparency of internal processes and taking forward the adoption of digital technology. NHAI is using the electronic bank guarantee services of the National e-Governance Services Ltd, which helps in the reduction of physical paper movement, doing away with physical storage needs and easy access to the bank guarantee life cycle, including renewal. Few electronic bank guarantees (E-BGs) have already been issued by banks in favour of NHAI.

"E-BGs promote transparency, bring in several efficiencies and provide ease of doing business to our stakeholders," Alka Upadhyaya, Secretary, Ministry of Road Transport and Highways & Chairperson, NHAI, said.

https://www.business-standard.com/article/economy-policy/nhai-starts-accepting-electronic-bank-guarantees-122110201316_1.html

Bids for 4 rail stations' facelift in 3-5 months

The Indian Railways is likely to invite bids for Anand Vihar, Thane and Vijayawada stations in the next three to five months, as it begins redevelopment of 16 stations in public-private partnership (PPP) mode. Delhi's Anand Vihar is first on the list, followed by Vijayawada in Andhra Pradesh; Thane and Mumbai Central in Maharashtra, according to railway ministry officials. They said the stations have been selected under a fresh plan in consultation with the Niti Aayog, keeping in mind their local relevance. "Anand Vihar is one of the busiest stations in Delhi, primarily catering to passengers of eastern India, with footfall of about 70,000 per day. Tambaram is the busiest in north Chennai, with footfall of more than one lakh per day, about 80% suburban passengers," said a senior ministry official who did not wish to be identified.

<https://economictimes.indiatimes.com/industry/transportation/railways/bids-for-4-rail-stations-facelift-in-3-5-months/articleshow/95262633.cms>

Energy

Cabinet okays mechanism for ethanol procurement by public oil companies

The Cabinet Committee on Economic Affairs chaired by Prime Minister Narendra Modi on Wednesday approved a mechanism for procurement of ethanol by public sector Oil Marketing Companies (OMCs) under Ethanol Blended Petrol (EBP) programme. The CCEA has approved higher ethanol price derived from different sugarcane-based raw materials under the EBP programme for the forthcoming sugar season 2022-23 during ESY 2022-23 from December 1, 2022, to October 31, 2023. "The price of ethanol from C heavy molasses route be increased from Rs.46.66 per litre to Rs 49.41 per litre, the price of ethanol from B heavy molasses route be increased from Rs.59.08 per litre to Rs.60.73 per litre, the price of ethanol from sugarcane juice/sugar/sugar syrup route be increased from Rs.63.45 per litre to Rs.65.61 per litre, additionally, GST and transportation charges will also be payable," the Cabinet Committee on Economic Affairs (CCEA) statement reads.

https://www.business-standard.com/article/economy-policy/cabinet-okays-mechanism-for-ethanol-procurement-by-public-oil-companies-122110300060_1.html

Oil companies losing Rs 4 per litre on diesel: Oil Min Hardeep Singh Puri

PSU oil companies are losing a net of Rs 4 per litre on diesel while turning a profit on petrol, revealed Oil Minister Hardeep Singh Puri on Wednesday in line with talks of a price reduction in the offing as international rates have softened. Puri asserted that his ministry will seek assistance for the three fuel retailers - Indian Oil Corporation (IOC), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) for the losses they incurred on holding petrol and diesel prices since the Ukraine war to help the government fight inflation. "OMCs (oil marketing companies) still have under-recoveries on diesel," he told reporters when asked if there is a price reduction in the offing. The three companies maintained their rates despite a decade-high rise in global energy costs.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/psu-oil-companies-losing-net-of-rs-4-per-litre-says-oil-min-hardeep-singh-puri/articleshow/95259917.cms>

Price cap loses value as bidders fight for local gas

High global prices have steeply lifted the rates of domestic gas that enjoys pricing freedom and triggered a buyers' stampede in auctions for gas that must be sold below the government-set ceiling. The gas price cap appeared to

have lost its purpose in a recent ONGC auction as too many bidders fought for a small volume of gas with bids far above the ceiling. Reliance Industries Ltd (RIL) gas from coal bed methane (CBM) fields in Madhya Pradesh fetched an average of \$23.3 per mmBtu in the July-Sept quarter compared with the ceiling of \$9.9 that was applicable to its KGD6 field off the eastern coast, according to the company's presentation.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/price-cap-loses-value-as-bidders-fight-for-local-gas/articleshow/95262550.cms>

States

At Karnataka GIM, MoUs signed for ₹7.6 lakh crore investment

The Global Investors Meet in Karnataka is off to a great start as the State has received more-than-expected investments. The State Industries Minister, Murugesh Nirani, said it has signed MoUs for investments of around ₹7.6 lakh crore across industrial sectors and cities. Adani Group, Sterlite Power and JSW Group were the major companies to announce investments. Adani group will invest ₹1 lakh crore over the next seven years, in a bid to expand its footprint in multiple sectors. JSW group plans to invest ₹1 lakh crore over the next five years in all of its Karnataka-based businesses. Karan Adani, CEO of Adani Ports & SEZ Limited, and Sajjan Jindal, Chairman of JSW Group, made the announcements today. Similarly, Sterlite Power's MD Pratik Agarwal said a large chunk of its ₹50,000 crore investment in renewable energy would be made in Karnataka.

<https://www.thehindubusinessline.com/economy/at-karnataka-gim-mous-signed-for-76-lakh-crore-investment/article66087194.ece>

Maharashtra to provide compensation to farmers for crop loss caused by October rains

The Maharashtra cabinet on Wednesday decided to pay compensation up to three hectares to farmers who lost their crops due to retreating rains last month. This decision was taken in the weekly Cabinet meeting chaired by Chief Minister Eknath Shinde. For the crop losses in October rains, compensation up to 3 hectares will be provided which is double the amount given through the State Disaster Relief Fund, the Chief Minister's Office (CMO) said in a statement. The administration has been asked to conduct panchanamas or assessments of the losses suffered by farmers expeditiously. As per a preliminary report, rains destroyed crops on 25 lakh hectares of irrigated land.

<https://economictimes.indiatimes.com/news/economy/agriculture/maharashtra-to-provide-compensation-to-farmers-for-crop-loss-caused-by-october-rains/articleshow/95259786.cms>

External

Wheat exports double to \$1.48 billion in April-September period: Govt data

The country's wheat exports more than doubled to USD 1.48 billion during April-September 2022-23 as compared to the year-ago period, the commerce ministry said on Wednesday. The exports stood at USD 630 million in the year-ago period. Though the government banned wheat exports in May, some shipments are allowed to meet food security needs of the countries that request for it. "Wheat export rose to USD 1,487 million in April-September 2022 from USD 630 million in April-September 2021," the ministry said. The global wheat supply has been seriously disrupted because of the Russia-Ukraine war. Both nations are major wheat producers. The overall export of Agricultural and Processed Food Export Development Authority (APEDA) products increased to USD 13.77 billion in April-September 2022 from USD 11.05 billion in the same period a year ago.

https://www.business-standard.com/article/economy-policy/wheat-exports-double-to-1-48-billion-in-april-september-period-govt-data-122110201098_1.html

India aims to end urea imports from 2025; pegs FY23 fertilisers subsidy at \$27.2 billion

India aims to end imports of urea from 2025 as the nation boosts its local production capacity with the commissioning of new plants, fertilisers minister Mansukh Mandaviya said on Wednesday. India, the top importer of urea, imports about 30% of its average 35 million tonnes of annual consumption of the crop nutrient. "We are aiming for ending our dependence on imported urea by 2025... our five new plants will be commissioned by then," Mansukh Mandaviya told reporters.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/chem/-/fertilisers/india-aims-to-end-urea-imports-from-2025-pegs-fy23-fertilisers-subsidy-at-27-2-billion/articleshow/95260952.cms>