



August 03, 2023 – Thursday

Key Developments

Bill to allow private sector to mine lithium, other atomic minerals passed

A bill that seeks to allow the private sector to mine six out of 12 atomic minerals, including lithium, and deep-seated minerals such as gold and silver was passed by Parliament on Wednesday. Union Minister for Coal and Mines Pralhad Joshi moved the The Mines and Minerals (Development and Regulation) Amendment Bill, 2023, when Rajya Sabha reassembled in for the post-lunch period.

https://www.business-standard.com/india-news/bill-to-allow-private-sector-to-mine-lithium-other-atomic-minerals-passed-123080200468_1.html

Economy

India's overall unemployment rate falls in July due to farm demand

India's overall unemployment rate fell in July as rural areas saw increased demand for agriculture labor with the onset of monsoon rains. The total joblessness rate fell to 7.95% in July, from 8.45% in June, according to data released by private forecaster Centre for Monitoring Indian Economy. Rural unemployment rate fell to 7.89%, from 8.73% in June, while urban unemployment rate ticked up, to 8.06% from 7.87% in the same period.

https://www.business-standard.com/economy/news/india-s-overall-unemployment-rate-falls-in-july-due-to-farm-demand-123080200359_1.html

Cabinet secretary to review progress of PLI scheme in all 14 sectors on Thursday

Cabinet secretary Rajiv Gauba is expected to review the progress of the production linked incentive scheme (PLI) for all the 14 sectors on Thursday, sources said. The meeting assumed significance as the government disbursed only Rs 2,900 crore till March 2023 out of Rs 3,400 crore claims received under the scheme. Sources said "there is a review meeting of all the sectors tomorrow."

<https://economictimes.indiatimes.com/news/economy/policy/cabinet-secretary-to-review-progress-of-pli-scheme-in-all-14-sectors-on-thursday/articleshow/102362051.cms>

'Other' factors besides monsoon shaping India's inflation trajectory: Crisil

Besides monsoon, India's food inflation faces risk from extreme weather events, global food prices and El Nino effect, according to a Crisil report. "Extreme weather events, even if brief, can cause wild food price swings, especially for vegetables. Government policies and geopolitical developments are increasing their influence on domestic inflation in recent years," Crisil economists said on Wednesday.

<https://economictimes.indiatimes.com/news/economy/indicators/other-factors-besides-monsoon-shaping-indias-inflation-trajectory-crisil/articleshow/102349147.cms>

Banking and Finance

Sebi, APMI jointly set standards for performance audit of PMS players

The Securities and Exchange Board of India (Sebi) and Association of Portfolio Managers in India (APMI) will jointly set standards for performance audit of portfolio management services (PMS) players. After Sebi's recent tightening of norms, PMS players are required to conduct a performance audit annually and submit a report within 60 days after the end of a financial year. This performance audit needs to consider all clients' portfolios managed by the PMS. However, performance of advisory clients can be excluded only if it is not published in any marketing material or website. The standard specified by APMI will be effective from October 1, Sebi said in a circular.

https://www.business-standard.com/markets/news/sebi-apmi-jointly-set-standards-for-performance-audit-of-pms-players-123080200944_1.html

Govt launches Vivad se Vishwas-2 scheme to settle contractual disputes

The government on Wednesday launched the Vivad se Vishwas-2 scheme for settling contractual disputes involving the government and government undertakings. Announced in the Union Budget 2023-24, the scheme aims to resolve the government's contractual disputes with private parties, clear the backlog of litigation, and improve the ease of doing business. The deadline for submitting claims under the scheme is 31 October 2023. The scheme will apply to all domestic contractual disputes where one of the parties is either the Government of India or an organisation operating under its control.

https://www.business-standard.com/economy/news/govt-launches-vivad-se-vishwas-2-scheme-to-settle-contractual-disputes-123080200629_1.html

Private banks taking branch route to expand deposit base

Indian banks, especially those privately owned, are adding branches at the fastest pace in several years to help garner deposits, upending conventional wisdom that increasing familiarity with digital modes of transaction will obviate the need for brick-and-mortar lender facilities. India's largest private lender HDFC Bank added 39 new branches in the June quarter. It has already added nearly 1,500 branches alone in the fiscal year gone by, taking its total branch tally closer to 7,900. The lender's branch network has increased by more than 40% in the last three years alone.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/private-banks-taking-branch-route-to-expand-deposit-base/articleshow/102364329.cms>

RBI intervention to keep Indian rupee in a tight range, analysts say

The Indian rupee will trade in a narrow range over the coming three months and then strengthen slightly in a year as the Reserve Bank of India uses its vast foreign exchange reserves to keep the currency stable, a Reuters poll found. Expected volatility in the rupee over the next three months was at its lowest in two decades as the Indian central bank continued to buy dollars, adding to its FX reserves of over \$600 billion.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-intervention-to-keep-indian-rupee-in-a-tight-range-analysts-say/articleshow/102370219.cms>

Bank RoA at peak, need investment in tech, talent says McKinsey

Slower deposit growth, likely decline in fee income, rising operational expenses and increasing number of so called credit tested customers is likely to impact bank profitability in the next couple of years, consultancy firm McKinsey & Co said. It expects banks' return on asset (RoA) to drop to 0.80% to 1% range in the next two years from 1.1% at the end of fiscal 2023.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-roa-at-peak-need-investment-in-tech-talent-says-mckinsey/articleshow/102359707.cms>

India card payments market to surpass \$728 billion in 2027, forecasts GlobalData

India's card payments market is expected to almost triple from \$262.1 billion in 2022 to \$728.2 billion in 2027, driven by rising consumer spending, says GlobalData, a data and analytics company. India's card payments market is expected to almost triple from \$262.1 billion in 2022 to \$728.2 billion in 2027, driven by rising consumer spending, says GlobalData, a data and analytics company.

<https://economictimes.indiatimes.com/industry/banking/finance/india-card-payments-market-to-surpass-728-billion-in-2027-forecasts-globaldata/articleshow/102357203.cms>

Industry

Record 82,628 companies, LLPs incorporated between April and July: MCA

As many as 82,628 companies and limited liability partnership (LLP) firms were incorporated on the latest version of the MCA21 portal for various corporate filings in the first four months of this fiscal year, a record for this period, the Ministry of Corporate Affairs (MCA) said on Wednesday. Similarly, as many as 1.96 million forms were filed on the MCA21 (Version 3, or V3) portal between April and July, it said in a series of tweets.

<https://economictimes.indiatimes.com/news/company/corporate-trends/record-82628-companies-llps-incorporated-between-april-and-july-mca/articleshow/102347128.cms>

Many companies fail to make required investments under auto PLI plan

About a third of the 95 automotive and auto component companies qualifying for the sectoral production-linked incentives (PLI) scheme did not make the requisite investments in the first year of the support programme, said multiple people in the know. Their hesitation, sources said, pertained to demand for further clarity in the programme.

<https://economictimes.indiatimes.com/industry/auto/auto-news/many-companies-fail-to-make-required-investments-under-auto-pli-plan/articleshow/102364909.cms>

Construction industry should use alternative fuels to cut costs: Gadkari

Union Minister Nitin Gadkari on Tuesday asked the construction and equipment industry to reduce their fuel cost by using alternative fuels like ethanol and methanol. The Minister for Road Transport and Highways was speaking at the annual session of the Indian Construction and Equipment Manufacturers Association (ICEMA) here. "You can bring down your cost by 15-20 per cent by usage of methanol which comes at Rs 25 a litre. This will reduce your overall cost," Gadkari said. He also said that in a road construction project of Rs 1000 crore, around Rs 100 crore is spent towards diesel.

https://www.business-standard.com/industry/news/construction-industry-should-use-alternative-fuels-to-cut-costs-gadkari-123080101026_1.html

Piyush Goyal meet e-commerce firms, CAIT to discuss online retail issues

Commerce and Industry Minister Piyush Goyal on Wednesday held a detailed discussion with representatives of e-commerce firms and domestic traders body CAIT on issues related to the sector, including the proposed policy, an official said. Confederation of All India Traders (CAIT) Secretary General Praveen Khandelwal, who attended the meeting, said that it was indicated in that the national e-commerce policy would be released by the government in the coming months.

https://www.business-standard.com/india-news/piyush-goyal-meet-e-commerce-firms-cait-to-discuss-online-retail-issues-123080200938_1.html

Consumer companies dangle price cuts, discounts to lure shoppers

Price drops and discounts are back in a major way in the consumer goods space across segments such as fast moving consumer goods, electronic products, mobile phones and apparel as companies reduced prices by passing on the drop in input cost, and retailers and ecommerce platforms offered additional discounts to clear inventory ahead of the crucial festive season.

<https://economictimes.indiatimes.com/industry/services/retail/consumer-companies-dangle-price-cuts-discounts-to-lure-shoppers/articleshow/102364224.cms>

FMCG sales rise as shops stock up ahead of festivals

Sales of daily essentials and groceries recovered sequentially in July from June as retailers stocked up for Independence Day and the upcoming festive period but declined year-on-year, hurt by the unseasonal rains. The overall fast-moving consumer goods (FMCG) market expanded 3% month-on-month but fell 0.5% in July from a year ago, according to Bizom, which tracks kirana sales.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-sales-rise-as-shops-stock-up-ahead-of-festivals/articleshow/102364696.cms>

Smartphone companies focus on budget models in buildup to festive season

Smartphone brands that have been trying to premiumise their lineup amid triple-digit sales growth of handsets priced above Rs 30,000 in the June quarter are now going back to chasing high volumes through affordable devices in the lead-up to the festive season. Market trackers expect consumer demand to pick up across price segments in the second half of the year as macroeconomic conditions improve, driving pent-up demand ahead of Diwali.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-companies-focus-on-budget-models-in-buildup-to-festive-season/articleshow/102364769.cms>

Agriculture

Uttar Pradesh to leverage agri waste value chain for power generation

To provide an additional revenue source to farmers, the Uttar Pradesh government is looking to enrich the agricultural waste value chain for power generation and ethanol production. Agricultural waste or biomass will be converted into biomass pellets to replace coal in the state's thermal power plants. The potential agricultural waste market in UP is estimated at Rs 50,000 crore annually.

https://www.business-standard.com/india-news/uttar-pradesh-to-leverage-agri-waste-value-chain-for-power-generation-123080200926_1.html

Govt says retail wheat and rice prices firm again increased in July

The retail prices of wheat and rice have again increased to Rs 29.59 per kilogramme and Rs 40.82 per kg, respectively in July, Parliament was informed on Wednesday. Minister of State for Consumer Affairs, Food and Public Distribution Sadhvi Niranjan Jyoti, in her written reply to the Lok Sabha, said the retail prices of wheat and rice are continuously changing and the government is closely monitoring the prices.

https://www.business-standard.com/economy/news/govt-says-retail-wheat-and-rice-prices-firm-again-increased-in-july-123080200675_1.html

Energy

Coal India plans two thermal plants with Rs 21,547 cr investment in Odisha, Madhya Pradesh

State-owned Coal India Ltd (CIL) is planning to set up two thermal plants with an investment totaling Rs 21,547 crore in Odisha and Madhya Pradesh, an official statement said on Wednesday. While one project is planned near Amarkantak in Madhya Pradesh, the other is at Sundergarh district, in Odisha. "CIL has planned to set up two thermal power plants. One is being set up as a joint venture with the Madhya Pradesh government near Amarkantak," the Ministry of Coal said.

<https://economictimes.indiatimes.com/industry/energy/power/coal-india-plans-two-thermal-plants-with-rs-21547-cr-investment-in-odisha-madhya-pradesh/articleshow/102361266.cms>

Telecom

DoT relaxes spectrum block size for trading purpose

The Department of Telecommunications (DoT) has relaxed spectrum trading norms by allowing operators to trade radiowaves in a frequency band as per the block size notified in the last auction, according to guidelines published on Wednesday. The modification in spectrum trading guidelines allows telecom operators to lease spectrum to captive non-public network licence holders that use radiowaves for internal business requirements. "The block sizes of Access Spectrum to be traded in different spectrum band(s) shall be as per the block size(s) as specified in the NIA (notice inviting application) for the latest auction held. Further, if there is any residual spectrum to be traded, it may be considered on pro-rata basis," the new guideline said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-relaxes-spectrum-block-size-for-trading-purpose/articleshow/102350059.cms>

Spectrum rules may not be same for all satcom companies

Telecom Regulatory Authority of India (Trai) is exploring ways to recommend different sets of satcom spectrum allocation rules for different categories of service providers such as low and medium earth orbit (LEO/MEO) satellite players, VSAT players, startups, and broadcasters, officials said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/spectrum-rules-may-not-be-same-for-all-satcom-companies/articleshow/102364192.cms>

Healthcare

India makes goods manufacturing practice, Schedule M mandatory for MSME pharma firms

India has asked pharma companies to complete and obtain a certificate for good manufacturing practices (GMP) over the next 6 to 12 months. Of the 10,500 manufacturers in India, including MSMEs, only 2,000 of them — mainly exporters — have a good manufacturing practice certificate. The remaining 8,500 units will have to complete the certification process within 6 months or 12 months beginning August 1.

<https://www.thehindubusinessline.com/economy/india-makes-goods-manufacturing-practice-schedule-m-mandatory-for-msme-pharma-firms/article67150693.ece>

Health Ministry says drug factories in India lack professionally qualified employees, raw product testing

India's Health Ministry on Wednesday announced that it had inspected over 150 pharmaceutical factories in the country and found that there was a prominent lack of safeguards, including an absence of internal product quality review as well as a lack of professionally qualified employees. These reports come after multiple Indian pharmaceutical companies came under the government's scanner following deaths linked to faulty cough syrup manufactured in the country and shipped overseas. Faulty medicines were linked to the deaths of at least 95 children overseas. According to the Health Ministry, the investigation also revealed that there was an absence of "quality failure investigation," as well as a lack of testing of raw materials.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/health-ministry-says-drug-factories-in-india-lacking-professionally-qualified-employees-raw-product-testing/articleshow/102351633.cms>

External

India's July edible oil imports hit record at 1.76 mn metric tonnes

India's edible oil imports in July rose to a record 1.76 million metric tonnes as refiners built up stocks for upcoming festivals given uncertainty over supplies from the Black Sea, five dealers told Reuters. Higher purchases by the world's biggest importer of vegetable oils could help to lower palm oil stocks in Indonesia and Malaysia and support benchmark futures. They would also strengthen soybean futures and could reduce inventories in sunflower oil-producing Black Sea countries.

https://www.business-standard.com/economy/news/india-s-july-edible-oil-imports-hit-record-at-1-76-mn-metric-tonnes-123080200337_1.html

12th round of India, UK free trade agreement talks to begin from August 7

As India and the UK are close to concluding negotiations for a proposed free trade agreement (FTA), chief negotiators of both countries will hold the 12th round of talks from August 7 here, an official said. Both sides are looking at concluding the talks before the end of the year. The main issues which could come up for discussions in this round include investment treaty, reduction of duties on auto and whiskey and matters pertaining to services, the official said.

https://www.business-standard.com/economy/news/12th-round-of-india-uk-free-trade-agreement-talks-to-begin-from-august-7-123080200256_1.html

India introduces Ayush Visa category for foreign nationals seeking traditional medicine treatment

The Ministry of Home Affairs has notified the creation of a new category of Ayush) visa for foreign nationals for treatment under Ayush systems/Indian systems of medicine. The introduction of the Ayush Visa fulfils the proposal for introducing a special visa scheme for foreigners visiting India for treatment across streams like therapeutic care, wellness and Yoga. A new chapter, i.e. chapter 11A – Ayush Visa, has been incorporated after Chapter 11 - Medical

Visa of the Visa Manual, which deals with treatment under the Indian systems of medicine. Accordingly necessary amendments have been made in various chapters of the Visa Manual, 2019.

<https://www.thehindubusinessline.com/economy/policy/india-introduces-ayush-visa-category-for-foreign-nationals-seeking-traditional-medicine-treatment/article67151125.ece>