



August 14, 2023 – Monday

Economy

Getting dearer: After tomatoes, chana prices rise ahead of festival season

After lying still for several weeks, prices of chana (gram), which is among the most commonly consumed pulses in the country, have started moving upwards. This could be an additional headache for the government, which is battling inflation on multiple fronts, ahead of the festival season, which starts around August-end. Recently, the price of key kitchen staple, tomato, had surged as high as Rs 242 per kilogram in the retail market. Compared to other pulses, such as arhar and urad, the saving grace in the case of chana is the reasonably good stocks with the state agencies.

https://www.business-standard.com/india-news/chana-prices-move-up-due-to-festival-demand-after-lying-low-for-many-weeks-123081300440_1.html

Centre pushes for faster admission of corporate insolvency cases at NCLT

Benches of the National Company Law Tribunal (NCLT) should not get into questioning a company's default once it is established by the creditors, particularly financial creditors, for admission to the corporate insolvency process. This is one of the key themes of the draft guidelines for the NCLT, which are being finalised by the Ministry of Corporate Affairs (MCA), a senior official said.

https://www.business-standard.com/economy/news/centre-pushes-for-faster-admission-of-corporate-insolvency-cases-at-nclt-123081300452_1.html

Bordering nations make 697 requests for Govt contracts

India received close to 700 applications from bidders with which the country shares land borders to participate in public procurement contracts, of which 110 were pending for comments with various ministries as on June 30. As per official data, which ET has reviewed, 20 applications were pending with the home ministry, 18 with the external affairs ministry, and 11 each with health and family welfare and petroleum & natural gas ministries. "Companies from land border sharing nations need to apply for registration with the appropriate authorities else their bid will not register. Each ministry then sees their macro conditions and see if they can allow such companies," said an official. "This also helps to check if companies have beneficial ownership."

<https://economictimes.indiatimes.com/news/economy/foreign-trade/bordering-nations-make-697-requests-for-govt-contracts/articleshow/102702364.cms>

Banking and Finance

Centre directs banks, civic bodies to work in tandem on scheme for loans to street vendors

Union Minister Bhagwat K Karad has asked banks and civic bodies to collaborate to achieve the goals of the PM SVANidhi scheme, which was launched to help street vendors get easy loans. Chairing a regional-level meeting on Saturday to assess the scheme's progress in Bihar, Jharkhand, Odisha and West Bengal, Karad asked civic bodies to review the applications returned by banks and resubmit them after rectification. The minister of state for finance also asked the municipal bodies to work in a 'camp mode' and mobilise fresh applications to achieve the targets in a

time-bound manner. Karad urged urban local bodies to intensify their efforts with innovative strategies to enhance the digital onboarding of street vendors, a statement said.

<https://economictimes.indiatimes.com/news/economy/policy/centre-directs-banks-civic-bodies-to-work-in-tandem-on-scheme-for-loans-to-street-vendors/articleshow/102690746.cms>

Transfer of bad loans from banks to NARCL hits indemnity hurdle now

Asset transfers from banks to the government-backed bad debt aggregator National Asset Reconstruction Co (NARCL) have stalled once again due to differences over specific wordings of the agreement between the entities, people familiar with the matter said. "NARCL has insisted on banks signing an agreement which absolves NARCL from any future liabilities arising from the assets sold like fraud cases or investigations from government agencies. Banks have refused to do this, resulting in a stalemate," said a person aware of the matter.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/transfer-of-bad-loans-from-banks-to-narcl-hits-indemnity-hurdle-now/articleshow/102702828.cms>

Insurers concerned about data handling in new digital regime

The potential penalty of ₹250 crore for breach of provisions of the new digital laws has rattled insurers whose nearly 30 lakh agents range from matriculates to high end professionally qualified people. With no case law yet, insurers fear that numerous frivolous cases could crop up. Insurers will have to put controls on end use of personal data and ensure that specific consent is taken for the purpose for which data is processed. Insurers say that the biggest risk is agents and other distributors carrying customer data, which is freely available in the market. "If there is any data breach, customer and Data protection board will have to be informed," the executive informed.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/insurers-concerned-about-data-handling-in-new-digital-regime/articleshow/102702689.cms>

EPFO drives nearly 52% of equity ETF inflows in 2022-23, shows data

The retirement fund body, the Employees' Provident Fund Organisation (EPFO), constitutes the majority of flows into equity exchange-traded funds (ETFs). Data shared by the government in Parliament reveals that one of the world's largest social security organisations invested Rs 53,081 crore into ETFs in 2022-23 (FY23), accounting for more than 50 per cent of the total gross inflows into equity ETFs in the previous financial year (FY23).

https://www.business-standard.com/politics/epfo-drives-nearly-52-of-equity-etf-inflows-in-2022-23-shows-data-123081300342_1.html

Industry

MCA allows 1,270 requests from CA, CS bodies to merge user IDs

The ministry of corporate affairs (MCA) has entertained 1,270 requests from bodies representing company secretaries and chartered accountants for the merger or deactivation of multiple user IDs of their members in the first month of allowing such an exercise, according to the latest official data. The move will now enable these professionals to use the latest version of the MCA21 portal for various corporate filings because, unlike its earlier avatars, the version 3 or V3 portal doesn't entertain more than one ID per user to plug its abuse. Amid outcry over technical glitches involving the V3 portal, the MCA had on July 12 allowed professionals to merge into one or deactivate the multiple user IDs.

<https://economictimes.indiatimes.com/news/economy/policy/mca-allows-1270-requests-from-ca-cs-bodies-to-merge-user-ids/articleshow/102702588.cms>

Passenger vehicle sales set to cross 10 lakh mark in festive period this year

Domestic passenger vehicle sales are expected to cross 10 lakh mark in the festive period this year with demand remaining robust, especially for utility vehicles. The 68-day festive period this year falls between August 17 and November 14. Few days in between are not considered auspicious for buying. In an interaction with PTI, Maruti Suzuki India Senior Executive Officer (Marketing and Sales) Shashank Srivastava said that usually the festive season sales account for around 22-26 per cent of the overall sales during a year. "With the overall passenger vehicle sales expected to be in the range of 40 lakh units this fiscal, the festive season is expected to witness sales of around 1 million units," he said.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/passenger-vehicle-sales-set-to-cross-10-lakh-mark-in-festive-period-this-year/articleshow/102692746.cms>

FMCG companies step up focus on premium offerings

FMCG companies are sharpening their premiumisation play with Indian consumers willing to spend more on value-added propositions. Players said the trend is becoming more visible in recent times, especially in the top 100 cities, due to higher disposable incomes. Companies have stepped up on launches of premium products while continuing to straddle popular price points for higher household penetration.

<https://www.thehindubusinessline.com/companies/fmcg-companies-step-up-focus-on-premium-offerings/article67190454.ece>

Rural growth outpaces urban demand, trend to continue over next 6 months: Pidilite MD Bharat Puri

Rural growth, which was lagging after the pandemic, has outpaced urban demand and this trend is likely to continue over the next six months led by a good monsoon, Pidilite Industries Managing Director Bharat Puri said. Moreover, as the inflationary pressure cools down after two years of volatility, Puri said now he sees 'stability' in input prices, which is providing him with a lot more elbow room to invest back into the marketplace. Puri says he is "increasingly optimistic" as he looks forward as there is clearly increased construction activity, leading to good demand. The company, which recently entered into the Paints market and has a presence in 2-3 states, would expand further to other markets based on consumer responses. It is an organic business for Pidilite, which will grow steadily, he added.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/rural-growth-outpaces-urban-demand-trend-to-continue-over-next-6-months-pidilite-md-bharat-puri/articleshow/102694379.cms>

Agriculture

Total kharif sowing over in almost 90% of normal area till August 11

Sowing of kharif crops is over in almost 90 per cent of the normal area during the week ended August 11, with acreage of rice being higher by almost 4.92 per cent as compared to the same period last year. On the other hand, arhar and urad were down by 5.41 per cent and 13.49 per cent, respectively, as compared to the same period in 2022. Paddy sowing is down so far in Andhra Pradesh, Assam, and Odisha.

https://www.business-standard.com/industry/agriculture/total-kharif-sowing-over-in-almost-90-of-normal-area-till-august-11-123081100804_1.html

Commerce ministry seeking views of ministries, NITI on draft bills on 5 cash crops

The commerce ministry is seeking views from different ministries and government think tank Niti Aayog on draft bills pertaining to five cash crops like tea and tobacco, an official said. The ministry has circulated separate notes for the bills related to cash crops of tea, coffee, spices, rubber and tobacco, which seek to promote their growth and create a conducive environment for businesses by decriminalising minor offences, the official said. After taking the comments, the ministry will approach the Union Cabinet for approval on the drafts of the Spices (Promotion and Development) Bill; the Rubber (Promotion and Development) Bill; the Coffee (Promotion and Development) Bill; the Tea (Promotion and Development) Bill; and the Tobacco Board (Amendment) Bill.

<https://economictimes.indiatimes.com/news/economy/agriculture/commerce-ministry-seeking-views-of-ministries-niti-on-draft-bills-on-5-cash-crops/articleshow/102692829.cms>

Energy

Indian purchases of Russian crude slump by record 25% in August

Indian purchases of Russian crude declined by around 25 per cent in August, the steepest month on month drop in volume terms, with refiners expecting further falls amid contract negotiations for late September/October deliveries, unless the Russians offer bigger discounts, according to industry officials and ship tracking analysts. Higher crude procurement costs coupled with lower margins will hurt earnings at state-run refiners, analysts said.

https://www.business-standard.com/economy/news/indian-purchases-of-russian-crude-slump-by-record-25-in-august-123081200204_1.html

Healthcare

Pharma industry in a huddle after fresh NMC regulations for doctors

With the National Medical Commission (NMC) making it mandatory for doctors to prescribe generic names for drugs, pharma-industry groups are in a huddle over questions of quality and safety. A senior executive of a prominent lobby group said the fresh regulations were being examined. "If doctors prescribe only generic molecule names, then there may be an issue with quality. With a branded generic there comes a quality assurance and thus this is critical for patient safety," the person said.

https://www.business-standard.com/industry/news/pharma-industry-in-a-huddle-after-fresh-nmc-regulations-for-doctors-123081300469_1.html

States

Arunachal transfers 11 Gw stalled hydropower projects to Central PSUs

Stalled hydropower projects in the state of Arunachal Pradesh which have seen no progress in the last two decades could finally see the light of the day as the state government transfers them to central public sector utilities. These 12 hydro projects totalling 11 Gigawatt (Gw) were awarded to a variety of private companies, at least 15 years ago but none saw any progress.

https://www.business-standard.com/companies/news/arunachal-transfers-11-gw-hydropower-projects-to-central-psus-123081300240_1.html

Fiscal health: Chhattisgarh second best after Maha; Bengal, Punjab, Kerala biggest laggards

Chhattisgarh, one of the poorest states in the country, is the second best in overall fiscal health scorecard after Maharashtra, and ahead of Telangana, while the bottom three are Bengal, Punjab and Kerala, shows a report by a foreign brokerage. Based on the FY24 first budget estimates, the top three states are Maharashtra, Chhattisgarh and Telangana, and the bottom three states are Bengal, Punjab and Kerala, shows a report on the fiscal health of the key 17 states, penned by Kaushik Das, the chief economist at Deutsche Bank India. Based on the FY23 revised budget estimates, Maharashtra tops the ranking, followed by Chhattisgarh, Orissa, Telangana and Jharkhand.

<https://economictimes.indiatimes.com/news/economy/indicators/fiscal-health-chhattisgarh-second-best-after-maha-bengal-punjab-kerala-biggest-laggards/articleshow/102696572.cms>

Andhra Pradesh adds 2.9 lakh new SHGs in last 4 years

Andhra Pradesh has witnessed a notable increase in the number of Self-Help Groups (SHGs) in the last four years. The total number of SHGs went up to 11.16 lakh from 8.71 lakh in 2019 in the State as per the latest data. The loan repayment rate has reached a record level of 99.67 percent making it the top State in repayments. The rolling out of government schemes linked to SHGs and reimbursement under YSR Sunna Vaddi (zero interest) scheme and increasing economic viability of SHG activities are driving the growth in numbers, according to officials.

<https://www.thehindubusinessline.com/news/andhra-pradesh-adds-29-lakh-new-shgs-in-last-4-years/article67190722.ece>

External

FDI in information and broadcasting sector surges 231% to Rs 3,745 crore in FY23

Foreign direct investment (FDI) in the information and broadcasting sector, including print media, surged 231% to Rs 3,745 crore in FY23 from Rs 1,129 crore in the previous fiscal, according to the Department for Promotion of Industry and Internal Trade (DPIIT). FDI in the sector more than doubled to ₹820 crore in the fourth quarter ended March from ₹375 crore a year earlier. On a sequential basis, investments by foreign investors dropped by 47% during the quarter against ₹1,535.2 crore in the third quarter ended December 2022.

<https://economictimes.indiatimes.com/news/economy/finance/fdi-in-information-and-broadcasting-sector-surges-231-to-rs-3745-crore-in-fy23/articleshow/102702862.cms>

EU raises data privacy concerns over proposed G20 MSME portal

The European Union has raised data privacy concerns at the meta information portal that India has proposed for the micro, small and medium enterprises (MSME) of the G20 countries. The portal is sought to have details of MSMEs of every G20 member including the sectors and products they deal with. Establishing an online digital portal is crucial as it would offer integrated research, trade and business information for market research by the MSMEs.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/eu-raises-data-privacy-concerns-over-proposed-g20-msme-portal/articleshow/102702527.cms>

India's FTAs with UAE, Australia indicate high utilisation for beneficiary sectors

India's two major free trade agreements signed last year, first with the UAE and the second with Australia, are both indicating high utilisation in sectors that have benefitted from tariff elimination, according to government sources.

"Numbers compiled by the Commerce Department so far show that with Australia, the FTA utilisation is as high as 90 per cent for items where tariffs have been eliminated immediately, especially where they were brought down from five per cent. With the UAE, the certificates of origin issued indicate over 50 per cent average utilisation of the pact," an official tracking the matter told businessline.

<https://www.thehindubusinessline.com/economy/indias-ftas-with-uae-australia-indicate-high-utilisation-for-beneficiary-sectors/article67190630.ece>