



August 01, 2022 – Monday

Economy

Country receives 17% above normal rain in July

The country has received 16.8 per cent above normal rainfall in July, normally the wettest month of the year. However, uneven distribution—excess in south and central India and largely deficient in the East and North-East—has created concerns over any possible adverse impact on kharif crops. The North-West region has received 10.8 per cent above normal in July. Overall monsoon in first two months has been 8 per cent above normal after June rainfall left with 8 per cent below normal for the entire country. According to latest data, north-east and east India region has received 44.7 per cent below normal rains in July, but due to 22 per cent higher than normal rainfall in June, the overall deficit in first two months has been contained at 16 per cent. Central India, including Madhya Pradesh, Maharashtra and Gujarat was 30 per cent deficient, but July had bountiful of rains at 42.8 per cent above normal.

<https://www.thehindubusinessline.com/news/country-receives-17-above-normal-rain-in-july/article65707820.ece>

Public grievance redressal time reduced to 30 from 45 days: Union Minister Jitendra Singh

Union Minister Jitendra Singh on Sunday said the time for redressal of public grievances received on an online portal has been reduced from 45 to 30 days. He said this decision is in keeping with Prime Minister Narendra Modi's emphasis on effective implementation of public grievance redressal mechanism with disposal of grievance within minimum possible time, but with maximum possible satisfaction of the complainant. Singh said under the leadership of PM Modi, every attempt is being made to implement an effective public grievance redressal system and bring about administrative reforms at par with global standards to promote satisfaction among the people.

<https://economictimes.indiatimes.com/news/india/public-grievance-redressal-time-reduced-to-30-from-45-days-union-minister-jitendra-singh/articleshow/93255268.cms>

Consumption survey to include electronics, online shopping

India will now be keeping tabs on your spending online, electronic products such as mobile phones and Covid management products, as part of the Household Consumption Expenditure Survey (HCES), which was launched last week. The survey has been revamped and for the first time includes questions related to online spending and the expenditure made on electronic goods such as mobile phones. This is being done to capture the shift in spending patterns and to the online space, a government official told ET. The official said this was needed to get a clearer picture of the emerging consumption patterns. "Online shopping will get reflected in the survey results because respondents would be asked the amount they spent online out of their total expenditure," said the official.

<https://economictimes.indiatimes.com/news/india/spend-trend-consumption-survey-to-include-electronics-online-shopping/articleshow/93258998.cms>

Banking and Finance

Credit growth to MSME sector expanded by Rs 52,800 crores in current fiscal: SBI Research report

Credit growth to the MSME sector has expanded by Rs 52,800 crores as of mid-July in the current fiscal 2022-23 against a de-growth of Rs 61,000 crore in the similar period previous fiscal, SBI Research said in its ecowrap report.

Retail loans during the period expanded by Rs 1.34 lakh crores against a de-growth of Rs 26,500 crore last year. “It’s clearly evident that the demand for credit is still continuing,” said Soumya Kanti Ghosh, Group Chief Economic Adviser, SBI in the report. In FY23, credit growth has gained further traction over FY22 and has recorded a 3-year high growth of 14 per cent (YoY) as of July 15, 2022, the report published on July 29 noted. The incremental growth (YTD) in credit is Rs 3.8 lakh crore (3.3 per cent) till date. According to the Reserve Bank of India’s data on sectoral credit, gross bank credit deployed to micro and small enterprises (MSEs) had jumped 27 per cent in May from 19.7 per cent in April. Banks had disbursed Rs 14.23 lakh crore in May 2022 from Rs 11.20 lakh crore in May 2021. The overall credit deployed to the MSME sector in May stood at Rs 17.81 lakh crore vis-a-vis Rs 17.63 lakh crore deployed in April and Rs 16.17 lakh crore in March.

<https://www.financialexpress.com/industry/sme/msme-fin-credit-growth-to-msme-sector-expanded-by-rs-52800-crores-in-current-fiscal-sbi-research-report/2612612/>

Retail slippages at private banks surge again

Private sector banks have seen high slippages in their retail portfolio as per their fiscal first-quarter results, as loans restructured during the Covid period continued to slip into the bad loan category. Top banks including ICICI Bank IndusInd and Yes Bank have reported higher slippages in retail books, contributed by micro loans, credit cards and vehicle loans, but said there was no cause of worry. While HDFC Bank hasn’t given any a breakup of the data on slippages, numbers from state-run banks that ET looked at did not show such trends. ICICI Bank reported slippages of Rs 5,037 crore in retail loans, including rural and business banking loans, in the June quarter, compared with Rs 788 crore for corporate and SME loans.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/long-covid-retail-slippages-at-private-banks-surge-again/articleshow/93259234.cms>

In the April-June quarter, govt capex increased by 72% in the road sector and 80% in railways

Road and Railway shared a huge chunk to push the government’s capital expenditure growth by over 57 per cent during the first three months of the current fiscal. Experts are hopeful that the government will not compromise with capital expenditure, even loss of revenue on fuel duty cut. The higher capital expenditure by the government is also boosting credit flow, which is another positive for the economy.

The government has budgeted around ₹7.50-lakh crore of capital expenditure during the current fiscal, out of which it spent over ₹1.75-lakh crore in the first three months. This is over 23 per cent of the budget estimate against 20 per cent during the corresponding period of last fiscal. Among key infrastructure sectors, capital expenditure was over ₹80,000 crore in the road sector, showing a growth of 72 per cent. Similarly, during this period, capital expenditure on railways surged by over 80 per cent to over ₹46,000 crore.

<https://www.thehindubusinessline.com/economy/in-the-april-june-quarter-govt-capex-increased-by-72-in-the-road-sector-and-by-80-in-railway/article65706277.ece>

EPFO defers equity investment cap hike

The Central Board of Trustees (CBT) of the Employees’ Provident Fund Organisation (EPFO) deferred a decision on increasing the equity investment limit from 15% to 20% at a meeting on Saturday, citing the volatile market situation. The board agreed in principle to the idea of higher equity allocation to improve returns, but will discuss the issue further after September, officials said. The CBT approved face authentication technology for digital life certificates, cleared a new central payment system for pensioners, and proposed a detailed legal framework to minimise litigation, they said. The board also discussed ways to allow selfemployed and unorganised people to enroll with the EPFO.

<https://economictimes.indiatimes.com/news/economy/finance/epfo-defers-equity-investment-cap-hike/articleshow/93243764.cms>

FPIs return to Indian equities with Rs 5k-cr investment in Jul after 9 mths

After nine consecutive months of relentless selling, foreign investors have turned net buyers and invested nearly Rs 5,000 crore in Indian equities in July on softening dollar index and good corporate earnings. This is in sharp contrast to a net withdrawal of Rs 50,145 crore from the stock market seen in June. This was the highest net outflow since March 2020, when foreign portfolio investors (FPIs) had pulled out Rs 61,973 crore from equities, data with depositories showed. According to data with depositories, FPIs infused a net amount of Rs 4,989 crore in Indian

equities in July. They were buyers for nine days in the month. FPIs turned net buyers for the first time in July after nine straight months of massive net outflows, which started in October last year. Between October 2021 till June 2022, they sold a mammoth Rs 2.46 lakh crore in the Indian equity markets.

https://www.business-standard.com/article/markets/fpis-return-to-indian-equities-with-rs-5k-cr-investment-in-jul-after-9-mths-122073100201_1.html

Industry

Companies` boost seasonal hiring ahead of festival season

In the run-up to the festive season, companies across sectors have started boosting the temporary workforce to meet the expected growth in customer demand. Gig work aggregator Shadowfax which works with companies like Flipkart, Meesho, Nykaa, etc, expects to hire 1,05,000 workers for this festive season, which is double the number of temporary workers hired for last festive season (55,000 hires), Praharsh Chandra, Co-founder and Chief of Operations, Shadowfax told BusinessLine. Similarly, Gig marketplace Taskmo currently completing around 5,00,000 gig jobs per month, expects to achieve over 10,00,000 jobs during the festive season. To put this in context, Taskmo had completed only 2,00,000 tasks per month during the last festival month.

<https://www.thehindubusinessline.com/economy/companies-boost-seasonal-hiring-ahead-of-festive-season/article65706256.ece>

Vehicle manufacturers step up production on improved semiconductor supplies

A slowdown in consumer electronics including smartphone sales is turning out to be a blessing in disguise for more than half a million Indians waiting for delivery of their cars. A surge in demand for mobile phones, personal computers, televisions and appliances during the pandemic had led to a demand-supply mismatch for semiconductors, causing a shortage of the component for automakers and forcing them to cut down vehicle production for several months in the past one year. That situation is now changing. With consumers prioritising their expenses on consumer electronics amid high inflation, supplies of chips have improved for automakers. Vehicle makers have stepped up production and the industry estimates the July dispatches of cars and SUVs from factories to be the highest ever for a month at around 350,000 units; the previous peak of 334,000 units was recorded in October of 2020. With easing of the chip shortage, they also predict fiscal 2023 sales to be a new record high at 3.5-3.7 million passenger vehicles.

<https://economictimes.indiatimes.com/industry/auto/auto-news/vehicle-manufacturers-step-up-production-on-improved-semiconductor-supplies/articleshow/93262151.cms>

Agriculture

Centre saves over ₹76,000 cr as wheat procurement drops 57%

The Centre has saved more than ₹76,000 crore after wheat procurement fell short of target this year, which the Finance Ministry can utilise in meeting other demands such as additional subsidy burden on fertilisers or likely extension of the free foodgrain scheme for the whole year. According to latest FCI data, wheat procurement for 2022-23 season (April-March) reached 187.93 lakh tonnes (lt), down 56.6 per cent from 433.44 lt in 2021-22. The government had fixed this year's procurement target at 444 lt before the season began and the expenses could have been ₹1,03,193.37 crore — ₹89,466 crore for payment towards farmers at minimum support price (MSP) and ₹13,727.37 crore as procurement incidentals.

<https://www.thehindubusinessline.com/data-stories/centre-saves-over-76000-cr-as-wheat-procurement-drops-57/article65706281.ece>

Rice prices increase up to 30% due to demand from West Asia, Dhaka

Prices of all varieties of rice have increased by up to 30% since the beginning June, due to higher demand from Bangladesh, Iran, Iraq and Saudi Arabia and also a shortage in paddy acreage in several states. The costlier staple grain will pinch the Indian households that are already facing the brunt of high inflation. The area covered under paddy, the primary crop during the kharif season, was 13.3% less across the country till July 29 from the same period last year, as farmers in the major producer states of Uttar Pradesh, Bihar, Jharkhand and West Bengal slowed sowing

due to poor rains. Odisha and Chhattisgarh too have witnessed lower sowing. While this has raised concerns about a shortage in grain output, higher export demand fanned prices further.

<https://economictimes.indiatimes.com/news/economy/agriculture/rice-prices-increase-up-to-30-due-to-demand-from-west-asia-dhaka/articleshow/93258853.cms>

Infrastructure

384 infra projects show cost overruns of Rs 4.66 trillion, says report

As many as 384 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.66 lakh crore, as per a report. According to the Ministry of Statistics and Programme Implementation, which monitors infrastructure projects of Rs 150 crore and above, out of 1,514 projects, 384 reported cost overruns and as many as 713 projects were delayed. "Total original cost of implementation of the 1,514 projects was Rs 21,21,471.79 crore and their anticipated completion cost is likely to be Rs 25,87,946.13 crore, which reflects overall cost overruns of Rs 4,66,474.34 crore (21.99 per cent of original cost)," the ministry's latest report for June 2022 said. According to the report, the expenditure incurred on these projects till June 2022 is Rs 13,30,885.21 crore, which is 51.43 per cent of the anticipated cost of the projects.

https://www.business-standard.com/article/economy-policy/384-infra-projects-show-cost-overruns-of-rs-4-66-trillion-says-report-122073100265_1.html

Many malls to open in 2022 as retail sector picks up pace

Nearly 10.15 million sq ft of new mall space is set to be available in the country this year--almost double compared with 2021--as demand for retail space in grade-A malls pushes developers to expedite construction, according to property consultant Anarock. As per the data, about 15 new malls will enter the market in 2022 spread across 12 tier 1, 2 and 3 cities. Chennai will see the highest supply this year-- four new malls spread over an area of 2.55 million sq ft. "As consumers return to more normal shopping and socialising patterns and populate malls again, India's retail real estate market is responding to significantly improved footfalls. Malls are again seeing high occupancy levels, and the requirement for more organised retail space is pronounced," said Pankaj Renjhen, COO of Anarock Retail.

<https://economictimes.indiatimes.com/industry/services/retail/many-malls-to-open-in-2022-as-retail-sector-picks-up-pace/articleshow/93259130.cms>

NOC for registrations: Delhi realty companies plan to approach housing ministry for relief

Developers and brokerage firms in Delhi plan to request the Union housing and urban affairs ministry to resume property registrations in the state which have plunged after the ministry directed the state to not register any Land and Development Office (L&DO) property without a no-objection certificate from the L&DO. The order, issued in early July, has put on hold registration of high-value property transactions in Lutyens' Delhi, south Delhi and west Delhi. Many say the order is flawed. The L&DO is a department under the housing and urban affairs ministry. According to the L&DO, there are around 57,389 residential, 1,597 commercial, 1,430 institutional, and 110 industrial units under its jurisdiction in Delhi.

<https://economictimes.indiatimes.com/industry/services/property/-construction/noc-for-registrations-delhi-realty-companies-plan-to-approach-housing-ministry-for-relief/articleshow/93258503.cms>

Mumbai property registration record streak continues, sees best July ever with 11,340 deals

India's biggest and most expensive property market of Mumbai has continued to set new benchmarks by recording the best July performance ever in terms of deal registrations and collection of stamp duty revenue by the state exchequer. The country's commercial capital has recorded strong real estate sales momentum with over 11,340 registrations, brushing aside the concerns of rising interest rates and housing prices putting a dent in the pace of growth. The best performance in July ever saw registrations moving up 14% from June and rising 15% from a year ago. The state government's revenue collection through stamp duty also rose 13% to nearly Rs 839 crore, showed data from inspector general of registration, Maharashtra, as on the last day of the month.

<https://economictimes.indiatimes.com/industry/services/property/-construction/mumbai-property-registration-record-streak-continues-sees-best-july-ever-with-11340-deals/articleshow/93254485.cms>

Energy

Relief on import coal blending rule on cards

The Centre is considering partially retracting the rule that required power plants to blend imported coal with domestic supplies to tide over the coal shortage. The relaxation would only be available to power-generating stations that have high coal stocks. An order in this regard is likely to be issued by the power ministry in the next couple of days linking the blending requirement to the coal stock position so that only the plants that do not have adequate stock require blending, a government official said. "The coal stock situation is comfortable as of today. Had we not blended imported coal, we would have right now had 9 million tonnes of stock," said a power ministry official.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/relief-on-import-coal-blending-rule-on-cards/articleshow/93261807.cms>

Telecom

5G Spectrum auction: Bidding enters sixth day; garners nearly ₹1.50 lakh crore so far

The auction of the 5G spectrum capable of offering ultra-high-speed internet entered the sixth day of bidding on Sunday after receiving bids worth 1,49,966 crore in the first five days from players like Reliance Jio and Bharti Airtel. The bidding resumed on Sunday morning with the 31st round, and the subsequent round is currently underway, according to sources. The pitched battle in Uttar Pradesh East circle — where demand for 1800 MHz had peaked since Wednesday — seems to be cooling off now, indicating that the auctions may be entering the final leg, according to industry sources. As of Saturday, the total value of bids in the telecom spectrum auction had come within the striking distance of the ₹1.50 lakh crore mark.

<https://www.thehindubusinessline.com/info-tech/5g-spectrum-auction-bidding-enters-sixth-day-garners-nearly-150-lakh-crore-so-far/article65706340.ece>

Reducing cost of doing telecom biz has led to good 5G auctions: DoT Secretary

The telecom sector has seen two unprecedented developments over the last week, with private operators bidding nearly ₹1.5-lakh crore for a 5G spectrum. And at the same time, the Centre announced a ₹1.64-lakh crore support for public sector company BSNL to help it launch 4G and 5G services quickly. BusinessLine spoke to K Rajaraman, Secretary, Department of Telecom, and Chairman of Digital Communications Commissions, on the sidelines of an industry event in Mumbai to get his thoughts on these developments. Excerpts.

<https://www.thehindubusinessline.com/info-tech/reducing-cost-of-doing-telecom-biz-has-led-to-good-5g-auctions-dot-secretary/article65706667.ece>

External

Govt likely to notify 1.2 MT of additional sugar exports this season

The Centre is likely to allow an additional 1.2 million tonnes (MT) of sugar exports in the current season ending September 2022 taking into account higher-than-anticipated domestic production, according to government sources. This additional quota would be over and above 10 MT of sugar exports allowed for the current 2021-22 season. Sources said a group of ministers approved the additional quota of sugar exports in a recent meeting. A notification in this regard will be issued soon. The nodal Food Ministry is working on modalities to allocate the additional quota. The country's total sugar production is expected to increase by 5,00,000 tonnes to 36 million tonnes in the 2021-22 season, compared to the earlier estimate of 35.5 million tonnes, the sources added.

https://www.business-standard.com/article/economy-policy/govt-likely-to-notify-1-2-mt-of-additional-sugar-exports-this-season-122073100230_1.html

India pharma sector exports rises 8% to \$6.26 billion in first quarter

Indian pharma exports registered a growth of eight per cent during the first quarter of the current financial year to USD 6.26 billion, as officials hope for a 10 per cent growth by the end of the fiscal. Udaya Bhaskar, Director General of Pharmaceuticals Export Promotion Council of India (Pharmexcil), a body under the Department of Commerce said pharma exports to European Union and other CIS countries which were hit by the ongoing war in Ukraine and restrictions are expected to improve once the situation becomes normal. "In the first quarter, our exports recorded 8 per cent growth. We are positive of a growth of 3.6 per cent to the US in the first quarter, where 30 per cent of

our exports go." India clocked USD 24.61 billion worth of pharma exports in FY22, registering one per cent growth over FY21.

https://www.business-standard.com/article/economy-policy/india-pharma-sector-exports-rises-8-to-6-26-billion-in-first-quarter-122073100149_1.html

Demand for Indian steel in key export markets down 17-48% in June quarter

Export of finished steel from India to its key markets that include Europe, and West Asia, saw a fall 17–48 per cent fall in April – June period (Q1FY23), due to factors such as high export duty (imposed in May), competitive price from China and global consumption slowdown. Steel export in Q1FY23 was down by 39 per cent y-o-y. Data of steel shipments from different ports—Goa, Mumbai, Gujarat, Dhamra, Paradeep, among others—show a similar fall between 3 and 47 per cent. Finished steel include flat, longs and alloy and stainless steel offerings. As per data compiled by the Union Steel Ministry, and accessed by BusinessLine, two of the key European markets – Belgium and Italy, saw a 27 and 47 per cent fall in steel exports for Q1FY23, to approximately 3,98,000 tonnes and 2,62,000 tonnes respectively. Steel exports in these countries in the year-ago-period was 5,47,000 tonnes and 4,97,000 tonnes.

<https://www.thehindubusinessline.com/markets/commodities/demand-for-indian-steel-in-key-export-markets-down-17-48-in-june-quarter/article65706922.ece>

Indo-Thai bilateral trade touched \$15 billion in FY'22

The bilateral trade between India and Thailand reached an all time high of around USD 15 billion in 2021-22 as the domestic market remains attractive for Thai investors, said Union Minister of State for External Affairs Rajkumar Ranjan Singh. The economic cooperation between the two countries in trade, investment and tourism have continued to flourish during recent years, Singh said on Saturday at the ongoing second edition of the North East India Festival, being held in Bangkok. "Thailand is the fourth largest trading destination for India in the ASEAN region. Bilateral trade between India and Thailand has reached an all time high of around USD 15 billion in 2021-22. The Indian market remains attractive for Thai investors," he added.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indo-thai-bilateral-trade-touched-15-billion-in-fy22/articleshow/93248809.cms>