

Economy This Week (08th Jan to 14th Jan 2022)

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1. NPCI aims to standardise AePS (BL 8/1/22)

- National Payments Corporation of India (NPCI) has introduced limits for cash withdrawals and mini statements under Aadhaar enabled Payments Systems (AePS)
- As per the new guidelines
 - The acquiring bank will have to implement a maximum of five approved cash withdrawals per customer per terminal per day
 - Issuers will implement a standardised limit of a minimum five approved cash withdrawal transactions per customer per month
 - Acquirers must implement two factor authentication for login of business correspondents (BCs) of which one factor is the Aadhaar based biometric authentication
 - Two factor authentication shall also be required in case of change in the BCs, agent or merchant operating the terminal
- Objective
 - Will ensure uniformity and standardisation of transactions
 - Customer friendly
- Cash withdrawal through micro ATMs has a limit of ₹ 10000 per transaction

2. Govt's clean cooking scheme may leverage roof top solar energy (LM 8/1/22)

- Govt is exploring a hybrid model wherein the solar rooftops would be installed under the Clean Cooking Mission to provide uninterrupted electricity and leverage it for supply cooking gas
 - The electricity produced will be used to power induction stoves
- It is expected to cover 250 mn households
- A total of 5.7 GW of solar rooftop projects have been set up so far
- 24 states and UTs have identified cities to be developed as solar cities

- Benefits
 - Reduce the imports of costly fossil fuels
 - Add to India's green energy credentials
 - Create a demand for the solar equipment manufacturing ecosystem such as ingots, wafers, cells and modules
- India has pledged at COP26 Summit, Glasgow to
 - Cut India's total projected carbon emission by 1 billion tonnes by 2030
 - Reduce the carbon intensity by less than 45% by the end of the decade
 - Net zero emissions by 2070
 - Meeting half of the energy needs from renewable energy by 2030
 - Increasing non-fossil fuel power generation capacity to 500 GW by the end of the decade
- Storage is one of the crucial parts of the plans and the govt has announced ₹ 18100 Cr incentive scheme for developing battery ecosystem
- India is also working on a raft of carbon emission and intensity reducing measures
 - Waiver of ₹ 400 cess on every tonne of coal used by power projects which meet the emission norms
 - Roadmap for Sustainable and Holistic Approach through National Energy Efficiency or Roshni
 - Mandatory for the coal fuel led projects to use at least 5% biomass pellets as part of the fuel mix to generate electricity and also help the farmers earn about ₹ 15000 Cr annually

3. Insurance cover likely for traders under new policy (BS 10/1/22)

- Retail contributes around 12% of GVA, employs around 50 mn workers
- Department for Promotion of Industry and Internal Trade (DPIIT) will soon start public consultation for national retail trade policy
- It is likely to include
 - Insurance scheme to provide financial protection against losses caused by theft, accidents or natural calamities
 - Provide ways to ensure access to low cost finance, promote digital inclusion, create necessary infrastructure to support them
 - Support the traditional stores which are facing competition from e-commerce
 - Likely to cut down the number of licenses required to do business
- Centre last year has included wholesale and retail trade under MSME
 - Will help them to become eligible for the PSL loans

4. Govt set to hold 35.8% in Vodafone Idea (TH 12/1/22)

- Based on the scheme announced by the Department of Telecommunications, the board of directors of Vodafone Idea Ltd has approved conversion of interest – related to spectrum auction instalments and on AGR (Adjusted Gross Revenues) dues to the govt into equity
- Based on the conversion the govt would be owning 35.8% in the telecom carrier
- As per the company estimates, it owes around ₹ 16000 Cr and issuing the shares at par value of ₹ 10 would mean the govt will own 35.8% and dilute the shareholding of the existing shareholders
- Earlier govt had announced various relief measures to the telecom sector companies
 - Deferring payment of spectrum auction instalments due for four years
 - Excluding instalments due in respect of Spectrum Auction 2021
 - One time opportunity to defer the AGR related dues as determined by the Supreme Court by a period of four years
 - One time opportunity to exercise option of paying interest for the four years of deferment on deferred spectrum instalments and AGR dues via conversion into equity

5. QES Survey (FE 11/1/22)

- According to the Quarterly Employment Survey (QES)
 - Total employment generated in the 9 sectors was 3.1 Cr (2 lakh more than previous quarter)
 - Even though the second wave has abated the employment situation has improved marginally
 - Manufacturing accounted for 39%
 - Education – 22%
 - Total number of female workers – 32.1% (was 29.3% in the first round)
 - As much as 37% were graduates or above
- QES is part of All India Quarterly Establishment based Employment Survey, which also includes an informal sector survey (covering establishments employing less than 10 employees, done by Labour Bureau)

6. SEBI cracks the whip on stock manipulators (BL 14/1/22)

- SEBI has started to crack down on those providing stock tips through the apps like telegram, WhatsApp and other social media handles
- The regulator has formed special teams to tackle the menace of frontrunning after several complaints from investors
 - It has cracked down on Bull Run 2017 – a secret telegram channel with over 52000 subscribers
 - The creators of this app first took the position that they recommended to their subscribers and then offloaded their shares in the market when their subscribers started purchasing the shares (referred to as frontrunning in the market)
 - They recommended small cap stocks whose prices could be easily manipulated
- Investment advice (in closed groups) by those who are unregistered with SEBI is considered illegal

7. CIMSME launches portal for MSMEs to report payment defaults (FE 12/1/22)

- Chamber of Indian Micro, Small and Medium Enterprises (CIMSME) – represents over 1 lakh MSMEs – has launched an online portal for businesses to report payment defaults by their private or govt buyers after the mandated time period of 45 days is crossed from the date of invoice generation
- The new platform is named – No Defaulters – has been launched last week
 - Allows MSMEs to report delayed payment issues, check defaulters and amount pending against them to other MSMEs before accepting new orders
 - The platform based on supporting document provided to them will reach out to the defaulters to settle the payment before the mutually agreed period before listing them as defaulters on the platform
 - Once listed as defaulter, it is likely to impact their future purchases from the MSME community
 - In the coming days the platform will also start rating the buyers based on their payment behaviour (something on the lines of CIBIL scores)
 - This will help in banks evaluating credit worthiness or conducting due diligence
- Govt already has MSME Samadhaan
 - Delayed payment monitoring portal
 - Does not show amount pending

8. Retail inflation accelerates to 5.59% (TH 13/1/22)

- Retail inflation has increased to 5.59% in December due to rising food prices
 - For the month of November it was 4.9%
 - CPI inflation has surged to a six month high
 - The Consumer food price index accelerated to 4.05%
 - The acceleration was on account of food and beverages; clothing and footwear with welcome moderation in prints for fuel and light
- The industrial output (IIP) has grown at 1.4% for November 2021 (nine month low)