



June 01, 2022 – Wednesday

## Key Developments

### Sebi issues SOP for dispute resolution under stock exchange arbitration mechanism

Capital markets regulator Sebi has come out with a new Standard Operating Procedures (SOP) for dispute resolution under the stock exchange arbitration mechanism for disputes between a listed firm or Registrars to an Issue and Share Transfer Agents (RTAs) and its shareholders. The arbitration mechanism will be initiated post exhausting all actions for resolution of complaints including those received through the SCORES portal. The arbitration reference will be filed with the stock exchange where the initial complaint has been addressed. The new framework will come into force with effect from June 1, the Securities and Exchange Board of India (Sebi) said in a circular on Monday. The new SOP will be applicable to listed companies or RTAs offering services on behalf of listed companies. In case of claims or disputes arising between the shareholder or investor of listed firms and the RTAs, the RTAs will be subjected to the stock exchange arbitration mechanism.

<https://www.financialexpress.com/market/sebi-issues-sop-for-dispute-resolution-under-stock-exchange-arbitration-mechanism/2543652/>

## Economy

### Growth slows to 4.1% in Q4; India to face global heat this year, yet remain fastest growing economy

India's fourth quarter GDP growth slowed to 4.1 per cent, slowest pace of growth in a year, as the omicron variant hampered economic activity while the war in Ukraine worsened fuel and food inflation. Economic growth in the last fiscal year stood at 8.7 per cent, the Ministry of Statistics and Programme Implementation said Tuesday. Manufacturing and construction sectors showed weak growth, economists said, however Q4 2022 GDP print was largely in line with expectations. Going ahead, global macroeconomic factors such as Russia-Ukraine war, high global commodity and food prices, and global central bank's monetary policy tightening will have bearing on India's economic growth. Economists expect FY 2023 GDP growth between 7% and 8%, even though India is expected to continue to be the fastest growing major economy of the world.

<https://www.financialexpress.com/economy/gdp-2022-growth-slows-to-4-1-in-q4-india-to-face-global-heat-this-year-yet-remain-fastest-growing-economy/2544202/>

### Core sector output expands at six-month high of 8.4 pc in April

Production growth of eight infrastructure sectors rose to a six-month high of 8.4 per cent in April on the back of better performance by coal, refinery products and electricity segments, according to official data released on Tuesday. The output of eight infrastructure sectors of coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity had expanded by 4.9 per cent in March 2022 while the same was exceptionally high at 62.6 per cent in March 2021 due to the low base effect. The output growth in April is the highest since October 2021 when the core sector grew by 8.7 per cent. According to the data, coal output rose sharply by 28.8 per cent while electricity production increased by 10.7 per cent. The output of petroleum refinery products increased by 9.2 per cent in April 2022. The production of natural gas increased by 6.4 per cent, fertilisers' by 8.7 per cent, and cement by 8 per cent.

<https://www.financialexpress.com/economy/core-sector-output-expands-by-8-4-pc-in-april/2544017/>

### **Fiscal deficit for 2021-22 at 6.7% of GDP, lower than earlier estimate: CGA**

Fiscal deficit for 2021-22 worked out to be 6.71 per cent of the gross domestic product (GDP), lower than 6.9 per cent projected by the Finance Ministry in the revised Budget Estimates, according to government data released on Tuesday. Unveiling the revenue-expenditure data of the Union government for 2020-21, the Controller General of Accounts (CGA) said that the fiscal deficit in the absolute terms was Rs 15,86,537 crore (provisional). For the last financial year, the government had initially pegged the fiscal deficit at 6.8 per cent of the GDP in the budget presented in February 2021. The government in the revised estimates in the Budget for 2022-23 forecast a higher fiscal deficit of 6.9 per cent of the GDP or Rs 15,91,089 crore for the fiscal ended in March.

<https://www.financialexpress.com/economy/fiscal-deficit-for-2021-22-at-6-7-of-gdp-lower-than-earlier-estimate-cga/2543945/>

### **India's per capita income remains below pre-COVID level in 2021-22**

India's annual per capita income at constant prices remained below the pre-COVID level at Rs 91,481 in 2021-22, official data showed on Tuesday. However, the per capita income based on Net National Income (NNI) at constant price grew by 7.5 per cent in FY22 over the previous year. The per capita income at constant price was Rs 94,270 in 2019-20 before it dipped to Rs 85,110 in 2020-21 on account of the disruption in economic activities caused by COVID-19 pandemic and subsequent lockdowns. At current prices, the per capita income rose by 18.3 per cent to Rs 1.5 lakh during in 2021-22 fiscal.

<https://www.financialexpress.com/economy/indias-per-capita-income-remains-below-pre-covid-level-in-2021-22/2544228/>

### **IMD raises 2022 monsoon forecast to 103% of LPA on likely La Nina effect**

The India Meteorological Department (IMD) on Tuesday updated the monsoon forecast for 2022 southwest monsoon to 103 per cent of the Long Period Average (LPA) from 99 per cent of LPA predicted in April as La Nina conditions are expected to prevail during the entire stretch of four-month monsoon season. The forecast is with a model error of plus and minus four per cent. The LPA for the seasonal rainfall for the country as whole from 1971 to 2010 is 87 centimeters. Releasing the second stage forecast for 2022 southwest monsoon, the Met department further said that the rainfall in Central and Southern India is expected to be 'above normal' at over 106 per cent of the LPA, while that in North-East and North-Western parts of the country is expected to be 'normal'.

[https://www.business-standard.com/article/current-affairs/india-raises-2022-monsoon-forecast-to-103-of-lpa-on-likely-la-nina-effect-122053100732\\_1.html](https://www.business-standard.com/article/current-affairs/india-raises-2022-monsoon-forecast-to-103-of-lpa-on-likely-la-nina-effect-122053100732_1.html)

### **India's growth projection being revised, might be lower than earlier forecast: IMF official**

The IMF is in the process of revising India's growth projection for 2022, which could be lower than its earlier forecast of 8.2 per cent, amid risks of a global stagflation, a senior official of the international organisation said on Tuesday. In April, the International Monetary Fund had lowered India's growth projection to 8.2 per cent as compared to 9 per cent estimated in January. By 2023, the country is expected to grow at 6.9 per cent, it said. "IMF is currently revising India's growth forecast for 2022, which may be lower than 8.2 per cent. This is work in progress at the moment," IMF Senior Resident Representative in India Luis Breuer said at an interactive session on 'World Economic Outlook' organised by the MCC in Kolkata.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-growth-projection-being-revised-might-be-lower-than-earlier-forecast-imf-official/articleshow/91917528.cms>

## **Banking and Finance**

### **Non-food bank credit grows 11.3% in April, according to RBI data**

Banks' non-food credit grew at 11.3 per cent in April 2022 as compared to 4.7 per cent a year ago, RBI data showed on Tuesday. Loans to agriculture and allied activities continued to grow at 10.6 per cent in April as against a rise of 10.7 per cent in the year-ago month, according to the RBI's Sectoral Deployment of Bank Credit - April 2022. Growth in advances to industry stood at 8.1 per cent in the month from a contraction of 0.4 per cent in April 2021. Size-wise, credit to medium industries registered a growth of 53.5 per cent in April 2022 as against 44.8 per cent last year.

Credit to micro and small industries rose 29 per cent from 8.7 per cent, while credit to large industries recorded a growth of 1.6 per cent against a contraction of 3.6 per cent in April 2021, the data showed.

<https://economictimes.indiatimes.com/news/economy/indicators/non-food-bank-credit-grows-11-3-in-april-according-to-rbi-data/articleshow/91924069.cms>

### **Centre clears entire GST compensation dues till date, releases Rs 86,912 crore to states**

The Centre has cleared the entire GST compensation payable till date by releasing Rs 86,912 crore to states, the finance ministry said on Tuesday. Of this, Rs 25,000 crore is released from the GST compensation fund and the balance Rs 61,912 crore is being released by the Centre from its own resources pending collection of cess. Of the total compensation released, Rs 17,973 crore is towards April and May dues, Rs 21,322 crore towards February-March dues and Rs 47,617 crore is the balance of compensation payable up to January 2022. "The government of India has released the entire amount of GST compensation payable to states up to May 31, 2022 by releasing an amount of Rs 86,912 crore. This decision was taken to assist the states in managing their resources and ensuring that their programmes especially the expenditure on capital is carried out successfully during the financial year," the ministry said in a statement.

<https://www.financialexpress.com/economy/centre-clears-entire-gst-compensation-dues-till-date-releases-rs-86912-crore-to-states/2544113/>

### **Govt raises premium for flagship insurance schemes PMJJBY, PMSBY**

The government on Tuesday raised the premium for its flagship insurance schemes -- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) in order to make them economically viable. The premium rate of PMJJBY has been revised upward to Rs 1.25 per day, translating into an increase from Rs 330 to Rs 436 annually. The annual premium for PMSBY has been hiked from Rs 12 to Rs 20, an official statement said. The new premium rates are effective from June 1, 2022. In percentage terms, the premium increase is 32 per cent in case of PMJJBY and 67 per cent for PMSBY. The decision has been taken in view of the long-standing adverse claims experience of the schemes, it added.

[https://www.business-standard.com/article/economy-policy/govt-raises-premium-for-flagship-insurance-schemes-pmjjby-pmsby-122053101274\\_1.html](https://www.business-standard.com/article/economy-policy/govt-raises-premium-for-flagship-insurance-schemes-pmjjby-pmsby-122053101274_1.html)

### **Nearly half of insolvency proceedings led to liquidation rather than rescue**

Nearly half of all corporate insolvency proceedings led to liquidation rather than rescue of companies owing to better valuation. Experts attributed the trend to inordinate delays in resolution process and lesser appetite to acquire stressed assets. Only 14 per cent of corporate insolvency resolution processes (CIRPs) yielded a resolution plan between December 1, 2016, and March 31, 2022, according to the latest data from Insolvency and Bankruptcy Board of India (IBBI). 47 per cent of CIRPs ended in liquidation during the period. Out of a total of 5,258 corporate insolvency proceedings initiated, 3,406 have been closed. Out of the closed ones, 1,609 have ordered liquidation, and 480 have ended in approval of resolution plans, data showed.

[https://www.business-standard.com/article/companies/nearly-half-of-insolvency-proceedings-led-to-liquidation-rather-than-rescue-122053100717\\_1.html](https://www.business-standard.com/article/companies/nearly-half-of-insolvency-proceedings-led-to-liquidation-rather-than-rescue-122053100717_1.html)

## **Industry**

### **Indian EV makers to soon follow BIS standards for batteries amid fires**

As fires and explosions in electric two-wheelers continue unabated, the government is all set to introduce EV battery standards (BIS standards) for EV two-wheelers that will be expanded to four-wheelers at a later stage. CNBC-TV18, citing sources from the consumer affairs ministry, reported the development. The BIS standards for EV batteries will look into "size, connectors, specification and minimum quality of cells, the battery's capacity".

<https://economictimes.indiatimes.com/industry/renewables/indian-ev-makers-to-soon-follow-bis-standards-for-batteries-amid-fires/articleshow/91919022.cms>

### **Maruti, others use Railways to transport vehicles; move helps companies save on costs, reduce emission**

Automakers are increasingly looking beyond roadways to ferry finished vehicles across the country to reduce emissions as well as to cut costs amid a sharp increase in fuel prices. As much as 16% of all passenger vehicles produced in the local market were transported via railways in the last financial year, a four-fold increase from 4.5% in FY18, shows data available with Indian Railways. The country's largest carmaker Maruti Suzuki led the shift and last year dispatched over 233,809 vehicles through railways – the highest in a fiscal. This is an increase of 23% over 188,656 vehicles transported via rail in FY21. The company is working at increasing the share of rail transportation from the current level of 15%, industry officials said.

<https://economictimes.indiatimes.com/industry/auto/auto-news/maruti-others-use-railways-to-transport-vehicles/articleshow/91925353.cms>

#### **Hit by inflation, regional FMCG brands lose out to larger players**

As India continues to see record-high inflation, regional and tier-2 FMCG brands are facing major headwinds. Experts believe that larger listed FMCG brands such as Hindustan Unilever, Marico, Patanjali, and Dabur have eaten into the market share of regional entities such as Panjon, Wagh Bakri, Bisk Farm, and Mapro. As retail inflation surged to an eight-year high of 7.79 per cent as of April, top FMCG players continued to report market share gains and well-maintained margins in their Q4 results.

<https://www.thehindubusinessline.com/companies/hit-by-inflation-regional-fmcg-brands-lose-out-to-larger-players/article65479496.ece>

#### **Smartphone makers seek govt help against ED glare**

An industry association representing companies like Apple and Xiaomi has written to the government about Enforcement Directorate's (ED) recent actions against smartphone brands' royalty payments on intellectual property, saying the move has sent "shivers through the industry". India Cellular and Electronics Association (ICEA), in a letter to finance minister Nirmala Sitharaman, commerce minister Piyush Goyal and IT minister Ashwini Vaishnaw dated May 30, blamed recent ED action against handset brands for alleged violation of foreign exchange rules on the agency's "lack of understanding the process of royalty payments to patent holders".

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-makers-seek-govt-help-against-ed-glare/articleshow/91926652.cms>

#### **Companies create strategies to bring employees back to office**

From inviting employees to attend weekly meetings in a pub or a restaurant to creating workplaces where new parents can bring their child along; companies including the information technology (IT) majors are creating strategies for encouraging more people to start coming back to office. Companies are starting to realise that a large portion of their employees are getting used to working from home that was started due to the Covid pandemic. Many companies now want more employees to come back to office, but are facing some resistance.

<https://economictimes.indiatimes.com/news/company/corporate-trends/back-to-office-companies-create-strategies-to-bring-back-employees-to-office/articleshow/91922895.cms>

### **Agriculture**

#### **Sugar production rises 15% to record 35.24 MT so far this year: NFCSFL**

Sugar production in India, the world's largest producer and second-largest exporter, rose 15 per cent to a record 35.24 million tonne till May 30 in the ongoing 2021-22 marketing year on higher output in Maharashtra and Karnataka, according to the data released by cooperative body NFCSFL on Tuesday. Sugar production stood at 30.63 million tonne in the year-ago period. The sugar marketing year runs from October to September. The sugar output achieved so far is much higher than the total output of 31.12 million tonne in the entire 2020-21 marketing year. According to the data by the National Federation of Cooperative Sugar Factories Ltd (NFCSFL), another 4-5 lakh tonne of sugar is expected to be produced by the end of the current marketing year. Of the total sugar manufactured, sugar output in Maharashtra — the country's leading producing state — rose to 13.68 million tonne till May 30 of the current marketing year, compared to 10.63 million tonne in the year-ago period.

<https://www.financialexpress.com/industry/sugar-production-rises-15-to-record-35-24-mt-so-far-this-year-nfcsfl/2543785/>

## Infrastructure

### House price index rises 1.8 pc in Q4 of FY22: RBI data

The All India House Price Index (HPI) rose 1.8 per cent in the fourth quarter of FY22 on an annual basis, according to data released by the Reserve Bank of India. However, the rise in the key index was slower compared to the January-March quarter of the preceding fiscal when it had recorded an increase of 2.7 per cent. The RBI releases its quarterly house price index based on transaction-level data received from housing registration authorities in ten major cities. The cities are Ahmedabad, Bengaluru, Chennai, Delhi, Jaipur, Kanpur, Kochi, Kolkata, Lucknow, and Mumbai. "All India HPI recorded an annual growth of 1.8 per cent in Q4, 2021-22 as compared with 3.1 per cent in the previous quarter and 2.7 per cent a year ago," the RBI said in a statement.

<https://economictimes.indiatimes.com/news/economy/indicators/house-price-index-rises-1-8-pc-in-q4-of-fy22-rbi-data/articleshow/91924146.cms>

### Despite higher rates, home prices across India to rise fastest in 5 years

Indian house prices are set to accelerate this year to a pace not seen in half a decade, according to a Reuters poll of property analysts who also warned that higher interest rates will crimp affordability, especially for first-time buyers. A lack of demand has kept India's property market relatively quiet during the pandemic compared with other world markets that rocketed higher as households scrambled to buy more living space. Those markets are now cooling. But the release of pent-up demand in India, as most employees return to workplaces amid improving vaccination rates and fewer COVID-19 cases, has stirred the Asian country's housing market along with a return of large institutional investors.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/construction/despite-higher-rates-home-prices-across-india-to-rise-fastest-in-5-years/articleshow/91906730.cms>

### NHAI confident of awarding highways contracts for 6,500-km this fiscal, say officials

Despite rating agency Crisil's forecast that the National Highways Authority of India awarding may "slow down to 5,000 km annually over the current fiscal and the next", the government-owned agency is confident of meeting its project awarding target of 6,500 km this year, an official said. The authority also remained confident of achieving its goal of constructing 5,000 km of national highways during the current fiscal, NHAI chairperson Alka Upadhyaya said. Crisil in its latest report said, "NHAI awarding may slow down to 5,000 km annually over this fiscal and the next, after a sequential rise from merely 2,222 km in fiscal 2019 to 6,306 km in fiscal 2022." The National Highways Authority of India had awarded projects for a total length of 6,306 kilometres in the last financial year, while the agency constructed 4,325 kilometres of highways. The capital expenditure by NHAI for highway infrastructure reached an all-time high of Rs 1,68,770 crore during FY22.

<https://economictimes.indiatimes.com/news/economy/infrastructure/nhai-confident-of-awarding-highways-contracts-for-6500-km-this-fiscal-say-officials/articleshow/91923499.cms>

## Energy

### India expects lower rainfall in coal-producing areas, potentially easing power crisis

India expects rainfall in the biggest coal-producing areas of its east-central region to be below the long-term average this year, potentially easing utilities' coal shortages as there could be fewer disruptions to mining activity due to flooding. East-central India includes the states of Odisha, Jharkhand, Chhattisgarh and West Bengal, which together account for nearly half of the country's annual coal output. Coal accounts for nearly 75% of India's power generation.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/india-expects-lower-rainfall-in-coal-producing-areas-potentially-easing-power-crisis/articleshow/91917110.cms>

## Telecom

### Private telcos to hike tariffs in H2; FY23 revenues to jump by a fourth: Report

The country's top three private telecom operators will resort to another round of tariff hike in the second half of the current fiscal and will close FY23 with a revenue growth of 20-25 per cent, a report said on Tuesday. A growth in average revenue per user is essential for the industry to invest in the network and spectrum, and if they do not do

so, it can result in poor service offerings, domestic rating agency Crisil's research wing said in a report. After years of intense competition following the entry of the deep-pocketed Reliance Jio, the industry had started hiking tariffs from December 2019. "...revenue of the top three players is expected to grow a robust 20-25 per cent this fiscal," the note said, adding that the operating profit margin will expand by 1.80-2.20 per cent during the fiscal. It said after a slow 5 per cent growth in the ARPU (Average Revenue Per User) in FY22, the crucial number is set to grow by 15-20 per cent in FY23 as the full impact of the hikes carried out in the previous fiscal plays out, and also on the back of the newer hikes which are expected in the second half of the current fiscal.

<https://www.financialexpress.com/industry/private-telcos-to-hike-tariffs-in-h2-fy23-revenues-to-jump-by-a-fourth-report/2544004/>

#### **5G spectrum auctions likely to get delayed yet again**

Divergent interests of telecom service providers (TSPs) and technology giants seeking private network seem to have delayed the auctioning process of 5G spectrum. Sources said although allocation of spectrum to private network users in the upcoming auction has been ruled out, these players have approached the Government through their representative bodies. Their argument is that keeping them out could damage the process of digitisation of the economy and the prospect of making Indian products competitive in the global market.

<https://www.thehindubusinessline.com/news/5g-spectrum-auctions-likely-to-get-delayed-yet-again/article65480631.ece>

#### **External**

#### **India cuts base import price of palm oil; raises soyoil price**

India has slashed the base import prices of crude and refined palm oil, while raising the price of crude soyoil, the government said in a statement late on Tuesday. The government revises base import prices of edible oils, gold and silver every fortnight, and the prices are used to calculate the amount of tax an importer needs to pay. India, the world's biggest edible oils importer, last week allowed duty free imports 2 million tonnes of soyoil.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-cuts-base-import-price-of-palm-oil-raises-soyoil-price/articleshow/91929706.cms>

#### **India's textiles exports highest-ever in FY22 at \$44.4 bn, says govt**

India recorded its highest-ever textiles and apparel exports in the financial year 2021-22 at USD 44.4 billion, the government said on Tuesday. The exports tally, which also includes handicrafts, indicates a substantial increase of 41 per cent and 26 per cent over corresponding figures in FY21 and FY20, respectively. USA was the top export destination for the country's textiles and apparel shipments accounting for 27 per cent share, followed by the European Union (18 per cent), Bangladesh (12 per cent) and UAE (6 per cent), the textiles ministry said. "In terms of product categories, the export of cotton textiles was USD 17.2 billion with 39 per cent share registering a growth of 54 per cent and 67 per cent during 2021-22 over FY21 and FY20, respectively," an official statement said.

[https://www.business-standard.com/article/economy-policy/india-s-textiles-exports-highest-ever-in-fy22-at-44-4-bn-says-govt-122053101393\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-textiles-exports-highest-ever-in-fy22-at-44-4-bn-says-govt-122053101393_1.html)

#### **No plans to ban or curb exports of basmati, non-basmati rice: Govt official**

The government has no plans to ban or impose curbs on export of either basmati or non-basmati rice as the country has sufficient supplies and prices are under control, a senior government official said on Tuesday. The comments come amid reports of regulating overseas sale of rice after the government banned wheat exports and capped shipment of sugar at 10 million tonnes in the ongoing 2021-22 marketing year (October-September) as a precautionary step to check local prices. "There is no move to regulate export of any kind of rice. There is enough supply in our godowns and even with private traders. Domestic prices are also under control as of now," the official told PTI.

<https://www.financialexpress.com/economy/no-plans-to-ban-or-curb-exports-of-basmati-non-basmati-rice-govtofficial/2543910/>

#### **Govt orders for ensuring strict compliance of provisions in wheat export registration process**



The government on Tuesday said it has ordered for physical verifications of all documents to ensure strict compliance with provisions in the wheat export registration process. The Directorate General of Foreign Trade (DGFT), under the commerce ministry, has directed its regional authorities to physically verify all documents of applicants for export of wheat before issuing Registration Certificates (RCs). The order has been issued to ensure that the exporters are not issued RCs based on improper documents, it said. "In order to plug the loophole, it has been decided that regional authorities will do a physical verification of all Letters of Credit, whether already approved or under process. Wherever necessary, help of a professional agency may be taken for such verification," it said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-orders-for-ensuring-strict-compliance-of-provisions-in-wheat-export-registration-process/articleshow/91921955.cms>

#### **India against customs duties moratorium continuation on ecomm trade**

India will oppose the continuation of moratorium on customs duties on e-commerce trade at the upcoming ministerial of the World Trade Organization and push for putting an end to it as it is adversely impacting the developing countries, an official said on Tuesday. Citing the importance of developing nations to preserve policy space for their digital advancement, regulate imports and generate revenue through customs duties, the official said that India believes that a reconsideration of the moratorium is crucial. "India and South Africa have been making submissions on the adverse impact of the moratorium on developing countries and other developing countries, such as Sri Lanka and Indonesia, have supported that stand," the official said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-oppose-continuation-of-moratorium-on-customs-duties-on-e-commerce-trade-at-wto-meet-next-month/articleshow/91920074.cms>