



October 04, 2022 – Tuesday

## Economy

### India's economy to grow 5.7% in 2022, 4.7% in 2023: UNCTAD

The United Nations Conference on Trade and Development (UNCTAD) expects India's economy to grow 5.7% in 2022 and 4.7% in 2023. India's gross domestic product (GDP) grew 8.7% in FY22. In its annual Trade and Development Report 2022 released on Monday, it said that world economy is expected to grow 2.6% in 2022 which is 0.9 percentage points below the rate projected in last year's report. It cautioned that prospects appear to be worsening, with growth expected to decelerate further next year to 2.2%, leaving real GDP below its pre-Covid-19 trend by the end of 2023. "India, the largest economy of the region, economic activity is being hampered by higher financing costs and weaker public expenditures, resulting in a deceleration in GDP growth to 5.7% in 2022," UNCTAD said.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-economy-to-grow-5-7-in-2022-4-7-in-2023-unctad/articleshow/94626049.cms>

### India's factory activity slows to 3-month low of 55.1 as demand softens-PMI

The factory growth in India dipped to a three-month low in September owing to a moderation in demand and output, despite easing inflationary pressures and strong business confidence, showed a survey. The PMI at 55.1 in September continued to be in expansion mode for the 15th consecutive month but was slightly lower than 56.2 recorded in August. The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) indicated a strong improvement in the Indian manufacturing industry, as companies stepped up production in tandem with a sustained increase in new work intakes. "Rates of expansion remained historically high, despite easing from August. To accommodate higher sales and greater output needs, firms hired extra workers and acquired more inputs. The upturn in input buying was aided by cooling price pressures.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-factory-activity-slows-to-3-month-low-as-demand-softens-pmi/articleshow/94612071.cms>

## Banking and Finance

### Sebi cautions investors against funds raised by unauthorised PMS providers

Capital markets regulator Sebi on Monday cautioned investors against unauthorised money mobilisation by entities claiming to provide portfolio management services. Further, the regulator noted that these entities have been luring the public, with a promise of high returns, through pamphlets and social media platforms. It was observed that in such schemes, the entities have been mobilising money in relatively smaller amounts and promising assured returns, Sebi said in a statement. The advisory comes after the Securities and Exchange Board of India (Sebi) noted that some entities are collecting money from the public claiming to provide portfolio management services.

[https://www.business-standard.com/article/markets/sebi-cautions-investors-against-funds-raised-by-unauthorised-pms-providers-122100300976\\_1.html](https://www.business-standard.com/article/markets/sebi-cautions-investors-against-funds-raised-by-unauthorised-pms-providers-122100300976_1.html)

### Banks, payment aggregators bat for market-led fee on UPI transactions

The payments ecosystem, including banks and payment platforms, are in favour of graded charges on UPI transactions, which are market-driven instead of being fixed beforehand. "A point of consensus is that there should not be anything called MDR (merchant discount rate). It should be market-driven, and if ever the RBI wants to legislate, it should be on the inter-change and not on MDR," said Vishwas Patel, Chairman of the Payments Council of India. He added that PCI is in the process of submitting its detailed feedback to the Reserve Bank of India. The feedback is in response to comments sought towards an RBI discussion paper on charges on payment systems, by October 3. The paper has proposed introducing graded charges on payment services, including UPI transactions, to support and incentivise both users and service providers.

<https://www.thehindubusinessline.com/money-and-banking/banks-payment-aggregators-bat-for-market-led-fee-on-upi-transactions/article65967172.ece>

#### **Mudra loans log a record 30% growth in H1 FY23**

The disbursal of small business loans under Pradhan Mantri Mudra Yojana (PMMY) logged a record 30 per cent growth in the first half of the current financial year ended September compared to the same period last year. As on September 2022, banks and other institutions disbursed over ₹1,37,785 crore under PMMY, while in the year-ago period, the same was at about ₹1.06 lakh crore, according to government data. "The disbursement in the first half of the current fiscal is the highest growth in the last three years and indicates not only complete normalisation of economic activity but also a higher appetite for small business loans," a senior Mudra official told businessline.

<https://www.thehindubusinessline.com/money-and-banking/mudra-loans-log-a-record-30-growth-in-h1-fy23/article65966480.ece>

#### **Lenders' provisional Q2 numbers indicate a strong credit growth**

India's largest mortgage lender HDFC on Monday said its loans assigned grew by more than 28% over the last year as per provisional numbers. The company assigned loans worth ₹9,145 crore in the quarter ended September 2022 versus ₹7,132 crore in the corresponding period last year. Individual loans sold in the preceding 12 months amounted to ₹34,513 crore. Gross income from dividend for the July-September period of this fiscal was at ₹1,360 crore. The non-bank lender did not make any profits on sale of investments in the quarter under review. "We believe that retail credit acceleration is mainly driven by mortgages, followed by gold and auto loans," said Anand Dama, analyst, Emkay Global. "Factoring in the strong growth momentum for the industry and the bank, we revise our credit growth for Federal Bank to 18% in FY23 from 16%."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/lenders-provisional-q2-numbers-indicate-a-strong-credit-growth/articleshow/94628261.cms>

#### **States borrowing cost rises for third week, jumps 12 bps to 7.77%**

The average cost of market borrowing for states rose 12 basis point to 7.77 per cent on Monday, increasing for the third consecutive week. The cost of funds has seen a cumulative hike of 31 basis points (bps) during the past three weeks. At the latest auction of debt, 10 states raised Rs 19,500 crore on Monday, drawing down the full amount indicated for this week.

<https://economictimes.indiatimes.com/news/economy/finance/states-borrowing-cost-rises-for-third-week-jumps-12-bps-to-7-77/articleshow/94625561.cms>

#### **Ministries advised to make realistic Budget Estimates**

With the exercise for drafting the Union Budget 2023-24 kicking off, Administrative Ministries have sent internal advisories to departments and agencies to come up with more realistic estimates for their annual spending plans and rein in wasteful spending. Requisition of funds must be sent to line ministries only after careful examination of expenditure to be incurred and the funds already available at their disposal, as per internal communiques sent by some ministries to bodies and divisions under their watch. "We have asked departments to ensure that due care is taken while framing their Budget needs as well as possible new policy interventions that could be announced in the Budget. Proposals should not only be realistic in terms of implementation, but also ensure that the gap between Budget estimates (BE) and the eventually Revised estimates (RE) is minimal," a senior official steering the financial plan for next year in a key ministry said.

<https://www.thehindubusinessline.com/economy/ministries-advised-to-make-realistic-budget-estimates/article65966401.ece>

## Industry

### **FMCG sales dip in September as traders go slow on stocking**

India's fast-moving consumer goods (FMCG) market fell 10% in value in September compared to August, which saw strong stocking by kirana stores before the festive period. Sales of groceries had risen 6% month-on-month in August, reversing consecutive sequential decline in the past three months, according to the latest report by retail analytics platform Bizom. Companies will aggressively restock shelves this month during the run-up to Diwali which will translate into higher growth in October, it said. "Trade stocking would go up in October due to the upcoming festive season as well as due to the onset of winters, across various channels. Consumer buying also would be at its peak in two weeks preceding Diwali," said Neeraj Khatri, chief executive, Wipro Consumer Care, India and Saarc.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-sales-dip-in-september-as-traders-go-slow-on-stocking/articleshow/94628544.cms>

### **Price hikes will become seasonal, say auto makers**

As demand for vehicles grows, automobile makers believe that frequent price increases will not happen anymore. Price hikes will now become seasonal. Rising inflation had forced auto makers to announce repeated price increases over the past year. But now with the commodity prices starting to soften, players are anticipating getting relief in the second half that would cut down the need for frequent price increases. "The frequent price increase due to commodity prices has gone down and there will now be a more periodic and natural increase that ideally, the Original Equipment Manufacturers (OEMs) take as they add features. There will be pressure after March when you are transitioning to a new emission mode," said Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles Ltd, and Tata Passenger Electric Mobility Ltd

<https://www.thehindubusinessline.com/economy/price-hikes-will-become-seasonal-say-auto-makers/article65967183.ece>

### **India Inc's credit quality continues to improve in H1, may moderate: Crisil**

India Inc's credit quality showed further improvement in April-September period with the ratio of upgrades to downgrades inching higher. The credit ratio's improvement to 5.52 in H1FY23 as compared to 5.04 in H2FY22 was driven by leaner balance sheets led by healthy cash flows and muted investments, Crisil Ratings, which rates 6,800 companies, said. However, the agency clarified that the data may not be fully representative as many small businesses with outstanding ratings have turned non-cooperative in sharing data on a continued basis which can be driven by adverse financial health. India Inc has emerged stronger post-pandemic, its managing director Gurpreet Chhatwal said, exuding confidence that the corporate India can weather the current storm caused by global events like higher inflation and monetary tightening which will hurt India's exports. Crisil's senior director Somasekhar Vemuri said there can, however, be a moderation in the credit ratio going ahead due to some of the challenges faced by companies.

[https://www.business-standard.com/article/companies/india-inc-s-credit-quality-continues-to-improve-in-h1-may-moderate-crisil-122100300678\\_1.html](https://www.business-standard.com/article/companies/india-inc-s-credit-quality-continues-to-improve-in-h1-may-moderate-crisil-122100300678_1.html)

### **India's offline market for smartphones grew 44% in H1 2022: Report**

India's offline retail market for smartphones grew 44 per cent in value in the first half of 2022 compared to the same period last year, said a report released on Monday. Offline sale of smartphones priced above Rs 20,000 has increased more than two-fold in five years, said 'Consumer Life Study 2022' by market research firm Gfk. As many as 64 per cent of the young in urban India have upgraded their gadgets to the latest models this year. The festive season is expected to drive this trend between October and December. "The offline channel growth of smartphones reached 2019 sales levels in 2021. In 2022, it is projected to grow by 25-30% over 2021 by value in offline channels; thus the year ahead looks optimistic complemented by festive season sales. All of this is possible due to, we Indians, coming to Normalcy 38% faster than the rest of the world," said Dheeraj Mukherjee, head of sales--Gfk India.

[https://www.business-standard.com/article/companies/india-s-offline-retail-market-for-smartphones-grows-44-in-h1-2022-122100300866\\_1.html](https://www.business-standard.com/article/companies/india-s-offline-retail-market-for-smartphones-grows-44-in-h1-2022-122100300866_1.html)

## Agriculture

### Fertiliser firms willing to import phosphoric acid at 40% less price

With fall in global prices, fertiliser companies are looking to import phosphoric acid at not more than USD 1,000-1,050 per tonne -- around 40 per cent cheaper than the price quoted by global suppliers in the September quarter. The Indian companies are negotiating with global suppliers to buy phosphoric acid, which is a key raw material for manufacturing of DAP (Di-ammonium phosphate) and other NPK fertilisers. The country imports around 3 million tonnes of phosphoric acid annually. According to sources, the price of phosphoric acid was USD 1,715 per tonne for the last quarter ended 2022. International prices of DAP fell sharply during the last quarter and therefore the rates of phosphoric acid are also expected to fall significantly, they added.

[https://www.business-standard.com/article/companies/fertiliser-firms-willing-to-import-phosphoric-acid-at-40-less-price-122100300630\\_1.html](https://www.business-standard.com/article/companies/fertiliser-firms-willing-to-import-phosphoric-acid-at-40-less-price-122100300630_1.html)

## Infrastructure

### NHAI Investment Trust to raise ₹1,500 crore via bonds

The National Highways Infra Trust (NHIT), the infrastructure investment trust of the National Highways Authority of India (NHAI), will hit the market soon to raise ₹1,500 crore and another ₹5,000 crore by the end of this financial year. Officials told ET it will raise ₹1,500 crore via issuance of bonds carrying a coupon rate of about 7%. The NHIT had acquired three highway assets from the NHAI in the last week of September. In all it is seeking to raise ₹3,800 crore for this transaction through a mix of bond issuance, private placement, and bank loan during the second tranche of asset monetisation.

<https://economictimes.indiatimes.com/news/economy/infrastructure/nhai-investment-trust-to-raise-1500-crore-via-bonds/articleshow/94628610.cms>

### Office space supply up 49% in January-September to 32.8 million sq ft in 6 cities: Colliers India report

Office space supply rose 49 per cent to 32.8 million square feet during January-September period across six cities on completion of many commercial projects to meet rising demand, as per a report released by Real estate consultant Colliers India on Monday. The same stood at 22 million square feet in the year-ago period across six cities -- Bengaluru, Chennai, Delhi-NCR, Hyderabad, Pune and Mumbai, according to Colliers India. Fresh supply rose in Chennai, Delhi-NCR, Hyderabad and Pune but declined in Bengaluru and Mumbai, the realty consultant said. According to the data, the new office supply declined 1 per cent in January-September 2022 to to 8.1 million square feet in the corresponding period of the previous year. India's financial capital saw a 16 per cent decline of 1.8 million square feet from 2.1 million square feet in new supply.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/office-space-supply-up-49-in-january-september-to-32-8-million-sq-ft-in-6-cities-colliers-india-report/articleshow/94627219.cms>

## Energy

### India's coal production rises 12 per cent in September

The country's coal output rose a 12 per cent to 57.93 million tonnes in September. India's coal output stood at 51.72 MT in the year-ago period. "During September 2022, CIL (Coal India Ltd), Singareni Collieries Company Ltd (SCCL) and captive mines/others registered a growth of 12.35 per cent, 8.43 per cent and 12.37 per cent by producing 45.67 MT, 4.93 MT and 7.33 MT, respectively," as per the provisional statistics of the coal ministry. Of the top 37 mines, the output of 25 blocks has been more than 100 per cent and another five mines' production stood between 80 and 100 per cent in the last month. The dispatch of coal also went up marginally by 1.95 per cent to 61.18 MT in September, over 60.02 MT in the corresponding period last year.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-coal-production-rises-12-per-cent-in-september/articleshow/94624725.cms>

## States

### MoUs, LoIs worth Rs 10.4 trillion signed ahead of Rajasthan summit

The Rajasthan government has signed 4,192 memoranda of understanding (MoUs) and letters of intent (LoIs) worth Rs 10.44 trillion ahead of Invest Rajasthan Summit scheduled to be held on October 7-8. Of the total, 520 MoUs/LoIs have been implemented and 1,160 are in various stages of implementation. Around 3,000 participants from India and abroad are likely to participate in two-day summit. The theme of this year's summit is 'Committed-Delivered', Chief Minister Ashok Gehlot said on Monday. The Confederation of Indian Industry has been appointed as the national partner for organising the summit. The CM said road shows were organised at international, national and state levels between November 2021 and September 2022.

[https://www.business-standard.com/article/economy-policy/mous-lois-worth-rs-10-4-trillion-signed-ahead-of-rajasthan-summit-122100301268\\_1.html](https://www.business-standard.com/article/economy-policy/mous-lois-worth-rs-10-4-trillion-signed-ahead-of-rajasthan-summit-122100301268_1.html)

#### **Uttar Pradesh's merchandise exports surge 32% to Rs 60,578 crore**

Despite weak economic sentiment in key international markets, the Uttar Pradesh merchandise exports have surged 32 per cent year-on-year to Rs 60,578 crore during the April-July 2022 period. The state exported goods worth Rs 45,861 crore during April-July 2021. "Uttar Pradesh is ahead of some major states, including Andhra Pradesh, Haryana, West Bengal, and Odisha, in terms of growth in exports even as the corresponding growth rate of eight Indian states even went negative," a government spokesperson said. The states that saw their exports nosedive into a negative territory include Uttarakhand, Tripura, Nagaland, Mizoram, Manipur, Jharkhand, etc. Uttar Pradesh registered an upswing in exports of an array of labour-intensive segments, such as electrical machinery/equipment, meat, textiles, footwear, vehicles/auto parts, etc.

[https://www.business-standard.com/article/economy-policy/uttar-pradesh-s-merchandise-exports-surge-32-to-rs-60-578-crore-122100301246\\_1.html](https://www.business-standard.com/article/economy-policy/uttar-pradesh-s-merchandise-exports-surge-32-to-rs-60-578-crore-122100301246_1.html)

### **Healthcare**

#### **QR codes could be used to check if medicines are fake**

In order to check circulation of counterfeit drugs and ensure traceability, top medicine brands will have to feature QR codes. Around 300 top selling drugs will have to print QR codes on the 'primary' packaging labels in accordance with the government's plans of launching 'track and trace' mechanism, a Times of India report cited sources as saying. Popular medicines like antibiotics, pain-relief pills, cardiac and anti-allergics will come under the ambit of the new mechanism. The move has been prompted by the surfeit of counterfeit medicines in the market and to check the menace the government wants drug companies to print these QR codes on packaging.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/qr-codes-could-be-used-to-check-if-medicines-are-fake/articleshow/94612890.cms>

### **External**

#### **India's exports dip 3.52% to USD 32.62 billion in September**

India's exports contracted by 3.52% to USD 32.62 billion in September against USD 33.81 billion in the same month last year, while the trade deficit widened to USD 26.72 billion, according to the preliminary data released by the commerce ministry on Monday. Imports during the month, however, grew by 5.44% to USD 59.35 billion as against USD 56.29 billion in September 2021, the data showed. The exports during April-September 2022-23 rose by 15.54% to USD 229.05 billion. Imports during the period increased by 37.89% to USD 378.53 billion. The trade deficit during the first six months of the fiscal has widened to USD 149.47 billion as against USD 76.25 billion during April-September 2021-22.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-exports-dip-3-52-to-usd-32-62-billion-in-september/articleshow/94627638.cms>

#### **Exporters seek GST extension on export ocean freight**

Exporters have sought an extension of previously granted exemption from Goods and Services Tax (GST) on export freight, citing that a non-extension will add to their liquidity challenges. In a letter to finance minister Nirmala Sitharaman on Sunday, the Federation of Indian Export Organisations (FIEO) said that overseas freights have increased 300-350% from pre-Covid level and refund of GST through Input Tax Credit comes with a lag of 2-3 months

which affects cash flows. The exemption from GST on export freight ended on September 30 post which exporters will have to pay 18% GST on export ocean freight.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/exporters-seek-gst-extension-on-export-ocean-freight/articleshow/94619060.cms>

#### **India raises import duty on platinum to 15.4%**

India has raised total import duty on platinum to 15.4% from 10.75%, the government said in a notification on Monday, seeking to bring parity in import duty structure between gold and platinum. In July, New Delhi raised import duty on gold to 15% but then kept the tax on platinum imports unchanged at 10.75%. India's platinum imports in September jumped multifold to a record high as refiners imported a large amount of gold containing small amounts of platinum but registered the purchases with customs as platinum alloy to avoid paying higher duties.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-raises-import-duty-on-platinum-to-15-4/articleshow/94624418.cms>