



November 07, 2022 – Monday

Economy

Fate of labour codes hangs in balance as states head for polls

The window for the government to operationalise the labour codes may be fast diminishing with multiple states headed for assembly elections by the end of next year followed by general elections in 2024, at least half-a-dozen experts told ET. Implementation of the codes - touted as a significant labour reform - looks to be on the back burner as the government would not want them to meet the same fate as farm laws, they said. The government has adopted a wait-and-watch policy as neither the employers nor the trade unions are keen on the labour codes, said a top government official who did not wish to be identified. "The government is apprehensive that the codes may backfire as had happened in the case of farm laws," the official told ET. "Hence the wait and watch mode till these have the clear backing of all stakeholders."

<https://economictimes.indiatimes.com/news/economy/policy/fate-of-labour-codes-hangs-in-balance-as-states-head-for-polls/articleshow/95342593.cms>

Significant work done, draft Digital India Act framework by early 2023, says MoS IT

A significant amount of work has been done on proposed Digital India Act, and the draft legislative framework to support 'India's techade' is expected by early 2023, Minister of State for IT Rajeev Chandrasekhar has said. The comments assume significance as India is moving swiftly towards a strong framework to catalyse its digital ambitions and govern online ecosystem, with openness, user safety and trust as the guiding principles. At the same time, the government has asserted that extensive consultation will go into framing key legislations which are going to be essential building blocks for 'new India' and its digital architecture. Asked about the status of Digital India Act, which will replace the IT Act, Chandrasekhar said: "A significant amount of work has been done on it, and we expect that in early 2023, under PM's leadership, a legislative framework for India's techade will be placed in front of the country."

<https://economictimes.indiatimes.com/news/economy/policy/significant-work-done-draft-digital-india-act-framework-by-early-2023-says-mos-it/articleshow/95333339.cms>

Banking and Finance

SIDBI's 59-min loan scheme: MSME loans jump 3.2% only YoY as of Nov; disbursals up 2.6%, shows govt data

SIDBI's 59-minute loan approval scheme for micro, small and medium enterprises (MSMEs), PSB Loans in 59 Minutes has recorded only a 3.2 per cent jump in loan applications sanctioned as of November 1, 2022, from the year-ago period. Banks sanctioned 2,43,140 loans amounting to Rs 82,962 crore as of November 1, 2022, vis-a-vis 2,35,511 loans involving Rs 78,738 crore sanctioned as of November 1, 2021, official data from the MSME Ministry's dashboard showed. In terms of loans disbursed, the year-on-year growth stood at only 2.6 per cent from 2,19,526 loans amounting to Rs 64,326 crore disbursed as of November 1, 2021, to 2,25,236 loans involving Rs 67,007 crore as of November 1, 2022. In month-on-month sanctions and disbursals, MSMEs were sanctioned 2,42,812 loans involving Rs 82,822 crores as of September 30, 2022, while 2,25,015 loans involving Rs 66,922 crores were disbursed.

<https://www.financialexpress.com/industry/sme/msme-fin-sidbis-59-min-msme-loan-scheme-loans-sanctioned-jump-3-2-only-as-of-nov-from-year-ago-disbursals-up-2-6-shows-govt-data/2776944/>

Big jump in cash with public at Rs 30.88 trn in 6 yrs

Currency with the public has jumped to a new high of Rs 30.88 lakh crore as of October 21, illustrating that cash usage is still robust even six years after the demonetisation move. At Rs 30.88 lakh crore, the currency with the public is 71.84 per cent higher than the level for the fortnight ended November 4, 2016. On November 8, 2016, Prime Minister Narendra Modi had announced the decision to withdraw Rs 500 and Rs 1,000 denomination notes with the ultimate aim of reducing corruption and black money in the economy. The intent of the move, which was criticised by many experts for poor planning and execution, was to make India a "less cash" economy. As per the fortnightly data on money supply released by the RBI on Friday, the currency with the public increased to Rs 30.88 lakh crore as on October 21. The central bank data for Reserve Money had put the currency in circulation at Rs 17.7 lakh crore on November 4, 2016.

https://www.business-standard.com/article/economy-policy/demonetisation-big-jump-in-cash-with-public-at-rs-30-88-trn-in-6-yrs-122110600538_1.html

Corporate loans surge on capex revival

There is a clear turnaround in fresh capital investment by corporates with bank loan demand being led by infrastructure, roads, renewable energy, and oil sectors. While in the last few quarters, loan demand was led by higher utilisation of working capital due to increase in commodity prices, from the September quarter onwards corporate loan growth has trended towards fresh capacity building, bankers told ET. "In our case, most of the corporate growth has been investment-led," said Sanjiv Chadha, managing director of Bank of Baroda. "We have seen good growth in roads sector and renewable energy. This growth is coming from relatively larger corporates because of the fact that they have deleveraged considerably over the last few years."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/corporate-loans-surge-on-capex-revival/articleshow/95344145.cms>

Industry

Cement firms raise FY23 capex amid cost pressure, aluminium cos trim plans

Companies in the cement and aluminium sectors are showing a divergence in their capital expenditure plans for the current financial year (FY23). While firms such as UltraTech, ACC and Ambuja remain committed towards their annual capex activities despite cost pressures, the aluminium division of Vedanta has revised its capex guidance for the year by 40 per cent.

https://www.business-standard.com/article/companies/cement-firms-raise-fy23-capex-amid-cost-pressure-aluminium-cos-trim-plans-122110600519_1.html

FMCG makers expect margins improvement and comeback of rural sales from Q3 as inflation eases

The FMCG industry expects an improvement in its margins and hopes to make a comeback from the rural market from the third quarter, though it witnessed pressure on volume in the September quarter as high inflation persists. Makers of fast moving consumer goods (FMCG) are now seeing green shoots of recovery with the onset of the festive season and a good monsoon and crop harvest in the rural areas. In the July-September quarter, listed FMCG companies, including HUL, ITC, Dabur, Nestle, Tata Consumer, Britannia and Marico, reported pressure on their margins on similar lines as the preceding quarter and said the demand environment remained challenging with inflation impacting consumption.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-makers-expect-margins-improvement-and-comeback-of-rural-sales-from-q3-as-inflation-eases/articleshow/95332854.cms>

It's raining discounts as car makers get into high gear to push sales

As supply chain and semi-conductor shortages ease, car makers are offering higher discounts on some product lines, to get sales into high gear. * Discounts aren't available on low-volume models (like Maruti XL6) because supply is constrained, in comparison, there are offers for top-selling models by volume (like the Alto & WagonR)

<https://economictimes.indiatimes.com/industry/auto/auto-news/its-raining-discounts-as-car-makers-get-into-high-gear-to-push-sales/articleshow/95332631.cms>

Pharma sector marketing practices under government scanner

Pharma companies have been asked to explain why they need to offer gifts and free medicines to doctors as samples to promote their products, as part of a government move to review the regulatory framework on marketing practices in the sector. A high-level committee formed under Niti Aayog's VK Paul held a meeting on Friday with the representatives of pharma lobby groups to review the matter. "The lobby groups will have to take up the matter with their member companies and provide a reply to the committee," said a person in the know. As part of a stakeholders' meeting, members of Organisation of Pharmaceutical Producers of India, Indian Pharmaceutical Alliance, and Indian Drug Manufacturers' Association attended the meeting on November 4.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharma-sector-marketing-practices-under-government-scanner/articleshow/95342730.cms>

Infrastructure

Disbursals to SHGs and road sector in rural areas lag: NSO report

Roads constructed under the Pradhan Mantri Gram Sadak Yojana and the self-help groups' (SHGs) Community Investment Fund (CIF) are among four schemes that have underperformed during the June quarter. This was revealed by the National Statistical Office (NSO), which monitors these schemes on a quarterly basis under the 20-point programme (TPP). Of the four items, the "area covered under plantation (public and forest lands)," which is implemented by the ministry of environment, has achieved only 13 per cent of its target during the first quarter. This is, however, better than the 1 per cent target achieved last year during the corresponding quarter. The other three items — 'seedlings planted (public and forest lands)', 'roads constructed under Pradhan Mantri Gram Sadak Yojana' and 'number of SHGs provided CIF', saw 24 per cent, 42 per cent and 43 per cent of their stipulated targets being achieved. Correspondingly, only 2 per cent, 17 per cent and 4 per cent of the targets were achieved in the first quarter of last year for these three items.

https://www.business-standard.com/article/economy-policy/fund-disbursal-to-shgs-road-construction-in-rural-areas-lag-behind-targets-122110600735_1.html

Centre may axe 116 infra projects worth Rs 1.26 trn lagging for decades

Some 116 infrastructure projects worth Rs 1.26 trillion could be shut down due to unresolved obstacles ranging from land acquisition to Centre-state tussles. While these projects have incurred a cumulative capital expenditure of Rs 20,311 crore, the Centre is considering the possibility of finally putting a lid on them.

https://www.business-standard.com/article/economy-policy/centre-may-axe-116-infra-projects-worth-rs-1-26-trn-lagging-for-decades-122110600576_1.html

Energy

Coal dispatch to power sector drops 6% in October

The dispatch of coal to the power sector registered 5.5 per cent decline at 56.49 million tonnes last month. The coal supply to the power sector was 59.79 million tonnes (MT) in October 2021. "The power utilities dispatch has reduced by 5.51 per cent to 56.49 MT during October 2022 as compared to 59.79 MT in October 2021," provisional statistics of the coal ministry showed. However, in the April-October period of the ongoing financial year, the dispatch increased 13.07 per cent to 413 MT from 365.25 MT in the year-ago period. The overall dispatch of the dry fuel to different sectors in October also dropped to 67.02 MT from 70.21 MT in the year-ago period. The supply to captive power plants also fell to 3.54 MT from 4.97 MT.

<https://www.financialexpress.com/industry/coal-dispatch-to-power-sector-drops-6-in-october/2776630/>

Bureau of Energy Efficiency signs MoU with SIDBI to finance green MSMEs

The government body for energy efficiency Bureau of Energy Efficiency (BEE) under the Ministry of Power has signed a memorandum of understanding (MoU) with the Small Industries Development Bank of India (SIDBI) for MSMEs. The MoU will aim to promote energy efficiency financing for MSMEs and explore the internet of things (IoT)-based solutions, greening MSMEs, capacity building of various stakeholders, etc., BEE said. The announcement comes weeks after SIDBI announced partnerships with multiple stakeholders to help MSMEs become more energy efficient in their operations to support India's Sustainable Development Goals (SDG) 2030 targets. SIDBI had signed MoUs

with German development agency Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH for operating a Risk Sharing Facility (RSF) that provides credit guarantees to loans from commercial banks or non-banking financial companies (NBFCs).

<https://www.financialexpress.com/industry/sme/msme-green-bureau-of-energy-efficiency-signs-mou-with-sidbi-to-finance-green-msmes/2776756/>

States

Kerala govt launches scheme to reimburse tech license cost to startups

Kerala has launched a scheme to reimburse the expense incurred by the nascent startup ventures to procure technology licenses from government research institutions in the country to commercialise and scale up their products. Under the project titled 'Technology Transfer Scheme', implemented through Kerala Startup Mission (KSUM), the government will reimburse upto Rs 10 lakh to startups purchasing or sourcing technology from government research institutions and working on them to develop products that could be commercialised. KSUM CEO, Anoop Ambika, said this scheme will help startups in the State to gain greater access to know-how required for turning their ideas into marketable products.

https://www.business-standard.com/article/companies/kerala-govt-launches-scheme-to-reimburse-tech-license-cost-to-startups-122110600390_1.html

Tamil Nadu pips Karnataka to emerge as the third-largest state in own tax revenues in H1 FY23

Tamil Nadu has displaced Karnataka to emerge as the third largest state in terms of own tax revenue collections in the first half of the current fiscal, driven largely by excise duty on liquor sales. Maharashtra and Uttar Pradesh take the first two positions. According to the provisional figures from the Comptroller and Auditor General of India, Tamil Nadu has mopped up ₹68,638 crore in State's Own Tax Revenue (SOTR) collections between April-September against Karnataka's ₹66,158 crore tax collection. Karnataka's SOTR in the same period of the previous fiscal stood at ₹53,566 crore against Tamil Nadu's ₹50,324 crore. Maharashtra and Uttar Pradesh mopped up ₹1,15,211 crore and ₹1,02,687 crore respectively in SOTR in the first six months of the current fiscal.

<https://www.thehindubusinessline.com/economy/tamil-nadu-pips-karnataka-to-emerge-as-the-third-largest-state-in-own-tax-revenues-in-h1-fy23/article66099569.ece>

External

Russia becomes India's top crude oil supplier in October

Russia became India's top oil supplier in October, surpassing traditional sellers Saudi Arabia and Iraq, according to data from energy cargo tracker Vortexa. Russia, which made up for just 0.2 per cent of all oil imported by India in the year to March 31, 2022, supplied 935,556 barrels per day (bpd) of crude oil to India in October — the highest ever. It now makes up for 22 per cent of India's total crude imports, ahead of Iraq's 20.5 per cent and Saudi Arabia's 16 per cent. India's appetite for Russian oil swelled ever since it started trading on discount as the West shunned it to punish Moscow for its invasion of Ukraine. According to Vortexa, an energy intelligence firm, India imported just 36,255 barrels per day of crude oil from Russia in December 2021 as compared to 1.05 million bpd from Iraq and 952,625 bpd from Saudi Arabia.

<https://www.financialexpress.com/economy/russia-becomes-indias-top-crude-oil-supplier-in-october/2776872/>

Govt issues guidelines for sugar export for 2022-23: Commerce minister

In development to the statement that sugar export was allowed for 6 million tonne for 2022-23, Commerce Minister Piyush Goyal on Sunday tweeted the guidelines released by the government for the sector during the season. These guidelines informed the chief executive officers and managing directors of the mills via a statement that the government decided to allow export of sugar up to reasonable limit till October 31, 2023. In this regard, the government has decided to allocate sugar mill-wise export quota if 6 million tonne for the export of 2022-23.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/govt-issues-guidelines-for-sugar-export-for-2022-23-commerce-minister/articleshow/95336456.cms>

Panel on tax refunds for exports from SEZs, EOUs to submit report on Dec 20

The government panel tasked to determine tax refund rates for overseas shipments from special economic zones and export-oriented units under export promotion scheme RoDTEP will submit its report on December 20, an official said. These sectors were left out in the earlier exercise which was conducted in August 2021. The government in August last year had announced the rates of tax refunds under export promotion scheme Remission of Duties and Taxes on Exported Products (RoDTEP) for 8,555 products such as marine goods, yarn and dairy items. As SEZs (special economic zones) and EOUs (export-oriented units) were kept out of the scheme in the list notified that time, the industry was demanding to include them in the scheme. Under RoDTEP, various central and state duties, taxes, and levies imposed on input products, among others, will be refunded to exporters. The three-member committee is chaired by former secretary G K Pillai. The other two members include former CBEC member Y G Parande and former customs member Gautam Ray.

https://www.business-standard.com/article/economy-policy/panel-on-tax-refunds-for-exports-from-sezs-eous-to-submit-report-on-dec-20-122110600376_1.html