



November 11, 2022 – Friday

Key Developments

Debt securities rules: SEBI issues circular for disclosing payment of fees

SEBI on Thursday issued a new format for disclosing details pertaining to payment of fees applicable under the issuance of debt securities rules. In July, SEBI said that market infrastructure institutions, including stock exchanges, registered intermediaries and companies that have listed or are intending to list their securities on a stock exchange have to pay 18 per cent GST on the fees charged by the regulator. This is also applicable for persons who are dealing in the securities market.

https://www.business-standard.com/article/markets/debt-securities-rules-sebi-issues-circular-for-disclosing-payment-of-fees-122111001495_1.html

Economy

Over 8.5 million jobs added during Sept-Oct 2022: CMIE

Over 8.5 million salaried jobs were added during September and October 2022 taking the total number of salaried workers in the country to 85-86 million with highest addition in urban salaried jobs, the Centre for Monitoring Indian Economy said. This is higher than the pre-pandemic levels and comes after a gap of 32 months when the pandemic induced lockdown had pulled down the number of salaried workers to 65 million by August 2020, it said. Even the share of salaried jobs has gone up to its pre pandemic levels 21.4% in October after touching a low of 17% during the pandemic.

<https://economictimes.indiatimes.com/news/economy/indicators/over-8-5-million-jobs-added-during-sept-oct-2022-cmi/articleshow/95423687.cms>

India and China are converging to high income levels, says Moody's

Of a select group of 27 middle-income sovereigns that Moody's rates globally, 13, including India and China, are clearly converging to high-income levels, said Moody's Investors Service on Thursday. "The remainder have been in the same income category for decades and are either converging at a relatively slow pace or diverging from high-income levels," Moody's said. According to Moody's, a higher cost of living and the erosion in disposable incomes on the back of multiple economic shocks are slowing the pace of middle-income economies' convergence to higher income levels. "More importantly, emerging structural trends such as deglobalization, deindustrialization and digitalization mean that some factors that drove income convergence in the past may no longer be as effective, and the onus will be on policy to foster growth in productivity and income," Moody's said. According to Anushka Shah, a Moody's Vice President and Senior Credit Officer, as trade and supply chains become less interdependent, stronger adoption of digitalisation and automation and a move to service-oriented growth models are likely to be more prominent drivers of productivity.

https://www.business-standard.com/article/economy-policy/india-and-china-are-converging-to-high-income-levels-says-moody-s-122111000614_1.html

Banking and Finance

Banks to tap intelligence agencies before loans to ex-defaulters

Banks will now tap intelligence agencies for their inputs at various stages of a loan cycle in the case of borrowers who have defaulted in the past. The move, backed by the government, is aimed at equipping banks with timely information to prevent any fraud including fund diversion well in time. In a series of meetings held over the last two months between banks, the finance ministry, and other investigating agencies, it was decided that lenders would receive intelligence inputs and also provide quarterly feedback on the inputs to the Central Economic Intelligence Bureau, or CEIB, said a senior bank executive, aware of the developments.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-to-look-for-intelligence-agencies-before-loans-to-ex-defaulters/articleshow/95435541.cms>

Centre plans to double loan amount for street vendors

The Centre is planning to double the loan amount for street vendors under Pradhan Mantri Street Vendor's Atma Nirbhar Nidhi scheme, a major outreach to the largely-migrant beneficiary segment. Under the PM-SVANidhi, a special micro credit facility introduced for street vendors in July 2020 amid the first lockdown after the Covid-19 outbreak, loans are offered in three tranches - ₹10,000, ₹20,000 and ₹50,000. The government is planning to double the amount of the first tranche to ₹20,000, according to people aware of the matter. The housing and urban affairs ministry is holding discussions with banks involved in disbursing loans on how to shape the three tranches and the amounts to be loaned.

<https://economictimes.indiatimes.com/news/economy/policy/centre-plans-to-double-loan-amount-for-street-vendors/articleshow/95435959.cms>

Municipal corporations need to explore innovative financing mechanisms, says RBI report

Municipal corporations need to explore different innovative bond and land based financing mechanisms to augment their resources, said a Reserve Bank report released on Thursday. In India, revenues of Municipal Corporations (MCs) are dominated by property tax collections and devolution of taxes and grants from upper tiers of government. "MCs need to adopt sound and transparent accounting practices with proper monitoring and documentation of various receipt and expenditure items, and explore different innovative bond and land based financing mechanisms to augment their resources," said the first edition of the report. The report is compilation and analysis of budget data of 201 MCs across all states, and explores 'Alternative Sources of Financing for Municipal Corporations' as its theme.

<https://www.financialexpress.com/economy/municipal-corporations-need-to-explore-innovative-financing-mechanisms-says-rbi-report/2803245/>

India Inc raises \$10.36 billion via ECBs in H1 FY23

After dwindling to a seven-quarter low of \$3.68 billion in the first quarter, overseas borrowings of Indian corporates picked up momentum in the second quarter as borrowers, especially non-banking lenders, tapped the overseas market for lending needs as well as refinance their earlier costly loans. According to latest RBI data, India Inc raised \$6.67 billion via external commercial borrowings (ECBs) during the July-September quarter. Fund-raising via ECBs touched a historic monthly low of \$361.6 million in April amid rising interest rates led by liquidity tightening by global central banks. This has made overseas fund-raising less attractive vis-a-vis domestic borrowings. However, the offshore borrowing trend quickly reversed to pick up \$1.51 billion in May and \$1.81 billion in June.

<https://www.thehindubusinessline.com/markets/india-inc-raises-1036-billion-via-ecbs-in-h1-fy23/article66119743.ece>

SEBI proposes framework to protect public shareholders' interest in companies undergoing insolvency resolution process

Capital market regulator Sebi on Thursday came out with a proposal to protect the interest of public equity shareholders in cases of listed companies undergoing insolvency resolution process. The proposed framework would provide an opportunity to minority shareholders to participate in the Corporate Insolvency Resolution Process (CIRP) on the same pricing terms as available to the resolution applicant, according to a consultation paper floated by Sebi. Under the proposed framework, the existing public equity shareholders of the corporate debtor should be provided an opportunity to acquire equity of the fully diluted capital structure of new entity to the extent of up to the minimum public shareholding percentage (currently 25 per cent). The pricing terms should be the same as agreed upon by the resolution applicant.

<https://www.financialexpress.com/market/sebi-proposes-framework-to-protect-public-shareholders-interest-in-cos-undergoing-insolvency-resolution-process/2803465/>

Two tax devolution installments worth Rs 1.16 lakh crore cleared

The Centre Thursday released two installments of tax devolution to states worth ₹1.16 lakh crore. This is more than the normal monthly devolution of Rs 58,333 crore. The release of two installments is in line with Centre's commitment to push developmental and capital expenditure by states, the finance ministry said.

<https://economictimes.indiatimes.com/news/economy/finance/centre-releases-2-instalments-of-tax-devolution-totalling-rs-1-16-lakh-crore-to-states/articleshow/95434369.cms>

Weak revenue, high capital outlays to keep States' debt at decadal high

The aggregate indebtedness of states, as measured by debt to gross state domestic product (GSDP), is expected to remain elevated at 30-31 per cent this fiscal, almost similar to 31.5 per cent of last fiscal, Crisil report said on Thursday, November 10. According to the report, states' indebtedness has increased to a decadal high of 34 per cent in the Covid-19 hit fiscal 2020-21 after remaining range-bound between 25 per cent and 30 per cent during fiscals 2016-20 before cooling a bit to 31.5 per cent in fiscal 2022. The report says that sticky revenue expenditure and the need for higher capital outlays, along with modest revenue growth, will keep borrowings high this fiscal. However, Centre's special assistance of around Rs 1 trillion announced in the budget to all states for capital spending will come as some respite.

https://www.business-standard.com/article/economy-policy/weak-revenue-high-capital-outlays-to-keep-states-debt-at-decadal-high-122111001308_1.html

Current account deficit likely to be lower at 3 pc this fiscal, says SBI report

State Bank of India has pencilled in lower current account deficit at 3 per cent for this fiscal as against the minimum consensus of 3.5 per cent, citing rising software exports, remittances and a likely USD 5-billion jump in forex reserves via swap deals. Every USD 10 increase in crude prices impacts the Current Account Deficit (CAD) to the tune of 40 basis points while the same on fuel inflation is 50 bps and also results in 23 bps decline in growth, according to Soumyakanti Ghosh, the chief economic advisor at SBI. Exchange rate is the major contributor to software exports growth and 40 per cent of its variation is explained by exchange rates. "If we translated these numbers in actual terms, every Re 1 fall against the dollar leads to an increase in software exports by USD 250 million". This, along with an expected USD 5 billion-forex reserve accrual by way of swap transactions and higher remittances, will cap CAD at 3 per cent of GDP as against the average lowest level projected for the year at 3.5 per cent, Ghosh said.

<https://www.financialexpress.com/economy/current-account-deficit-likely-to-be-lower-at-3-pc-this-fiscal-says-sbi-report/2803256/>

Industry

Active companies in India close to 15,00,000, registrations fall in Sept

There was an overall decrease of 6.42 per cent in the number of new registrations in September 2022 compared to previous month, coinciding with the launch of version 3 of the new MCA portal. Several industry experts said that the decline could be because of system glitches in the portal. While the government has maintained that the portal has been functioning, company secretaries in various cities were seeking exemption from late fees for delayed filing due to errors on the new portal.

https://www.business-standard.com/article/companies/active-companies-in-india-close-to-15-lakh-new-registrations-fall-in-sept-122111001151_1.html

FMCG industry continues to witness consumption slowdown in Sept qtr: Report

The country's FMCG industry continued to witness consumption slowdown in the September quarter, with rural markets registering a higher decline in volumes compared to the three months ended June, says a report. Also, consumers continued to prefer purchasing smaller packets amid companies hiking prices in response to broader inflationary pressures, according to the report released by data analytics firm NielsenIQ on Thursday. The FMCG industry witnessed an overall volume decline of 0.9 per cent in the September quarter in comparison to the preceding three months. This was the fourth consecutive quarter with negative volume growth for the industry

and is "attributed to the double-digit price growth for the past six consecutive quarters," the quarterly FMCG industry report said. Rural markets recorded a volume decline of 3.6 per cent in the September quarter in comparison to a decline of 2.4 per cent in the June quarter.

https://www.business-standard.com/article/companies/fmcg-industry-continues-to-witness-consumption-slowdown-in-sept-qtr-report-122111001055_1.html

Two-wheeler sales in October hit a 2-year high

Two-wheeler sales in October hit a two-year high with more than 1.5 million vehicles sold across the country. According to vehicle retail data by the Federation of Automobile Dealers Associations (FADA), two-wheeler sales in October stood at 15,71,165, the highest monthly sale since March 2020. In March 2020, 18,47,314 two-wheelers were sold primarily due to the transition of vehicles from BS4 to BS6 when OEMs offered special prices. "There was single-digit growth over the last two months. In October, a 51 per cent growth was reported in every segment. The demand was not just witnessed at the premium segment but also in the entry-level two-wheeler segment with good schemes offered by OEMs at 10 per cent of vehicle value," said Manish Raj Singhania, President of FADA. FADA has more than 15,000 automobile dealers as its members across India.

<https://www.thehindubusinessline.com/economy/two-wheeler-sales-in-october-hit-a-2-year-high/article66119880.ece>

Agriculture

Tea Board seeks Rs 1,000-crore support for industry for next five years

The Tea Board has sought an assistance of Rs 1,000 crore for the industry in the next five years starting 2022-23. Chairman of Tea Board Saurav Pahari said that in the budget submitted to the Union Commerce ministry, focus has been on handholding the small tea growers (STGs) which contribute to 52 per cent of the total production in the country. "We have sought an assistance of Rs 1,000 crore in the budget submitted to the ministry for a period of five years starting 2022-23", Pahari told reporters after the AGM of Indian Tea Association (ITA) here on Thursday. He said that the budget is primarily intended to handhold the STGs which contribute to 52 per cent of the country's production volumes.

https://www.business-standard.com/article/companies/tea-board-seeks-rs-1-000-crore-support-for-industry-for-next-five-years-122111000956_1.html

Soaring wheat prices in India likely to prompt price-cooling measures: Govt

Soaring wheat prices in India could prompt price-cooling measures such as the release of state reserves into the open market while axeing the 40% tax on imports, trade and government sources said on Thursday. The government has been trying to rein in food inflation, but its efforts have been complicated by wheat prices that have climbed to record highs. Stung by a sudden drop in crop yields, India banned exports of the grain in May. Market arrivals from the previous harvest, meanwhile, have slowed to a trickle as farmers have run out of stocks, growers and traders said.

https://www.business-standard.com/article/economy-policy/soaring-wheat-prices-in-india-likely-to-prompt-price-cooling-measures-govt-122111001377_1.html

Infrastructure

Rated Indian infrastructure firms most exposed to currency risk: S&P

Infrastructure entities are most exposed to currency risk among Indian corporates, said rating agency Standard and Poor's (S&P) on Thursday. Renewable energy players in particular have high capex spending and heavily rely on dollar debt. Over the next 12 months, rated Indian renewable companies will likely have to raise funds equal to nearly one-third of their existing debt. The agency did not quantify amounts. These companies will need capital for capex targets and refinancing. They should be able to raise funds domestically, rather than using high-cost offshore debt, S&P said in a report called 'Asia-Pacific's Strong-Dollar Problem: Inconvenience Today, Headache Tomorrow'. S&P said rated airports in India have raised sufficient funds to meet capex and have limited refinancing needs over the next 12-24 months. Regulated utilities will benefit from cost pass through mechanisms, which account for hedging costs and currency movement.

https://www.business-standard.com/article/companies/rated-indian-infrastructure-firms-most-exposed-to-currency-risk-s-p-122111000680_1.html

Telecom

DoT extends deadline for public comments on draft Telecom Bill to November 20

The Department of Telecom has extended the deadline till November 20 for submitting public comments on the draft Indian Telecommunication Bill, 2022. The bill proposes to bring internet-based calling and messaging services under the telecom rules as well as strengthen security for consumers. "In response to the requests received from several stakeholders, the ministry has decided to further extend the last date for receipt of comments till 20th November, 2022," the DoT said in an official note on Thursday. The draft of the bill was released on September 21. <https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-extends-deadline-for-public-comments-on-draft-telecom-bill-to-november-20/articleshow/95434756.cms>

Industry bodies call for draft Telecom Bill review

The draft Indian Telecommunication Bill 2022 is overbroad and will impose extensive licensing burden, hurt cross-border digital trade, hamper India's economic growth, and constrain innovation, several industry bodies have said in a joint statement. The statement signed by App Association, Asia Internet Coalition, Computer and Communications Industry Association, Information Technology Industry Council, India Cellular and Electronics Association, and other global technology and content industry associations recommended narrowing the broad definitions of telecom services and equipment. <https://economictimes.indiatimes.com/industry/telecom/telecom-news/industry-bodies-call-for-draft-telecom-bill-review/articleshow/95435262.cms>

States

Tamil Nadu govt reduces peak hour power charges to 15% for MSMEs

The Tamil Nadu government on Wednesday announced that the peak hour electricity charges for Micro, Small and Medium Enterprises (MSMEs) operating in the state has reduced to 15 per cent from 25 per cent. The duration of peak hours is for four hours, from 6 to 10 in the morning and evening. The MSMEs had to pay higher tariff during peak hours since September 10 when the revised electricity rates had come into force. Several industry representatives and associations have been requesting the state government to reduce the peak hour charges since the roll-out of the revised tariff. "Considering the important role of MSMEs in spurring economic growth and providing employment, the government accepted their request and decided to reduce the power charges during peak hour to 15 per cent from the earlier 25 per cent to low tension electricity connection (Low Tension III-B) consumers," the government said in a release. <https://www.financialexpress.com/industry/sme/msme-eodb-tamil-nadu-govt-reduces-peak-hour-power-charges-to-15-for-msmes/2802953/>

Rajasthan govt plans e-auctions for mines, minerals to boost production

The Rajasthan government is taking steps to boost mineral production in the state. The e-auctions for three mining leases and six composite licences of five major minerals in nine blocks will be done soon. Additional Chief Secretary (Mines and Petroleum) Subodh Agarwal said nine blocks of major minerals, including garnet, limestone, copper, iron ore, and magnesite, had been identified and were ready for auction. After the formalities, the blocks will be identified on the e-portal of the Government of India. Mines Minister Pramod Jain Bhaya said the auction of the mining plots increased the revenues of the state government and stopped illegal mining. https://www.business-standard.com/article/economy-policy/rajasthan-govt-plans-e-auctions-for-mines-minerals-to-boost-production-122111001552_1.html

Rajasthan recorded handicraft exports worth Rs 6205.32 crore in FY21: Report

The state of Rajasthan has recorded exports of handicraft items worth Rs 6,205.32 crore in the fiscal year 2020-21, as per a report by The Statesman. The raw materials such as wood, marble, leather, metals and others that are used in craftworks are found abundantly in the state and are also seeing an increase in production. In addition, the state

has exported gems and jewellery worth Rs 4,067.36 crore, textiles worth Rs 5,729.29 crore, readymade garments worth Rs 1,764.40 crore and carpet worth Rs 464.70 crore during FY21. The state had also announced handicrafts as a thrust sector of the Rajasthan Investment Promotion Scheme during the Invest Rajasthan Summit in October 2022 to provide them additional benefits. The Rajasthan government had also introduced Handicraft Policy 2022 in September, 2022 to increase the investment on cultural heritage in the state.

<https://www.financialexpress.com/industry/sme/msme-eodb-rajasthan-recorded-handicraft-exports-worth-rs-6205-32-crore-in-fy21-report/2803241/>

Healthcare

Centre unveils India's first national repository for life science data

India's first national repository for life science data, generated from publicly-funded research in the country, was unveiled here on Thursday by Science and Technology Minister Jitendra Singh. The 'Indian Biological Data Centre' (IBDC), established at the Regional Centre of Biotechnology here, has data storage capacity of four petabytes and is also home to the 'Brahm' High Performance Computing facility. Singh said that IBDC has started nucleotide data submission services via two data portals viz. the 'Indian Nucleotide Data Archive (INDA)' and 'Indian Nucleotide Data Archive - Controlled Access (INDA-CA)' and has accumulated over 200 billion (one billion = 100 crore) bases from 2,08,055 submissions from more than 50 research labs across the country. The Centre also hosts an online 'Dashboard' for the genomic surveillance data generated by the INSACOG labs that provides customised data submission, access, data analysis services, and real-time SARS-CoV-2 variant monitoring across India.

https://www.business-standard.com/article/economy-policy/centre-unveils-india-s-first-national-repository-for-life-science-data-122111000935_1.html

External

PM Modi to take over India's G20 Presidency in Bali

Prime Minister Narendra Modi will be visiting Bali from November 14-16 to attend the 17th G20 Summit where he will formally take over India's G20 Presidency. During the Bali Summit, G20 leaders will deliberate extensively upon key issues of global concern under the Summit theme of 'Recover Together, Recover Stronger'. Three working sessions will be held as part of the G20 Summit Agenda - food and energy security; health; and digital transformation, according to a MEA statement issued on Thursday.

<https://economictimes.indiatimes.com/news/india/pm-modi-to-take-over-indias-g20-presidency-in-bali/articleshow/95435531.cms>

India-US CEO to further strengthen bilateral economic ties

India-US CEO forum on Wednesday discussed ways to further strengthen economic ties between the two countries. It was chaired jointly by Commerce and Industry Minister Piyush Goyal and Gina Raimondo, US Secretary of Commerce. In the meeting, Goyal highlighted the significant growth of the India-US economic relations, driven by the common interest of promoting sustainability, emerging technologies, globally resilient supply chains and small businesses. "The forum continues to be an effective platform for dialogue across key sectoral themes and to identify areas for closer collaboration for the mutual benefit of both economies," the commerce ministry said in a statement on Thursday. It comprises CEOs from leading Indian and US-based companies and is co-chaired by Tata Sons Chairman N Chandrasekaran and Lockheed Martin President & CEO James Taiclet. This is the sixth time the forum has been convened since its reconstitution in December 2014 by the governments of India and the US.

<https://www.financialexpress.com/economy/india-us-ceo-to-further-strengthen-bilateral-economic-ties/2801737/>

Govt ropes in Indian missions, Carrefour, Walmart to promote millet exports

The government has formulated a strategy which includes involvement of Indian missions abroad as well as global retail supermarkets Carrefour and Walmart to promote exports of millets. As part of the strategy, Indian missions abroad would be roped in for branding and publicity of domestic millets. The missions would also be asked to identify potential buyers such as departmental stores, supermarkets and hypermarkets for organising business-to-business (B2B) meetings and direct tie-ups for Indian millets. As per the promotion strategy, major international retail

supermarkets like Lulu group, Carrefour, Al Jazira, Al Maya, Walmart, would also be roped in to establish millet corner for branding and promotion of millets, an official statement said.

https://www.business-standard.com/article/economy-policy/govt-ropes-in-indian-missions-carrefour-walmart-to-promote-millet-exports-122111001244_1.html