



November 15, 2022 – Tuesday

Key Developments

COP27: Biofuels and green H2 to power India's low-carbon growth

With a seven-point agenda, the Indian government for the first time has submitted its Long-Term Low Emission Development Strategy (LT-LDES) at the Conference of Parties (COP27) in Egypt. The agenda focuses on low-carbon electricity and transport systems, energy-efficient urban infrastructure, low-emission industrial systems, carbon mitigation technologies, enhanced forest cover, and economic and financial aspects of low-carbon development. Leading the Indian delegation, Minister for Environment, Forest and Climate Change Bhupender Yadav submitted the strategy to the United Nations Framework Convention on Climate Change (UNFCCC) on Monday. "This strategy is the product of extensive consultations inside the government and with other stakeholders. The two themes of climate justice and sustainable lifestyles are emphasised in our strategy, alongside the UNFCCC principles of equity and common but differentiated responsibilities and respective capabilities," Yadav said. "It also imbibes the spirit of LiFE (lifestyle for environment)," he added. The LDES will also focus on improving energy efficiency through the Perform, Achieve, and Trade (PAT) scheme, National Hydrogen Mission, high-level of electrification, building a circular economy, and exploring options for hard-to-abate sectors, such as steel, aluminium, and cement.

https://www.business-standard.com/article/international/india-pitches-its-low-carbon-development-plan-at-cop27-in-egypt-122111401361_1.html

Online websites can sell only listed bonds; should register as brokers of BSE, NSE

To curb the menace of the online bond platforms that mushroomed like e-commerce websites in India, market regulator SEBI has said only listed bonds or proposed to be listed debt securities can be sold to retail investors. India has a bond market worth trillions of rupees but it does not attract traders like in equities on the BSE and the National Stock Exchange (NSE). Instead, tens of websites, which call themselves fintech companies, mainly backed by large stock brokers, started selling bonds on their platforms to retail investors without any regulatory oversight. SEBI has now specified norms to bring them under its purview. SEBI has said that Online Bond Platform Providers (OBPPs) would be companies incorporated in India and they should register themselves as stock brokers in the debt segment of the stock exchanges, effective immediately. The move is likely to rev-up bond volumes on the BSE and NSE.

<https://www.thehindubusinessline.com/markets/sebi-put-in-place-regulatory-guidelines-for-online-bond-platform-providers/article66135989.ece>

Economy

Retail inflation falls to 6.77 pc in October: Govt data

Retail inflation dropped to 6.77 per cent in October from 7.41 per cent in the preceding month, mainly due to easing prices in the food basket, though it remained above Reserve Bank's comfort level for the 10th month in a row, according to the government data released on Monday. As per the latest data released by the National Statistical Office (NSO), the inflation in the food basket was 7.01 per cent in October as against 8.6 per cent in September.

<https://www.financialexpress.com/economy/retail-inflation-falls-to-6-77-pc-in-october-govt-data/2812580/>

WPI inflation eases to 19-month low of 8.39 per cent in October

The wholesale price-based inflation declined to a 19-month low of 8.39 per cent in October, on easing prices of fuel and manufactured items. This is the first time in 19 months that WPI inflation print has come in single digit. The last was in March 2021 at 7.89 per cent. Since April 2021, WPI inflation remained in double digits for 18 months with September print at 10.79 per cent. Inflation in October 2021 was 13.83 per cent. "Decline in the rate of inflation in October 2022 is primarily contributed by fall in the price of mineral oils, basic metals, fabricated metal products, except machinery and equipment; textiles; other non-metallic mineral products; minerals etc," the commerce and industry ministry said on Monday.

<https://www.financialexpress.com/economy/wpi-inflation-eases-to-19-month-low-of-8-39-per-cent-in-october/2811577/>

Finance ministry likely to give additional Rs 25,000 crore for MGNREGS

The finance ministry is likely to accept the rural development ministry's demand for an additional Rs 25,000 crore for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for the current fiscal year (FY23), Business Standard has learnt. But given that for the past three years, the actual outlay has exceeded the Budget Estimates (BE) and for two years, it has been above or close to Rs 1 trillion, the finance ministry wants inefficiencies in the scheme to be identified and eliminated.

https://www.business-standard.com/article/economy-policy/finance-ministry-likely-to-give-additional-rs-25-000-crore-for-mgnregs-122111401241_1.html

Banking and Finance

Market regulator Sebi plans to give a fillip to disclosure requirements

The Securities and Exchange Board of India (Sebi) has plans to give a fillip to disclosure requirements to encourage better information symmetry at listed firms. Under the current regulations, companies need to disclose any event such as acquisition, merger, demerger, restructuring, or sale of any unit which will have an impact on the business. In its consultation paper dated November 12, Sebi has proposed new thresholds for so-called 'material disclosures'. Under this, if an event is expected to impact at least 2 per cent of a company's turnover, 2 per cent of networth, or 5 per cent of the three-year-average profit or loss after tax will be seen as 'material disclosure'.

https://www.business-standard.com/article/economy-policy/market-regulator-sebi-plans-to-give-a-fillip-to-disclosure-requirements-122111401473_1.html

IRDA directive to shun brokers for gilt trades baffles insurers

Insurance companies, a significant investor group in the financial markets, have been told by the regulator that they can no longer cut deals with brokers for trading in government securities. According to a new directive by The Insurance Regulatory and Development Authority (IRDA) that has sent all insurers into a tizzy, buying and selling of sovereign securities can only happen on the anonymous trading screen. "Several insurers have reached out to IRDA. We think IRDA should issue some clarification. It's too harsh a directive... insurance companies will find it very difficult to directly trade thinly-traded securities on screen without a broker," the CFO of a life company told ET.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irda-directive-to-shun-brokers-for-gilt-trades-baffles-insurers/articleshow/95516798.cms>

FM Nirmala Sitharaman nudges ministries to meet targets for asset monetisation

Finance minister Nirmala Sitharaman on Monday took stock of the progress made by ministries and departments on the National Monetisation Pipeline. The minister nudged ministries to push ahead with asset monetisation in line with their set targets. While some ministries may miss their monetisation goals, the government will "more or less" meet this year's target, a government official said. For the current fiscal year, the government's target is to raise ₹1.62 lakh crore from asset monetisation. Last fiscal year, it had completed transactions worth ₹96,000 crore, surpassing the target of ₹88,000 crore. According to people familiar with the deliberations of the review meeting, the minister asked ministries of petroleum and natural gas and railways to rework their strategies to hasten monetisation.

<https://economictimes.indiatimes.com/news/economy/finance/fm-nirmala-sitharaman-nudges-ministries-to-meet-targets-for-asset-monetisation/articleshow/95516485.cms>

Centre ready to bring petrol and diesel under GST: Hardeep Singh Puri

The Centre is ready for bringing petrol and diesel under the GST regime but it is unlikely that the states will agree to such a move, Petroleum and Natural Gas Minister Hardeep Singh Puri said on Monday. For bringing the petrol and diesel under the GST, the states have to agree. If the states make the move, we are ready. We have been ready all along. That's my understanding. It is another issue how to implement it. That question should be addressed to the finance minister, Puri told reporters here. The minister, however, pointed out that it is unlikely that the states will agree to such a move as liquor and energy are revenue generating items for them.

https://www.business-standard.com/article/economy-policy/centre-ready-to-bring-petrol-and-diesel-under-gst-hardeep-singh-puri-122111401026_1.html

Microfin industry needs \$100 bn to promote green livelihood: Jayant Sinha

The Chairman of the Parliamentary Committee on Finance Jayant Sinha on Monday said sustainability and clean energy will drive growth in the microfinance sector which would need USD 100 billion to serve customers. For creating entrepreneurs, microfinance institutions should focus on creating a financing bouquet that will enable disbursement of loans to those who will be working on sustainable livelihood, Sinha, the BJP Member of Parliament from Hazaribagh, said at the microfinance conference by Sa-Dhan. "Out of the 500 million workforce in India, 400 million are in the informal sector. This informal sector workforce is those who hugely benefit from the microfinance sector." "The task in hand for the microfinance sector is to create green jobs for millions. And for this USD 100 billion will be required by the microfinance sector to promote green livelihood," Sinha said. Sinha also said one of the key challenges today is to create quality jobs for the millions who join the workforce every year, however, the aspirations of landing a government job cannot be fulfilled and they are limited. There are only 3.5 crore or 35 million government jobs available today, he said.

<https://www.financialexpress.com/industry/microfin-industry-needs-100-bn-to-promote-green-livelihood-jayant-sinha/2812599/>

PFRDA further eases paperless onboarding with CKYC documentation

Easing the paperless on-boarding process further, pension fund regulator PFRDA on Monday said that documentation for joining its scheme can be furnished through the government's Central KYC (CYC). Central KYC (CKYC) is the government's initiative which allows users to complete their KYC (know your customer) only once for interacting with multiple service providers across the financial sector falling under various regulators. The Pension Fund Regulatory and Development Authority (PFRDA) already facilitates digital onboarding for its pension schemes under National Pension System (NPS) through documents issued via Digilocker, Aadhaar eKYC, PAN or bank account details.

https://www.business-standard.com/article/finance/pfrda-further-eases-paperless-onboarding-with-ckyc-documentation-122111401098_1.html

Industry

Retail sales in October jump 15% from year-ago, 19% from pre-pandemic levels: Survey

Retailers including micro, small and medium units across the country saw 15 per cent growth in sales in October in comparison to the year-ago period and 19 per cent vis-a-vis the pre-pandemic sales level as of October 2019, said the latest retail business survey by retail body Retailers Association of India (RAI) on Monday. The September retail sales growth stood at 21 per cent as compared to September 2019 before Covid. Kumar Rajagopalan, CEO at RAI said the removal of pandemic-related restrictions has resulted in the all round growth of retail businesses across regions and categories. However, in order to understand the complete impact of the festival season on retail sales, it is essential to see the figures for October and November combined, he added. "We would await the results for the month of November to draw definitive conclusions. However, all the signs indicate a positive trend."

<https://www.financialexpress.com/industry/sme/msme-eodb-retail-sales-in-october-jump-15-from-year-ago-19-from-pre-pandemic-levels-survey/2812319/>

Auto component suppliers to log 8-10% revenue growth this fiscal: ICRA

Auto component suppliers are expected to log an 8-10 per cent growth in revenue this fiscal driven by healthy domestic original equipment manufacturers (OEMs) and pent-up demand from the aftermarket even as headwinds

persist on the exports front, credit ratings agency ICRA said in a report. For the first half of the current fiscal, the industry reported a year-on-year growth of 29 per cent, ICRA said on Monday, based on projections from 49 auto ancillaries with aggregate annual revenues of close to Rs 3,00,000 crore. The export orders have slowed down in the last few months, impacted by inflationary pressures, geopolitical tensions, and supply-chain issues.

https://www.business-standard.com/article/companies/auto-component-suppliers-to-log-8-10-revenue-growth-this-fiscal-icra-122111400543_1.html

From apparels to durables, entry segment products take a hit due to inflation

Leading Titan, Aditya Birla Fashion, Whirlpool and other top retail and electronic brands said demand for mass-priced merchandise is under pressure due to inflation and growth is largely being driven by premium products. "I think consumers of the premium market are less affected by everything that's happening around," Ashish Dikshit, managing director of Aditya Birla Fashion and Retail (ABFRL), told investors during an earnings call. "We continue to see continued buoyancy around the better-to-do, well-to-do customers, more urban markets, and more on premium parts of the business. Pantaloons, on the other hand, has operated in an environment where consumers have been probably more affected in this current inflationary environment." The companies said consumers with more disposable income are better insulated from inflation and rising prices across segments than those with less.

<https://economictimes.indiatimes.com/industry/services/retail/from-apparels-to-durables-entry-segment-products-takes-a-hit-due-to-inflation/articleshow/95517042.cms>

India IT spending to grow 2.6% in 2023 to \$112.4 billion, says Gartner

India IT spending is projected to grow 2.6% year on year in 2023, according to a forecast by global research firm Gartner Inc. Indian businesses will continue to increase their spending in key segments of information technology next year even with the looming tensions of global inflation and the weakening rupee. This compares with the 5.1% year-on-year growth seen in global IT spending for the same period. The spending will jump to \$112.4 billion for the calendar year compared to \$109.6 billion in 2022. It grew 1.9% year on year in 2022. Gartner forecasts weakening demand for devices in 2023 as device upgrades are seen to stabilise after a post-pandemic boom.

<https://economictimes.indiatimes.com/tech/technology/india-it-spending-to-grow-2-6-in-2023-to-112-4-billion-says-gartner/articleshow/95510499.cms>

Agriculture

Wheat stocks halve from a year ago, inventories marginally higher: Data

Indian wheat stocks held in government warehouses were half the level of a year ago on Nov. 1, government data showed on Monday, but inventories were marginally higher than the official target. Wheat reserves in state stores totalled 21 million tonnes at the start of this month, down from 42 million tonnes on Nov. 1, 2021, but still slightly higher than the official target of 20.5 million tonnes for the quarter ending Dec. 31. Wheat inventories at government-run granaries stood at 22.7 million tonnes on Oct. 1. Lower state reserves could hobble the government's efforts to release stocks to cool wheat prices, something it does regularly for bulk buyers such as flour and biscuit makers. Wheat prices have surged in India despite the world's second biggest producer of the grain implementing a ban on exports in May as it was stung by a sudden drop in crop yields.

https://www.business-standard.com/article/economy-policy/wheat-stocks-halve-from-a-year-ago-inventories-marginally-higher-data-122111401483_1.html

India's domestic cotton demand set to dip 6% in 2022-23

India's domestic cotton demand for the 2022-23 season up to September is estimated to be lower by about 18 lakh bales (170 kg each) at 300 lakh bales or nearly 6 per cent less than last year's 318 lakh bales, the Cotton Association of India (CAI) has estimated. The association's Cotton Crop Committee meeting on Monday attributed the decline in domestic consumption to a reduction in operations of mills due to slack demand for yarn and cloth. The cotton trade body said spinning mills operated at 40-60 per cent capacity in the first quarter, which may cause cotton consumption to drop in India for the year starting October 2022.

<https://www.thehindubusinessline.com/economy/agri-business/indias-domestic-cotton-demand-set-to-dip-6-in-2022-23/article66136039.ece>

Infrastructure

Gadkari inaugurates two Rs 3,390-cr national highway projects in Bihar

Union Minister for Road Transport and Highways Nitin Gadkari on Monday inaugurated two National Highway projects worth Rs 3,390 crore in Bihar's Buxar in the presence of Union Minister of State Ashwini Kumar Choubey, Bihar BJP president Sanjay Jaiswal and other officials. Gadkari said with the 44 km 4-lane Koilwar to Bhojpur section on NH-922 constructed at a cost of Rs 1,662 crore and 48 km 4-lane Bhojpur to Buxar section on NH-922 constructed at a cost of Rs 1,728 crore connectivity with Purvanchal Expressway will be easy. This will make it easy to reach Delhi from Bihar via Lucknow. The time taken to reach Delhi will be reduced from 15 hours to 10 hours, he added.

https://www.business-standard.com/article/economy-policy/gadkari-inaugurates-two-rs-3-390-cr-national-highway-projects-in-bihar-122111401478_1.html

Indian cities will need \$840 bn investment over 15 years: World Bank

India's urban infrastructure would require an investment of \$840 billion – that is, 1.18 per cent of the estimated GDP – over a period of 15 years till 2036, according to a World Bank report released on Monday.

https://www.business-standard.com/article/economy-policy/indian-cities-will-need-840-bn-investment-over-15-years-world-bank-122111400536_1.html

Energy

Auto fuel demand to remain buoyant in November, December

Post the seasonally weak July-September quarter, India's fuel demand is rising aided by increasing industrial and farm activity among other factors with petroleum product (POL) consumption during October being the highest for the month in the last 10 years. Diesel consumption at 7 million tonnes (mt) last month was the highest since June 2022, while petrol consumption at 3 mt was the highest since August. POL consumption stood at 18.4 mt. The buoyant demand for auto fuels witnessed in October is expected to continue in the remaining months of the third quarter of FY23 aided by increasing industrial activity, road construction, farm activity and opening of schools and offices. October-December is also a seasonally strong quarter for consumption and demand for auto fuels.

<https://www.thehindubusinessline.com/markets/commodities/auto-fuel-demand-to-remain-buoyant-in-november-december/article66136000.ece>

OMCs may not immediately cut fuel prices: Fitch Ratings

Fitch Ratings on Monday said that it does not expect oil marketing companies (OMCs) to immediately cut retail prices of diesel and petrol as the focus would be on first recouping losses. "Fitch expects crude oil prices to fall to an average of \$96 per barrel in FY23 and believes that OMCs may not immediately cut fuel prices, allowing marketing margins to normalise and recoup some of the current losses," it said in a statement. However, retail losses would still outweigh the strength in demand and refining margins in FY23, weakening OMCs' credit metrics to beyond their standalone credit profiles' (SCPs) negative triggers, it added.

<https://www.thehindubusinessline.com/economy/omcs-may-not-immediately-cut-fuel-prices-fitch-ratings/article66136597.ece>

Telecom

DoT asks telcos to bar SMS for 24 hrs on new SIM cards

The Department of Telecommunications (DoT) said on Monday that the SMS facility (both incoming and outgoing) on numbers requesting subscriber identity module (SIM) swap or upgrade shall be barred for 24 hours on new SIM cards after activation. Telecom operators have 15 days to implement the procedure. The added measure addresses the risk of SIM swap fraud. The DoT has already outlined detailed measures to be implemented when handling a SIM upgrade, reissue, swap request, including multiple layers of confirmation once the customer raises the request.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-asks-telcos-to-bar-sms-for-24-hrs-on-new-sim-cards/articleshow/95513528.cms>

Trai ropes in financial regulators to curb phishing, cyber frauds

The Telecom Regulatory Authority of India (Trai) has formed a joint committee of financial regulators, including officials from the Reserve Bank of India (RBI) and Securities and Exchange Board of India (Sebi) to effectively curtail the growing menace of phishing and cyber frauds through a process involving whitelisting. "We are trying to address the issue of unsolicited commercial communication (UCC) through the joint committee of financial regulators such as the RBI and Sebi," Trai secretary V Raghunandan told ET. He said that the panel analysed the matter and has identified certain areas in a bid to find ways to prevent financial frauds largely aimed at luring mobile subscribers with a phishing link. Last week, Trai chairman PD Vaghela had led a detailed discussion with financial sector regulators.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-ropes-in-financial-regulators-to-curb-phishing-cyber-frauds/articleshow/95517096.cms>

Telecom infrastructure companies to share assets with notified entities

The Department of Telecommunications (DoT) has amended registration rules of telecom infrastructure companies to provide access of their assets to entities that will be notified by the Centre in public interest and for national security, an official notice said. Earlier, sharing of assets like dark fibres, duct space and mobile towers of telecom infrastructure companies was allowed on mutually agreed terms with the other parties. The norms amended on November 10 added that "IP-1 registration holders shall also share the above mentioned infrastructure with the entities as may be specified by the central government". Digital Infrastructure Providers Association, which represents companies like Indus Towers and American Tower Corporation, said the amendment in the Scope of IP-1 registration has been addressed with regards to implementation of National Cyclone Risk Mitigation project and ensuring safety of the citizens.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/telecom-infrastructure-companies-to-share-assets-with-notified-entities/articleshow/95517283.cms>

5G set to cover 80% of India by next October if chip supply is assured

Telecom gear companies have put together a 5G network rollout plan with service providers to install new radios at an average of 160,000 towers per operator by September-October or during the festival season next year.

https://www.business-standard.com/article/technology/5g-set-to-cover-80-of-india-by-next-october-if-chip-supply-is-assured-122111400804_1.html

External

India's edible oil import bill rises 34% to Rs 1.57 trillion, says SEA

India's edible oil import bill rose 34.18 per cent to Rs 1.57 trillion in the oil year ending October 2022, while in volume terms it rose 6.85 per cent to 140.3 lakh tonnes, industry body SEA said on Monday. India, the world's leading vegetable oil buyer, had imported 131.3 lakh tonnes of edible oils in the 2020-21 oil year (November-October) for Rs 1.17 trillion in the previous year, according to the Solvent Extractors Association of India (SEA). Import gradually increased during the first two quarters and it slowed down in the third quarter. However, it again increased in the fourth quarter due to the lifting of a ban on palm oil by Indonesia and a sharp decline in international prices which boosted buying from India, it said.

https://www.business-standard.com/article/economy-policy/india-s-edible-oil-import-bill-rises-34-to-rs-1-57-trillion-says-sea-122111400927_1.html

India's smartphone shipments drop 10% in Q3 as prices hit record: IDC

India's smartphone market fell by 10% year-on-year last quarter to 43.5 million units, marking the lowest third-quarter shipment since 2019, and a high inventory pile-up is expected to lead to a muted fourth quarter, market research firm IDC said on Monday. Despite the festival season beginning earlier than usual, the unrelenting rise in prices pulled down shipments in the world's second-biggest smartphone market, IDC said. The average selling price jumped 15% year-over-year, and 6% from the previous quarter, to a record \$226, IDC said.

https://www.business-standard.com/article/technology/india-s-smartphone-shipments-drop-10-in-q3-as-prices-hit-record-idc-122111401036_1.html