



May 17, 2022 – Tuesday

### Key Developments

#### **Sebi eases annual report dispatch rules for entities with listed non-convertible securities**

Capital markets regulator Sebi has relaxed compliance rules for entities with listed non-convertible securities from dispatching physical copies of annual report to the debenture holders till December-end. The development comes after the Ministry of Corporate Affairs (MCA) on May 5, extended the relaxations related to dispatching the physical copies of financial statements for the year 2022 till December 31, 2022. Now, it has been decided to provide relaxation up till December 31, 2022, from the requirements of the Listing Regulations which prescribes that an entity, with listed non-convertible securities, shall send a hard copy of statement to those holders of non-convertible securities, who have not registered their email address either with the listed entity or with any depository, Sebi said in a circular issued on Friday. The new framework will come into force with immediate effect, the Securities and Exchange Board of India (Sebi) said. Earlier, this relaxation was applicable till December 2021. The markets regulator, last week, gave similar relaxations to listed companies from sending hard copies of annual reports to shareholders who have not registered their email addresses up till December 2022.

<https://www.financialexpress.com/market/sebi-eases-annual-report-dispatch-rules-for-entities-with-listed-non-convertible-securities/2526453/>

### Economy

#### **Some states have a bigger inflation battle in their hands**

Some states are having to bear the brunt of inflation more than others as relentless price rise of everyday-use items continues to run households ragged across the country. While last week's data put CPI numbers at a near 8-year high of 7.8 per cent, four states — West Bengal, Madhya Pradesh, Haryana and Telangana — registered inflation of 9 per cent. In seven other states in the country, inflation for the period under consideration breached 8 per cent, data showed. These states are probably seeing more price pressures as their supplies have gotten disrupted more because of the Ukraine war, economists have noted. A few states, though, are not seeing much price pressures. At the other end of the spectrum, two states — Kerala and Tamil Nadu — saw April inflation at just over 5%.

<https://economictimes.indiatimes.com/news/economy/indicators/some-states-have-a-bigger-inflation-battle-in-their-hands/articleshow/91588056.cms>

#### **India will have over 900 million internet users by 2025: Kantar report**

With rising internet access in the country, more than half of online shoppers are expected to buy products from social commerce platforms by 2025. According to a report by insights and consulting company Kantar, the rise in internet users in the country will fuel the adoption of social commerce, healthtech, online education and smart home solutions, among others. The report estimates that by 2025, India will have over 900 million internet users driving more than 500 million digital transactions. It expects that in more than 87 per cent of the Indian households will have at least one internet user by 2025. The report, which has identified key trends that will drive this digital ecosystem, states that already 27 per cent of the online shoppers have experienced social commerce, and by 2025, over half of all shoppers would have also bought products through social commerce platforms.

<https://www.thehindubusinessline.com/economy/india-will-have-over-900-million-internet-users-by-2025-kantar-report/article65419416.ece>

## Banking and Finance

### SEBI reviews regulations to keep pace with use of tech in the market

The Securities and Exchange Board of India (SEBI), led by its new chairperson Madhabi Puri Buch, is undertaking a complete review of regulations to ensure it is ready to meet the challenges posed by the fast-changing adoption of technology by market players. The regulator is also seeking the Centre's clearance under the Information Technology Act to intercept and decrypt digital communications. SEBI has set up an internal committee to review regulations, according to a source close to the development. "Technology is changing fast and this has also changed the way the market operates. But some of the regulations are from an earlier era. We want to make sure the regulations keep pace with innovations in the marketplace. While innovation will always be ahead, regulations should not be more than two steps behind," said the source.

<https://www.thehindubusinessline.com/markets/sebireviews-regulations-to-keep-pace-with-use-of-tech-in-the-market/article65419473.ece>

### Govt puts Pawan Hans sale on hold over NCLT order against winning consortium member

The government has put on hold the sale of Pawan Hans as it is legally examining an NCLT order against Almas Global, which is part of the winning consortium, an official said on Monday. "We will do a legal examination of the NCLT order before proceeding further. Letter of Award has not been issued," the official said. Last month, the government selected M/s Star9 Mobility Pvt Ltd, a consortium of M/s Big Charter Private Limited, M/s Maharaja Aviation Private Limited and M/s Almas Global Opportunity Fund SPC, as the winning bidder for Pawan Hans. Star9 Mobility had quoted Rs 211.14 crore for Pawan Hans, which was above the Reserve Price of Rs 199.92 crore fixed by the government on the basis of valuation carried out by the transaction adviser and asset valuer.

[https://economictimes.indiatimes.com/news/economy/policy/govt-puts-pawan-hans-sale-on-hold-over-nclt-order-against-winning-consortium-member/articleshow/91599957.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/news/economy/policy/govt-puts-pawan-hans-sale-on-hold-over-nclt-order-against-winning-consortium-member/articleshow/91599957.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

### RBI may raise interest rates to pre-pandemic level by August amid war-induced high inflation: SBI Research

The Reserve Bank of India will inevitably hike interest rates in the upcoming monetary policy meetings and may take the rates upto the pre-pandemic levels of 5.15 per cent as early as August due to biting inflation, according to an SBI research report. Food prices in rural areas and fuel prices in urban areas have risen sharply. This inflation is largely because of the Russia-Ukraine war which has put pressure on the supply chain, and hence it is futile to blame Reserve Bank of India (RBI) for the inflationary pressure, the report added. "Using February as the base case (the beginning of the Ukraine and Russia conflict), our study reveals that because of war alone, Food and Beverages (assuming that vegetable price increase was mostly because of seasonal factors, that are largely domestic) and Fuel and Light & Transport contributed 52% of the increase in overall inflation since February. If we also add the impact of input costs particularly on the FMCG sector, thus adding the contribution of personal care and effects, the total impact at all India level comes to 59%, purely because of war," according to the SBI Ecowrap published Monday.

<https://www.financialexpress.com/economy/rbi-may-raise-interest-rates-to-pre-pandemic-level-by-august-amid-war-induced-high-inflation-sbi-research/2526337/>

### Spiraling inflation may boost gold demand as a hedge: Report

Despite the World Gold Council's projection of a dip in consumer demand for the precious metal this fiscal on the back of rising prices and record imports last fiscal, a foreign brokerage report has suggested that the demand may rise more than generally projected as households may snap up the metal as a hedge against spiralling inflation. Gold imports rose 33.34 per cent to USD 46.14 billion in FY22 to 837 tonnes or 1.5 times above the pandemic low in FY21 and 12 per cent more than the pre-pandemic average of FY16-20, leading to a higher current account deficit that's seen at 3 per cent of GDP, government data showed last month. Gold imports are projected to marginally decline to USD 43 billion in FY23, according to UBS Securities India report released on Monday. The surge in gold imports in

FY22 contributed to the widening of the trade deficit to USD 192.41 billion as against USD 102.62 billion in FY21. India is the world's second-biggest gold consumer after China.

<https://www.financialexpress.com/market/commodities/spiraling-inflation-may-boost-gold-demand-as-a-hedge-report/2526771/>

## Industry

### Smartphone companies no longer keen on mass segment

The Indian smartphone market is seeing a fundamental shift in the way it operates due to high input costs and changing consumer trends, with smartphone makers finding it hard to make and sell phones in the segment under ₹10,000, which used to drive the highest volumes even till last year. The mass segment, under ₹10,000, has seen a 15% decline in shipments in the first quarter of 2022, according to market trackers, resulting from the prevailing chip shortage, high logistics costs and softening demand, which is driving the volumes up in the subsequent - ₹10,000-20,000 - price segment. As a result, the average selling price (ASP) has increased to ₹16,000 in the first quarter, according to IDC India. Counterpoint Research also found the ₹10,000-20,000 price band grew by 9% on-year in the quarter, the same time when the sub-₹10,000 segment shrank by 15%.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-companies-no-longer-keen-on-mass-segment/articleshow/91604225.cms>

### Premium vehicle sales on an upswing: Report

While supply-chain issues have affected a raft of vehicle manufacturers, counterintuitively, models priced higher than the entry level have continued to find buyers, as per a Crisil report. While supply-chain issues have affected a raft of vehicle manufacturers, counterintuitively, models priced higher than the entry level have continued to find buyers, as per a Crisil report. A stark difference in income sentiment of the respective target consumers, a sharper rise in the prices of lower-end cars, fewer options (some manufacturers exited the segment), and a slew of new launches that have increased the preference for higher-priced cars.

<https://economictimes.indiatimes.com/industry/auto/auto-news/premium-vehicle-sales-on-an-upswing-report/articleshow/91590260.cms>

### Tech-enabled players to account for 20 per cent of used-car sales by FY26: Report

Tech-enabled players in the Indian used-car market are likely to account for a 20-22 per cent share in FY26, up from 2-3 per cent now, according to Praxis Global Alliance, a management consulting and advisory services firm. The market has seen the rise of a number of tech-enabled players including Cars24, CarDekho, Spinny, CarTradeTech and Droom, who are engaged in the sales, servicing and finance of used cars.

<https://www.thehindubusinessline.com/companies/tech-enabled-players-to-account-for-one-fifth-of-used-car-sales-by-fy26/article65418845.ece>

### Indian tablet market grows 68% in March 2022 quarter; Lenovo leads

The tablet market in India grew 68 per cent year-on-year in the first quarter ended March 2022, with Lenovo leading the chart, a Cybermedia Research report released on Monday said. According to the report, tablet shipments are likely to register a healthy 10-12 per cent growth in 2022. The 4G tablets recorded 74 per cent year-on-year growth during the reported quarter. "Driven by the pandemic and the continuous rise and ebb of the COVID-19 cases, many of the sectors are persisting with hybrid or remote work. This is continuing to fuel the adoption of tablets for work, e-learning and content consumption use cases. "The education and healthcare sector have contributed to the uptick in the overall tablet market in India," Cybermedia Research (CMR) analyst-industry intelligence group Menka Kumari said. "The education and healthcare sector have contributed to the uptick in the overall tablet market in India," Cybermedia Research (CMR) analyst-industry intelligence group Menka Kumari said.

[https://economictimes.indiatimes.com/industry/cons-products/electronics/indian-tablet-market-grows-68-in-march-2022-quarter-lenovo-leads/articleshow/91599847.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/industry/cons-products/electronics/indian-tablet-market-grows-68-in-march-2022-quarter-lenovo-leads/articleshow/91599847.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

## Agriculture

### **Steeper MSP hikes likely as farm input costs soar**

A spurt in farm input costs will likely force the government to announce a higher-than-usual hike in the benchmark prices of summer-sown crops for the crop year starting July, sources told FE. Any such move could inflate procurement costs for welfare programmes and potentially add to price pressure, putting both the government and the central bank in a tricky situation, as they step in to douse the inflation fire in the wake of the Ukraine crisis. In 2021-22, the government had raised the minimum support prices (MSPs) of over a dozen Kharif crops by just 1-7% from a year before. The hike this time around could be more substantial, if not massive, as the government will seek a middle ground to balance the interest of producers with that of consumers, said the sources. A senior finance ministry official conceded that the surge in input costs is “definitely a matter of concern” and could ultimately drive up the food subsidy bill. If the cost of farm production soars, the MSPs may have to be hiked accordingly.

<https://www.financialexpress.com/economy/steeper-msp-hikes-likely-as-farm-input-costs-soar/2525794/>

### **Wheat prices, arrivals drop in many states following ban on exports**

With wheat prices in many parts of the country dropping in view of the Centre’s ban on the grain’s exports, wheat arrivals in some States have dropped over the last couple of days. Traders said the current situation could be temporary and do not see a substantial fall in prices over the coming months. Both farmers and traders, who have wheat stocks, are still hopeful of realising better rates whenever they bring the grains to the market. “Before the ban, wheat prices were at ₹2,250/quintal and have come down to ₹2,140 today. There was a drop of ₹40/quintal on Monday from the day before. However, it is temporary and there may not be a big fall,” said Pawan Agarwal, a trader in Ghaziabad district of Uttar Pradesh which witnessed the highest arrivals in the State during May 14-16.

<https://www.thehindubusinessline.com/economy/agri-business/wheat-prices-arrivals-drop-in-many-states-following-ban-on-exports/article65420052.ece>

## **Energy**

### **Compressed natural gas set to be cheaper by ₹5-6 per kg**

Compressed natural gas (CNG) prices are likely to fall over the next few days as the overall cost of gas has reduced for city gas companies, said industry executives. State-run GAIL will supply natural gas at \$8.04 per mmBtu during the second fortnight of May to city gas companies for domestic use and transport, said the executives, who did not wish to be identified. This will help companies cut CNG rates by ₹5-6 per kg, an executive said, adding that the reduction would vary from operator to operator. GAIL's supply price is higher than \$6.10 that city gas companies pay for domestic gas but is much lower than the cost they incur in importing gas. Cheap domestic gas supplies haven't been able to keep pace with rising CNG demand as city gas services have spread across the country and more drivers have switched to CNG vehicles. This has prompted city gas distributors to source pricey imports. Rates in international spot markets have been highly volatile in past eight months and are currently around \$22 per mmBtu.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/compressed-natural-gas-set-to-be-cheaper-by-5-6-per-kg/articleshow/91604026.cms>

### **Jet fuel prices at all-time high with 5.3% hike; 10th increase this year**

Jet fuel prices on Monday were hiked by a steep 5.3 per cent - the tenth straight increase this year -- to an all-time high, in line with a surge in global energy prices. The price of aviation turbine fuel (ATF) -- the fuel that helps aeroplanes fly -- was hiked by Rs 6,188.25 per kilolitre, or 5.29 per cent, to Rs 1,23,039.71 per kl (Rs 123 per litre) in the national capital, according to a price notification of state-owned fuel retailers. This is the 10th straight increase in jet fuel prices this year. Meanwhile, petrol and diesel prices remained unchanged for the 41st straight day after rising by a record Rs 10 per litre each. Petrol and diesel prices were hiked by Rs 10 a litre between March 22 and April 6 and have remained on freeze thereafter. State-owned oil firms have offered no reason for keeping petrol and diesel prices on freeze while raising ATF rates.

[https://www.business-standard.com/article/economy-policy/jet-fuel-price-at-all-time-high-with-5-3-hike-10th-increase-this-year-122051600489\\_1.html](https://www.business-standard.com/article/economy-policy/jet-fuel-price-at-all-time-high-with-5-3-hike-10th-increase-this-year-122051600489_1.html)

## **Petrol, diesel sales rebound in May**

India's petrol and diesel consumption jumped in May as pick up in the economic activity as well as the start of the harvesting season aided the return of demand, a preliminary industry data showed on Monday. Petrol sales grew 14 per cent during the first half of May when compared with the same period in the preceding month, while diesel demand rose 1.8 per cent. Cooking gas LPG, which last month saw consumption declining because of high prices, posted a 2.8 per cent rise in sales during May 1-15. Petrol sales by state-owned fuel retailers, which control roughly 90 per cent of the market, at 1.28 million tonnes during May 1-15 were 59.7 per cent higher than the same period last year and 16.3 per cent higher than the period in 2019, preliminary industry data showed.

[https://economictimes.indiatimes.com/industry/energy/oil-gas/petrol-diesel-sales-rebound-in-may/articleshow/91591920.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/industry/energy/oil-gas/petrol-diesel-sales-rebound-in-may/articleshow/91591920.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

## Telecom

### PM Narendra Modi to launch 5G testbed on May 17

Prime Minister Narendra Modi will launch a 5G testbed on Tuesday which will support the country's telecom industry and startups to validate their products, prototypes and solutions in the fifth generation, as well as next-generation technologies. Modi will address a virtual program on Tuesday, marking the silver jubilee celebration of the Telecom Regulatory Authority of India (TRAI). The PM will also release a postal stamp to commemorate the occasion, as per a government press release. The 5G testbed has been developed as a multi-institute collaborative project by a total of eight institutes, led by IIT Madras. The other institutes that participated in the project include IIT Delhi, IIT Hyderabad, IIT Bombay, IIT Kanpur, IISc Bangalore, Society for Applied Microwave Electronics Engineering & Research (SAMEER) and Centre of Excellence in Wireless Technology (CEWiT).

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/pm-narendra-modi-to-launch-5g-testbed-on-may-17/articleshow/91599346.cms>

### 'Mandatory local gear testing from July 1 may delay 4G expansion, 5G roll outs'

The government's push for the first wave of 5G network rollouts by August-September could hit a snag with the likelihood of disruptions in network gear availability in India in the coming weeks. This is since the Department of Telecommunications (DoT) wants all imported network gear to be tested for safety checks at local labs, post-July 1, 2022, under the Mandatory Testing & Certification of Telecom Equipment (MTCTE) regime. Senior industry executives said DoT's insistence on in-country testing of network equipment by local labs recognised by its technical arm, Telecom Engineering Centre (TEC), could end up disrupting timely gear supplies to telcos and derail 5G rollouts. They want the in-country testing deadline to be extended to January 1, 2023, from the current July 1 deadline. This, they said, is since local labs are yet to gain the necessary expertise to undertake comprehensive testing of latest imported radio network gear such as base stations, microwave systems, switches or routers amongst others.

[https://economictimes.indiatimes.com/industry/telecom/telecom-news/mandatory-local-gear-testing-from-july-1-may-delay-4g-expansion-5g-roll-outs/articleshow/91594468.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/industry/telecom/telecom-news/mandatory-local-gear-testing-from-july-1-may-delay-4g-expansion-5g-roll-outs/articleshow/91594468.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

## Healthcare

### Union Minister Meghwal launches mental health helpline

Minister of State for Parliamentary Affairs & Culture Arjun Ram Meghwal, launched a free mental health helpline run by AXA France Vie's India division and Delhi-based non governmental organization (NGO) Manas Foundation. The 24X7 pan India helpline will provide mental health support and consultations from counsellors and psychologists. "In the aftermath of COVID-19 there have been increasing incidents of depression and suicides," said Meghwal adding that the helpline will generate awareness about mental illness and provide support to individuals. "Through this initiative, we aim to help bridge the major gap in care for people suffering with poor mental health, which is integral to ensure holistic wellbeing," said Gordon Watson, CEO of AXA Asia & Africa.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/union-minister-meghwal-launches-mental-health-helpline/articleshow/91602204.cms>

## External

### **Netherlands jumps 5 places to become India's 5th-largest export destination**

The Netherlands has emerged as India's fifth-largest export destination in 2021-22 (FY22), jumping from its 10th position a year ago. Exports to the fifth-largest economy in the European Union (EU) bolted 94 per cent to \$12.5 billion in the financial year ended March 31. In FY22, the Netherlands surpassed Hong Kong, Singapore, the UK, Germany, and Nepal to become India's largest export destination in the EU. Germany, which was earlier India's top European export destination (eighth position), has now dropped two ranks to 10th place.

[https://www.business-standard.com/article/economy-policy/netherlands-jumps-5-places-to-become-india-s-5th-largest-export-destination-122051600048\\_1.html](https://www.business-standard.com/article/economy-policy/netherlands-jumps-5-places-to-become-india-s-5th-largest-export-destination-122051600048_1.html)

### **Readymade garment exporters want India to ban cotton exports**

India's readymade garment exporters want a ban on cotton exports, saying they are facing a severe liquidity crisis because of soaring cotton and yarn prices, which is making it difficult for them to deliver shipments to their foreign buyers on time. Some foreign buyers have sought up to a 30% discount if goods are delayed over 15 days in time or asked for air transport at their own cost, which would wipe out profits for sellers, industry sources told ET. The industry wants a ban on cotton exports from India to check the rising prices. India had on Friday banned wheat exports following a sharp rally in local prices. Textiles minister Piyush Goyal has called a meeting on May 17 to discuss the rising prices of cotton and yarn. The industry will suggest a ban on exports to tide over the crisis.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/readymade-garment-exporters-want-india-to-ban-cotton-exports/articleshow/91591316.cms>

### **European buyers not keen to pick up Darjeeling tea**

Darjeeling's tea industry is feeling the heat of the Russia-Ukraine war, as European buyers are not keen to lift the commodity due to depreciation of the euro that has made imports more expensive for them. Prices of Darjeeling tea fell to half at the auctions last week compared with the previous week as a result of weak demand from Europe, raising concerns in the industry. "The Russia-Ukraine war has created an air of uncertainty in the entire Europe. Europeans are feeling the pinch of the rising inflationary pressure," Binod Mohan, a Darjeeling planter and former chairman of the Darjeeling Tea Association, told ET. "Even if they are buying tea, they are not ready to pay more. The price is at last year's level even though our cost of production has gone up due to a hike in the prices of coal, fertilisers and other raw materials."

<https://economictimes.indiatimes.com/news/economy/agriculture/european-buyers-not-keen-to-pick-up-darjeeling-tea/articleshow/91603941.cms>