



November 16, 2022 – Wednesday

Economy

Freshly crafted Data Protection Bill to be out soon

With the Winter Session of Parliament around the corner, the much-promised draft of the freshly crafted Data Protection Bill is likely to be released in the coming days. While there was a buzz about an official briefing on the bill on Wednesday, Minister of State for Electronics and IT Rajeev Chandrasekhar said on Tuesday that the new law would put an end to the misuse of customer data and that violators would face punitive action under the rule. The government in August withdrew the Personal Data Protection Bill from Lok Sabha and said it will come out with a “set of fresh legislation” that will fit into the comprehensive legal framework.

<https://www.thehindubusinessline.com/info-tech/fresh-data-protection-bill-to-be-out-soon/article66141304.ece>

MGNREGS work in October lowest in FY23

Work generation under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) fell to its lowest in this financial year in October as economic activity picked up during the festive month, official data showed. Person-days of work generated fell 10.6% month-on-month to 157 million in October from 175.7 million in September while the year-on-year decline stood at 29.1%. Work generated in April was 285.8 million, 435.1 million in May, 421.7 million in June, 235.3 million in July and 167.2 million in August. The benefiting households fell 7% in October to 13.2 million from 14.2 million in September while the year-on-year decline was 23.6%, from 17.3 million in October 2021. The number of households that benefited from MGNREGA stood at 18.6 million in April, 26.2 million in May, 27.5 million in June, 17.5 million in July, 13.7 million in August and 14.2 million in September.

<https://economictimes.indiatimes.com/news/economy/policy/mgnregs-work-in-october-lowest-in-fy23/articleshow/95541114.cms>

Banking and Finance

Policy transmission disjointed in bond market: RBI deputy governor Patra

Certain features of the domestic market for government securities dampen the transmission of monetary policy, with uneven market liquidity being a key factor, Reserve Bank of India (RBI) Deputy Governor Michael Patra said. “The G-sec (government security) market’s microstructure also tends to dampen transmission... the lament of monetary policy in India is that liquidity in the G-sec market is not uniform across the curve and concentrated in only on-the-run securities of five years, seven years, 10 years and 14 years maturities,” Patra said at the Treasury Heads’ Seminar organised by the RBI at Lonavla on November 12. The RBI released the speech on its website on Tuesday.

https://www.business-standard.com/article/economy-policy/policy-transmission-disjointed-in-india-s-bond-market-says-rbi-dg-patra-122111502018_1.html

Post RBI nod, 9 vostro accounts opened to facilitate overseas trade in rupee

The government said nine special vostro accounts have been opened with two Indian banks after permission from the Reserve Bank of India (RBI) to facilitate overseas trade in Indian rupee. Sberbank and VTB Bank-the largest and second-largest banks of Russia respectively-are the first foreign lenders to receive approval after the RBI announced

the guidelines for overseas trade in the rupee in July. Another Russian bank Gazprom, which does not have its bank in India, has also opened this account with Kolkata-based UCO Bank. "Nine accounts have been opened. One in UCO Bank, one in Sber, one in VTB and six with IndusInd Bank. These six are different Russian banks," commerce secretary Sunil Barthwal said while releasing trade data. The move to open the special vostro accounts clears the deck for settlement of payments in rupee for India-Russia trade, enabling cross-border transactions in the Indian currency.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/post-rbi-nod-9-vostro-accounts-opened-to-facilitate-overseas-trade-in-rupee/articleshow/95541151.cms>

RBI likely to go for smaller rate hikes as inflation eases: Analysts

The Reserve Bank of India is likely to opt for a 35 basis points (bps) rate hike at its policy meeting in December, after three consecutive 50 bps increases, as inflation eased in October and is likely to dip further, analysts said. "Our base case envisages a 35 bps hike in December and a final 25 bps hike in February for a terminal repo rate of 6.50%," said Nomura economists, Sonal Varma and Aurodeep Nandi. Barclays expects inflation to ease further to 6.5% in November and also forecasts a 35 bps hike next month, before the RBI shifts to a neutral stance. Meanwhile, India Ratings expects an even sharper pullback given that the central bank has a front-loaded monetary tightening policy. "We expect a status quo or, at best, a 25 bps rate hike in December."

https://www.business-standard.com/article/economy-policy/rbi-likely-to-go-for-smaller-rate-hikes-as-inflation-eases-analysts-122111500820_1.html

File for insolvency after 90-day default: IBBI Chief tells lenders

Lenders should file for insolvency proceeding against a company as soon as a 90-day default occurs to prevent erosion in the value of the assets, Insolvency and Bankruptcy Board of India (IBBI) chairman Ravi Mittal has said. There is a concern that the Insolvency and Bankruptcy Code (IBC) is losing its sheen due to excessive delays and loss of value in the resolution process, he pointed out in the board's quarterly report released this week. "It is noticed that more than a year is being taken by financial creditors in filing corporate insolvency and resolution process applications post occurrence of default," Mittal said. "This delay leads to erosion in the value of assets. Thus, the creditors need to change their behaviour and submit the CIRP application early as soon as default has occurred."

<https://economictimes.indiatimes.com/news/economy/policy/file-for-insolvency-after-90-day-default-ibbi-chief-tells-lenders/articleshow/95541121.cms>

Direct tax mop-up to exceed budget target by 25-30 pc: CBDT chief

The direct tax collection in the current fiscal is likely to exceed the budget target of Rs 14.20 lakh crore by about 30 per cent, a senior official said on Tuesday. Central Board of Direct Taxes (CBDT) Chairman Nitin Gupta also said that the Budget for next fiscal could bring about some tweaks in the TDS provision for online gaming to check tax evasion. "Currently there is a provision for deduction of TDS on online gaming. There is existing provision, if it needs to be modified or retained in the same way that needs to be seen," he said. Gupta further said that given the current buoyancy in collections, the Budget target for the next fiscal (2023-24) is also likely to be higher. "For current year we believe we would be exceeding the Budget estimate by sizeable margin, it could be 25-30 per cent higher than what has been given to us. Next year, given the buoyancy of tax collection, we would be giving good collection to government," Gupta told reporters here.

<https://www.financialexpress.com/economy/direct-tax-mop-up-to-exceed-budget-target-by-25-30-pc-cbdt-chief/2816324/>

NAA to wind up, GST anti-profiteering complaints to be taken up by CCI from December 1

All GST anti-profiteering complaints would be dealt with by the Competition Commission of India (CCI) from December 1 as the extended tenure of National Anti-profiteering Authority ends this month, an official said on Tuesday. A notification in this regard is expected to be issued by the finance ministry later this month, the official added. The National Anti-profiteering Authority (NAA) was set up in November 2017 under Section 171A of Goods and Services Tax (GST) law to check unfair profiteering activities by registered suppliers. The Authority's core function is to ensure that benefits of reduction in GST rates on goods and services and of the input tax credit are passed on to consumers by way of reduction in prices. As per the decision by the Council, NAA will cease to exist from December 1. Henceforth, all investigations, based on complaints filed by consumers, will be done by the

Directorate General of Anti-profiteering (DGAP) which will then submit a report to CCI. The official said a separate wing is likely to be set up in CCI to handle complaints relating to GST profiteering.

<https://www.financialexpress.com/economy/naa-to-wind-up-gst-anti-profiteering-complaints-to-be-taken-up-by-cci-from-december-1/2815645/>

Bank credit to grow 15% this and next fiscals as economy recovers: CRISIL

Riding on a broad-based economic recovery and stronger, cleaner balance sheets, lenders are expected to see their credit growing at 15 per cent this fiscal and the next, a report said on Tuesday. Credit growth so far this fiscal has printed in at around 18 per cent, which is a decadal high. Already, large lenders have seen corporates flocking to banks for funds for capital expenditure and also for working capital as the demand side of the economy is faring better. SBI has the best corporate loan sales in Q2 recording a 20 per cent growth and so did most other lenders including private sector banks. Bank credit is seen growing 15 per cent per annum in fiscals 2023 and 2024, Crisil said in a report.

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

Industry

Mineral production increases by 4.6% during September: Ministry of Mines

According to the mines ministry's report released on Tuesday, the nation's mineral production increased by 4.6 per cent in September compared to the same month last year. In September 2022, the mining and quarrying sector's index of mineral output stood at 99.5, which was 4.6 per cent higher than the level in March 2021. In its press statement, the Ministry of Mines said, "As per the provisional statistics of the Indian Bureau of Mines (IBM), the cumulative growth for the period April-September, 2022-23 over the corresponding period of the previous year is 4.2 per cent." In September, there were 58 million tonnes of coal produced, while 2.7 million tonnes of lignite production happened in the same month. Production of natural gas (utilised) was 2,791 million cubic metres, production of petroleum (crude) was 2.4 million tonnes, and production of limestone was 305 lakh tonnes.

https://www.business-standard.com/article/economy-policy/mineral-production-increases-by-4-6-during-september-ministry-of-mines-122111502016_1.html

FMCG firms see better earnings, margins in second half as inflation slows, demand rises

Leading consumer goods makers expect their earnings to improve for the rest of this fiscal, with margins returning to pre-Covid levels on the back of reduction and stabilisation in raw material prices and early signs of improvement in demand. Companies including Britannia, Hindustan Unilever (HUL), Tata Consumer Products, Marico, Emami, Godrej Consumer Products, and Dabur in earnings calls said their Ebitda (earnings before interest, taxes, depreciation and amortisation) margins will improve sequentially in the October-December and January-March quarters. They also said they will not cut down on their advertising and promotion expenses to improve margins.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-firms-see-better-earnings-margins-in-second-half-as-inflation-slows-demand-rises/articleshow/95538086.cms>

Profitability of domestic steel makers to rise in December quarter on better demand conditions: Experts

After a challenging September quarter, the profitability of domestic steel makers in the October-December quarter is expected to improve on back of increased demand and lower input costs, analysts said. Analysts see a ray of hope in the December quarter for Indian steel companies on better domestic demand conditions. "The financial performance of Indian steel companies in the second quarter of the current fiscal has been adversely impacted by falling steel prices on one hand, and high raw material prices, especially coking coal, on the other. "However, their profitability is expected to improve in the third quarter of FY2023, given lower coking coal costs, and an expected pick-up in capacity utilisation rates on the back of better domestic demand conditions," Roy added.

<https://www.financialexpress.com/industry/profitability-of-domestic-steel-makers-to-rise-in-december-quarter-on-better-demand-conditions-experts/2815626/>

Top electric vehicle makers rev up projections, see higher sales

Buoyed by the sharp increase in electric two wheeler sales in the festival months which shows no sign of abating, electric scooter makers are increasing their earlier sales projections along with the expected speed of conversion of consumers from ICE to electric.

https://www.business-standard.com/article/automobile/projections-of-electric-scooters-rise-based-on-recent-spurt-in-sales-122111502066_1.html

Festive season widens offline - online rift on smartphones

This festive season the rift between online channels and offline retail stores has aggravated further with brick-and-mortar stores blaming ecommerce portals of controlling a majority of the sales through differential pricing, exclusive deals and discounts. Online channels captured a record 58% of smartphone sales in the third quarter of the calendar year that includes the festive season, according to an IDC India report. While the growth in the online channel remained flat, sales in the offline segment fell 20% on-year on low demand and aggressive pricing on ecommerce platforms, IDC added. Another report by Strategy Analytics saying three top three brands tilted towards ecommerce stores where the majority of their sales happened backed IDC's findings.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/festive-season-widens-offline-online-rift-on-smartphones/articleshow/95544716.cms>

Indian IT, business services market grew 7.4% in first half of 2022: Study

India's IT and business services market grew 7.4 per cent in the first half of 2022, compared to 6.4 per cent in the same period a year ago and helped by enterprises investing in digital transformation, said a report on Tuesday. The IT and business services market in the country was valued at \$7.15 billion between January and June 2022, according to International Data Corporation (IDC). IT services grew even higher at 8.1 per cent in the first half of 2022 compared to 7.3 per cent in the first half of 2021. The IT and business services market will grow strongly as enterprises continue with their digital transformation investments and it will not face considerable impact due to any economic slowdown, according to IDC.

https://www.business-standard.com/article/economy-policy/domestic-it-business-services-market-grows-7-4-in-h12022-says-idc-122111501693_1.html

Can't blame e-commerce for slow growth of retail MSMEs as claimed by traders: IIFT report

The Indian Institute of Foreign Trade (IIFT) in a research — funded by Flipkart Internet Private Limited — on India's e-commerce sector and MSMEs in the online and offline retail market has said the e-commerce sector cannot be blamed for the slow growth of the Indian retail MSME sector as pointed out by the country's traders' associations. The statement was made after an indicative analysis of complaints raised by the Indian MSME retailers and traders' associations and comparing them with the issues raised in the country's comparator economies internationally. IIFT said the report 'E-Commerce Majors, SSI retailers, and the Indian Economy – Theory and Empirics' also conducted a series of empirical tests by using a database of 49,847 firms, spanning both retail and manufacturing sector firms. This included analyses of the trends in the growth rate of the retail sector to the overall sector, the online/e-commerce sector, the offline retail sector, and lastly of the online and offline retail MSMEs in particular, for various performance indicators such as sales, exports, gross fixed assets, and the number of firms. "The results indicated that retail as a sector did not suffer from any negative impact due to the emergence of the e-commerce major. It also has a positive impact on the exchequer in terms of tax revenues owing to the growth of the organized sector. The same was also seen for offline retail firms. Further, the graphical analysis showed that while offline retail MSMEs did not fare too well in recent years, the same has not been true for online retail MSMEs," the report said.

<https://www.financialexpress.com/industry/sme/msme-eodb-cant-blame-e-commerce-for-slow-growth-of-retail-msmes-as-claimed-by-traders-iift-report/2816438/>

Agriculture

58.59 lakh metric tonne paddy procured: Haryana Dy CM Dushyant Chautala

Haryana's Deputy Chief Minister Dushyant Chautala on Tuesday said 58.59 lakh metric tonne paddy has been procured in the state during the current season, exceeding the target of 57 lakh MT. Chautala said that nearly 98 per cent of farmers have already received their paddy purchase payment amounting to Rs 11,819 crore directly into their bank accounts through DBT within 48 hours after the crop being procured and the balance will also be cleared

this week. The deputy chief minister -- who also holds the charge of the Food, Civil Supplies and Consumer Affairs Department -- said although the target given by the Centre was 57 lakh metric tonnes of paddy procurement for the current season, the state government procured 58.59 lakh metric tonnes till November 14, a day before procurement process is completed. "If we compare consumption and production based-states, Haryana is at the number one spot. Only three states -- Sikkim, Goa and Delhi -- are ahead, of which Delhi is consumption based with a limited production," he added.

<https://economictimes.indiatimes.com/news/economy/agriculture/58-59-lakh-metric-tonne-paddy-procured-haryana-dy-cm-dushyant-chautala/articleshow/95538225.cms>

Infrastructure

NHAI can never fall into a debt trap, none of its projects are loss-making: Nitin Gadkari

The National Highways Authority of India (NHAI) will not fall into a debt trap as its road projects are revenue accretive, said Nitin Gadkari, minister of road transport and highways. In an interview with ET, he said the government is giving priority to building green highways and logistic parks, and giving a push to alternative fuel vehicles. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/infrastructure/nhai-can-never-fall-into-a-debt-trap-none-of-its-projects-are-loss-making-nitin-gadkari/articleshow/95540910.cms>

NCR witnesses highest YoY dip in new launches of residential units: Study

Areas in the National Capital Region (NCR) have witnessed the highest year-on-year (YoY) decline in new launches of residential units amongst the top seven cities in the country, according to a study. The study by the real estate consultancy firm, Anarock, said that NCR accounted for 7 per cent of the total new supply in Q3 2022 across the top seven cities. Approximately 6,400 new residential units were launched between July and September 2022. In comparison to the previous quarter, new launches grew by 57 per cent, but saw a 24 per cent decline on a YoY basis. Regarding the new launches of NCR at a zonal level, Gurugram, with the highest supply share of 61 per cent in Q3 2022, saw a decline of 9 per cent against Q2 2022.

https://www.business-standard.com/article/economy-policy/ncr-witnesses-highest-yoy-dip-in-new-launches-of-residential-units-study-122111501077_1.html

Energy

India to produce 50% energy from renewables by 2030: Modi at G20 meet

India is on track to achieve its target of generating 50 per cent of its electricity from renewable sources by 2030, Prime Minister Narendra Modi told the G20 summit in Indonesia on Tuesday as he ruled out "any restrictions" on energy supply and stability. The leaders of the 20 largest economies are meeting in Bali for two days at what has been described to be one of the most divisive and challenging G20 summits ever. Modi, who was speaking at the summit's first session on food and energy security, said that while India has provided food grain to other nations, the latest global shortage should be met with a G20 agreement on secure supply chains. "India is committed to clean energy and environment. By 2030, half of our electricity will be generated from renewable sources," he said, indicating the country's climate change mitigation goals remain on track.

https://www.business-standard.com/article/economy-policy/india-to-produce-50-energy-from-renewables-by-2030-modi-at-g20-meet-122111501072_1.html

Telecom

Building 5G use cases needs strong public-private alliance: Nasscom study

Effective collaboration between public and private players for creating a skilled workforce and cybersecurity infrastructure, reducing regulatory overlaps, and providing financial incentives, will be needed to ensure that the benefits of 5G are realised across sectors, industry body Nasscom said in a report released on Tuesday. Sectors such as healthcare, energy & utilities, manufacturing, and retail are expected to benefit the most from large-scale 5G adoption, which is expected to power up to 2 per cent of India's GDP by 2030, the report said. India currently has the second highest number of telecom users in the world, at 1.1 billion, of which 740 million are 4G customers.

The study by industry body Nasscom and management consulting firm Arthur D Little said 5G would bring a shift in offering rapid upgradation of customer experience. Ecosystem collaboration between public and private players will augment India-specific 5G use cases across industries. 5G is expected to create new value through hyper-connectivity and become a catalyst for digital transformation across industries.

https://www.business-standard.com/article/economy-policy/building-5g-use-cases-needs-strong-public-private-alliance-nasscom-study-122111501516_1.html

Telecom dept suggests auction models for sale of Satcom spectrum

The Department of Telecommunications (DoT) is pushing for an auction of spectrum to be used for satellite communication and has suggested different models to the Telecom Regulatory Authority of India (Trai) to sell such airwaves to the highest bidder. Companies such as Bharti-backed OneWeb, Reliance Jio's JV with Luxembourg-based SES and Elon Musk's Starlink are working on creating a constellation of satellites to deliver 'broadband-from-space' services in India. Spectrum for such services is used, for example, for sending and receiving signals from a gateway—similar to a base transceiver station (BTS) in cellular networks—to a satellite or a constellation of satellites; between gateways, like between BTSs through backhaul; and from a gateway to a satcom user, like spectrum is used to transmit signals from a BTS to a user.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/telecom-dept-suggests-auction-models-for-sale-of-satcom-spectrum/articleshow/95541035.cms>

States

Uttar Pradesh adds most number of new companies post Covid

Uttar Pradesh has added the most number of new companies after Maharashtra since the outbreak of Covid-19, beating industrial hubs such as Delhi, Karnataka and Tamil Nadu, data combined by the corporate affairs ministry (MCA) show. Uttar Pradesh added nearly 30,000 new companies in the last three years, which helped it emerge the third state in terms of number of active companies behind only Maharashtra and Delhi. In the post-pandemic phase, UP has overtaken Karnataka, Tamil Nadu and Telangana. UP is home to 1.08 lakh active companies as of September end while Maharashtra and Delhi have 3 lakh and 2.2 lakh active companies, respectively. Karnataka and Tamil Nadu stand fourth and fifth with 1.04 lakh and 99,038 active companies, respectively.

<https://economictimes.indiatimes.com/news/company/corporate-trends/uttar-pradesh-adds-most-number-of-new-companies-post-covid/articleshow/95541013.cms>

External

India's trade deficit in October widens to \$26.91 bn, exports down 17%

India's trade deficit widened to \$26.91 billion in October. The exports contracted by 16.65 per cent to \$29.78 billion in October as compared to \$35.4 billion in September, according to data released by the commerce ministry on Tuesday. In October 2021, the exports stood at \$35.7 billion. Imports during the month under review increased to \$56.69 billion against \$61.16 billion in September. In October 2021, imports stood at \$53.64 billion. During April-October, exports recorded a growth of 12.55 per cent to \$263.35 billion. Imports rose 33.12 per cent to \$436.81 billion, as per the data.

https://www.business-standard.com/article/economy-policy/india-s-trade-deficit-in-october-widens-to-26-91-bn-exports-down-17-122111501262_1.html

India raises base import price of palm oil, gold

India raised the base import prices of gold, crude and refined palm oil, the government said in a statement on Tuesday, as prices rose in the world market. The government revises base import prices of edible oils, gold and silver every fortnight, and the prices are used to calculate the amount of tax an importer needs to pay. India is the world's biggest importer of edible oils and silver and the second-biggest consumer of gold.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-raises-base-import-price-of-palm-oil-gold/articleshow/95538287.cms>

India-UK Free Trade Agreement expected to be closed by March 2023: Sources

India-UK Free Trade Agreement (FTA) is likely to be closed by March 2023, a commerce ministry source said on Tuesday. India and its former colonial ruler have been for about 18 months negotiating the pact to boost trade and investments between the countries. The aim was to conclude the talks by Diwali, but somehow got delayed. Whether these discussions will take place at the ministerial level or the secretarial level will soon be decided. As per the source, the two countries are expected to finalise the FTA by March 2023.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uk-free-trade-agreement-expected-to-be-closed-by-march-2023-sources/articleshow/95537625.cms>

Tirupur exporters upbeat on biz prospects

After a gloomy phase of a steep decline in orders, exporters in Tirupur region, are seeing some favourable developments to get back to a positive growth curve. Tirupur exporters are witnessing a surge in order enquiries from the US and Europe, which are likely to be converted into orders in the coming weeks. Added to this positive trend, the fall in cotton yarn prices to earlier levels is expected to improve their competitiveness. "There are many favourable factors now. The clearance of stocks in shelves and warehouses in a gradual manner and anticipated likely better sales for Christmas and New Year are reasons for receiving orders. While currency is also favourable, the reduction of cotton yarn prices to the pre-surge period is a positive factor to enhance our competitiveness, K M Subramanian, President, Tiruppur Exporters' Association told Businessline. Russia-Ukraine war led to poor sentiments and change in buying patterns in Europe and the US. As a consequence, the readymade garments export reported a monthly decline during July-October 2022. With finance and payment-related issues cropping up, exporters in the Tirupur cluster had sought a bailout package for the MSMEs. Recently, they also sought a hike in interest subsidy to 5 per cent under the interest equalisation scheme.

<https://www.thehindubusinessline.com/economy/tirupur-exporters-upbeat-on-biz-prospects/article66140605.ece>