



November 24 2021 – Wednesday

Key Developments

Sebi comes out with disclosure obligations on related party transactions

Capital markets regulator Sebi came out with disclosure requirements to be placed by listed entities before the audit committee and shareholders for consideration of related party transactions (RPTs). A listed entity will have to justify as to why the RPT is in its interest, besides, a copy of the valuation or other external party report will have to be submitted to the audit committee as well as shareholders for approval, Sebi said in a circular.

In addition, a listed entity will have to place information on the percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT voluntarily to the audit committee and shareholders. The provisions will apply to entities that have listed specified securities on a recognised stock exchange. The listed entity will have to make RPT disclosures every six months in the prescribed format and the new disclosure framework will come into force with effect from April 1, 2022, the Securities and Exchange Board of India (Sebi) said on Monday.

https://www.business-standard.com/article/markets/sebi-comes-out-with-disclosure-obligations-on-related-party-transactions-121112300646_1.html

Government lists cryptocurrency bill for passage in winter session

The government has listed the cryptocurrency bill in its legislative business plan for the winter session of the Parliament that begins on November 29. The Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 had been originally listed for discussion and passage in the Budget session of the Parliament earlier this year. The much-awaited bill purports to create a facilitative framework for the creation of the official digital currency to be issued by the Reserve Bank of India. "The Bill also seeks to prohibit all private cryptocurrencies in India, however, it allows for certain exceptions to promote the underlying technology of cryptocurrency and its uses," the government said.

<https://economictimes.indiatimes.com/news/economy/policy/government-lists-cryptocurrency-bill-for-passage-in-winter-session/articleshow/87873772.cms>

Economy

GoM to meet on Nov 27 to finalise report on GST rate rationalisation

The panel of state finance ministers looking into GST rate rationalisation will meet on November 27 and finalise its report on rate changes to expand the tax base.

Sources said the Fitment committee, comprising tax officers from states and the centre, has made many "sweeping" recommendations regarding slab and rate changes and taking items out of the exemption list.

The recommendations will be discussed in the meeting, but all might not be accepted in toto.

https://www.business-standard.com/article/economy-policy/gom-to-meet-on-nov-27-to-finalise-report-on-gst-rate-rationalisation-121112301167_1.html

Goldman Sachs sees India's GDP at 9.1% in 2022 driven by consumption

India's economic recovery is likely to get stronger in 2022 led by a pick-up in consumption, which in turn is likely to push the country's gross domestic product (GDP) to 9.1 per cent year-on-year (YoY) from 8 per cent, post a sharp contraction in 2020, said analysts at Goldman Sachs in their recent Macro Outlook 2022 note.

"We expect consumption to be an important contributor to growth in 2022, as the economy fully re-opens driven by a notable improvement in the virus situation and adequate progress on vaccination. We also expect government capital spending to continue, see nascent signs of a private corporate capex recovery, and a revival in housing investment," wrote Andrew Tilton, Goldman Sachs' chief Asia-Pacific economist in a co-authored report with Santanu Sengupta and Suraj Kumar. This consumption-led growth, however, will come with its own set of challenges. For one, Goldman Sachs expects a rise in core inflation as manufacturers pass on input cost increases to consumers as demand recovers with full economic re-opening.

https://www.business-standard.com/article/economy-policy/goldman-sachs-sees-india-s-gdp-at-9-1-in-2022-driven-by-consumption-121112300544_1.html

95% domestic workers earn less than Rs 10,000 per month, shows data

On Monday, the Union Minister for Labour and Employment, Bhupendra Yadav, flagged the All India Survey of Domestic workers. This is the first time that a survey of domestic workers is being conducted in the country to capture the demographics of the domestic worker population concerning migration and socio-economic characteristics. However, a Business Standard analysis of data from the eSHRAM presents some insights into the composition of domestic workers in the country.

https://www.business-standard.com/article/economy-policy/95-domestic-workers-earn-less-than-rs-10-000-per-month-shows-data-121112300902_1.html

Centre releases Rs 95,082 crore to states as November tax devolution

The Centre has released two instalments of tax devolution to the states amounting to Rs 95,082 crore in November, the Finance Ministry said on Tuesday. After a meeting with all chief ministers and state finance ministers recently, Union Finance Minister Nirmala Sitharaman had said the Centre will double the amount of November tax devolution by including one advance instalment to help states push their capital expenditure. "... the Government of India has released two instalments of tax devolution to State Governments amounting to Rs 95,082 Crores on November 22 2021, as against normal monthly devolution of Rs 47,541 Crores," the ministry said in a statement. Currently, 41 per cent of the tax collected is devolved in 14 instalments among states during a fiscal.

<https://economictimes.indiatimes.com/news/india/centre-releases-rs-95082-crore-to-states-as-november-tax-devolution/articleshow/87872397.cms>

Shimla, Coimbatore, Chandigarh top Niti Aayog's 1st SDG Urban India Index; Dhanbad, Meerut at bottom

Shimla, Coimbatore and Chandigarh have topped the Niti Aayog's first Sustainable Development Goals (SDG) Urban India Index, while Dhanbad, Meerut and Itanagar are the worst performers, according to a report released by the government think tank on Tuesday. According to an official statement, the Niti Aayog has developed the SDG Urban index and dashboard in collaboration with GIZ and BMZ under the umbrella of Indo-German Development Cooperation. Launching the index and dashboard, Niti Aayog Vice Chairman Rajiv Kumar said, "Cities are fast becoming engines of growth. The SDG Urban Index and dashboard, a product of innovative partnership between Niti Aayog and GIZ, will go a long way in instituting a robust SDG monitoring system in our cities, and is a milestone step in our SDG localisation journey." The statement said the index highlights the strengths and gaps of ULB-level data, monitoring, and reporting systems. "The index and dashboard will further strengthen SDG localisation and institute robust SDG monitoring at the city level," it said.

<https://www.financialexpress.com/economy/shimla-coimbatore-chandigarh-top-niti-aayogs-1st-sdg-urban-india-index-dhanbad-meerut-at-bottom/2374604/>

Banking and Finance

NaBFID to begin lending operations with 190-200 large projects: Kamath

The National Bank for Financing Infrastructure and Development (NaBFID) is likely to begin its lending operations with about 190-200 big infrastructure projects in the railways, roads and energy sector, its newly appointed Chairman K V Kamath said. Last month, the government had announced the appointment of the veteran banker as

the chairperson of the newly set up development finance institution, aimed to catalyse investment in the fund-starved infrastructure sector in the country. There are 193 projects above Rs 1,000 crore each which are there under the National Infrastructure Pipeline (NIP), Kamath told news channel CNBC TV18 in an interview.

"So, I think we will start by looking at these 190-200 projects, it will provide a fairly large slate for the first year or two for us to look at. Then we will deep dive into others - that could be there in the private sector, in other areas and so on," he said.

https://www.business-standard.com/article/economy-policy/nabfid-to-begin-lending-operations-with-190-200-large-projects-kamath-121112300760_1.html

Will get back all money taken away from banks as govt actively pursuing cases of loan defaulters: Nirmala Sitharaman

Union Finance Minister Nirmala Sitharaman on Tuesday said all the money taken away from the banks will be taken back as the government is actively pursuing the cases of loan defaulters, irrespective of whether they are in India or outside the country. She said the central government is working in close coordination with the J&K administration to ensure that not only the Prime Minister's Development Package (PMDP) but every centrally sponsored scheme benefits every citizen of the Union territory to ensure that the region also catches up in the growth with the rest of the country. She was addressing a function after launching new schemes and handing over orders to various beneficiaries under the financial inclusion and credit outreach programme here.

<https://www.financialexpress.com/economy/will-get-back-all-money-taken-away-from-banks-as-govt-actively-pursuing-cases-of-loan-defaulters-nirmala-sitharaman/2374519/>

India's 112 most under-developed districts becomes credit-worthy

Access to credit in the country's most under-developed districts has grown rapidly following the introduction of the government's aspirational district programme with microfinance loan outstanding in these districts rising 2.6-fold in the three-and-a-half years. Microfinance portfolio outstanding in 112 of such districts stood at Rs 28,737 crore at the end of June, compared with Rs 11,175 crore as just before the launch of the programme in January 2018, a joint report by Equifax and Small Industries Development Bank of India (Sidbi) showed. Nearly 43% of the loans were given by banks, the data showed. Small finance banks contributed 13% and NBFC-MFIs accounted for 37% of the loans.

<https://economictimes.indiatimes.com/news/india/indias-122-most-under-developed-districts-becomes-credit-worthy/articleshow/87872180.cms>

Industry

'Govt planning more tax sops on vehicles bought after scrapping old ones'

The government is considering a proposal to provide more tax-related concessions on vehicles that are purchased after scrapping old vehicles under the recently launched National Automobile Scrapage Policy, Union Minister Nitin Gadkari said on Tuesday. While inaugurating Maruti Suzuki Toyotsu India's first government-approved scrapping and recycling facility for end-of-life vehicles (ELVs), Gadkari also said the scrapping policy is going to reduce pollution.

"The GST revenue of both the Centre and states will rise due to the scrapping policy... I will discuss with the finance ministry on how to provide more (tax-related) concessions under the new vehicle scrapping policy," he said. Under the new policy, the Centre had said the states and Union Territories (UTs) will provide up to 25 per cent tax rebate on road tax for vehicles that are purchased after scrapping old vehicles.

https://www.business-standard.com/article/economy-policy/govt-planning-more-tax-sops-on-vehicles-bought-after-scrapping-old-ones-121112300656_1.html

RAI urges govt to reconsider proposed GST rate hike on textiles, apparels

Retailers Association of India (RAI) on Tuesday urged Finance Minister Nirmala Sitharaman, state governments and GST Council to reconsider the proposed hike in GST rates on several textiles and apparel items to 12 per cent from January saying it will adversely impact 85 per cent of the sector.

Stating that the apparel retail businesses are already ailing, RAI said the 7 per cent hike has been proposed to address the issue of inverted duty structure in the textile industry faced by a small segment of the total textile value

chain."However, such a steep increase in the GST rate will adversely impact 85 per cent of the industry while trying to ease the problem faced by not more than 15 per cent of the industry," the retailers' body said in a statement.

https://www.business-standard.com/article/economy-policy/rai-urges-govt-to-reconsider-proposed-gst-rate-hike-on-textiles-apparels-121112300331_1.html

Indian IT Services to hire about 450,000 people in H2FY22: UneathInsight

As most pandemic restrictions have been lifted and workplaces are opening, the Indian information technology services industry is likely to see a gross employee addition of around 450,000 people in the second half of financial year 2022 (H2FY22), according to UneathInsight, a metrics benchmarking and market intelligence firm. These 450,000 people are largely laterals/experienced ones, but fresher intake is also larger than last year. With higher attrition in H2 of 17-19 per cent, the industry is likely to have a net employee addition of about 175,000 in H2FY22, according to the report titled "IT Industry Q2 Insights & FY22 Forecast". UneathInsight has analysed hiring, attrition, and technology evolution of India's IT industry.

https://www.business-standard.com/article/economy-policy/indian-it-services-to-hire-about-450-000-people-in-h2fy22-uneathinsight-121112300588_1.html

CEAMA welcomes mandatory star labelling programme extension

Consumer Electronics and Appliances Manufacturers Association (CEAMA), the apex body representing consumer electronics and home appliances, has welcomed the 6-month extension for the Star Labelling Programme by the Ministry of Power. The extension is applicable to segments of air conditioners, refrigerators, and television. Keeping in view, the interests and greater good of the industry, CEAMA had proposed an extension of the programme to the Ministry of power.

<https://www.thehindubusinessline.com/economy/ceama-welcomes-mandatory-star-labelling-programme-extension/article37638736.ece>

Paper makers want interest-free loans to turn green and competitive

The paper manufacturing industry wants interest-free loans to develop energy-efficient and environment-friendly technologies to become more competitive. Rohit Pandit, Secretary General, Indian Paper Manufacturers Association (IPMA), said the industry badly needs modernisation assistance as it has been hit by high wood prices, rising cost of inputs, high fuel costs and cheap imports of paper under trade agreements.

<https://www.thehindubusinessline.com/economy/paper-makers-want-interest-free-loans-to-turn-green-and-competitive/article37642437.ece>

Agriculture

No shortage of fertilisers; states should prevent diversion, monitor supplies daily: Centre

Chemicals and Fertilisers Minister Mansukh Mandaviya on Tuesday said there is no shortage of fertilisers in the country and urged states to prevent diversion of urea to industry besides monitoring supply-demand of key soil nutrients on a daily basis. The minister — who reviewed virtually the status of fertiliser availability with state agriculture ministers— also said there is a need to explore options and promote use of alternate fertilisers such as nano urea and organic fertilisers. Further, he said the central government has been supplying fertilisers to all states without "any delay" based on the requirement indicated by state governments. "There is ample production of fertilisers and no shortage across the country," Mandaviya was quoted as saying in an official statement. Agriculture ministers from 18 states participated in the review meeting.

<https://www.financialexpress.com/economy/no-shortage-of-fertilisers-states-should-prevent-diversion-monitor-supplies-daily-centre/2374514/>

Cotton arrivals in October recorded at 31.12 lakh bales

Cotton Association of India (CAI) on Tuesday informed that cotton arrivals in the first month of the season stood at 31.12 lakh bales (170 kg each), which is about 15 per cent more than 27.16 lakh bales recorded in the same month last year. Notably, cotton prices have nearly doubled in the year-on-year basis from ₹4,355 a quintal to ₹8,405 a quintal at Gondal market in Gujarat. CAI has retained the earlier projection of cotton crop for the season beginning

October 1, 2021 at 360.13 lakh bales, which is up by 7 lakh bales from 353 lakh bales estimated for the previous year.

<https://www.thehindubusinessline.com/economy/agri-business/cotton-arrivals-in-october-recorded-at-3112-lakh-bales/article37643485.ece>

Crops spread over 800,000 hectares damaged in flood-hit Andhra

Heavy rain and floods in four districts of Andhra Pradesh have damaged agriculture and horticulture crops spread over eight lakh hectares, officials said. According to the preliminary reports from the affected districts, the crop loss is estimated to be around Rs 3,000 crore. Agriculture Minister K. Kannababu said a detailed crop enumeration will be done once the floods recede.

The district-wise breakup of crop loss was yet to be updated but as per the district-wise information available as on November 21, Kadapa district suffered the maximum. Crops over 1,26,167 hectares were damaged in Kadapa, followed by 90,498 hectares in Anantapur. Nellore and Chittoor districts had suffered crops damage over 12,118 hectares and 9,616 hectares respectively.

https://www.business-standard.com/article/economy-policy/crops-spread-over-800-000-hectares-damaged-in-flood-hit-andhra-121112300861_1.html

Infrastructure

Real Estate industry to grow at over 75% YoY for next 3 yrs: Report

After being hit hard by Covid-19 due to scarcity of labour and low budget spending, India's real estate industry is now gathering pace and is on the course to healthy recovery. According to a report on the sector by Infomeric Valuation and Rating Pvt Ltd., a SEBI-registered and RBI-accredited financial services credit rating company, the commercial segment which is relatively a more formal segment (with big players involved) has seen an influx of investment.

Among dominant markets, Bengaluru, Chennai, and the National Capital Region (NCR) recorded largest recovery in the September 2021 quarter. The Information Technology (IT) remains the largest consumer of space during the quarter, occupying 34 per cent of the space transacted. The report said that with regard to residential spaces, the interest rates on home loans (October 2021) is likely to act as an incentive for prospective buyers. Along with that, the buying decisions now factor in adverse impact on income, 'thriftiness' caused by unforeseen emergencies, 'access to large green areas' and 'access to good healthcare'.

https://www.business-standard.com/article/economy-policy/real-estate-industry-to-grow-at-over-75-yoy-for-next-3-yrs-report-121112300678_1.html

Energy

India's crude oil production falls 2.15% in October, gas output rises

India's crude oil production fell 2.15 per cent in October as state-owned firms produced less but, natural gas output rose by a quarter on the back of output from KG-D6 fields of Reliance-BP, government data released on Tuesday showed. Crude oil production dropped to 2.51 million tonnes in October, as output from fields operated by Oil and Natural Gas Corp (ONGC) and Oil India Ltd (OIL) dipped.

While ONGC produced 4 per cent less crude oil at 1.64 million tonnes, OIL output dropped 1.46 per cent to 2,53,000 tonnes. India is 85 per cent dependent on imports to meet its oil needs and the government has been for long looking at ways to raise the domestic output so as to reduce import dependence.

https://www.business-standard.com/article/economy-policy/india-s-crude-oil-production-falls-2-15-in-october-gas-output-rises-121112300932_1.html

States

Tamil Nadu govt signs MoUs for 59 projects worth Rs 35,208 crores with a strong EV push

The Tamil Nadu government on Tuesday inked Memorandum of Understanding (MoU) with a cumulative investment value of Rs 35,208 crores spread across 59 projects which would create employment opportunities to 76,795 persons. The MoUs were exchanged in the presence of Chief Minister MK Stalin at the Tamil Nadu Investment

Conclave 2021 in Coimbatore and span sectors like cement, dairy, textiles, automobiles, industrial parks, defence, drones and the like. Among the MoUs that were signed, a number of Electric Vehicle (EV) projects are set to come to the fore in the State. TVS Motor Company signed an MoU with the government and said it will invest Rs. 1200 crores in future technologies and EVs in the next four years.

<https://economictimes.indiatimes.com/industry/renewables/tamil-nadu-govt-signs-mous-for-59-projects-worth-rs-35208-crores-with-a-strong-ev-push/articleshow/87872041.cms>

Maharashtra seeks Centre's nod to vaccinate children aged 11-20 years

The Maharashtra government has requested the union government to allow vaccination of children between ages 11 to 20. The State's Covid-19 Task Force has supported the demand.

State Health Minister Rajesh Tope, recently speaking to reporters in his home town Jalna said that the number of covid-19 cases is rising in the age group 11-20. He said that the State insists on the vaccination of children and has drawn the union government's attention that many countries have started vaccination drives for children. He said that if the number of cases in age group of 11-20 continues to rise, the infection might spread fast in other categories, especially among senior citizens.

<https://www.thehindubusinessline.com/news/national/covid-19-maharashtra-seeks-centres-nod-to-vaccinate-children-aged-11-20-years/article37643007.ece>

External

India, US relaunch Trade Policy Forum

Commerce Minister Piyush Goyal and US Trade Representative Katherine Tai on Tuesday relaunched the Trade Policy Forum (TPF) and agreed to engage on issues which are affecting the trade between the two countries. The bilateral commerce between India and the US is expected to cross USD 100 billion this year. Both the ministers directed the TPF Working Groups to develop, by March 2022, plans of action for making substantive progress, including identification of a set of specific trade outcomes that could be finalised for an inter-sessional TPF meeting to be held by mid-2022. Further, both sides expressed satisfaction over the robust rebound in bilateral merchandise trade this year (January-September 2021), which showed almost 50 per cent growth over the same period in the previous year.

<https://www.financialexpress.com/economy/india-us-relaunch-trade-policy-forum/2374482/>

US to release 50 mn barrels of oil from emergency reserve: White House

The United States will release 50 million barrels of crude from the U.S. Strategic Petroleum Reserve to help cool oil prices, that will start hitting the market in mid- to late-December, the White House said on Tuesday. The release, will take the form of a loan and a sale, and was being in made concert with other releases from strategic reserves by China, India, South Korea, Japan and Britain, senior Biden administration officials said. It was the first time the United States has coordinated releases with some of the world's largest oil consumers, the officials said. India will release 5 million barrels of oil from its strategic reserves in coordination with other buyers including the United States, China, Japan and South Korea, a government statement said on Tuesday. The move is part of efforts led by US President Joe Biden's for a coordinated release of stockpiles, seen as a warning to the OPEC+ to pump more oil to tackle rising inflation in major economies like the United States, China and others.

https://www.business-standard.com/article/economy-policy/us-to-release-50-mn-barrels-of-oil-from-emergency-reserve-white-house-121112300895_1.html

Centre makes GJEPC membership mandatory for Kimberley Process Certificate

The Central government has made membership of Gem & Jewellery Export Promotion Council (GJEPC) mandatory for getting the Kimberley Process Certificate for import and export of rough diamonds into India, said a release issued by the trade body on Tuesday.

This means that GJEPC will regulate its members in terms of complying with the Kimberley Process certification norms. This aligns with the recent liberalisation of government policies in the way of making self-declaration by trade as compliance instead of vetting by government departments.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/centre-makes-gjepc-membership-mandatory-for-kimberley-process-certificate/articleshow/87870499.cms>

'End APEDA's supervision of agencies certifying organic products export'

US-based Alliance for Organic Integrity (AOI), which unites key players in the organic sector, has suggested to the European Committee on Organic Production to withdraw its approval for the Agricultural and Processed Food Products Export Development Authority (APEDA) to supervise organic products exports certifying bodies or agencies (CBs). In a feedback on organic farming — trading products (implementing rules, AOI that claims to strengthen the integrity of organic guarantees) said the US Department of Agriculture (USDA) had withdrawn its approval of APEDA and “we consider it as a more appropriate reaction” with reference to the EU blacklisting five CBs from certifying organic products exports from India to the European Commission.

<https://www.thehindubusinessline.com/economy/agri-business/end-apedas-supervision-of-agencies-certifying-organic-products-export/article37641456.ece>



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