



September 19, 2022 – Monday

Economy

DPIIT working on law to decriminalise different provisions related to minor offences

The commerce and industry ministry is framing a law to decriminalise all provisions related to minor offences with an aim to promote ease of doing business in the country, a senior official said. Work is at an advanced stage for framing the ease of doing business and ease of living bill and the ministry is targeting to introduce it in the winter session of parliament, the official said. "We are making an Act. We are bringing one bill and that one bill seeks to decriminalise all the minor offences mentioned in different Acts. We are having consultations with all the departments on the bill. We will bring a common Act for decriminalisation. Basically replacing imprisonment and fine with penalties, and rationalisation. For minor offences, there should be no jail. Instead, there should be a penalty," the official added. Several provisions have been identified across different laws of the central and state governments which need decriminalisation. The Department for Promotion of Industry and Internal Trade (DPIIT) is piloting the bill. DPIIT has already taken several measures to promote ease of doing business and reduce compliance burden both for the industry and citizens.

<https://economictimes.indiatimes.com/news/economy/policy/dpiit-working-on-law-to-decriminalise-different-provisions-related-to-minor-offences/articleshow/94282830.cms>

Direct tax kitty grows 30% in FY23 to Rs 8.36 lakh cr on higher advance tax mop-up

Gross direct tax collections grew 30 per cent to Rs 8.36 lakh crore till September 17 of current fiscal year on increased advance tax mop-up, the finance ministry said on Sunday. "The gross collection of direct taxes (before adjusting for refunds) for FY 2022-23 stands at Rs 8,36,225 crore compared to Rs 6,42,287 crore in the corresponding period of preceding financial year i.e. 2021-22, registering a growth of 30 per cent over collections of 2021-22," the ministry said in a statement. The cumulative advance tax collections for April-September stand at Rs 2,95,308 crore as on September 17, up 17 per cent over the year-ago period. Gross collection of Rs 8.36 lakh crore includes Corporate Income Tax at Rs 4.36 lakh crore and Personal Income Tax (PIT), including Securities Transaction Tax at Rs 3.98 lakh crore.

<https://www.financialexpress.com/economy/direct-tax-kitty-grows-30-in-fy23-to-rs-8-36-lakh-cr-on-higher-advance-tax-mop-up/2672457/>

Banking and Finance

Finance Minister to meet CEOs of PSBs to review progress of schemes for SCs

Finance Minister Nirmala Sitharaman is scheduled to meet heads of public sector banks and financial institutions later this month to review progress of various government schemes aimed at welfare and upliftment of scheduled castes. Schemes like Stand-Up India, Pradhan Mantri Mudra Yojana (PMMY), and Credit Enhancement Guarantee Scheme for Scheduled Castes (SCs) and their progress would be discussed during the meeting, sources said. The meeting would review the performance of public sector banks (PSBs) and financial institutions to provide credit to people belonging to the SC community and other welfare measures under implementation, they said. The meeting, to be chaired by the Finance Minister, would see participation from chairman of National Commission for Scheduled Castes (NCSC), financial services secretary and other senior officials. The Stand-Up India scheme was launched in

2016 to promote entrepreneurship among the scheduled caste/ scheduled tribe and women by facilitating bank loans of Rs 10 lakh to Rs 1 crore to at least one SC/ST borrower and one woman borrower per bank branch for setting up new enterprises in trading, manufacturing and services sector.

<https://www.financialexpress.com/economy/finance-minister-to-meet-ceos-of-psbs-to-review-progress-of-schemes-for-scsnbs/2672438/>

Bad bank plans to buy 18 distressed a/cs totalling Rs 39,921 crore by October 31

National Asset Reconstruction Company of India Ltd (NARCL), the bad bank promoted by the government, is preparing to acquire 18 distressed accounts totalling Rs 39,921 crore by October 31, said two people aware of the development. This follows directions from senior finance ministry officials to government owned banks at a meeting held last week. The government-owned ARC informed lenders Friday that it has drawn up two lists — phase one with eight accounts with Rs 16,744 crore debt and phase two comprising 10 accounts with Rs 18,177 crore debt, the people said. NARCL has engaged consultants such as EY, PwC, Alvarez and Marsal, KPMG, Grant Thornton to conduct due diligence for the 18 accounts, they said. It will rely on the due diligence reports to finalise binding offers for these accounts.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bad-bank-plans-to-buy-18-distressed-a/cs-totalling-rs-39921-crore-by-october-31/articleshow/94289604.cms>

Insolvency and Bankruptcy Code changes to hasten, maximise recovery

Multiple amendments and clarifications to the Insolvency and Bankruptcy Code by the Insolvency and Bankruptcy Board of India (IBBI) will help creditors fetch better value for distressed assets and lift sagging recovery rates, consultants and bankers said. In separate notifications over the weekend, IBBI allowed creditors to sell part assets in case they get more value. More importantly, the regulator also announced a performance-based pay structure for resolution professionals (RPs). Both moves will have far-reaching changes to recoveries, consultants said. "Allowing RPs an incentive based on recovery value aligns with the objectives of all stakeholders. Creditors were so far averse to working with a performance-based fee plan and that has led to a decline in the quality of the resolution and as result the recovery value. Incentives will make resolution professionals strive to optimize the value of the corporate debtor," said Nikhil Shah, managing director of Alvarez & Marsal (A&M) India.

<https://economictimes.indiatimes.com/news/economy/policy/insolvency-and-bankruptcy-code-changes-to-hasten-maximise-recovery/articleshow/94288114.cms>

Insurance industry will continue to see M&A deals, new entrants

Merger and acquisitions will continue to be a part and parcel of the insurance sector, which is a highly capital intensive sector and can accommodate new entrants with specialised skill sets having long-term vision. The past developments in this sector and recent decision of the Mumbai National Company Law Tribunal (NCLT) allowing merger of Exide Life Insurance with HDFC Life is an indication that entities without requisite expertise may quit the sector. Market players and analysts are of the view that the sector has significant potential for development and there will be new entrants in the insurance industry and also Merger and acquisition (M&A) deals. "The sector, like others, has witnessed some merger and acquisitions in the past and will continue to witness them and newer opportunities will emerge in the future. "Players with sound underwriting practices, strong financials and right management practices will continue to grow in the long-run," said Anand Pejawar, Deputy Managing Director, SBI General Insurance.

https://www.business-standard.com/article/finance/insurance-industry-will-continue-to-see-m-a-deals-new-entrants-122091800522_1.html

Industry

Govt receives 75 applications under PLI scheme for specialty steel

The government has received around 75 applications from domestic players under the PLI Scheme for specialty steel, according to an official. Applicants include all major steel players like Tata Steel, JSW Steel, JSPL, AMNS India and SAIL, a senior steel ministry official said. "A significant number of applications have been received. There around 75 applications," the official said. However, no proposal has been received from any foreign entity, according to the official. After shortlisting the proposals, the government will come out with a final list which would take around 35-

40 days, the official said. The government had set the final deadline on September 15 after several extensions for receiving proposals from manufacturers for benefits under the PLI (Production-Linked Incentive) scheme for speciality steel. The Union Cabinet in July last year approved a Rs 6,322-crore PLI scheme to boost the production of speciality steel in India.

https://www.business-standard.com/article/pti-stories/govt-receives-75-applications-under-pli-scheme-for-specialty-steel-122091800213_1.html

Firms starting to pass on rising costs amid pick-up in demand: RBI study

With a pick-up in demand, companies in the manufacturing and services sectors have begun to pad up their sale prices with a part of rising costs, shows an RBI study. The report adds that there is need to be watchful of about the impact of input price pressure amid continued global uncertainties. Higher fuel, raw material, and transportation costs and other supply chain-related constraints have driven input prices up. The rise has been broad-based with the repeated waves of the pandemic, and has been aggravated further by the war in Europe, according to the study published in Reserve Bank of India's September 2022 bulletin. Referring to the transmission of input costs in Indian conditions, it said output prices did not rise as rapidly as input prices due to persistent slack in the Indian economy during 2020 and 2021. The gap between input and output prices widened during the pandemic, particularly after the first Covid-19 wave.

https://www.business-standard.com/article/companies/firms-passing-on-rising-costs-amid-pick-up-in-demand-says-rbi-study-122091800658_1.html

Agriculture

Committee on MSP to hold 2nd meeting on September 27 in Hyderabad

The government's committee on the minimum support price (MSP), natural farming and crop diversification will hold its second meeting on September 27 in Hyderabad. In the first meeting held on August 22 in the national capital, the committee — headed by former Agriculture Secretary Sanjay Agrawal — had formed three internal sub-groups to deliberate on the mandated topics. The panel has 26 members including the chairman, while three membership slots are kept aside for representatives of Samyukta Kisan Morcha (SKM). But the SKM has rejected the committee and decided to stay away from the meeting. "The second meeting will be held on September 27 in the campus of the National Institute of Agricultural Extension Management (MANAGE) in Hyderabad," one of the members of the committee told PTI on the condition of anonymity.

<https://www.financialexpress.com/economy/committee-on-msp-to-hold-2nd-meeting-on-september-27-in-hyderabad/2672705/>

On the cards: Sops for natural farming

India could offer sops to farmers to adopt natural ways of farming as part of a soon-to-be-launched national mission. Incentives being considered include monetary support to buy good quality seeds and natural manure for farming as also marketing support for produce. A final call on the incentives will be taken soon, said a senior government official. The government is readying to launch a national mission on natural farming, which will lay out a road map for adoption of sustainable and cost-effective natural farming techniques, said the official, who did not wish to be identified.

<https://economictimes.indiatimes.com/news/economy/agriculture/on-the-cards-sops-for-natural-farming/articleshow/94287932.cms>

Fall in Kharif output may keep rice prices at elevated levels

A 6-7 million tonnes shortfall in rice production due to a fall in paddy sowing area is likely to keep rice prices at elevated levels, adding to the inflationary pressure that the slowing economy is already grappling with. Elevated food prices, including that of cereals, had led to retail inflation reversing a three-month declining trend, to touch 7 per cent in August. Similarly, the wholesale price inflation, which declined to 11-month low, also showed price pressures from cereals resulting from wheat output being impacted by severe heat waves in some parts of the country. In addition to this, expectation of a lower paddy output — conservative by government estimates and higher if outside experts are to be believed — will keep inflationary expectations higher, experts and analysts believe.

<https://www.financialexpress.com/economy/fall-in-kharif-output-may-keep-rice-prices-at-elevated-levels/2672399/>

India's cotton production to increase by 15% in 2022-23

At a time when the central government is worried about the closure of the 50% of the spinning mills in the country due to cotton shortages, the production in the October-September cotton year 2022-23 is expected to increase by about 15% provided the weather remains conducive till October offering relief to the entire cotton value chain. Government agency Cotton Corporation of India (CCI), which carries out cotton procurement operations when prices fall below the minimum support price (MSP), has pegged India's 2022-23 cotton production higher by 15% to 360 lakh bales of 170 kilograms each.

<https://economictimes.indiatimes.com/news/economy/agriculture/indias-cotton-production-to-increase-by-15-in-2022-23/articleshow/94288018.cms>

Infrastructure

Realtors expect festive demand to lift home sales to a decade high

Real estate developers and brokerage firms are expecting the festive season to be the best in a decade as post Covid the demand for homes continue to increase despite rise in interest rates and construction cost. Builders like Tata, DLF, Mahindra, TARC, Karle Infra and Arvind SmartSpaces are ready with festive offers and launches to cash in on increase in demand. "As we look forward to the upcoming festive season, the real estate market is expected to experience strong demand. Festivals also bring with them an auspicious period. We expect to experience end-user-driven demand as customers show a preference for home buying. Customers who have been holding back or were on the fence during the past few months would be eager to purchase now," said Arvind Subramanian, MD of Mahindra Lifespaces.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/realtors-expect-festive-demand-to-lift-home-sales-to-a-decade-high/articleshow/94288345.cms>

Energy

Almost 50% coal blocks allotted to power PSUs face delay in prodn: Report

Seven out of the total 16 coal blocks issued to state-owned power sector entities or PSUs like National Thermal Power Corporation (NTPC), Damodar Valley Corporation (DVC), Neyveli Lignite Corporation (NLC), THDC (a mini-Ratna company under NTPC) and Patratu Vidyut Utpadan Nigam Ltd (PVUNL - a joint venture between NTPC and JBVNL) are yet to start or have just started production, even more than seven years after their allotment. This is despite the fact that coal blocks were allotted to these power sector PSUs back in March 2015 to fulfil their shortage of dry fuel, as India's largest coal producer, Coal India Ltd (CIL), on its own, could not completely meet their requirements. Reasons like delay in land acquisition, environment and forest clearances, non-availability of land records as well as law and order issues are the main reasons behind lack of work in these coal blocks, sources aware of the developments said.

https://www.business-standard.com/article/economy-policy/almost-50-coal-blocks-allotted-to-power-psus-face-delay-in-prodn-report-122091800638_1.html

India's natural gas consumption falls 10% in August

India's natural gas consumption fell 10% in August from a year ago, driven by lower production at home and a sharp drop in pricey imports. Consumption fell to 5.2 billion cubic metres (BCM) from 5.8 BCM in the year-ago period. Import of liquefied natural gas (LNG) fell 19% to 2.37 BCM in August on high prices and limited availability in the spot market. Indian gas importers are unable to source LNG from the spot market as most supplies are headed to Europe where buyers are willing to offer record-high prices ahead of winter amid sharp supply curbs from Russia.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/indias-natural-gas-consumption-falls-10-in-august/articleshow/94288040.cms>

Telecom

5G first wave to ride on higher data traffic capacity, top-end subscribers

Top-end subscribers, a jump in network data traffic capacity to offer faster speeds and 5G-based enterprise and fixed wireless access (FWA) services will drive the first wave of 5G monetisation in India, analysts said. This is because there is no mass consumer-centric app right now for the next-generation wireless broadband service. India's top telcos will have a greater opportunity to acquire 5G users initially in Delhi, Hyderabad, Mumbai and Bengaluru – which collectively account for 35% of 5G-capable smartphones already in circulation in the country, they added.

<https://economictimes.indiatimes.com/industry/telecom/5g-first-wave-to-ride-on-higher-data-traffic-capacity-top-end-subscribers/articleshow/94288054.cms>

States

Niti Aayog-like body to be set up in Maharashtra: Devendra Fadnavis

Maharashtra Deputy Chief Minister Devendra Fadnavis on Sunday announced that an institution on the lines of Niti Aayog would be set up in the state for comprehensive data analysis and to make studied decisions on various sectors. Speaking to reporters here, Fadnavis said, "A delegation led by Chief Minister Eknath Shinde met the chief executive officer and other officials of the Niti Aayog today. It was proposed that an institute of transformation on the lines of Niti Aayog would be set up to make studied decisions on various sectors. CM Shinde has given an in-principle nod to this suggestion." The topics discussed during the meeting between the chief minister and the NITI Aayog officials ranged from monetisation of assets, blockchain in agriculture, transportation taking to alternative fuel or EV policy, non-conventional energy, drone in healthcare and agriculture, among others, he said.

<https://www.financialexpress.com/economy/niti-aayog-like-body-to-be-set-up-in-maharashtra-devendra-fadnavis/2672593/>

External

USTR convenes meeting to discuss WTO's dispute settlement reforms in Bali on Sep 21; Piyush Goyal to attend

The US Trade Representative has convened a meeting of trade ministers of G20 countries in Bali on September 21, to discuss World Trade Organisation's (WTO) dispute settlement reforms, an official said. The meeting will be attended by the Commerce and Industry Minister Piyush Goyal, who will be in Bali for G20's Trade, Investment, and Industry Ministerial Meeting on September 21. "US Trade Representative (USTR) Katherine Tai has called the meeting to discuss their issues with regard to WTO's dispute settlement mechanism at the sideline of the ministerial meeting," the official said. The Geneva-based 164 member multi-lateral body deals with global exports and import-related norms. Besides, it adjudicates trade disputes between the member countries. Global trade experts term the dispute settlement mechanism of the WTO as the "jewel in the crown".

<https://economictimes.indiatimes.com/news/economy/foreign-trade/ustr-convenes-meeting-to-discuss-wtos-dispute-settlement-reforms-in-bali-on-sep-21-piyush-goyal-to-attend/articleshow/94280640.cms>