



October 31, 2022 – Monday

Economy

For first time, RBI's rate-setting panel to discuss inflation report this week

For the first time since the implementation of the monetary policy framework in 2016, the Reserve Bank will submit a report to the government on its failure to keep the retail inflation rate below six per cent for three consecutive quarters beginning January 2022. The monetary policy framework, which came into effect about six years ago, mandates the Reserve Bank of India (RBI) to maintain retail inflation at 4 per cent with a margin of 2 per cent on either side. In case of failure to maintain the inflation target for three consecutive quarters, the central bank, under section 45ZN of the RBI Act, is required to submit a report to the government explaining the reasons and spelling out the remedial actions it would be taking to check the price rise. The central bank has called a special meeting of the Monetary Policy Committee (MPC) on November 3, to prepare its report on missing inflation targets to the government. The six-member rate-setting panel is headed by RBI Governor Shaktikanta Das.

<https://www.financialexpress.com/economy/for-first-time-rbis-rate-setting-panel-to-discuss-inflation-report-this-week/2758958/>

Banking and Finance

Don't classify accounts as default if repayment within 10 days, banks ask RBI

Banks have asked the Reserve Bank of India (RBI) to relax norms on stressed assets. They have demanded that accounts resolving repayment issues within 10 working days of being reported not be categorised as being in default, according to two executives aware of the development. Under the existing stressed asset resolution framework, it is mandatory for lenders to enter into an inter-creditor agreement (ICA) during the review of the borrower account within 30 days from the date of the first default to any lender. If the regulator agrees to review and amend the Prudential Framework for Resolution of Stressed Assets, lenders will be exempted from setting in motion the resolution framework for such accounts, which may put an additional burden on lenders and is not required as the account is still standard, said a senior bank executive, requesting anonymity. An account becomes non-performing only after being 90 days overdue.

<https://economictimes.indiatimes.com/news/economy/policy/dont-classify-accounts-as-default-if-repayment-within-10-days-banks-ask-rbi/articleshow/95189457.cms>

Credit card numbers continue to slip after RBI's deactivation order

The Reserve Bank of India (RBI) order on discontinuing inactive credit cards continued to negatively impact the industry size, with top-tier lenders such as HDFC Bank, Axis Bank and ICICI Bank seeing a decline in the number of active credit cards. Private lender HDFC Bank continued to be the worst affected, with total cards in force down by 1.6 million month on month. Bankers say while the total credit card numbers will normalise soon, they are also looking to change the strategy with regard to onboarding customers.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/credit-card-numbers-continue-to-slip-after-rbis-deactivation-order/articleshow/95188401.cms>

Expansionary Budget with optimistic tax revenue rise

The Centre is likely to project a much more optimistic net tax revenue estimates for the financial year 2023-24 (FY24) in its upcoming Union Budget compared with the conservative estimates in the previous ones, paving the way for a possible expansionary Budget, Business Standard has learnt.

https://www.business-standard.com/budget/article/centre-may-present-expansionary-budget-with-optimistic-tax-revenue-growth-122103000669_1.html

Industry

PLI for leather, footwear industry coming soon

The Centre is likely to soon finalise a proposal to extend the Production Linked Incentive (scheme) for leather and footwear, a highly labour-intensive sector, to promote manufacturing and employment generation in both large and small cities across the country. "The leather and footwear sectors, which have great potential for growth both in the domestic and global markets, were not included amongst the first 13 sectors which got covered under the PLI scheme. But following representations from the industry, the DPIIT is now giving finishing touches to a PLI scheme for the sector and it is likely to be sent to the Cabinet soon for approval," a source told businessline. The proposed scheme may also have a provision for attracting investments in smaller cities and towns, and not just in large cities. This would be achieved by keeping the threshold of minimum investment and minimum turnover required to qualify for the scheme lower for tier 2 cities like Ludhiana or Ambur compared to tier 1 cities like Chennai.

<https://www.thehindubusinessline.com/economy/pli-scheme-likely-for-leather-footwear-with-lower-bar-for-small-cities/article66073782.ece>

Passenger vehicle sales may have hit new record in October

Automakers are said to have clocked among their best-ever monthly retail sales in October, outpacing dispatches for the first time this year, as consumers drove home their dream vehicles amid festive fervor after muted celebrations in the past two years on account of the pandemic. Senior industry executives and dealers told ET as many as 375,000-385,000 cars, sedans and utility vehicles were sold to customers, which brought down inventory in the channel by 25% this month. Retail sales of passenger vehicles (PV) had peaked at 382,000 units in December 2018, compared with 370,416 and 370,300 units in October 2020 and December 2019, respectively.

<https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-sales-may-have-hit-new-record-in-october/articleshow/95188199.cms>

Home and personal care products bounce back in Q2

Amid inflation and slow growth impacting the Fast-Moving Consumer Goods (FMCG) in the quarter that ended in September, major FMCG players saw a rebound in home and personal care products. FMCG players including ITC Limited and Hindustan Unilever Limited (HUL) posted volume growth in home care and personal care products while witnessing a subdued growth in hygiene products. HUL posted an 11 per cent revenue growth in its beauty and personal care segments, while a 34 per cent revenue growth was posted by the FMCG major in the homecare segment. The company has Dove, Lifebuoy, Lakme, Lux, Close up, Vaseline, and Sun Silk in its portfolio of beauty and personal care and has Vim, Rin, Comfort, Surf Excel, and Active Wheel in its homecare portfolio.

<https://www.thehindubusinessline.com/companies/home-and-personal-care-products-bounce-back-in-q2/article66073947.ece>

Early birds show sharp decline in corporate earnings

The early-bird results of companies in July-September 2022 (Q2FY23) suggest a slowdown in corporate earnings and the end of the post-pandemic boom in India Inc's margins and profits.

https://www.business-standard.com/article/companies/q2-results-early-birds-suggest-a-sharp-slowdown-in-corporate-earnings-122103000696_1.html

Only 40% of businesses happy with network capabilities, shows data

Almost 70 per cent of CEOs believe their network maturity level is hurting business delivery, NTT's Global Network Report has found. The adoption of hybrid, distributed work environments with multiple connected devices is erupting through enterprises but, despite investments, just two in five businesses say they are very satisfied with

their current network capabilities. The result is a new era of network modernisation. A majority of executives rely on it to enable business growth (>90%) and support artificial intelligence (AIOps) (91%).

https://www.business-standard.com/article/technology/only-40-of-businesses-happy-with-network-capabilities-shows-data-122103000705_1.html

Key Indian auto executives don't understand compliance obligations: Report

Key management personnel in Indian automobile companies have a poor understanding of compliance obligations that can range from several hundred acts to thousands of rules depending on the size of the business, according to a report by TeamLease Regtech. A small automobile manufacturing company operating in a single state in India deals with at least 900 one-time and ongoing compliances in a year. As the company grows its geographical footprint, the number of compliances multiply. In its report 'Simplifying compliance management for automobile industry', TeamLease RegTech, a regulatory technology solutions firm, said with applicability of compliances changing based on location of manufacturing units, use of specific equipment and end-products, most organisations in India find it really challenging to track adherence to the mandatory requirements.

https://www.business-standard.com/article/economy-policy/indian-auto-firms-kmps-hardly-understand-compliance-obligations-report-122103000240_1.html

EV market to reach \$802 billion by 2027; Designing the future of supply chain with EVs

With the growth in e-commerce and digitisation, logistics has also become instrumental in a company's growth. With thousands of vehicles plying the roads around the globe every day, it is important to cut back on carbon emissions and optimize energy and resource consumption to not burden the planet. Working towards sustainable solutions not only helps in helping the planet but also creates opportunities for exciting partnerships with companies working towards technological advancements. Another advantage of adopting the eco-friendly approach is that it helps build rapport with the clientele. Customers after the pandemic have become keener on gaining their business with companies who are giving back to the planet. This is a very big incentive for retailers and logistics companies to adopt sustainable solutions. According to Allied Market Research, the global EV market is predicted to reach \$802.81 billion in value by 2027. Logistics has changed in the past few years and each new day brings in more technological advancements that add to the agility and efficacy of the supply chain. The increased adoption of Electric vehicles is a step in this direction. An efficient supply chain is effective is crucial for businesses be it B2B, B2C or D2C. Technological advancements along with advanced analytics have helped evolve logistics.

<https://www.financialexpress.com/industry/supply-chain-2-0-ev-market-to-reach-802-billion-by-2027-designing-the-future-of-supply-chain-with-evs/2758130/>

Manufacturing firms make a beeline for graduates this placement season

Top manufacturing firms are making a beeline for engineering, management and other undergraduate colleges this placement season, amid the government's continued push to expand activity in the sector. Campus hiring this year by companies like Maruti Suzuki, Tata Steel, RPG Group and Dabur will be more than last year, according to their executives. Among other profiles, these companies are also looking at strengthening digital and tech talent pipelines, said their HR heads.

<https://economictimes.indiatimes.com/jobs/manufacturing-firms-make-a-beeline-for-graduates-this-placement-season/articleshow/95136287.cms>

Infrastructure

Travel time from Nagpur to Pune to be cut down to 8 hours: Nitin Gadkari

The travel time for commuters undertaking their journey from Nagpur to Pune will be cut down to eight hours, Union Minister Nitin Gadkari said. Keeping in mind the inconvenience that commuters have to undergo while undertaking their journey from Nagpur to Pune at present, the Nagpur-Mumbai Samridhi Mahamarg will be connected to the newly proposed Pune-Chhatrapati Sambhajnagar (Aurangabad) Access Control Green Expressway near Chhatrapati Sambhajnagar. In a series of tweets, Gadkari -- the minister for road, transport and highways -- said this road will be undertaken for construction with a completely new alignment by NHAI.

<https://economictimes.indiatimes.com/news/economy/infrastructure/travel-time-from-nagpur-to-pune-to-be-cut-down-to-8-hours-nitin-gadkari/articleshow/95186822.cms>

Railways readies Rs 90,000 crore projects for freight optimisation

The Ministry of Railways will roll out projects worth Rs 90,000 crore in the months ahead to remove bottlenecks in the movement of freight, Union minister for railways Ashwini Vaishnaw said on Sunday. "By now, we have identified projects worth Rs 90,000 crore, or \$10 billion, to remove all potential bottlenecks in the movement of freight. Some of these are small projects, some are bigger in scale. The projects will be sanctioned in the coming months, and will help us realise the aspiration of loading 3,000 million tonnes (mt) of goods," Vaishnaw said at the 17th Foundation Day of Dedicated Freight Corridor Corporation of India Ltd (DFCC). The minister did not get into the particulars of the new projects, which are being closely monitored for a rollout by Railway Board Chairman V K Tripathi. At the start of the financial year, the ministry had rolled out a Rs 1.5-trillion procurement plan to augment railway performance.

https://www.business-standard.com/article/economy-policy/railways-readies-rs-90-000-crore-projects-for-freight-optimisation-122103000800_1.html

Road transport and highways sector has maximum number of delayed projects: Govt report

The road transport and highways sector, Railways and the petroleum sector have the maximum number of delayed projects, showed a government report. Over 262 of 835 projects in the road transport and highways sector are delayed. In Railways, 115 projects out of 173 projects are delayed, while for petroleum, 89 out of 140 projects are delayed, as per the latest flash report on infrastructure projects for September 2022. The Infrastructure and Project Monitoring Division (IPMD) is mandated to monitor central sector infrastructure projects costing ₹150 crore and above based on the information provided on the Online Computerised Monitoring System (OCMS) by the project implementing agencies. The IPMD comes under the Ministry of Statistics and Programme Implementation. The report showed that the Muneerabad-Mahaboobnagar rail project is the most-delayed project. It is delayed by 276 months. The second-most delayed project is the Udhampur-Srinagar-Baramulla rail project which is delayed by 247 months. The third-most delayed project is Belapur-Seawood-Urban Electrified Double Line, which is delayed by 228 months.

<https://www.thehindubusinessline.com/economy/logistics/road-transport-and-highways-sector-has-maximum-number-of-delayed-projects-govt-report/article66072744.ece>

Energy

ONGC plans 1 GW solar power plant in Rajasthan

Oil and Natural Gas Corp (ONGC) is planning to set up a 1 GW solar power plant in Rajasthan in a key move aimed at securing a foothold in the green energy space, according to an executive familiar with the company's plans. The company has approached the state government, seeking 5,000 acres of land to house its proposed 1 GW plant, the executive said. "We are engaged with the government," the person said. "The moment the land is allotted, we will go full throttle on executing the project." The project may require an investment of ₹5,000 crore and take about three years to finish after the allotment of land.

<https://economictimes.indiatimes.com/industry/renewables/ongc-plans-1-gw-solar-power-plant-in-rajasthan/articleshow/95189688.cms>

Telecom

Will continue with Trai Act's existing provisions for now: Ashwini Vaishnaw

The government will continue with the existing provisions of the Trai Act, said communications minister Ashwini Vaishnaw, allaying concerns over dilution of the telecom regulator's powers. He said the government, in fact, planned to further strengthen the Telecom Regulatory Authority of India (Trai) with penal powers in the coming years. Vaishnaw, also minister for information technology and railways, told ET in an interview that the new IT rules notified on Friday were primarily aimed at protecting users as social media platforms were not investing enough in safeguarding them from online harm. The second aim was to put the onus on platforms to proactively remove harmful posts that promote violence, crime, or child pornography, and prevent unauthorised use of copyrighted material.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/will-continue-with-trai-acts-existing-provisions-for-now-ashwini-vaishnav/articleshow/95189559.cms>

Govt expects to begin funding for telecom R&D by this January: Official

The Department of Telecommunications (DoT) is likely to approve the first batch of applications by domestic companies seeking funds for localised research and development (R&D) activities by January next year, a top official said. "We have started receiving applications. So maybe in a month's time, we'll start processing them," DoT secretary K Rajaraman told ET. "I would say by January the first batch of applications would be approved." Funded by the Universal Service Obligation Fund (USOF), the new scheme will encourage localised R&D activities in order to create Indian intellectual property rights (IPR) for telecom products and solutions.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/govt-expects-to-begin-funding-for-telecom-rd-by-this-january-official/articleshow/95188170.cms>

Healthcare

Marketing practices framework: DoP panel to meet drug lobby groups

The department of pharmaceuticals (DoP) will initiate discussions with pharma lobby groups as it starts to review the regulatory framework on marketing practices in the sector. A high-level committee formed under Niti Aayog's VK Paul will meet representatives of pharma lobby groups this week to review the matter. "In the meeting as part of stakeholder consultations, the committee has desired to have the view of Organisation of Pharmaceutical Producers of India (OPPI), Indian Pharmaceutical Alliance (IPA), Indian Drug Manufacturers' Association (IDMA)," said a notice issued by the DoP on the meeting, which is held on November 4. As reported by ET earlier, the committee is contemplating legal action if companies are found to be involved in unethical marketing practices. "The committee has been reviewing the existing practice and what is required to ensure that the rules are followed," said a person in the know.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/marketing-practices-framework-dop-panel-to-meet-drug-lobby-groups/articleshow/95188303.cms>

External

India, smaller nations talk trade via Rupee accounts

India is in talks with about a dozen smaller countries as the government seeks to expand bilateral trades through bespoke rupee accounts and internationalise indigenous payment modes. The object is to bypass the dollar-denominated trades through baby steps and creating an alternative payment ecosystem other than the global SWIFT platform. They include African countries such as Djibouti, Zimbabwe, Malawi, Ethiopia and Sudan, said people familiar with the matter.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-smaller-nations-talk-trade-via-rupee-accounts/articleshow/95189419.cms>

Agri products export grows 25% to \$13.8 billion in H1 FY23

Exports of major agriculture and processed products, promoted by Agricultural and Processed Food Products Export Development Authority (APEDA), have jumped by a quarter to \$13.77 billion (₹1,07,942 crore) during H1 FY23 from \$11.06 billion year-ago. Exceeding the target, APEDA products had registered record \$25.6 billion in FY22. There has been an impressive over 100 per cent jump in export value in wheat, pulses, and milled products, while guar gum and poultry products have registered more than 80 per cent growth. "APEDA will focus on value-added and processed food products where our potential is definitely very high. Special thrust will be given on millet-based products, which have higher value than raw grains, particularly among health-conscious population," said M Angamuthu, chairman, APEDA.

<https://www.thehindubusinessline.com/economy/agri-business/agri-products-export-grows-25-to-138-billion-in-h1-fy23/article66073611.ece>

India likely to start free trade pact negotiations with GCC next month

India and the Gulf Cooperation Council (GCC) member countries are expected to start negotiations for a free trade agreement next month with an aim to boost economic ties between the two regions, an official said. GCC is a union of six countries in the Gulf region -- Saudi Arabia, UAE, Qatar, Kuwait, Oman and Bahrain. "Terms of reference for the agreement are being finalised and we expect to launch the negotiations next month," the official said. India has already implemented a free trade pact with the UAE in May this year. According to experts, the GCC region holds huge trade potential and a trade agreement would help in further boosting India's exports to that market. Rakesh Mohan Joshi, Director, Indian Institute of Plantation Management, Bangalore, said the GCC market is unexploited by domestic exporters and it holds huge potential.

https://www.business-standard.com/article/international/india-likely-to-start-free-trade-pact-negotiations-with-gcc-next-month-122103000190_1.html