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Economy

Union Budget 2023-24: Centre invites suggestions, Dec 10 last date

For the Union Budget 2023–24, which will be presented in February next year, the government has requested public opinions and comments. Nirmala Sitharaman, the Union Finance Minister, tweeted a press posted on 'mygov.in' website seeking public participation in the annual exercise and to make the budget-making process participative and inclusive.

https://www.business-standard.com/article/economy-policy/union-budget-2023-24-centre-invites-suggestions-dec-10-last-date-122112700758_1.html

Centre sure of meeting fiscal deficit target

The Centre expects to meet or even do better than the budgeted FY23 fiscal deficit target, pegged at 6.4% of GDP, on the back of buoyant revenues, officials said. Several ministries may not be able to utilise their full allocation for the year, providing a cushion to the finance ministry to meet the sharply higher requirement for food, fertiliser and petroleum subsidies. The higher-than-budgeted nominal gross domestic product (GDP) growth will also help deficit numbers. "We are confident that we will meet the fiscal deficit target...It could even be better in percentage terms," a top government official told ET. The government expects its gross tax revenues to exceed the Rs 27.6 lakh crore FY23 budget estimates by at least Rs 3-3.5 lakh crore.

<https://economictimes.indiatimes.com/news/economy/policy/centre-sure-of-meeting-fiscal-deficit-target/articleshow/95810975.cms>

Banking and Finance

Accelerating credit flow to MSMEs essential to \$5 trillion economy dream by 2025: KPMG report

Accelerating the flow of credit to small enterprises is essential for India to achieve its \$5 trillion economy dream by 2025 as the MSME sector has been a major driver in the country's rise as the world's fifth largest economy, said industry body KPMG in its latest November 2022 report on non-banking financial companies (NBFCs) and housing finance companies (HFCs). The report 'Role of NBFCs and HFCs in driving sustainable GDP growth in India' noted that although the economic losses to the MSME sector from the Covid pandemic were huge, it has been recovering well on the back of strong policy initiatives from the government. Moreover, even as the current global slowdown and rising interest rates have raised concerns for the near-term outlook, the sector is on the cusp of major transformation on the back of deeper digitalization initiatives, a wider pool of young entrepreneurs and closer collaboration between the private and public sectors. The MSME loan market has expanded from Rs 31 lakh crore in March 2020 to Rs 33 lakh crore in March 2021 to Rs 35 lakh crore in March 2022 and Rs 36.4 lakh crore as of June 2022, with 88 per cent of registered borrowers belonging to micro segment, 10 per cent to small segment and only 2 per cent to medium segment, the report showed.

<https://www.financialexpress.com/industry/sme/msme-fin-accelerating-credit-flow-to-msmes-essential-to-5-trillion-economy-dream-by-2025-kpmg-report/2893577/>

Need more direct and indirect tax reforms: Tarun Bajaj

There is need for further reforms in the direct and indirect tax regimes, revenue secretary Tarun Bajaj said. With regard to direct taxes, there is a need to "fix the capital gains on all fronts. Second is the personal income tax and the third is to rewrite the code itself to simplify it," Bajaj told ET in an interview. "If you do that, litigation will reduce," he said, laying down the agenda for reform. He said the goods and services tax (GST) needs to be rationalised and there is a case for making the exemption-less personal income tax regime better than the old one. In the case of GST, the number of slabs needs to be reduced and another look taken at exemptions. "We are reaching a stage in our economy where we need to give complete stability to the tax structures on both sides," he said.

<https://economictimes.indiatimes.com/news/economy/policy/need-more-direct-and-indirect-tax-reforms-tarun-bajaj/articleshow/95812324.cms>

Irdai asks reinsurers to keep 50% of Indian underwritten biz within country

The Insurance Regulatory and Development Authority of India (Irdai) has, in a revised exposure draft on reinsurance regulations, mandated that Indian reinsurers, including foreign reinsurance branches, have to retain a minimum of 50 per cent of their Indian reinsurance business underwritten, within the country. Also, any retrocession to an IIO (International Financial Service Centre Insurance Office) up to 20 per cent of Indian reinsurance business underwritten shall be adjusted against the required minimum retention of 50 per cent, the regulator has said. Irdai had first placed an exposure draft for public consultation on reinsurance rules in October. Based on feedback from stakeholders, it modified the rules slightly and called for comments and suggestions by December 16.

https://www.business-standard.com/article/companies/irdai-asks-reinsurers-to-keep-50-of-indian-underwritten-biz-within-country-122112700324_1.html

Cumulative recovery rate under insolvency resolution falls to 30.18 pc in September quarter: Report

The cumulative recovery rate under the insolvency resolution processes of debt-ridden companies declined to 30.18 per cent at the end of the September quarter, indicating that lenders took more haircut on their exposure, shows a study. The recovery rate has fallen steeply from a peak of 43 per cent in Q1 FY20. Of the Rs 7,90,626.2 crore claims from the financial creditors admitted by various benches of the National Company Law Tribunal (NCLT), only Rs 2,43,452.5 crore or 30.18 per cent have been recovered till the end of Q2 FY23, as per an analysis of IBBI data done by Care Ratings. The overall recovery rate implies a haircut of around 70 per cent for the lenders.

<https://economictimes.indiatimes.com/news/company/corporate-trends/cumulative-recovery-rate-under-insolvency-resolution-falls-to-30-18-pc-in-september-quarter-report/articleshow/95805609.cms>

Industry

Competition Commission mandated to share info with Enforcement Directorate under PMLA

The Centre has brought Competition Commission of India (CCI) within the ambit of agencies that have to mandatorily share information, including confidential ones, with the Enforcement Directorate (ED) under the Prevention of Money Laundering Act (PMLA Act). It has empowered the ED to obtain corporate information from CCI, putting at risk the confidential information shared by corporate India with the competition watchdog under its merger control and anti-trust framework.

<https://www.thehindubusinessline.com/economy/competition-commission-mandated-to-share-info-with-enforcement-directorate-under-pmla/article66190998.ece>

FMCG makers encouraged by early trends; hope for rural growth in next qtrs

Leading FMCG makers are witnessing encouraging trends from the initial pickup of their winter products portfolio, expect consumption to accelerate further as mercury dips, making them hopeful for growth from the rural areas.

Makers such as Dabur, Emami and Marico are witnessing pickup in their winter-specific products portfolio ranging from skin care products to immunity products such as chyawanprash and honey. Moreover, the makers are also expecting rural sales to bounce back in the coming quarters helped by a good harvest and softening of general inflation. While winter products are doing well on new-age channels such as e-commerce and modern trade channels.

https://www.business-standard.com/article/economy-policy/fmkg-makers-encouraged-by-early-trends-hope-for-rural-growth-in-next-qtrs-122112700377_1.html

Small businesses to soon provide boat, vessel service to govt on e-commerce portal GeM

The government will soon launch boat and vessel service on its e-commerce portal Government eMarketplace (GeM) and service providers for taking care of the supply, manning, operation and maintenance of the required boats. Boat and vessel hiring is among a number of new services GeM is looking at to diversify its offerings after removing thousands of unpopular categories from the portal earlier this year. "You will now be able to hire boats through GeM! After a series of new services being added, GeM is now preparing to launch hiring of boat and vessel service on its portal soon," the portal tweeted. It recently added language services for interpretation and translation work, professional manpower services including administration, accounts, human resources, finance and maintenance, water tanker supply services, data centre operations, courier service, agencies for achieving climate goals, and more. <https://www.financialexpress.com/industry/sme/msme-eodb-small-businesses-to-soon-provide-boat-vessel-service-to-govt-on-e-commerce-portal-gem/2893480/>

Budget 2023: Hospitality body FHRAI seeks EPCGS continuation, ECLGS repayment period extension

Hospitality body Federation of Hotel & Restaurant Associations of India (FHRAI) in its budget suggestions to the finance minister Nirmala Sitharaman has made a number of requests to strengthen the sector's post-Covid recovery. The association has urged Sitharaman to continue the Export Promotion Capital Goods Scheme (EPCGS) for another 10 years and extend the loan repayment period under the Emergency Credit Line Guarantee Scheme (ECLGS) of 10 years or based on the loan repayment period of the principal loan. Currently, the repayment period under the ECLGS scheme is of three-four years including the moratorium period. The Union Cabinet, chaired by Prime Minister, Narendra Modi, in August this year had approved increasing the ECLGS limit by Rs 50,000 crore to Rs 5 lakh crore from the previous limit of Rs 4.5 lakh crore. The additional amount was assigned only for enterprises in hospitality and related sectors. <https://www.financialexpress.com/industry/sme/msme-eodb-budget-2023-hospitality-body-fhrai-seeks-epcgs-continuation-eclgs-repayment-period-extension/2893654/>

Infrastructure

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

The road transport and highways sector has the maximum number of delayed projects at 243, followed by railways at 114 and the petroleum sector at 89, showed a government report. In the road transport and highways sector, 243 out of 826 projects are delayed. In railways, out of 173 projects, 114 are delayed, while in petroleum sector, 89 out of 142 projects are delayed, as per the latest flash report on infrastructure projects for October 2022. The Infrastructure and Project Monitoring Division (IPMD) is mandated to monitor central sector infrastructure projects costing Rs 150 crore and above based on the information provided on the Online Computerised Monitoring System (OCMS) by the project implementing agencies. <https://www.financialexpress.com/infrastructure/roadways/road-transport-and-highways-sector-has-maximum-number-of-delayed-projects-govt-report-2/2893391/>

Rural housing plan likely to get Rs 28,000-crore booster infusion

The Centre is looking to allocate an additional Rs 28,000 crore for the flagship rural housing programme, Pradhan Mantri Awas Yojana–Gramin (PMAY-G), this fiscal year to ensure completion of the targeted dwellings before the next general election in 2024. https://www.business-standard.com/article/economy-policy/rural-housing-plan-likely-to-get-rs-28-000-crore-booster-injection-122112700661_1.html

Government eases rules; allows Indian carriers to wet lease wide-body planes for up to 1 year

The civil aviation ministry has allowed Indian airlines to take wide-body planes on wet lease for up to one year as it pursues efforts to make the country a key international hub for air traffic. A senior ministry official on Sunday said the rules have been relaxed and airlines that seek to operate wide-body planes will be permitted to operate such aircraft on wet lease for up to one year. Till now, wet leasing of wide-body planes was allowed only for up to six months. The country's largest airline IndiGo on Sunday said it approached the ministry and has received a communication conveying the ministry's approval to allow Indian carriers to wet/damp lease aircraft for a period of six months extendable by another six months. Such relaxation shall be available to all Indian carriers on their specific

request and the ministry will consider the same based on international destinations that the airline intends to operate, it said in a statement.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/government-eases-rules-allows-indian-carriers-to-wet-lease-wide-body-planes-for-up-to-1-year/articleshow/95810106.cms>

Energy

India eyes smaller nuclear reactors for clean energy transition: Minister

India is taking steps for the development of small modular Reactors with up to 300 MW capacity to fulfil its commitment to transitioning towards clean energy, Union Minister Jitendra Singh said Sunday. At a workshop on Small Modular Reactors (SMR) organized by NITI Aayog and the Department of Atomic Energy, he said the participation of the private sector and start-ups needs to be explored in the development of this critical technology within India. He emphasised that technology sharing and availability of funding are the two crucial links for ensuring the commercial availability of SMR technology. Singh said the exploration of new clean energy options is in tune with Prime Minister Narendra Modi's roadmap for clean energy transition through bold climate commitments which are reflected in the updated Nationally Determined Contributions.

https://www.business-standard.com/article/economy-policy/india-eyes-smaller-nuclear-reactors-for-clean-energy-transition-minister-122112700608_1.html

Telecom

Data usage and 4G additions set to boost telcos' revenues in Q3

Telecom sector revenue is set to increase 3-4% quarter-on-quarter in the October-December period, on the back of decent 4G additions and rising data usage in the seasonally stronger third quarter of the financial year, according to analysts. Revenue could increase more than 5% sequentially in the fourth quarter, they said, if Bharti Airtel extends its recent sharp increase in base rates in Odisha and Haryana to other circles, and if Reliance Jio and Vodafone Idea (Vi) take a cue from the Sunil Mittal-led telco. "Recent changes in tariffs at the lower end (by Airtel) are unlikely to have meaningful impact on telecom industry revenue growth in Q3 of 2022-23, but if they are extended to other circles and competition follows, it can boost revenue in the fourth quarter of 2022-23," Kunal Vora, head of India equity research at BNP Paribas, told ET.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/data-usage-and-4g-additions-set-to-boost-telcos-revenues-in-q3/articleshow/95810717.cms>

States

'Western, central UP to be developed as hub for EVs, ancillary industries'

With a view to make Uttar Pradesh a USD 1 trillion economy, Chief Minister Yogi Adityanath has decided to transform western and central regions of the state into a hub for auto and electric vehicle industries, an official release said here. The chief minister has told officials that the auto and electric vehicle industries in western and central Uttar Pradesh already have ample resources and they just need to be pushed further because the demand for electric vehicles is growing, it added. He said such a move will generate employment on a large scale. In the auto industry, the Gross State Value Addition (GSVA) of Uttar Pradesh was USD 1.5 billion in 2019, which can be increased to USD 5 billion in the next five years. In western and central Uttar Pradesh, 9,000-10,000 acres of land will be needed for the development of the industry and the government will spend USD 19-20 billion on this, the release added.

https://www.business-standard.com/article/economy-policy/western-central-up-to-be-developed-as-hub-for-evs-ancillary-industries-122112700183_1.html

Results of post-2019 investments in Jammu and Kashmir to be visible by next year: Official

The fruits of business investments and industries brought into Jammu and Kashmir after 2019 will be visible by the next year, even as the administration is working to achieve a target of securing investments worth Rs 75,000 crore, a top government officer said. Till now, the erstwhile state has received investment proposals worth Rs 56,867 crore and this is expected to generate more than 2.62 lakh jobs for the youth in the coming times, said the officer who did

not wish to be named. "The Union Territory of J&K has also attracted a lot of interest from foreign investors and this can be pegged at about Rs 3,000 crore," the officer told a group of visiting journalists here on Saturday.

<https://www.financialexpress.com/economy/results-of-post-2019-investments-in-j-k-to-be-visible-by-next-year-official/2893664/>

External

FinMin may allow expansion of export promotion scheme but funding is a problem

The Finance Ministry is ready to consider allowing pharmaceuticals, steel, organic chemicals and inorganic chemicals to benefit from the popular export promotion scheme—Remission of Duties and Taxes on Exported Products (RoDTEP)—but it may not be keen to allocate more resources for it, sources said. "If the RoDTEP scheme gets extended to the four previously excluded schemes, it is the Commerce Ministry which may be asked to provide the resources from the allocation already made for the scheme. This would be a challenge as the available amount may not be enough to accommodate more claimants but the Finance Ministry has indicated that it would be difficult to come up with more funds," a source tracking the matter told businessline.

<https://www.thehindubusinessline.com/economy/finmin-may-allow-expansion-of-export-promotion-scheme-but-funding-is-a-problem/article66187678.ece>

Indian pharma exports rise by 4.22 pc to USD 14.57 billion during April-Oct in current fiscal

Pharmaceutical exports from India registered a growth of 4.22 per cent to reach USD 14.57 billion during the April-October period despite a negative trend last month, according to a senior official of an export promotion body under Government of India. Udaya Bhaskar, Director General of Pharmaceuticals Export Promotion Council of India (Pharmexcil) which is an organisation under the Ministry of Commerce, said he was hopeful of ending the current fiscal at around USD 27 billion as against USD 24.62 billion during the last financial year. "There was a dip (-0.32 per cent) in July and (-5.45 per cent) and there was 8.47 per cent positive growth in September. I am optimistic that it will be revived in the coming months and may touch USD 27 billion at the end of the fiscal," Bhaskar told PTI.

<https://www.financialexpress.com/economy/indian-pharma-exports-rise-by-4-22-pc-to-usd-1457-billion-during-april-oct-in-current-fiscal/2893317/>

Gold imports decline 17% in Apr-Oct to \$24 billion as demand falls

Gold imports, which have a bearing on the current account deficit, declined 17.38 per cent to about USD 24 billion during April-October due to fall in demand, according to the data of the commerce ministry. Imports of the yellow metal stood at USD 29 billion in the corresponding period of 2021-22. The imports during October this year also contracted by 27.47 per cent to USD 3.7 billion, the data showed. Silver imports during the month too dipped 34.80 per cent to USD 585 million. Cumulatively, the imports, however, jumped to USD 4.8 billion as against USD 1.52 billion during April-October 2021-22.

https://www.business-standard.com/article/economy-policy/gold-imports-decline-17-in-apr-oct-to-24-billion-as-demand-falls-122112700213_1.html

Moscow, Tehran to raise volume of Russian goods to India via INSTC

Close on the heels of Foreign Minister S Jaishankar's Moscow visit, Russia and Iran have agreed on the transit of 12 million tons of Russian goods via Tehran along the International North-South Transport Corridor (INSTC), with both Moscow and Delhi seeking to increase trade volumes through the multi-modal transport corridor that has been a game-changer in Indo-Russian economic partnership since the start of the Ukraine war. The decision to boost INSTC trade was taken during a recent visit of senior Iranian officials to Moscow, ET has learnt. During Jaishankar's visit to Moscow and the Iranian Deputy Foreign Minister's visit to New Delhi, boosting trade via INSTC was a key discussion item on the agenda. Russia has also agreed to invest in establishing logistic hubs to increase transit capacity, especially in Iran's Shahid Rajaei and Chabahar ports, eyeing the Indian and South East Asian markets, officials told ET. Russian involvement in Chabahar will further boost the capacity of the port built by India.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/moscow-tehran-to-raise-volume-of-russian-goods-to-india-via-instc/articleshow/95810655.cms>

Foreign direct equity investments from top-6 nations shrink in H1

Foreign direct equity investments from six out of the top-10 investing countries/regions — Mauritius, United States, United Kingdom, Netherlands, Germany, and Cayman Islands — witnessed a contraction during the first half of the financial year compared to the year-ago period.

https://www.business-standard.com/article/economy-policy/foreign-direct-equity-investments-witness-a-contraction-in-h1fy23-122112700452_1.html