



December 21, 2022 – Wednesday

### Key Developments

#### Sebi board approves phasing out shares buyback through stock exchanges

The Securities and Exchange Board of India (Sebi) board on Tuesday approved phasing out of buybacks through stock exchanges, along with chalking out of governance mechanisms for addressing lapses at market infrastructure institutions (MIIs) like stock exchanges, depositories, and clearing houses. “We feel the tender route is a more equitable one for buybacks. The other route is vulnerable to favouritism. Except a few, no one knows when the company buyback is going to happen,” Sebi Chairperson Madhabi Puri Buch said after the board meeting. The regulator has given its go-ahead to increase the minimum utilisation of the amount earmarked for buyback through the stock exchange way, from the existing 50 per cent to 75 per cent, until the route is completely phased out by March 2025. Buybacks will be undertaken through a separate window on stock exchanges until then. Sebi will also permit the upward revision of the buyback price until one working day before the record date.

[https://www.business-standard.com/article/markets/sebi-board-approves-phasing-out-shares-buyback-through-stock-exchanges-122122001185\\_1.html](https://www.business-standard.com/article/markets/sebi-board-approves-phasing-out-shares-buyback-through-stock-exchanges-122122001185_1.html)

### Economy

#### Retail inflation for rural workers rises to 6.99 pc in Nov

Retail inflation for farm and rural workers rose to 6.87 per cent and 6.99 per cent, respectively, in November on annual basis mainly due to lower prices of certain food items. Point to point rate of inflation based on the CPI-AL (consumer price index-agricultural labours) and CPI-RL (rural labourers) stood at 7.22 per cent & 7.34 per cent respectively in October, 2022 and 3.02 per cent and 3.38 per cent, respectively, during the corresponding month (November 2021) of the previous year, a labour bureau statement said. Food inflation stood at 6.19 per cent and 6.05 per cent in November, 2022 compared to 7.05 per cent and 7 per cent respectively in October 2022 and 0.88 per cent and 1.07 per cent respectively during the corresponding month (November 2021) of the previous year, it stated.

<https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-for-rural-workers-rises-to-6-99-pc-in-nov/articleshow/96378374.cms>

#### See upturn in capex cycle, growth momentum to pick up: RBI report

Waning input cost pressures, buoyant corporate sales, and a turn-up in investments in fixed assets suggest the beginning of an upturn in India’s capital expenditure cycle, which could help improve earnings in the coming quarters and speed up “the momentum of growth in the Indian economy”, the Reserve Bank of India (RBI) said in its monthly bulletin for December. The State of the Economy article in the Bulletin, authored by RBI staff, including Deputy Governor Michael Patra, however, flagged inflation concern. “Inflation may be slightly down, but it is certainly not out. If anything, it has broadened and become stubborn, especially at its core,” it said. The report said that if the Monetary Policy Committee’s (MPC’s) projections given in its December meeting hold, then retail inflation would probably fall within the official tolerance band of 2-6 per cent in the next financial year.

[https://www.business-standard.com/article/economy-policy/see-upturn-in-capex-cycle-growth-momentum-to-pick-up-rbi-report-122122001021\\_1.html](https://www.business-standard.com/article/economy-policy/see-upturn-in-capex-cycle-growth-momentum-to-pick-up-rbi-report-122122001021_1.html)

### **Formal jobs created falls 30% in October, EPFO data shows**

Formal jobs created under the Employees' Provident Fund Organisation fell month-on-month by 30.2% to 1.29 million compared to 1.68 million net new subscribers added in September, shows the provisional payroll data of EPFO. This is the third lowest addition in the current fiscal with least addition of 1.21 million in May and 1.29 million in April. This is despite October being the festive month. Net new subscribers added to EPFO were 1.42 million in June, 1.55 million in July and 1.53 million in August. A year-on-year comparison of payroll data shows net new additions of 1.29 million in October this year was a marginal growth compared to 1.27 million added in October 2021.

<https://economictimes.indiatimes.com/news/economy/indicators/formal-jobs-created-falls-30-in-october-epfo-data-shows/articleshow/96373802.cms>

### **77% service sector firms keen on hiring new employees in Q4: Report**

Almost 77 per cent employers in India's services sector are keen to make new hires in Q4 of this financial year (January-March), said a report on Tuesday, marking strong business sentiment in the country at a time of global recession fears. At least 73 per cent of employers had said the same in Q3, according to the Employment Outlook Report by staffing firm TeamLease. The report covered 573 small, medium and large companies in 14 service industries in 14 Indian cities. It included four hierarchical levels (entry, junior, mid and senior) in metro cities, tier-1/ 2/3 cities and rural areas. In services and manufacturing, 68 per cent employers (65 per cent in Q3) expressed a positive hiring sentiment. Among major markets, the Indian service industry has the highest hiring intentions (68 per cent), followed by Asia-Pacific (48 per cent) and the Americas (45 per cent).

[https://www.business-standard.com/article/companies/hiring-sentiments-to-remain-strong-for-the-services-sector-in-q4-report-122122000785\\_1.html](https://www.business-standard.com/article/companies/hiring-sentiments-to-remain-strong-for-the-services-sector-in-q4-report-122122000785_1.html)

## **Banking and Finance**

### **Sebi opens doors for MF investment platforms to charge transaction fee**

Online mutual fund (MF) investment platforms like Groww, Zerodha Coin and Paytm Money, which allow investments in direct MF schemes for free, will soon be able to charge their customers or the fund houses for executing transactions. "They can charge some money but commission-like structure won't be allowed," Madhavi Puri Buch, chairperson of the Securities and Exchange Board of India (Sebi), said on Tuesday. At present, none of these online investment platforms generate any revenue through the MF sales. On Tuesday, Sebi announced the introduction of a regulatory framework, specifically for such investment platforms. The regulator said the framework will have an 'appropriate investor protection mechanism' and will make it easier for such MF investment platforms to operate. The details on how much these platforms will charge and from whom, would come out at a later stage.

[https://www.business-standard.com/article/markets/sebi-opens-doors-for-monetisation-of-groww-other-mf-investment-platforms-122122001093\\_1.html](https://www.business-standard.com/article/markets/sebi-opens-doors-for-monetisation-of-groww-other-mf-investment-platforms-122122001093_1.html)

### **RBI speeds up bank approval for Russian rupee trade but exporters face issues**

To give a boost to India's rupee trade with sanction-hit Russia, the Reserve Bank of India (RBI) has extended its approval to as many as 14 Indian banks, including UCO, YES, SBI, HDFC, Canara and IndusInd, to open special rupee vostro accounts in partnership with correspondent banks in Russia. But exporters say the mechanism is yet to take-off smoothly as many Indian banks were hesitating to issue Bank Realisation Certificates (BRCs) to them, in the absence of which, they could not claim export incentives and benefits offered by the government. BRCs are confirmations that exporters have received payment for their exports from buyers. "Exporters have taken up the issue with RBI in a recent meeting that was also attended by officials from the Department of Financial Services. RBI has assured that it will sort out the matter soon," an official tracking the matter told businessline.

<https://www.thehindubusinessline.com/economy/rbi-speeds-up-bank-approval-for-russian-rupee-trade-but-exporters-face-issues/article66285696.ece>

### **EMI cards top choice of borrowers, reveals Home Credit India's study**

EMI cards seems to have taken wings in India with more than 50 per cent of borrowers surveyed by Home Credit India, showing preference and acceptability for such cards when it came to shopping or for any credit need. This was

followed by credit cards (25 per cent), with new age lending platforms including 'Buy Now Pay Later' evidently losing out with less than 10 per cent in favour, revealed the findings of the latest Home Credit India's 'How India Borrows' 2022 Study. Borrowers view EMI Cards as trustworthy, with timely approvals and quick disbursements, the findings showed.

<https://www.thehindubusinessline.com/economy/emi-cards-are-a-favoured-consumer-choice-among-borrowers-reveals-home-credit-indias-study/article66286023.ece>

#### **Govt committed to strong macroeconomic fundamentals, financial stability: Finance ministry report**

The government remains committed towards strong macroeconomic fundamentals and financial stability despite global headwinds, a finance ministry report has said. The current global economy is navigating through incredibly rough waters attributed to global uncertainties, the unfolding of conflict in Ukraine, the reaction of financial and commodity markets to the changing scenarios and tight monetary policy, etc. "However, despite hurdles, the Indian economy has performed reasonably well as compared to other major economies and shown its resilience amidst the global slowdown and global uncertainties," as per the statement on Half Yearly Review of the Trends in Receipts and Expenditure in relation to the Budget at the end of the first half of FY'23.

<https://economictimes.indiatimes.com/news/economy/policy/govt-committed-to-strong-macroeconomic-fundamentals-financial-stability-finance-ministry-report/articleshow/96379231.cms>

#### **Indian Govt raises over Rs 4 trillion via disinvestment since 2014**

The government has raised over Rs 4.04 lakh crore through disinvestment and strategic sale of public sector enterprises since the Modi government came into power in 2014, the Finance Ministry said on Tuesday. Of this, the largest amount totalling over Rs 1.07 lakh crore through offer for sale in 59 cases. This was followed by a stake sale through Exchange Traded Fund (ETF) in 10 tranches, aggregating to Rs 98,949 crore. Strategic sales in 10 companies, including Air India, yielded Rs 69,412 crore to the exchequer in the last 8 years. Share buyback in 45 cases fetched Rs 45,104 crore.

[https://www.business-standard.com/article/economy-policy/indian-govt-raises-over-rs-4-trillion-via-disinvestment-since-2014-122122000763\\_1.html](https://www.business-standard.com/article/economy-policy/indian-govt-raises-over-rs-4-trillion-via-disinvestment-since-2014-122122000763_1.html)

#### **GST compensation of Rs 17,176 cr pending to states as of June 2022: Govt**

The government on Tuesday informed Rajya Sabha that GST compensation of Rs 17,176 crore is pending to states as on June 2022. Replying to supplementaries during the Question Hour, Minister of State for Finance Pankaj Chaudhary said the Centre is giving GST compensation to states for five years. He said even during Covid times when no GST was collected, the Government of India had given compensation to states after taking loans of Rs 1.1 lakh crore and 1.59 lakh crore during 2020-21 and 2021-22. "A total of only Rs 17,176 crore GST compensation is pending as on June 2022," the minister told the house. Replying to other queries, Finance Minister Nirmala Sitharaman said, "As of now, since we have somewhat cleared all the dues up to June, and about Rs 17,000 crores pending is to be given."

[https://www.business-standard.com/article/economy-policy/gst-compensation-of-rs-17-176-cr-pending-to-states-as-of-june-2022-govt-122122000564\\_1.html](https://www.business-standard.com/article/economy-policy/gst-compensation-of-rs-17-176-cr-pending-to-states-as-of-june-2022-govt-122122000564_1.html)

### **Industry**

#### **Year-end discounts on cars rise to the highest in 4 years**

Year-end discounts from carmakers have risen to a four-year high as pentup demand starts drying up on the back of improved production. Dealerships are making the deal sweeter with benefits ranging from ₹25,000 to ₹1,00,000. Driving this trend is the softening of demand in certain car segments and fuel types. To shore up sales, most carmakers are offering discounts between 4.5% and 5% on their vehicles this month compared with 2-2.5% two years ago. The most generous price benefits are in the entry-level car segment and the petrol segment of sports utility vehicles (SUVs), thanks to a mix of cash discount from automakers, exchange bonus benefit, lower own damage premium by insurance companies, and schemes run by dealers.

<https://economictimes.indiatimes.com/industry/auto/auto-news/year-end-discounts-on-cars-rise-to-the-highest-in-4-years/articleshow/96380059.cms>

### **Govt to unveil website for better after-sales service to ensure quality products**

Indian consumers will soon get details of after-sales service on their cars, handsets, home appliances and electronics online, on a government portal being launched to push companies to ensure quality product service. Consumer goods, car and handset manufacturers, among others, will have to mandatorily give an after-sales service declaration on the website, with details including a timeline for service, whereabouts of service centres and availability of spare parts, a senior official said. For instance, when a multinational carmaker launches a model in India, it will have to declare for how long it will provide after-sales support and make spare parts available in the country even if it winds up operations here, said the official from the Department of Consumer Affairs (DoCA). The website is expected to come up in the next few weeks.

<https://economictimes.indiatimes.com/industry/cons-products/durables/govt-to-unveil-website-for-better-after-sales-service-to-ensure-quality-products/articleshow/96384623.cms>

### **India public cloud service market to be worth \$13 bn by 2026: Report**

The Indian public cloud service market will be worth \$13 billion by 2026, growing at a CAGR of 23.1 per cent for 2021-26, according to an international research firm. Public cloud service (PCS) makes computing and storage applications available on demand to organisations and individuals over the public internet. A private cloud model's resources are available only to a single organisation. International Data Corporation (IDC) said in a report on Monday the revenue of Indian PCS market, including infrastructure-as-a-service (IaaS), platform-as-a-service (PaaS) solutions, and software-as-a-service (SaaS), totalled \$2.8 billion for the first half of 2022. SaaS was the largest component of the Indian PCS market, followed by IaaS and PaaS during the first half of 2022, said the report called IDC Worldwide Semi-annual Public Cloud Services Tracker, H12022 (January-June).

[https://www.business-standard.com/article/economy-policy/india-public-cloud-service-market-to-be-worth-13-bn-by-2026-report-122122000426\\_1.html](https://www.business-standard.com/article/economy-policy/india-public-cloud-service-market-to-be-worth-13-bn-by-2026-report-122122000426_1.html)

## **Infrastructure**

### **Railways to start GPS tagging of 300,000 Wagons**

The Indian Railways is set to initiate Global Positioning System (GPS) tracking of each of its nearly 300,000 wagons under a plan to prevent pilferages on the national transporter. As part of the Wagon GPS (WGPS) Project, the Centre for Railway Information Systems (CRIS) has invited expressions of interest for participating in knowledge gathering exercise for the determination of location on-run of the freight wagons of Indian Railways using Satellite Navigation System. Officials said instances of "missing wagons" and theft of goods from open wagons have been a long-standing concern of the railways. This leads to disputes with entities that use the railways network for freight transport. Even when goods trains cross the Indian borders, there have been cases where their return to the country is delayed.

<https://economictimes.indiatimes.com/industry/transportation/railways/railways-to-start-gps-tagging-of-300000-wagons/articleshow/96379989.cms>

### **Parliamentary panel pitches for seaplane policy to boost last mile air connectivity**

A Parliamentary panel on Tuesday asked the civil aviation ministry to expeditiously formulate a seaplane policy and also instruct airports as well as airlines to provide assistance to differently-abled people to board an aircraft. The recommendations are part of the report tabled by the department-related Parliamentary Standing Committee on Transport, Tourism and Culture. In March this year, the ministry launched the Small Aircraft Scheme (SAS), which includes the operation of seaplanes. However, the committee noted that the seaplane policy has not yet been finalised. "The committee, therefore, reiterates its recommendation that a seaplane policy may be formulated expeditiously in consultation with various stakeholders, which will provide last-mile air connectivity to the common people living in far-flung and remote areas of the country," it said.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/parliamentary-panel-pitches-for-seaplane-policy-to-boost-last-mile-air-connectivity/articleshow/96373914.cms>

## **Energy**

### **India's subsidies for renewable energy, electric vehicles doubled in FY 22**

India's subsidies for renewable energy and electric vehicles more than doubled in FY 2022, but it will be critical for the government to build this momentum over the coming years to reach the country's climate targets, a new study by the International Institute for Sustainable Development (IISD) said on Tuesday. The study, titled Mapping India's Energy Policy 2022 (Update): Tracking Government Support for Energy, found that subsidies for renewable energy reached Rs 11,529 crore in FY 2022, up from Rs 5,774 crore in FY 2021, while support for electric vehicles in the same period jumped 160 per cent from Rs 906 crore to a record-high Rs 2,358 crore. This rise is the result of greater policy stability, a 155 per cent jump in the installation of solar photovoltaic, and the post-Covid economic resurgence, the study found.

[https://www.business-standard.com/article/economy-policy/india-s-subsidies-for-renewable-energy-electric-vehicles-doubled-in-fy-22-122122000668\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-subsidies-for-renewable-energy-electric-vehicles-doubled-in-fy-22-122122000668_1.html)

### **Power demand to fall in H2, gencos' receivables to go up: Fitch Ratings**

Growth in the country's power demand is likely to slow down in the second half of the financial year ending March 2023 (H2FY23), after a robust 11.3 per cent year-on-year (YoY) growth in the first half of the year (H1FY23), Fitch Ratings said in a report released on Tuesday. Estimates by Fitch and power analysts *Business Standard* spoke to suggest that the second half of the year could see power demand grow in the region of 7-8 per cent versus the corresponding period last year. For the full year of FY23, Fitch analysts Geetika Gupta and Girish Madan say that power demand will grow in the region of 8 per cent versus 8.2 per cent seen in FY22. While a slowdown in demand hardly bodes well for power companies, the good part is that the receivables of power generating companies (gencos) will improve this year as power distribution companies (discoms) begin clearing their dues, Gupta and Madan said.

[https://www.business-standard.com/article/economy-policy/india-s-power-demand-to-fall-in-h2fy23-says-fitch-ratings-report-122122001030\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-power-demand-to-fall-in-h2fy23-says-fitch-ratings-report-122122001030_1.html)

### **Commercial coal auction round 7 likely in early '23**

The Centre is looking to kick off yet another round of coal block auctions in early 2023 to draw in a wider pool of private players, ET has learnt. The Union Ministry of Coal is working on a plan to launch the seventh round of commercial coal auctions as soon as the ongoing sixth round concludes. While 64 coal blocks are currently given out to private players, the number is expected to touch 100 when the sixth round of auction wraps up with multiple private players in the fray.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/commercial-coal-auction-round-7-likely-in-early-23/articleshow/96379494.cms>

## **States**

### **Assam tables bill to decriminalise labour law**

The Assam government on Tuesday tabled amendment to as many as 10 labour laws. The Minimum Wages (Assam Amendment) Bill, 2022, seeks to amend the Minimum Wages Act, 1948. It proposes to bring amendment to penalties for certain offences under section 22 and insertion of a new Section 22A compounding of offences with an objective to decriminalise the labour law by bringing in civil penalties. The rationale behind decriminalisation is that imprisonment is too severe a consequence for economic offences that do not involve mala fide. Legal process around an offence involving imprisonment greatly increases the anxiety among employers and reduced possibility of such processes leads to improved ease of doing business. Criminal penalties, especially the risk of imprisonment are often unintentional offences, a major reason for low business investment.

<https://economictimes.indiatimes.com/news/india/assam-tables-bill-to-decriminalise-labour-law/articleshow/96379980.cms>

## **Healthcare**

### **Indian companies are paying up to 25% more for China APIs**

India's pharmaceutical industry, which is dependent on China for active pharmaceutical ingredients (APIs), intermediates and bulk drugs, has been hit by the Covid-19 surge in that country. Key APIs have become 12-25% costlier in the past few days amid possible supply disruptions that may squeeze margins and raise drug prices,

industry executives said. This could also lead to drug shortages, they warned. There's an upward trend in APIs of azithromycin, paracetamol, oral and injectable antibiotics, said Mehul Shah, who tracks the Chinese pharma industry.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/indian-companies-are-paying-up-to-25-more-for-china-apis/articleshow/96384401.cms>

#### **Govt directs all states to conduct genome sequencing of positive Covid cases to check for new variant**

Taking cognizance of a sudden spurt of Covid cases in Japan, US, Republic of Korea, Brazil and China, the health ministry has directed all states to conduct genome sequencing of positive cases to check for any new variant. In a letter written to additional chief secretaries Principal secretaries and state health state secretaries, Union health secretary Rajesh Bhushan said that it was "essential" to gear up the whole genome sequencing of positive case samples to track the variants through Indian SARS-CoV-2 Genomics Consortium (INSACoG) network.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/govt-directs-all-states-to-conduct-genome-sequencing-of-positive-covid-cases-to-check-for-new-variant/articleshow/96376089.cms>

#### **External**

#### **Apparel exporters eyeing Japan, Oz and Canada**

Apparel exporters of Tirupur and Noida have started tapping the markets of Japan, Canada and Australia amid fears that the deepening downturn in the US and European Union-their main buyers-will hit their trade, which recorded good growth last month. Apparel exporters of Tirupur and Noida have started tapping the markets of Japan, Canada and Australia amid fears that the deepening downturn in the US and European Union-their main buyers-will hit their trade, which recorded good growth last month.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/apparel-exporters-eyeing-japan-oz-canada/articleshow/96380066.cms>

#### **India exports 5.62 lakh tonne of sugar till December 9: AISTA**

India has exported 5.62 lakh tonne of sugar so far in the current 2022-23 marketing year that began in October, trade body AISTA said on Tuesday. In November, the government allowed the export of 60 lakh tonne of sugar in the current (2022-23) marketing year (October-September). According to the All India Sugar Trade Association (AISTA), the dispatches for exports from sugar mills were at 12.19 lakh tonne, out of which physical shipment completed stood at 5.62 lakh tonne till December 9 of the current marketing year. A maximum of sugar has been exported to the UAE, followed by Bangladesh, Indonesia, Somalia and others in the said period, it said in a statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-exports-5-62-lakh-tonne-of-sugar-till-december-9-aista/articleshow/96373006.cms>

#### **Centre develops new metrics for imports after reports of under-reporting**

The Centre has developed new valuation metrics for imports after large-scale under-invoicing of steel imports from China to evade customs duty and GST were unearthed, a report in *Mint* said. In April-July, the Directorate General of Valuations under the Central Board of Indirect Taxes & Customs (CBIC) found out that stainless steel flat products of J3 grade were imported at an average value of Rs 87 per kg as against the similar products of 201 grade imported at an average value of Rs 163 per kg, the report added. In November, media reports emerged showing a \$12 billion mismatch in the Indian and Chinese trade figures between January and September. According to Chinese figures, its trade with India touched \$103 billion while India's data showed that bilateral trade stood at just \$91 billion.

[https://www.business-standard.com/article/economy-policy/centre-develops-new-metrics-for-imports-after-reports-of-under-reporting-122122000466\\_1.html](https://www.business-standard.com/article/economy-policy/centre-develops-new-metrics-for-imports-after-reports-of-under-reporting-122122000466_1.html)

#### **Mobile exports cross Rs 50k crore in eight months**

At a time when exports in many sectors are either sliding or at best remaining stable, smartphone shipments from India crossed the Rs 50,000-crore mark during April-November 2022, up 110% compared to the same period last year. This is also 10% higher from Rs 45,000 crore registered during the entire FY22. The main contributors to this massive growth are Apple contract manufacturers – Foxconn, Pegatron (both located in Tamil Nadu) and Wistron

(located in Karnataka) – and Samsung. Nearly 40% of the Rs 50,000 crore worth of smartphones exported from India are iPhones, which Apple exports to Europe, West Asia and Asian countries, except China. Samsung and a range of small exporters, most of which are Indian device makers, contributed the remaining 60%. Apple’s vendors and Samsung are participants in the smartphone PLI scheme announced by the government in April 2020.

<https://www.financialexpress.com/economy/mobile-exports-cross-rs-50k-crore-in-eight-months/2919912/>

#### **India to host next IPEF negotiation round in February**

India will host the next special negotiation round for the Indo-Pacific Economic Framework (IPEF) for Prosperity, a new economic initiative driven by the US, that will include discussions on pillars covering issues related to supply chain, clean economy and fair economy. “Minister Piyush Goyal extended invitation to all partners countries for the next special negotiation round for pillars 2-4 of IPEF to be hosted by India on February 8-11, 2023,” according to a statement by the Commerce & Industry Ministry, following the virtual Ministerial meeting on economic benefits of IPEF attended by Goyal on Tuesday. The 14-member IPEF launched by US President Joe Biden on May 22 in Tokyo this year includes Australia, Brunei, Indonesia, India, Japan, Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, the US and Vietnam.

<https://www.thehindubusinessline.com/economy/india-to-host-next-ipef-negotiation-round-in-february/article66286015.ece>