

## Weekly Compendium of Economic and Business Developments

(Period ending December 24 , 2020)

PHD Research Bureau disseminated information to the members of PHD Chamber & other industry stakeholders on various economic and business developments at International, National and Sub-national arena such as ADB, India sign \$300 million loan to upgrade power distribution network in Uttar Pradesh, DPIIT invites applications for National Startup Awards 2021, amendment in Export Policy of Medical Goggles and Nitrile/NBR Gloves, release of 8th Instalment of Rs. 6,000 crore to the States, amendment to Master Direction (MD) on KYC – Centralized KYC Registry by RBI, decisions taken by the Union Cabinet, Ministry of Railways introduces policy regarding Premium Indent to facilitate freight customers, among others. The details of disseminated information during the week ending 24th December 2020 are appended.

### India and World Economy

- **Centre Extends Suspension Of Insolvency Proceedings By Another 3 Months Till March 25, 2021-** The Ministry of Corporate Affairs has issued a notification to extend the suspension of insolvency proceedings by another three months with effect from December 25, 2020 till March 25, 2021. The new notification comes ahead of the end of the present suspension period which is set to end on December 25. In June, the Centre had suspended IBC proceedings for a period of six months with effect from March 25 taking note of the difficulties created by the COVID19 pandemic and the lockdown. An ordinance was promulgated to incorporate Section 10A to the Insolvency and Bankruptcy Code to effectively suspend the operation of Section 7,9 &10 of IBC with respect to default arising on or after March 25 for a period of 6 months, extendable up to maximum of one year from such date as may be notified.
- **8th Instalment of Rs. 6,000 crore released to the States as back to back loan to meet the GST compensation shortfall-** The Ministry of Finance has released the 8th weekly instalment of Rs. 6,000 crore to the States to meet the GST compensation shortfall. Out of this, an amount of Rs. 5,516.60 crore has been released to 23 States and an amount of Rs. 483.40 crore has been released to the 3 Union Territories (UT) with Legislative Assembly (Delhi, Jammu & Kashmir & Puducherry) who are members of the GST Council. The remaining 5 States, Arunachal Pradesh, Manipur, Mizoram, Nagaland and Sikkim do not have a gap in revenue on account of GST implementation.
- **Ministry of Railways introduces Policy regarding Premium Indent to facilitate freight customers-** Ministry of Railways has introduced the policy regarding Premium Indent on 11th December 2020 to facilitate freight customers. Under this policy, if a customer places request for Premium Indent, allotment of rakes will be given priority on two days as notified under Preferential Traffic Order issued by Traffic Transportation directorate of Railway Board from time to time, presently being Monday and Friday. However, on other days normal order of priority of indents will follow.

- **Government lays down Rights to the Electricity Consumers through Electricity (Rights of Consumers) Rules, 2020-** Union Ministry of Power has promulgated rules laying down the rights of power consumers in the country. While issuing these rules, Shri R.K Singh, Hon'ble Union Minister of State (Independent Charge) for Power and New & Renewable Energy, said that these rules shall empower the consumers of electricity and added that these Rules emanate from the conviction that the power systems exist to serve the consumers and the consumers have rights to get the reliable services and quality electricity. He said that Distribution Companies across the country are monopolies – whether government or private – and the consumer has no alternative – therefore it was necessary that the consumers' rights be laid down in Rules and a system for enforcement of these rights be put in place.
- **Decisions taken by the Union Cabinet-** Cabinet approves Merger of Five Film Media Units through Rationalization of Infrastructure, Manpower and Other Resources; Cabinet approves Revision in guidelines for providing Direct to Home (DTH) Services in India; Cabinet approves signing of revised air services agreement between India and Philippines; Cabinet approves signing of revised air services agreement between India and Afghanistan and Cabinet approves transformatory changes in Post Matric Scholarship for SCs.
- **ADB, India sign \$300 million loan to upgrade power distribution network in Uttar Pradesh-** The Asian Development Bank (ADB) and the Government of India signed a \$300 million loan to upgrade rural power distribution networks to provide reliable electricity supply to consumers in the state of Uttar Pradesh. The signatories to the tranche 1 loan for Uttar Pradesh Power Distribution Network Rehabilitation Project were Dr. C. S. Mohapatra, Additional Secretary, Department of Economic Affairs in the Ministry of Finance who signed for the Government of India, and Mr. Takeo Konishi, Country Director of ADB's India Resident Mission who signed for ADB. Upgrading the distribution network will help improve the quality and reliability of electricity supply, reduce the aggregate technical and commercial (ATC) losses and restore the financial sustainability of the rural electricity supply in the state of Uttar Pradesh.
- **ADB, India sign facility to support preparation of infrastructure projects in Tripura-** The Asian Development Bank (ADB) and the Government of India signed a \$4.21 million project readiness financing (PRF) facility for the preparation of infrastructure development projects to improve urban amenities and develop tourism infrastructure in the northeastern state of Tripura. This is ADB's first PRF facility for a state in the northeastern region of India. The facility will support the Government of Tripura's priorities of improving urban services and tourism infrastructure through holistic planning by developing key infrastructure investment projects and related reforms in these sectors that will help boost economic development.
- **World Bank Signs \$500 Million Project to Develop Green, Resilient and Safe Highways in India-** The Government of India and the World Bank signed a \$500 million project to build safe and green national highway corridors in the states of Rajasthan, Himachal Pradesh, Uttar Pradesh and Andhra Pradesh. The project will also enhance the capacity of the Ministry of Road Transport and Highways (MoRTH) in mainstreaming safety and green technologies. The Green National Highways Corridors Project will support MoRTH construct 783 km of highways in various geographies by integrating safe and green technology designs such as local and marginal materials, industrial byproducts, and other bioengineering solutions. The project will help reduce GHG emissions in the construction and maintenance of highways.

## Finance

- **RBI announces Amendment to Master Direction (MD) on KYC – Centralized KYC Registry – Roll out of Legal**

Entity Template & other changes- Regulated Entities (REs) have been uploading the KYC data pertaining to all individual accounts opened on or after January 1, 2017 on to CKYCR in terms of the provisions of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Changes to the template, as and when required are released by CERSAI after consulting the Reserve Bank. As the CKYCR is now fully operational for individual customers, it has been decided to extend the CKYCR to Legal Entities (LEs). Accordingly, REs shall upload the KYC data pertaining to accounts of LEs opened on or after April 1, 2021, on to CKYCR in terms of Rule 9 (1A) of the PML Rules.

## Foreign Affairs and Trade

- **DPIIT invites applications for National Startup Awards 2021-** Department for Promotion of Industry and Internal Trade (DPIIT), Government of India is launching the second edition of the National Startup Awards(NSA) 2021. The applications for the awards are open till 31st January 2021. The awards for startups will be given in 49 areas classified into 15 broad sectors. The 15 sectors are Agriculture, Animal Husbandry, Drinking Water, Education and Skill Development, Energy, Enterprise Systems, Environment, FinTech, Food Processing, Health and Wellness, Industry 4.0, Security, Space, Transport and Travel. A cash prize of INR 5 lakh each will be awarded to the winning startup in each area. The details of the application process may be seen at [www.startupindia.gov.in](http://www.startupindia.gov.in).
- **Government announces amendment in Export Policy of Medical Goggles and Nitrile/NBR Gloves-** The Directorate General of Foreign Trade (DGFT), Government of India has announced amendment in export policy of Medical Goggles and Nitrile/NBR Gloves. The in export policy of Medical Goggles and Nitrile/NBR Gloves is now amended from "Restricted" to "Free" category making all types of Medical Goggles and Nitrile/NBR Gloves freely exportable. For details, you may please access the detailed circular released by Directorate General of Foreign Trade (DGFT) for your kind reference: <https://content.dgft.gov.in/Website/dgftprod/90dab10a-08ad-41bf-9fde-e05d2b0e4354/Noti%2047%20Eng.pdf>
- **Government announces amendment in Import Policy Condition for de – notifying STC as an STE for import of Copra and Coconut Oil under Chapter 12 and 15 of ITC (HS), 2017, Schedule – I (Import Policy)-** In exercise of powers conferred by Section 3 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government has amended the policy conditions of certain Exim Codes. The effect of the notification is that import of Copra under HS code 1203 00 00 is allowed through MMTC; while import of Coconut oil- under HS codes 1513 11 00 (Crude) and 1513 19 00 (Others) is allowed through State Trading Enterprise (STEs) except State Trading Corporation (STC). For details, you may please access the detailed circular released by Directorate General of Foreign Trade (DGFT) for your kind reference: <https://content.dgft.gov.in/Website/dgftprod/d089f1f6-aa02-4182-a0e1-cf004d7353e2/Notification%20NO.46%20dated%2021.12.2020%20English.pdf>

## Our Voice

- **PHDCCI EBM Index: The PHDCCI Economic and Business Momentum Index; Economic recovery progressing towards Q4 level of FY 2019-20, GDP growth seen at 0.1% to 2% in Q3 and 2% to 4% in Q4 FY 2020-21: PHD Chamber; Cement, steel, consumer durables & capital goods sectors show remarkable recovery-** The continuous improvement in the key economic and business indicators signals that the worst is behind us and expectations of a positive GDP growth at 0.1% to 2% in Q3 and 2% to 4% in Q4 FY 2020-21 are becoming strong with a higher growth trajectory in FY 2021-22 at 7.7%, according to PHDCCI EBM Index (Economic and

Business Momentum Index). The series of stimulus announcements by the Government in last 9 months under the AatmaNirbhar Bharat Abhiyaan 1.0, 2.0 and 3.0 along with the calibrated measures undertaken by the RBI have pulled the economy from the lows of Q1 FY 2020-21 (-) 23.9% in Q1 2020-21 to (-) 7.5% in Q2 FY 2020-21. The overall growth for the FY 2020-21 is expected to contract by (-) 7.9%.

The growth trend of PHDCCI EMB Index suggests that economy has potential to rejuvenate at more than 7.7% growth trajectory in the next financial year 2021-22, said Shri Sanjay Aggarwal. On a monthly basis, PHDCCI EBMI (Economic and Business Momentum Index) has shown steady recovery from the lows of 78.3 in April 2020 to 85.7 in May 2020, 91.6 in June 2020, 95.5 in July 2020, 95.9 in August 2020, 96.5 in September 2020 and 96.7 in October 2020.

Steady growth of EBM Index is progressing towards the level of Q4 of 2019-20 as October 2020 EBM Index at 96.7 is very near the level of 97.1 in October 2019. Economy is expected to recover to the level of Q4 of 2019-20 in the coming months of Q4 2020-21. PHDCCI EBM Index is a composite index of 25 lead economic and business indicators with base year at 2018-19=100, which considers the demand and supply parameters to present a broad perspective of the economy.

Out of the 25 lead economic and business indicators, 21 have shown a remarkable improvement in October 2020 from their lows of April 2020. Strong recovery has been observed in the production of cement, steel, consumer durables and capital goods from the lows of April 2020. In the financial segment, FDI equity inflows have shown a remarkable recovery. Immediate policy attention is required towards credit access to industry and services sectors. Credit disbursement should be the top most priority at this juncture by the banking sector. The focus should be on ensuring provision of hassle free disbursements of loans vis-à-vis enhanced liquidity for MSMEs, especially in rural sectors.

Going ahead, demand creation will have multiplier effects on enhanced production possibilities, expansion of employment in factories, expansion of capital investments and overall virtuous circle of growth and development of Indian economy. The increased spending on infrastructure will give a multiplier effect to rejuvenate the aggregate demand in the economy and to mitigate the daunting impact of COVID-19 on the economy. Undoubtedly, robust growth of infrastructure is the key ingredient to realize the vision of Aatmanirbhar Bharat.

The Government can consider raising investment funding for the National Infrastructure Pipeline (NIP) through borrowings from overseas markets by issuance of overseas bonds through an SPV that could act as a mega Development Financial Institution- DFI. Though, economy has exhibited strong signs of recovery in the recent months, however, to sustain the momentum, there is a need to lower interest rates for consumers and businesses, lesser compliances for MSMEs vis-à-vis ease of doing business at the ground level and a lower tax regime to increase the personal disposable income of the people.

Strengthening the MSMEs sector must also be on priority. It is suggested that the value chains of MSMEs should be enhanced; thus, making them more structurally competent to add to their efficiency, share in manufacturing sector, employment generation and the country's overall export growth momentum. PHDCCI EBMI (Economic and Business Momentum Index) is a composite index of lead economic and business indicators including IIP Consumer durable goods, IIP Consumer non-durable goods, IIP Capital Goods, IIP Intermediate Goods, Coal, Crude Oil, Natural Gas, Petroleum Refinery Products, Fertilisers, Steel, Cement, Electricity, Consumption of Petroleum products, Export Merchandise, Export Services, India Freight Traffic, Credit to Agriculture, Credit to Industry, Credit to service sector, Personal Loans, GST Collections, SENSEX, FDI

Equity Inflows, External commercial borrowings and Unemployment.

## Economy so far

- **Hon'ble Finance Minister Smt. Nirmala Sitharaman concludes pre-Budget meetings for forthcoming Union Budget 2021-22-** The Hon'ble Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman chaired the pre-budget consultation meetings for budget 2021-22 held in virtual mode from 14th to 23rd December, 2020. More than 170 invitees representing 9 stakeholder groups participated in 15 meetings scheduled during this period. The stakeholder groups include, Financial and Capital Markets; Health, Education and Rural Development; Water and Sanitation; Trade Union and Labour Organization; Industry, Services and Trade; Infrastructure, Energy and Climate Change sector; Agriculture and Agro Processing Industry; Industrialists; and Economists.
- **Cabinet approves Revision in guidelines for providing Direct to Home (DTH) Services in India-** The Union Cabinet chaired by the Hon'ble Prime Minister, Shri Narendra Modi has approved the proposal for revision of the guidelines for obtaining license for providing Direct-To-Home (DTH) broadcasting service in India. License for the DTH will be issued for a period of 20 years in place of present 10 years. Further the period of License may be renewed by 10 years at a time. License fee has been revised from 10% of GR to 8% of AGR. AGR will be calculated by deduction of GST from GR.
- **Government notifies new rules to curb GST credit fraud, fake invoices-** The government has notified modifications in the GST rules in a bid to prevent fly-by-night firms from registering under GST and gaming the system by issuing fake invoices. Under the new rules, a business will now undergo in-person verification before it is registered under GST. If an applicant opts for Aadhaar authentication, they will undergo biometric-based Aadhaar authentication at one of the facilitation centres notified by the commissioner. At the same time, those choosing to register without Aadhaar, the GST administration would need biometric information and verification of KYC documents at designated verification centres.
- **Businesses with monthly turnover of over Rs 50 lakh to pay at least 1% GST liability in cash-** Businesses with monthly turnover of over Rs 50 lakh will have to mandatorily pay at least 1 per cent of their GST liability in cash, the Finance Ministry said as it moved to curb evasion by fake invoicing. The Central Board of Indirect Taxes and Customs (CBIC) has introduced Rule 86B in Goods and Services Tax (GST) rules which restricts use of input tax credit (ITC) for discharging GST liability to 99 per cent. While calculating the turnover threshold, sales from GST exempt goods and zero rates supply would not be included.
- **RBI governor asks banks to strengthen lending capacity by raising capital-** The Reserve bank of India (RBI) Governor Shri Shaktikanta Das has asked banks to take proactive measures to strengthen their resilience and lending capacity by raising capital. During a two-day meeting with heads of banks, including the private sector lenders, the governor emphasised on the need to remain vigilant and make provisions against bad loans proactively.
- **Haryana cabinet approves new enterprises and employment policy-** The Haryana cabinet has approved the Haryana Enterprises and Employment Policy 2020. The policy aims to establish the state as a competitive and favoured investment destination. The cabinet, which met here under the chairmanship of Hon'ble Chief Minister M L Khattar, approved the new policy, which will come into effect from January next year. The Haryana Enterprises and Employment Policy 2020 aims to achieve regional development and provide

livelihood opportunities to its people through resilient economic development.

- **Shri Nitin Gadkari to inaugurate, lay foundation stones for Rs 8,341 cr highway projects in Rajasthan-** Hon'ble Union Minister Shri Nitin Gadkari will inaugurate and lay foundation stones for highway projects worth Rs 8,341 crore in Rajasthan. These projects are for a total length of 1,127 kms. Paving the way for development of Rajasthan, these roads will enhance connectivity, convenience and economic growth in the state.
- **Hon'ble PM Shri Modi to release PM-KISAN instalment to 9 crore farmers on December 25-** Hon'ble Prime Minister Shri Narendra Modi will release the next instalment of the financial benefits under the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) on December 25 via video-conferencing. With the push of a button, he will enable the transfer of more than Rs 18,000 crore to over nine crore beneficiary farmer families. He will also interact with farmers from six states during the event. Under the PM-KISAN scheme, a financial benefit of Rs 6,000 per year is provided to small and marginal farmers, payable in three equal instalments of Rs 2,000 each. The fund is transferred directly to the bank accounts of the beneficiaries.
- **Indian economy stabilizes in November as retail demand improves-** India's economic activity showed signs of stabilizing in November, even as concerns of fresh virus outbreaks and a new strain in the U.K. mount amid news of vaccines fueling hope.
- **Chinese proposals worth Rs 12,000-13,000 crore await government nod-** About 120-130 foreign direct investment (FDI) proposals worth around Rs 12,000-13,000 crore (\$1.6-1.8 billion) from China are pending with the government for clearance, a source told FE. This follows India's stipulation in April that FDI proposals from bordering nations must obtain government approval. Interestingly, these pending proposals in less than nine months are equivalent of more than a half of the total FDI inflows from China (\$2.4 billion) in 20 years through March 2020. FDI from China was merely 0.5% of total FDI inflows into India over the past two decades. Unsurprisingly, most of the current pending proposals are for brownfield projects.
- **Government has received 120-130 FDI proposals from China since April: Sources-** The government has received over 120 foreign direct investment (FDI) proposals worth about Rs 12,000 crore from China since April, when it was made mandatory for a company from countries sharing land border with India to invest in any sector only after getting government approval, sources said. As per that decision, FDI proposals from China need government approval for investments in India in any sector. An inter-ministerial committee has been formed by the government to scrutinise these proposals, they said adding most of the investments are for brownfield projects (means in existing Indian companies).
- **New rules to compensate consumers for power cuts and defective meters-** To ensure better quality of electricity supply to consumers, Hon'ble Union power minister Shri RK Singh announced the promulgation of the 'Rights of Consumer Rules, 2020' which lays down performance parameters for electricity distribution companies (discoms). If the specified service standards are not met, discoms will have to pay compensation for power users. State electricity regulatory commissions (SERCs) will have to notify updated 'standards of performance' for discoms within 60 days and specify compensation amounts that consumers would receive as per the new rules. The parameters for which consumers would be eligible for compensation include unsatisfactory supply duration, number of power cuts, time taken by discoms to provide new connections and replace defective meters.
- **Electricity overcharging: Cross-subsidies cost businesses Rs 75k crore in FY19-** Since the National Tariff

Policy 2016 prescribed the tolerable extents of cross-subsidy among various segments of electricity consumers, the market-distorting system that jacks up the costs of industries and businesses, hasn't seen even a smidgen of correction. In fact, in absolute term, the cross subsidies have marginally increased in the four years to FY19. Among them, industrial and commercial consumers have borne a cross-subsidy burden of Rs 75,027 crore in FY19 against Rs 67,785 crore in FY16. Of course, a larger part of the subsidies – largely cornered by the domestic and agriculture consumers – is borne by state governments and these were to the tune of Rs 1.1 lakh crore in FY19, against Rs 75,608 crore in FY16.

- **US financial body to invest USD 54 mn in India to support critical infrastructure projects-** An American financial corporation has announced to invest USD 54 million in India to support the developments of critical infrastructure projects in the country in the wake of the covid-19 pandemic.
- **World Bank, Gol ink pact for USD 500-mn project to develop green, safe highway corridors-** The World Bank and the Government of India inked a pact for a USD 500-million project to build safe and green national highway corridors, the Ministry of Road Transport and Highways said. The highway corridors will be developed in Rajasthan, Himachal Pradesh, Uttar Pradesh and Andhra Pradesh.
- **India's quarterly GDP contraction to end in December quarter: NCAER:-** The quarterly contraction in India's growth in the ongoing fiscal is set to end in the third quarter with a marginally positive 0.1% growth, according to the National Council for Applied Economic Research (NCAER). The think tank pared its forecast of gross domestic product (GDP) growth during the ongoing fiscal to -7.3% compared to -12.6% in September to account for the "welcome surprise" of a sharp moderation in contraction in the second quarter at -7.5%, according to its mid-year review.
- **Hon'ble Prime Minister to launch Global Housing Technology challenge in January to build bank of new construction technologies:-** Six cities, six technologies and six construction companies – this would be the setting of Global Housing Technology Challenge which would be unveiled by Hon'ble Prime Minister Shri Narendra Modi in the next two weeks and would provide India a basket of new technologies to build cost effective houses in less time. The technology challenge would provide the six companies one year in which they would have to undertake construction of 1,000-odd houses. The projects, which would act as lighthouses.
- **Insolvency and bankruptcy code (IBC) suspension is being extended till March 31:-** Suspension of the insolvency and bankruptcy code (IBC) is being extended till March 31, 2021, Hon'ble Finance Minister Smt Nirmala Sitharaman said in a virtual conference recently. Even the suspension of the IBC has been postponed even further from 25th of December, she was moved to say that it could be up to 31st March 2021. The government had suspended fresh proceedings under IBC for loan defaults on or after March 25, for six months, as part of measures to provide relief to the industry due to the pandemic. India had announced its first nationwide lockdown on March 25, and relief measures including several compliance relaxations and extensions were announced.
- **India may ease rules for non-Chinese investments from Hong Kong:-** India may reduce scrutiny of deals by Hong Kong-based investors as long as Chinese firms aren't involved in the transactions, people with knowledge of the matter said. The proposals under consideration include making it mandatory for beneficial owners from nations sharing a land border with India to seek the government's permission to acquire more than 10% stake in any local firm, the people said, asking not to be identified citing rules. The discussions are at a preliminary stage.

- No benefits if tax haven route not justified: Madras HC:-** In a judgement that could impact several foreign companies investing in India through subsidiaries or investment arms registered in other countries, the Madras High Court has ruled that tax benefits can be withdrawn if the investment is merely done to circumvent domestic tax laws. The order would support the tax department's claim that any investment coming from outside could be investigated based on its intent. And if the intent was to escape tax, benefits can be denied under tax treaties.
- Record minimum support price distributed to tribals during coronavirus outbreak:-** For the first time since the introduction of minimum support price (MSP) for minor forest produce (MFP), about 10 lakh tribal households have received MSP worth Rs 4,000 crore across 21 states. The Centre's MSP for MFP initiative, which was introduced by Congress-led UPA in 2013-14 and had remained a non-starter, has got a sudden fillip in the current fiscal during successive lockdowns. The state governments used the scheme as a way to put more money in the hands of the tribals through direct benefit transfers. As per government estimates, minor forest produce worth Rs 948 crore were acquired by state agencies and Rs 3,000 crore by private buyers. Overall, MSP worth Rs 4,000 crore was given in the first collection season by November.
- Convert MSP into floor price, set up contract farming body to resolve new farm laws impasse: Report** Converting the minimum support price regime to a floor price of auction on the national agri market (eNAM) portal and creating a contract farming institute can help solve the current impasse over the three new farm laws which are being opposed by farmers, says a report by SBI Research. The report also suggests that instead of MSP as a price guarantee that farmers are demanding, the government could insert a quantity guarantee clause for a minimum of five years that procurement to production percent.
- Karnataka clears investment proposals worth Rs 26,659 crore and potential to generate 13,341 jobs:-** The State High Level Clearance Committee (SHLCC) meeting chaired by Karnataka's Hon'ble Chief Minister Shi B S Yediyurappa recently cleared five projects with an total investment potential of Rs 26,659 crore and can generate employment to 13,341 people. Investments cleared in the 55th SHLCC meeting include two proposals by Elest Pvt Ltd in Hubli/Dharwad - one worth Rs 14,255 crore on 85 acres of land for electric vehicle manufacturing, with a potential to generate employment for 867 people.
- Reform linked borrowing permissions are facilitating Ease of Doing Business reforms: Ministry of Finance-** Linking the grant of additional borrowing permissions by the Government of India to the States to reforms in various citizen centric sectors has motivated the States to undertake reforms to promote Ease of Doing Business. 5 States have so far completed the stipulated reforms in the Ease of Doing Business. These States have been granted permission to mobilize additional financial resources to the tune of Rs 16,728 crore through open market borrowings. These States are Andhra Pradesh, Karnataka, Madhya Pradesh, Tamil Nadu and Telangana.
- Ministry of Corporate Affairs defers implementation of CARO order-** The government has deferred implementation of the strict disclosure requirements for auditor reports of companies by one year, a move that comes amid the disruptions caused by the coronavirus pandemic. Now, the Companies (Auditor's Report) Order (CARO), 2020 would come into effect from financial years commencing on or after April 1, 2021, according to a notification issued by the Ministry of Corporate Affairs.
- Centre bats for special courts to settle disputes related to infra project contracts-** The Law Ministry has asked states to set up special courts to settle disputes related to infrastructure project contracts under a law



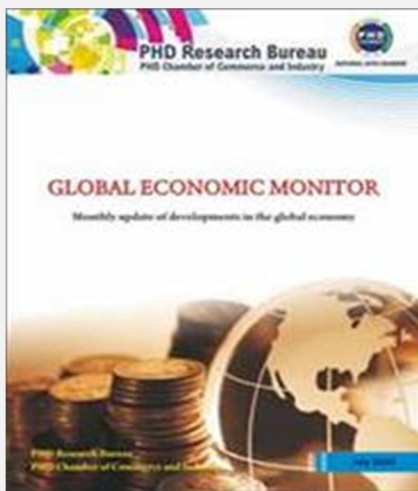
which was amended two years ago, saying it is very important in improving the 'Ease of Doing Business' ranking of both India and states.

- **Shri Nitin Gadkari inaugurates and lays foundation stone of about 1200 kms long 33 NH projects worth nearly Rs 11,000 crore in Karnataka-** Shri Nitin Gadkari, Hon'ble Union Minister for Road Transport and Highways inaugurated and laid foundation of 33 NH projects in Karnataka today thru virtual mode. These projects include 1197 kms long roads worth Rs 10,904 crore. Speaking on the occasion, Shri Gadkari informed that over 900 km NH length has been added in Karnataka during last six years, and it now stands at 7652 kms. He said, a total of 71 works are in progress in length of 2,384 kms at a cost of Rs. 37,311 Crore. Out of these, more than 70% progress has been achieved in 26 works amounting to Rs 12,286 Crore covering a length of 1,127 Km.
- **ADB, India sign US\$ 300 million loan to upgrade power distribution network in Uttar Pradesh-** The Asian Development Bank (ADB) and the Government of India have signed a US\$ 300 million loan to upgrade rural power distribution networks to provide reliable electricity supply to consumers in the state of Uttar Pradesh. Upgrading the distribution network will help improve the quality and reliability of electricity supply, reduce the aggregate technical and commercial (ATC) losses and restore the financial sustainability of the rural electricity supply in the state of Uttar Pradesh.
- **ADB, India sign facility to support preparation of infrastructure projects in Tripura-** The Asian Development Bank (ADB) and the Government of India have signed a US\$ 4.21 million project readiness financing (PRF) facility for the preparation of infrastructure development projects to improve urban amenities and develop tourism infrastructure in the northeastern state of Tripura. This is ADB's first PRF facility for a state in the northeastern region of India.

## Studies/Newsletters

PHD Research Bureau released newsletter on Global Economic Monitor for month of November & December 2020 that provides latest updates on global macroeconomic indicators including growth, inflation, trade, financial markets, policy developments, among others.

### [Global Economic Monitor for the month of November and December 2020](#)



## Markets So Far

Indicators	Yearly			Monthly			Daily		
	2017	2018	2019	Sept 20	Oct 20	Nov 20	Dec 21, 20	Dec 22, 20	Dec 23, 20
BSE SENSEX	34057	36068	41253	38067	39614	44149	45553	46006	46444
GOLD (10 GRMS)	28966	30600	34813	50902	50705	50423	50115	49979	49706
CRUDE OIL (1 BBL)	3317	4437	4007.8	2915	2917	3055	3610	3497	3466
EXCHANGE RATE (INR/USD)	65	68	70.4	73.47	73.47	74.31#	73.78	73.84	73.76

Source: PHD Research Bureau, PHDCCI, compiled from BSE, MCX and Bloomberg (Note: # data pertains to average of November 2020 till 20<sup>th</sup> November 2020)

Warm Regards,

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