

Recalibrating policy priorities

As the global storm rages, emerging markets will have to quickly pivot from addressing the pandemic's scars to focusing on the 'twin deficits' to preserve macroeconomic stability



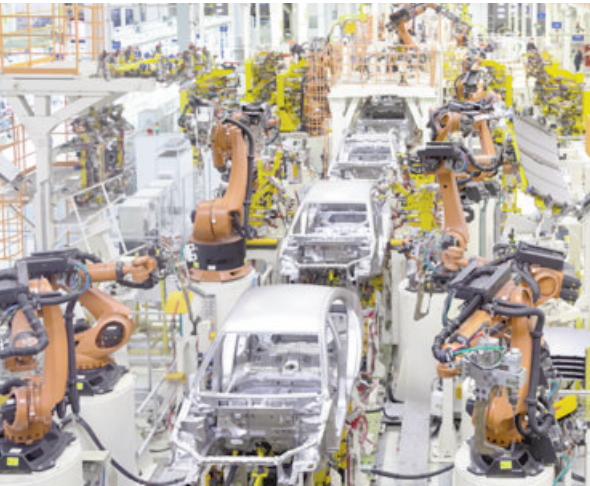
SAJJID Z CHINYOY

The global economic community remains singularly focused on the inflation challenge confronting advanced economies, wondering how quickly inflation can be brought down and what the collateral damage to activity and labour markets will be. The fact that central bank credibility in some advanced economies appears undermined — despite Chairman Powell's express resolve to stay the course at Jackson Hole, for example, markets are still pricing in Fed rate cuts in 2023, thereby impeding monetary transmission down the yield curve — is not helping matters any. But even as these central banks face their biggest challenge in five decades, at least the intellectual consensus and direction of travel in advanced economies is clear. Demand remains relatively strong, activity was close to the pre-pandemic path at the start of this year, and labour markets are the tightest in 50 years. Bringing down inflation, avoiding a wage-price spiral, and preventing a hardening of inflation expectations must therefore constitute the unambiguous policy priority.

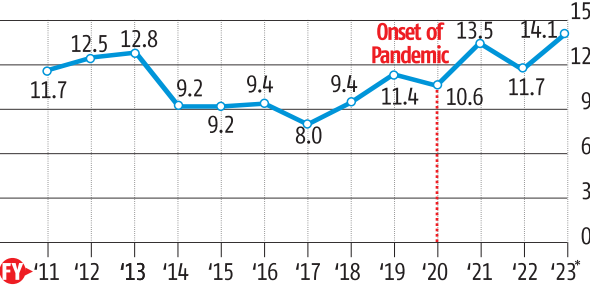
In contrast, the conundrums and challenges confronting emerging markets are often much less appreciated. Post-pandemic, policy in these economies has often had to oscillate between healing economic scars and preserving macroeconomic stability, which often may appear in conflict. Without the benefits of exorbitant privilege, for example, many emerging markets could not exercise the fiscal firepower of advanced economies, risking economic and labour market scarring. Then policy had to tighten prematurely in some emerging markets in response to the advanced economic cycle turning, even as domestic recoveries remained incomplete. Now the trifecta of a surging US dollar, rising global interest rates, and still-elevated commodity prices has engendered a new challenge: that of containing and financing the twin deficits — current account and fiscal.

India can serve as a case in point. The perceived growth disappointment in last week's GDP print may reignite market clamour for more policy support from the government. But, against the backdrop of an increasingly hostile global environment, the near-term policy imperative must be to contain external and internal imbalances. Take the case of the current account deficit. For the six years leading up to the pandemic, India's current account deficit averaged just 1.4 per cent of GDP, discernibly below the 2.5 per cent considered sustainable. However, a recovering economy and the global commodity price surge has meant India's CAD is estimated to have widened close to 4 per cent of GDP last quarter, is tracking above 5 per cent of GDP this quarter, and, if crude prices remain in the \$90-100/barrel range, the full-year deficit in FY23 is on course to approaching 4 per cent of GDP, or about \$130 billion.

Financing a deficit of this magnitude is understandably not proving easy given rising core interest rates are sucking away capital from emerging markets. Consequently, the RBI is estimated to have intervened with almost \$55 billion across spot and forward dollar markets so far this fiscal year. To be clear, India still has a war chest of FX reserves, so there is no reason for any panic. Even accounting for the intervention and lower



TWIN DEFICITS: SUM OF CONSOLIDATED FISCAL DEFICIT & CURRENT ACCOUNT DEFICIT (% of GDP)



Note: Consolidated fiscal deficit refers to the estimated public sector borrowing requirement; *forecast
Source: Budget documents, RBI, JP Morgan estimates

“valuation effects” (a stronger dollar reducing the dollar value of non-dollar FX reserves), India's US dollar reserves are almost nine months of (an elevated) import basket, and total reserves are almost 1.5 times the gross financing requirements of the economy over the next 12 months — both metrics significantly higher than what existed at the time of the taper tantrum in 2013. That said, when assessing FX reserves, market participants often look at “burn rates” as much as “levels” and if the global environment continues to be challenging for some length of time, and BOP continues to clock a large deficit, the challenges will sustain.

A related phenomenon that policymakers will have to closely monitor is the consolidated fiscal deficit. Even if central and state fiscal targets are met this year, total public sector borrowing requirements will still be in an elevated 10-11 per cent of GDP range, reflecting, in part, the pandemic response.

The Centre remains committed to fiscal consolidation, but with capex correctly having become a strategic priority to crowd in private investment, and the subsidy bill increasing again to buffer the commodity shock on households and farmers, policymakers face non-trivial fiscal trade-offs. All said and done, however, meaningful and sustained fiscal consolidation is critical, not just to ensure that large deficits can be financed domestically in a non-disruptive manner but also because of the link between fiscal and external imbalances.

Recall, on a more fundamental basis, the current account deficit is simply an economy's investment-savings gap. That, in turn, is a combination of the public sector investment-savings gap (i.e. total public sector borrowing requirements) and the sum of the private sector investment-saving gap. The fiscal deficit understandably ballooned during the pandemic. But because private savings surged (as people could not spend) and private investment retreated, the private sector could absorb large deficits without the need for foreign capital (proxied by the current account deficit). But as the private sector has progressively recovered (and its investment-savings gap is normalising) a large, consolidated deficit is manifesting more fundamentally in a wider current account deficit, reinforcing the inevitable link between the “twin deficits”. Quantitatively, the combination of the pandemic and the war has pushed up the fiscal and the current account — summed up in the chart for illustrative purposes — to elevated levels by his-

toric standards.

What then should the appropriate policy response be? Containing external imbalances will necessitate both “tempering demand” and changing “relative prices”. The former will require both monetary policy normalisation and meaningful, sustained and credible fiscal consolidation. It's only when fiscal deficits come down that a robust private sector revival can coexist with a sustainable current account deficit. Fiscal consolidation, in turn, will need to be intelligent and selective. With the capex thrust essential to reviving growth on a sustained basis, it should not be compromised. Instead, consolidation should necessitate stepped-up efforts to target revenue expenditures and subsidies, while simultaneously finding ways to mobilise more revenues, both taxes and asset sales.

But tempering demand should be complemented by relative price changes, to ensure bringing down the current account deficit to sustainable levels does not extract an unduly large growth sacrifice. A sustained terms of trade shock would argue for a weaker equilibrium real effective exchange rate (REER), which has been effectively flat this year. Empirical evidence suggests a weaker REER boosts India's non-oil exports and, by raising the domestic price of imports, helps rein in non-oil, non-gold imports. In other words, real depreciation of the rupee can simultaneously help narrow the current account deficit and help domestic growth. Net of oil and gold, India runs a current account surplus, but one that has narrowed discernibly over the last decade, suggesting external competitiveness will need to be an ongoing policy priority. Reversing course will continue requiring all hands on deck — infrastructure, regulation, factor markets — but a competitive currency, while not necessarily substituting for the former, can serve as a crucial complement.

The focus since 2020 has correctly been on containing the pandemic and addressing the resultant economic scars. Encouragingly, some progress is visible. The private sector is slowly reviving, reflected in firming production, credit growth, taxes and imports. But even as addressing scarring — particularly in the labour market — will need to be an ongoing effort, near-term policy will need to re-prioritise and double down on addressing the “twin deficits”. Policy latitude in emerging markets to address the pandemic's scars was enabled by a benign global backdrop. Now as the global environment turns increasingly hostile, emerging markets have little choice but to pivot sharply towards macroeconomic stability as the best means of insulating themselves from the raging global storm.

Sajjid Z Chinoy is Chief India Economist at JP Morgan. All views are personal

ON SENTIMENTS

Households hesitant to spend



MAHESH WAS

Consumer sentiments in India deteriorated in August 2022 after having improved substantially in the previous month. The Index of Consumer Sentiments (ICS) shrunk by 0.5 per cent in August after having risen by an impressive 6.7 per cent in July. The ICS had been rising every month in 2022 till July. The August fall therefore broke a seven-month record of regular gains. Household perceptions do not seem poised for a quick recovery in consumer sentiments. The first week of September saw the ICS fall by a substantial 3.1 per cent.

The weakening of consumer sentiments in August reflects, to a large extent, a sharp fall in sentiments in the last week of July and the first week of August. During these two weeks, the ICS cumulatively lost 11.3 per cent. This was an extraordinary fall, the effect of which was spread over the ICS of two months. The ICS was seen improving during the last three weeks of August but the improvement was slow. The index did not recover entirely from the fall experienced earlier. There seems to be some hesitancy.

The fall in the ICS in August reflects the problematic journey of consumer sentiments in India in recent times. There was a certain weakness in consumer sentiments. This is notwithstanding the regular improvement in sentiments for seven months from January through July 2022 and the excellent 6.7 per cent jump in the ICS in July. The steady improvement in sentiments in the first seven months of 2022 was also characterised by a progressive fall in the rate of growth from March through June 2022. The sharp improvement in July, it now appears, was an outlier to a weakening trend in consumer sentiments.

We have believed thus far that the weakness in consumer sentiments was largely the result of the erratic progress of the south-west monsoon and the consequent delay in kharif sowing activities. But the complete data for August reveals a substantial weakness in urban sentiments. The urban ICS declined by 1.5 per cent in August while the rural ICS remained unchanged. In the first week of September, the urban ICS fell by 4.7 per cent while the rural ICS fell by 1.5 per cent. The two broad components of the ICS — the Index of Current Economic Conditions (ICC) and the Index of Consumer Expectations (ICE) — reveal the



sources of the weakness in consumer sentiments. Perceptions seem to differ in the two regions. But the underlying common theme seems to be scepticism regarding the future.

The ICC fell 1.2 per cent in August. This reflects two observations on the current well-being of households. First, the proportion of households that stated that their incomes had improved over a year ago fell to 14 per cent from 16.3 per cent in July. This proportion had shot up in July and in August it has reverted close to its level before that. Second, the proportion of households that considered these to be better times to spend on consumer durables fell substantially from 14.2 per cent in July to 10.9 per cent. This measure of households' propensity to spend on

consumer durables is the lowest since April 2022. This reticence of the households to spend could restrain the recovery of the Indian economy.

The fall in the ICC is concentrated in rural India and within rural India the damage is to the propensity of households to buy non-essentials. Rural ICC fell by 2.4 per cent in August. The proportion of households that reported an increase in income over a year dropped from 15.8 per cent in July to 12.7 per cent in August. But the drop in the propensity to buy non-essentials was sharp, from 13.8 per cent to 8.7 per cent, which is the lowest since January 2022.

Urban ICC has moved differently. It scaled up a bit, by 0.6 per cent. While urban India also saw a fall in households reporting an increase in income over a year, their propensity to spend on non-essentials did not fall, although its rate of increase had dampened. The proportion of households reporting an inc-

rease in income fell from 17.2 per cent to 16.5 per cent, but households considering this to be a better time to buy consumer durables increased marginally from 15 per cent in July to 15.5 per cent in August. The proportion of urban households expressing it to be a better time to buy consumer durables has been increasing every month for over a year, since June 2021 when it had reached its nadir. But the rate of increase is slow and this rate has also been slowing.

Urban India is not very sanguine about its future. The ICE for urban India fell by a substantial 2.8 per cent in August. This reflects deterioration in all three relevant perceptions about the future. Fewer households believe that their incomes would be better over the next year, that the financial and business conditions would improve over the next year, and that India's economic conditions would keep improving over the next five years. Further, on all three counts more urban households believe that conditions would worsen. This dim view of the future could have influenced the dampening of urban enthusiasm to buy consumer durables.

Rural India doesn't do too well on ICE either. Its outlook over the next 12 month is not very encouraging although it remains more hopeful that things will not get worse.

The fall in the ICS in August is small at just 0.5 per cent. But rural India's steep fall in willingness to spend on consumer durables and urban India's scepticism regarding their future well-being is worrisome. The 4.7 per cent fall in the ICS in the first week of September amplifies this worry.

The writer is MD & CEO, CMIE PLD

PUBLIC NOTICE
PROFITMART SECURITIES PVT LTD (PSPL)

Notice is hereby given that the following person /Authorised person (AP) are no longer affiliated with M/s. PROFITMART SECURITIES PVT. LTD. (PSPL) Member of NSE, BSE & MCX having the registered office as given below with effect from 30-08-2022. Any person dealing with below mention person / Authorised person (AP) should do at their own risk. PSPL shall not be liable for any dealing with them.

Sr. No	NAME OF AUTHORISED PERSON (AP)	PAN NUMBER
1.	AVINASH A RATHOD	ANKPR9348D
2.	VISHAKHA AVINASH RATHOD	ATSPC4548C

In case of any queries, investor are requested to inform to us within 30 days from the date of issuing this notice at

M/s. PROFITMART SECURITIES PVT. LTD.,
UNIT NO 213, OPAL SQUARE, PLOT NO C-1, THANE, MUMBAI – 400604,
Email support@PROFITMART.IN.Tel: 020 49119119

Sicagen India Limited

CIN : L74900TN2004PLC053467
Regd. Office: 4th Floor, SPIC House,
No.88, Mount Road, Guindy, Chennai-600032
Website: www.sicagen.com / E-mail: companysecretary@sicagen.com Ph: 044 4075 4075

PUBLIC NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 18th Annual General Meeting (AGM) of the Company will be convened on Tuesday, 27th September 2022 at 02:30 p.m. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM) in compliance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the SEBI (LODR) Regulations, 2015 read with various circulars issued by Ministry of Corporate Affairs (MCA) and SEBI from time to time.

In compliance with the circulars, soft copy of the 18th AGM Notice and the Annual Report for the year 2021-22 have already been sent by email to all the Members whose email addresses are registered with the Company or with their respective Depository Participants on 02.09.2022 and the same are also available on the website of the Company (www.sicagen.com), BSE Limited (www.bseindia.com) and Central Depository Services (India) Limited (CDSL) (www.evotingindia.com).

The members holding shares in physical form/Demat form and who have not registered their email addresses with the Company / with their respective Depository Participants can obtain soft copy of the aforesaid AGM notice and Annual Report and login details for joining the AGM through VC/OAVM including e-voting by sending a request mail to investor@cameo.com.

In this regard, All the members are informed that:

- The ordinary and special businesses as set out in the 18th AGM shall be transacted through remote e-Voting or e-Voting system at the AGM.
 - The Register of Members and Share Transfer Books shall remain closed from Wednesday, 21st September, 2022 to Tuesday, 27th September, 2022 (both days inclusive) for the purpose of aforesaid AGM and payment of dividend for the financial year 2021-22.
 - The remote e-Voting shall commence at 9.00 a.m. (IST) on 24th September, 2022 and remain open for voting till 5.30 p.m. (IST) on 26th September 2022.
 - Remote e-voting shall be disabled for voting after the date and time mentioned above. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
 - Members holding shares either in physical form or dematerialized form as on the Record date (Tuesday, 20th September 2022) may cast their vote electronically on each item of the businesses as set forth in the Notice of 18th AGM through the electronic voting system on CDSL ("remote e-Voting") or e-Voting at the AGM.
 - Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on Record date may obtain the login ID and password by sending a request to helpdesk.evoting@cdslindia.com or companysecretary@sicagen.com. However, if the members already registered with CDSL e-voting, then such member can use his / her existing User ID and password for casting his/ her vote.
 - The facility for voting will also be made available during the AGM and the members attending the AGM through VC, who have not cast their vote by remote e-voting shall be able to vote through the e-voting system at the AGM. The members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Record date only, shall be entitled to avail the facility of remote e-Voting or e-Voting at the AGM.
 - The Company has appointed M/s. KRA and Associates, Practicing Company Secretaries, Chennai as the scrutinizer to scrutinize the entire e-Voting process and e-Voting at the AGM in a fair and transparent manner.
 - In case of any queries or issues regarding attending AGM & e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact toll free no: 1800 22 55 33 or Mr. Rakesh Dalvi (022-23058542).
 - The Company had also published a notice in Business Standard and Makkal Kural newspapers on Saturday, 27th August, 2022 regarding the aforesaid AGM and to register the E-mail IDs of the members who have not updated the same.
 - Please keep your E-mail ID registered with the Company / your Depository Participant to receive all future and timely communications.
- By Order of the Board
For Sicagen India Limited
R Chandrasekar
Whole Time Director

Place: Chennai
Date: 05.09.2022

KOTHARI INDUSTRIAL CORPORATION LIMITED
CIN No. L24110TN1970PLC005865
Regd. Office: 'Kothari Buildings'114, Mahatma Gandhi Salai, Nungambakkam, Chennai – 600 034
Website: www.kotharis.in, Phone No: 044-28334565 Email id: enquiries@kotharis.in

NOTICE

is hereby given that the 52nd Annual General Meeting of the Company will be held at 11.00 a.m. on Tuesday, 27th September, 2022 through video conferencing / Other Audio-Visual Means ("VC/OAVM") in compliance with the Ministry of Corporate Affairs and SEBI circulars ("circulars") without the physical presence of the members at a common venue.

In compliance with the aforesaid MCA and SEBI Circulars, the notice of the AGM along with the Annual Report 2021-2022 have been sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling the AGM also available on the Company's website www.kotharis.in, website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of CDSL (agency for providing e-voting facility) at www.evotingindia.com.

All the items of Ordinary and special business as set out in the notice of AGM may be transacted through remote e-voting and e-voting at the AGM.

The voting period begins on **24th September 2022 at 09.00 a.m. and ends on 26th September 2022 at 05.00 p.m.** Remote e-voting shall not be allowed beyond 26th September, 2022 at 5.00 P.M. Cut-off date for determining the eligibility to vote through electronic means or at the AGM will be 20th September, 2022.

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories of NSDL/CDSL as on the cut-off date (20.09.2022) only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM. After dispatch of the notice, any person who acquires shares of the Company and becomes member of the Company as on the cut-off date i.e. Tuesday, **20th September 2022** may obtain the login ID and password by sending an email to enquiries@kotharis.in or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.

Additionally, the facility of e-voting shall also be available at the time of AGM for members attending the meeting who have not already cast their vote by remote e-voting shall also be able to exercise their right during the AGM. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

Notice is also given pursuant to Section 91 of the Companies Act, 2013 and rules 10 of the Companies (Management and Administration) Rules, 2014 that the Register of Members and Share Transfer books shall remain closed from 21.09.2022 to 27.09.2022 (Both days inclusive) for the purpose of Annual General Meeting

The company has appointed Mr. N. Ganesan, practicing Chartered Accountant as the scrutiner for conducting the remote e-voting and e-voting process during the AGM in a fair and transparent manner.

If you have any queries or feedback relation to voting by electronic means you may mail to helpdesk.evoting@cdslindia.com or contact Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542) or Mr. Nitin Kunder (022-23058738).

Place: Chennai

By order of the Board
For Kothari Industrial Corporation Limited

Anil Kumar Padhiall
Company Secretary cum Compliance Officer

Date: 05.09.2022

TARA CHAND LOGISTIC SOLUTIONS LIMITED

Corporate Identity Number (CIN): L63090CH2012PLC033556
Registered Office: Plot No. 342, Industrial Area, Phase-1, Chandigarh.
Tel: 0172-2650380, Website: www.tarachandindia.in,
E-mail: cs@tarachandindia.in

NOTICE OF THE 10TH (TENTH) ANNUAL GENERAL MEETING

NOTICE is hereby given that the 10th (TENTH) Annual General Meeting ("AGM") of the Shareholders of **TARA CHAND LOGISTIC SOLUTIONS LIMITED ("the Company")** will be held on Thursday, 29th September, 2022 at 11.00 a.m. (IST) through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the business, as set out in the Notice of the AGM which will be e-mailed to the Shareholders separately and also will be made available on the website of the Company, viz., www.tarachandindia.in and on the website of the Stock Exchange where the Equity Shares of the Company are listed, i.e., NSE Limited (at www.nseindia.com) and on the website of LinkIntime India Private Limited.

In view of the outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021, read with the Securities dated 13th April, 2020 and 6th April, 2020 and May 05th, 2022 (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD/1/CIRP/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/CMD/2/CIRP/2021/11 dated 15th January, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD/2/CIRP/2022/162, as amended by SEBI from time to time permitted the holding of AGM through VC / OAVM, without the physical presence of the Shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company will be held through VC / OAVM.

Electronic Copies of Notice of AGM and Annual Report for the Financial Year 2021-22:

In compliance with the provisions of the Act, the Rules framed thereunder and above-mentioned MCA Circulars and SEBI Circulars, electronic copies of the Notice of the AGM and the Annual Report for the Financial Year 2021-22 will be sent to all the Shareholders whose e-mail addresses are registered with the Company / Depository Participant(s). Shareholders may note that the Notice of the AGM and Annual Report 2021-22 will also be available on the Company's website (at www.tarachandindia.in) and on the websites of the Stock Exchanges where the Equity Shares of the Company are listed, i.e., NSE Limited (at www.nseindia.com) and on the website of LinkIntime India Private Limited.

Participation in AGM through VC / OAVM:

Shareholders can attend and participate in the AGM through the VC / OAVM facility only which is being availed by the Company from LinkIntime India Private Limited, the details of which will be provided by the Company in the Notice of the AGM. Shareholders attending through VC / OAVM shall be counted for the purpose of the quorum under Section 103 of the Companies Act, 2013.

Appeal to Shareholders to Register their E-mail ID:

Shareholders who have still not registered their e-mail ID are requested to get their e-mail ID registered, as follows:

- Shareholders holding Shares in Physical Mode: Such Shareholders are requested to register their e-mail ID with the Registrar and Share Transfer Agent of the Company, viz., LinkIntime India Private Limited on its website at (www.linkintime.co.in) the copy of the signed request letter mentioning the name and address of the Shareholder, scanned copy of the Share Certificate (front and back), self-attested copy of the PAN Card, and self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport) in support of the address of the Shareholder.
- Shareholders holding Shares in Dematerialized Mode: Such Shareholders are requested to register their e-mail ID with the relevant Depository Participant(s).

In case of any queries / difficulties in registering the e-mail address, Shareholders may write to rt.helpdesk@linkintime.co.in.

Manner of Voting on Resolutions placed before the AGM:

The Company is providing remote e-voting facility ("remote e-voting") to its Shareholders to cast their votes on all resolutions set out in the Notice of the AGM. Additionally, the Company is providing the facility of voting through e-voting system during the AGM ("e-voting"). Shareholders have the option to cast their vote on any of the resolutions using the remote e-voting facility or e-voting during the AGM. The manner of remote e-voting / e-voting for Shareholders holding shares in dematerialized mode, physical mode and for Shareholders who have not registered their e-mail addresses will be provided in detail in the Notice of the AGM. The details will also be made available on the Company's website www.tarachandindia.in

The detailed instructions regarding the above will also be provided in the Notice of the AGM and Shareholders are requested to take note of the same.

In case of any queries / difficulties in submission of these forms, Shareholders may write to rt.helpdesk@linkintime.co.in or cs@tarachandindia.in.

Date: 05.09.2022
Place: Chandigarh

For TARA CHAND LOGISTIC SOLUTIONS LIMITED
Sd/-
Vinay Kumar (Managing Director)
DIN:00151567

