



February 01, 2022 – Tuesday

Key Developments

Sebi notifies KRA rules; mandates audit trails of client's KYC records

To enhance the role of KYC Registration Agencies (KRAs), the markets regulator has notified new norms to make them responsible to carry out independent validation of the KYC records uploaded onto their system by the Registered Intermediary (RI). Besides, such agencies will have to maintain an audit trail of the upload/modification/download with respect to KYC records of clients, Sebi said in a notification on Friday.

Also, the intermediary will have to integrate its systems with the KRA to facilitate seamless movement of KYC documents to-and-from the intermediary to the KRA. Now it is mandatory to obtain prior approval of the Securities and Exchange Board of India (Sebi), whenever there is a change in the controlling interest of KRA.

"KRA shall carry out an independent validation of the KYC records uploaded onto its system by the intermediary in such a manner as specified by the Board (Sebi) from time-to-time," the regulator said.

https://www.business-standard.com/article/markets/sebi-notifies-kra-rules-mandates-audit-trails-of-client-s-kyc-records-122013100657_1.html

Eco Survey: To achieve \$5-trn GDP by FY25, need to spend \$1.4 trn on infra

In order to achieve USD 5 trillion GDP by FY'25, India needs to spend about USD 1.4 trillion over this period on infrastructure, according to the Economic Survey. During financial years 2008-17, India pumped in about USD 1.1 trillion on infrastructure. However, the challenge is to step up infrastructure investment substantially, the Economic Survey 2021-22 said.

"Keeping this objective in view, National Infrastructure Pipeline (NIP) was launched with projected infrastructure investment of around Rs 111 lakh crore (USD 1.5 trillions) during FY2020-2025 to provide world-class infrastructure across the country, and improve the quality of life for all citizens," it said. It also envisages to improve project preparation and attract investment, both domestic and foreign in infrastructure.

NIP was launched with 6,835 projects, which has expanded to over 9,000 projects covering 34 infrastructure sub-sectors. During the fiscals 2020-2025, sectors such as energy (24 per cent), roads (19 per cent), urban (16 per cent), and railways (13 per cent) amount to around 70 per cent of the projected capital expenditure in infrastructure in India.

https://www.business-standard.com/budget/article/eco-survey-to-achieve-5-trn-gdp-by-fy25-need-to-spend-1-4-trn-on-infra-122013100771_1.html

Govt not to bring any legislative business in Rajya Sabha during 1st part of Budget Session: Sources

The government told an all-party meeting Monday that it does not intend to bring any legislative business in Rajya Sabha during the first part of the Budget Session which is till February 11, sources said. The meeting was convened by Rajya Sabha chairman M Venkaiah Naidu through virtual mode to discuss the agenda for the Budget Session that started on Monday. The sources said Union minister and Leader of the House Piyush Goyal informed the meeting that since the duration of the first part is small, no legislative business will be brought by the government, the sources said.

The Budget Session began on Monday and is scheduled to conclude on April 8 with a recess in-between from February 12 to March 13.

<https://economictimes.indiatimes.com/news/economy/policy/govt-not-to-bring-any-legislative-business-in-raiya-sabha-during-1st-part-of-budget-session-sources/articleshow/89254331.cms>

Economy

Retail inflation for industrial workers rises to 5.56 pc in December

Retail inflation for industrial workers rose to 5.56 per cent in December 2021, compared to the same month a year ago mainly due to higher prices of certain food items, the labour ministry said on Monday. "Year-on-year inflation for the month (December 2021) stood at 5.56 per cent compared to 4.84 per cent for the previous month and 3.67 per cent during the corresponding month a year before," the ministry said in a statement. Similarly, it stated that food inflation stood at 5.93 per cent against 3.40 per cent of the previous month (November 2021) and 2.89 per cent during the corresponding month (December 2020) a year ago. The All-India CPI-IW (consumer price index for industrial workers) for December, 2021 decreased by 0.3 point and stood at 125.4 point. It was 125.7 point in November, 2021.

<https://economictimes.indiatimes.com/news/economy/indicators/retail-inflation-for-industrial-workers-rises-to-5-56-pc-in-december/articleshow/89248503.cms>

Core sector output up 3.8% in December 2021

India's core sector growth grew by 3.8% in December after slipping to a nine-month low back in November, data released by the commerce and industry ministry showed. Except crude oil and steel, all sectors recorded positive growth in December 2021. These sectors had expanded by 3.4% in November 2021. The growth rate of the eight infrastructure sectors -- coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity -- stood at 12.6% during April-December this fiscal as against a negative growth of 9.8% during the same period last fiscal.

<https://economictimes.indiatimes.com/news/economy/indicators/core-sector-output-up-3-8-in-december-2021/articleshow/89248109.cms>

GST collection exceeds ₹1.38-lakh crore in Jan

Finance Ministry on Monday reported that collection from Goods & Services Tax (GST) in January crossed ₹1.38-lakh crore. It is 15 per cent higher than January of last fiscal and 25 per cent higher than January 2020.

This is for the fourth time GST collection has crossed ₹1.30-lakh crore mark. The number is up to 3 pm till 3 pm on Monday.

<https://www.thehindubusinessline.com/economy/gst-collection-exceeds-138-lakh-crore-in-jan/article64960105.ece>

Elections keep happening but Budget session has to be fruitful: PM Modi

Elections keep happening but Parliament's Budget session is very important as it draws a blueprint for the entire year, Prime Minister Narendra Modi said on Monday and urged all MPs to make it fruitful by holding discussions with an "open mind". Addressing the media ahead of the start of the session, Modi said it is true that because of frequent elections, sessions and discussions get affected but elections have their own place and will keep happening, and hoped that there are discussions that are free, thoughtful, full of human sensitivities, and with good intent.

There are many opportunities for India in today's global situation and asserted that the country's economic progress, vaccination program against COVID-19, and India-made vaccines have built trust for it across the globe, he said. In this budget session also the "open-minded" discussions of parliamentarians can become an important opportunity for making a global impact, the Prime Minister said.

https://www.business-standard.com/budget/article/elections-keep-happening-but-budget-session-has-to-be-fruitful-pm-modi-122013100346_1.html

Recovery tracker: More retail and recreation visits, power generation rises

Weekly indicators of economic activity showed signs of improvement amid a drop in cases in major metros. Authorities in both Mumbai and Delhi have said that the worst may be behind the respective cities in terms of daily cases of Covid-19.

Retail and recreation visits were closer to levels last seen before the pandemic took hold, according to mobility data from search engine Google. It tracks how people are moving during the pandemic across different categories of places using anonymised location data.

https://www.business-standard.com/article/economy-policy/recovery-tracker-more-retail-and-recreation-visits-power-generation-rises-122013101089_1.html

Abatement of pandemic to kick in virtuous investment cycle, generate jobs: CEA V Anantha Nageswaran

Pinning hopes on rapid vaccination drive, newly appointed Chief Economic Advisor (CEA) V Anantha Nageswaran on Monday said that abatement of the COVID-19 pandemic would kick in virtuous cycle investment leading to job creation. The government has taken various steps to support lower income categories, he said in an interaction with the media on the Survey tabled in Parliament by Finance Minister Nirmala Sitharaman earlier in the day. Naturally, he said, it will take time to regain confidence because the slowdown in consumption spending is not only a function of the lack of income growth, but also because of the uncertainty caused by the pandemic and health impact etc.

"So once the pandemic cloud itself is lifted, and many of the contact services come back into their pre-pandemic level...we hope that along with the various measures that the government has taken and private sector capex also kicking in, we will go into a virtuous circle of income generation and employment generation," he said.

<https://economictimes.indiatimes.com/news/economy/policy/abatement-of-pandemic-to-kick-in-virtuous-investment-cycle-generate-jobs-cea-v-anantha-nageswaran/articleshow/89253823.cms>

Banking and Finance

India can withstand policy normalisation by others

With forex reserves of over USD 630 billion and plenty of "policy room" to deal with the situation, India can withstand normalisation of monetary policy by central banks of large economies like the US Federal Reserve, the Economic Survey said on Monday. The survey noted that due to accretion of large foreign exchange reserves in recent months, vulnerability indicators relating to reserves such as reserves to total external debt, reserves to short-term debt (residual maturity) and reserve cover of imports have shown marked improvement in the first half of the current fiscal vis--vis FY 2014, the taper tantrum year. Taper tantrum phenomenon refers to the situation in 2013 when emerging markets witnessed capital outflows and spike in inflation after the US Federal Reserve started to put brakes on its quantitative easing programme.

https://www.business-standard.com/article/economy-policy/eco-survey-india-can-withstand-monetary-policy-normalisation-by-others-122013100934_1.html

Budget 2022: Increase in deduction limits U/s 80TTB and 80D is what senior citizens expect from FM

Senior citizens have a lot of hope from the budget announcements each year. This time in Budget 2022 they will look forward to Union Finance Minister Nirmala Sitharaman proposing measures that can impact their financial life positively. Noticeably, the interest rate on bank fixed deposits have been around 6.5 per cent for the senior citizens thus impacting the return on their retirement portfolio.

Currently, interest income earned on deposits by senior citizens is deductible from total income thus helping them reduce their tax liability. Will they get an enhancement in the limit in Budget 2022 remains to be seen. "Enhancement of deduction provided with respect to interest on deposits received by senior citizens from Rs 50,000 to Rs 1,00,000 under Section 80TTB is expected," says Raghunathan Parthasarathy, Associate Partner – Tax & Regulatory Services, BDO India

<https://www.financialexpress.com/budget/budget-2022-increase-in-deduction-limits-u-s-80ttb-and-80d-is-what-senior-citizens-expect-from-fm/2421196/>

Industry

Indian startup ecosystem generated over 600,000 jobs: President Kovind

Hailing the Indian startup success story, President Ram Nath Kovind on Monday said the burgeoning startup ecosystem has generated more than 6 lakh jobs to date. Addressing the joint session of Parliament, Kovind said that since 2016, India has seen 60,000 startups in 56 different sectors.

"Our startup industry is also an example of the infinite new possibilities that are rapidly taking shape under the leadership of our youth. Since 2016, 60,000 new startups have been established in 56 different sectors in our country," he emphasised. "More than six lakh jobs have been created by these startups. In 2021, during the Corona period, more than 40 unicorn startups emerged in India, each with a minimum market valuation of Rs 7,400 crore (\$1 billion)," said the President.

https://www.business-standard.com/article/companies/indian-startup-ecosystem-generated-over-600-000-jobs-president-kovind-122013100607_1.html

MTal seeks reduction in customs duty and GST on finished medical devices as part of Budget 2022-23 expectations

Medical Technology Association of India (MTal) has sought reduction in customs duty and Goods and Services Tax (GST) on finished medical devices towards affordable patient care as part of Budget 2022-23 expectations. MTal has sought reduction of customs duties to 0% to 2.5% on both finished medical devices and components. It has also sought reduction in GST on medical devices from 12% to 5%.

MTal is an association of research-based medical technology companies which have set-up R&D centres and manufacturing plants in India. According to Pavan Choudary, Chairman, Medical Technology Association of India (MTal), "These measures will help in increasing affordability of medical devices for patient care in compliance with National Health Policy (NHP) 2017 and to meet UN Sustainable Development Goal (SDG)-3."

<https://www.financialexpress.com/healthcare/medicaldevices/mtai-seeks-reduction-in-customs-duty-and-gst-on-finished-medical-devices-as-part-of-budget-2022-23-expectations/2421192/>

Govt's various policy initiatives to provide big stimulus for growth of IT-BPO industry: Survey

The various policy initiatives that have been taken including the relaxation of Other Service Provider (OSP) regulations and telecom sector reforms would significantly increase job creation and catapult the IT services sector to the next level of growth, as per the Economic Survey. The Economic Survey 2021-22, which was tabled in Parliament on Monday, noted that the IT-BPM sector revenues (excluding e-commerce) reached USD 194 billion during 2020-21, up 2.26 per cent year-on-year.

Over the last year, a number of policy initiatives have been undertaken to drive innovation and technology adoption in the sector, including relaxation of Other Service Provider regulations, Telecom Sector Reforms and Consumer Protection (E-commerce) Rules, 2020, the Survey said.

<https://www.financialexpress.com/budget/govts-various-policy-initiatives-to-provide-big-stimulus-for-growth-of-it-bpo-industry-survey/2421048/>

Agriculture

ISMA revises upward sugar output at 314.5 lakh tonnes in 2021-22; export up at 16 lakh ton in Oct-Dec

India's sugar production estimate has been revised upward by 3 per cent to 314.5 lakh tonnes for 2021-22 marketing year ending September as against the earlier forecast of 305 lakh tonnes, according to industry body ISMA. Sugar output stood at 311.8 lakh tonnes in the 2020-21 season. Releasing its 2nd advance estimates, Indian Sugar Mills Association (ISMA) said, "The country is expected to produce 314.50 lakh tonnes of sugar during 2021-22 season." Sugar marketing year runs from October to September. "This is after considering an estimated diversion of sugar equivalent of 34 lakh tonnes for production of ethanol by means of diversion of sugarcane juice /syrup or B-heavy molasses," the association said in a statement on Monday.

<https://economictimes.indiatimes.com/news/economy/agriculture/isma-revises-upward-sugar-output-at-314-5-lakh-tn-in-2021-22-export-up-at-16-lakh-ton-in-oct-dec/articleshow/89247688.cms>

Agrochem players to log double-digit growth next fiscal, says Crisil

Exports will help the agrochemical sector maintain double-digit growth in revenue this fiscal and the next — at 12-13% and 10-12%, respectively, compared with 15% last fiscal — even as domestic sales growth will be stunted by uneven monsoon and slower increase in rural incomes, said ratings agency Crisil in a note. "Steep rise in prices of inputs, especially imported, will lead to a moderation of 150-250 basis points (bps) in operating profitability in the two fiscals. However, healthy cash accruals and balance sheets will ensure credit profiles remain stable despite an expected increase in working capital and capital spend," said Crisil.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/chem-/-fertilisers/agrochem-players-to-log-double-digit-growth-next-fiscal-says-crisil/articleshow/89241215.cms>

Infrastructure

Delhi airport implements one-hand bag rule with some exceptions

With some exceptions, Delhi airport implemented the rule which allowed a domestic passenger to carry only one piece of luggage or handbag as cabin luggage. A Delhi airport official informed that the following advisory from Central Industrial Security Force (CISF) and Bureau of Civil Aviation Security (BCAS), only one piece of hand baggage is permitted per passenger as 'Cabin Luggage'.

There are some exclusions like Ladies handbag, an overcoat or a wrap, a rug or blanket, a camera or pair of binoculars, a reasonable amount of reading material, an umbrella or a walking stick, an infant's feed for consumption during the flight and infant's carrying basket provided an infant is carried, Collapsible wheelchair and/or pair of crutches or braces for passenger's use if dependent on these, a gift item purchased from duty-free shops and a laptop bag.

https://www.business-standard.com/article/current-affairs/delhi-airport-implements-one-hand-bag-rule-with-some-exceptions-122013100384_1.html

Sixteen new airports in central India under PM Gati Shakti

Sixteen new airports will be built across five states of central India namely, Madhya Pradesh, Uttar Pradesh, Rajasthan, Maharashtra, and Chhattisgarh, the Union Minister for Civil Aviation, Jyotiraditya M Scindia, said on Monday.

Speaking at the PM-Gati Shakti Conference (Virtual) for the Central Zone, the minister said, one airport is scheduled at one each in Madhya Pradesh and Rajasthan, two in Maharashtra, three in Chhattisgarh and nine in Uttar Pradesh.

<https://www.thehindubusinessline.com/economy/logistics/sixteen-new-airports-in-central-india-under-pm-gati-shakti/article64960259.ece>

Registration of homes in Mumbai city down 26% in Jan to 7,732 units: Report

Registration of residential properties in Mumbai municipal area fell 26 per cent on an annual basis to 7,732 units due to restrictions on movements to curb the spread of the coronavirus pandemic, according to Knight Frank India. Mumbai city (MCGM region) saw total property sale registrations of 7,732 units in January 2022 as against 10,412 units in the same month last year. "This is owing to the challenges faced in the initial part of the month on account of the third wave of COVID, that reduced movement," the consultant said in a statement.

The government's revenue from property registrations was recorded at Rs 453 crore in January 2022. "While the registrations were lower by 26 per cent on a year-on-year comparison over January 2021, revenues have increased by 48 per cent in the same comparison. Last year, the same period had a lower stamp duty rate window (3 per cent) and was not as severely inflicted by COVID," Knight Frank said.

https://www.business-standard.com/article/economy-policy/registration-of-homes-in-mumbai-city-down-26-in-jan-to-7-732-units-report-122013100778_1.html

Telecom

India's smartphone mkt logs \$38bn revenue, 11% shipment growth in 2021

India's smartphone shipments grew 11 per cent year-on-year to reach 169 million units with market revenue crossing USD 38 billion in 2021, according to Counterpoint Research. As per the latest research from Counterpoint, India's smartphone market revenue crossed USD 38 billion in 2021 with 27 per cent year-on-year (y-o-y) growth. Shipments grew 11 per cent y-o-y in 2021 to reach 169 million units, even though there was 8 per cent y-o-y decline in the December quarter numbers due to supply issues plaguing the smartphone manufacturing ecosystem, it added.

"The Indian smartphone market witnessed high consumer demand in 2021, making it the best-performing year. This feat came in a year that witnessed supply constraints due to a multitude of reasons a second and more virulent COVID-19 wave, global component shortages and price hikes due to these shortages," Counterpoint Senior Research Analyst Prachir Singh said.

https://www.business-standard.com/article/companies/india-s-smartphone-mkt-logs-38bn-revenue-11-shipment-growth-in-2021-122013100579_1.html

BSNL's commercial 4G service launch likely in August: Devusinh Chauhan

The much-awaited fourth generation or 4G commercial services launch by state-run Bharat Sanchar Nigam Limited (BSNL) is expected in Q2 of fiscal 2022-23 with a purchase order (PO) for network equipment procurement likely to be placed by April, minister of state for Communications Devusinh Chauhan said. "The commercial rollout of 4G services of BSNL is expected to start from August-September 2022," Chauhan told ETTelecom, adding that the purchase order is expected to be placed by BSNL in April, 2022.

BSNL's next generation network launch has been hanging fire for more than six years while it continues to lose revenue on account of non-availability of 4G services being already offered by private sector rivals such as Reliance Jio, Bharti Airtel and Vodafone Idea.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/bsnls-commercial-4g-service-launch-likely-in-august-devusinh-chauhan/articleshow/89247945.cms>

Energy

GAIL starts India's first-of-its-kind project of blending hydrogen into natural gas system at Indore

State gas utility GAIL (India) Ltd on Monday said it has commenced India's first-of-its-kind project of mixing hydrogen into the natural gas system in Indore, Madhya Pradesh. The hydrogen blended natural gas will be supplied to Avantika Gas Ltd, one of GAIL's joint venture with HPCL, for retailing of CNG to automobiles and piped natural gas to households in Indore, the company said in a statement.

"In line with the National Hydrogen Mission, GAIL has started hydrogen blending as a pilot project to establish the techno-commercial feasibility of blending hydrogen in City Gas Distribution (CGD) network. This project marks the stepping stone of India's journey towards hydrogen-based and carbon-neutral future," it said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/gail-starts-indias- maiden-project-of-blending-hydrogen-into-natural-gas-system-at-indore/articleshow/89249768.cms>

States

West Bengal government announces graded relaxations

West Bengal government has, on Monday, announced graded relaxations even while it extended some of the existing restrictions in force till February 15. As per the recent notification, schools (classes VIII to XII), Colleges, universities, and technical colleges will open from February 3 (Thursday). Metro train and local train services will be allowed to operate with 75 per cent seating capacity effective February 1. All government offices including public undertakings and private offices and establishments will function with 75 per cent of total employee strength, up from the previous 50 per cent.

<https://www.thehindubusinessline.com/news/west-bengal-government-announces-graded-relaxations/article64960333.ece>

Healthcare

Covid may remain transmissible for longer than quarantine period: Study

Some people infected with SARS-CoV-2 may be able to transmit the virus for longer than the recommended quarantine period, without necessarily manifesting any symptoms during the final stage of the infection, a study suggests. The research, published recently in the journal *Frontiers in Medicine*, involved 38 Brazilian patients who were followed on a weekly basis between April and November 2020.

The researchers affiliated with the Pasteur-USP Scientific Platform, a partnership between France's Pasteur Institute, the University of Sao Paulo (USP) and Oswaldo Cruz Foundation (Fiocruz) in Brazil, followed the patients until they tested negative twice or three times consecutively by RT-qPCR. They found that it took a month on average for the diagnostic test to become negative.

https://www.business-standard.com/article/current-affairs/covid-may-remain-transmissible-for-longer-than-quarantine-period-study-122013100507_1.html

'Ayushman Bharat Health Infra Mission will prepare India for future crisis'

President Ram Nath Kovind on Monday said that the government, with a farsighted vision, is taking steps to deal with the COVID-19 pandemic and its PM Ayushman Bharat Health Infrastructure Mission will prepare the country for any health crisis in future.

"To deal with the COVID-19 pandemic, the country's efforts are not limited to immediate challenges. Thus, my government is planning farsighted solutions which will be useful in the future as well. With the cost of Rs 64,000 crore, PM Ayushman Bharat Health Infrastructure Mission started by the government is one example. This will not only help in meeting the present health needs but also prepare the country for future crises," President Kovind in his address to the joint sitting of the Parliament at Central Hall on the first day of the Budget Session. Lauding the policies of the government, the President also said that more than 80 thousand health and wellness centers and crores of Ayushman Bharat cards have helped the poor in their treatment.

https://www.business-standard.com/article/current-affairs/ayushman-bharat-health-infra-mission-will-prepare-india-for-future-crisis-122013100499_1.html

External

Survey pitches for FTA push to diversify export basket, destinations

The Economic Survey on Monday pitched for giving a push to the ongoing negotiations for the proposed free-trade agreements (FTAs) as these pacts will help in diversifying the country's export basket and destinations. It added that India has diversified its export destinations in the past 25 years, yet more than 40 per cent of the country's exports is still accounted for by only seven countries. India has been negotiating FTAs with several partners, both bilateral and regional, for the past many years with a view to promote India's exports. "A further push in this direction would help provide the institutional arrangements to, inter alia, diversify both products and destinations," it said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/survey-pitches-for-fta-push-to-diversify-export-basket-destinations/articleshow/89245144.cms>