



February 07, 2022 – Monday

## Economy

### Govt prepared to deal with any global development: FM

India is prepared to deal with any situation arising out of global developments, including the US Federal Reserve's decision to roll back monetary easing, and will not allow the economy to suffer, Finance Minister Nirmala Sitharaman asserted on Sunday. In a post-Budget interaction with industry body Ficci, she urged corporates to take advantage of the recovery in the economy and step up investment. "It's time now for us as Team India to rise. We are at such a juncture where revival of the economy is very clear...this recovery is therefore going to place India as the fastest growing economy among the larger economies and that would continue even in the next fiscal," the minister said. Post pandemic, the world order has changed and industry leadership should ensure that India doesn't miss the bus this time, she said.

<https://economictimes.indiatimes.com/news/economy/policy/govt-prepared-to-deal-with-any-global-development-fm/articleshow/89386097.cms>

### MCA21 portal's third version to be rolled out in March

The corporate affairs ministry is preparing to launch the third version of the MCA21 portal in March, starting with the LLP module. The third version of the portal, a key platform to submit the required documents and filings under the companies law and the Limited Liability Partnership Act, will leverage analytics, artificial intelligence and machine learning. An official said the third version of MCA21 is expected to be rolled out in March and the LLP module will be rolled out first. The ministry has told stakeholders that it will launch a new way of e-filing for LLP on the portal and that going forward, all LLP filings will be web-based.

<https://economictimes.indiatimes.com/news/economy/policy/mca21-portals-third-version-to-be-rolled-out-in-march/articleshow/89384508.cms>

### Labour code may cap allowances at 75% of wages in first year, 50% over next three years

The government is mulling a high limit on allowances at 75-80% of the wages of an employee in the first year of the roll-out of the labour code on wages. This could gradually be brought down to 50% over three years, as specified in the code, people familiar with the deliberations told ET. The other major change under consideration is restoration of the threshold on the number of employees in an organisation to 100 from the proposed 300 under the industrial relations code for seeking the government's permission before retrenchment or closing down operations.

<https://economictimes.indiatimes.com/news/economy/policy/labour-code-may-cap-allowances-at-75-of-wages-in-first-year-50-over-next-three-years/articleshow/89395042.cms>

## Banking and Finance

### RBI postpones MPC meet to Feb 8 as Maharashtra declares holiday on Monday

The three-day meeting of the Monetary Policy Committee (MPC) of the RBI has been postponed by a day after the Maharashtra government declared Monday as a public holiday in a mark of respect for Lata Mangeshkar, who passed away on Sunday. The meeting of the interest rate setting body, which was scheduled to start on Monday, will now

begin on February 8 and the outcome will be announced on February 10. There will be no transactions and settlements in Government securities (primary and secondary), foreign exchange, money markets and Rupee Interest Rate Derivatives on February 7, 2022. Settlement of all outstanding transactions will accordingly get postponed to the next working day i.e., February 8, 2022.

[https://www.business-standard.com/article/economy-policy/rbi-postpones-mpc-meet-to-feb-8-as-maharashtra-declares-holiday-on-monday-122020601116\\_1.html](https://www.business-standard.com/article/economy-policy/rbi-postpones-mpc-meet-to-feb-8-as-maharashtra-declares-holiday-on-monday-122020601116_1.html)

#### **RBI will likely maintain status quo in policy rate next week, say experts**

In view of inflationary concerns, the Reserve Bank is likely to maintain the status quo on key policy rates in its next bi-monthly economic policy, which will be the first after the presentation of the Union Budget for 2022-23. Experts, however, are of the opinion that RBI's monetary policy committee (MPC) may change the policy stance from 'accommodative' to 'neutral' and tinker with the reverse-repo rate as part of the liquidity normalisation process. Madan Sabnavis, Chief Economist, Bank of Baroda, said given the assurance on growth as per the budget and the possibility of inflation rising mainly due to crude oil, "we expect the RBI to start the process of normalisation by increasing the reverse repo rate by 25 bps".

<https://economictimes.indiatimes.com/news/economy/policy/rbi-likely-to-maintain-status-quo-in-policy-rate-next-week-say-experts/articleshow/89384021.cms>

#### **India's official digital currency to debut by early 2023, says report**

India's very own official digital currency is likely to debut by early 2023, which will mirror any of the currently available private company-operated electronic wallets, but with a change that it will be a sovereign-backed facility, a top government source said. Finance Minister Nirmala Sitharaman in her budget speech last week talked about launching a central bank-backed 'digital rupee' soon. A top government source, who wished not to be identified said, the digital currency issued by the RBI would be numbered in units, just like every fiat currency has a unique number. "The units issued in digital rupee would be included in the currency in circulation. It would not be very different from fiat currency. It would be more like an electronic form of fiat currency, so in a sense it would be a government-mandated electronic wallet," the source said.

[https://www.business-standard.com/article/economy-policy/india-s-official-digital-currency-to-debut-by-early-2023-says-report-122020600253\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-official-digital-currency-to-debut-by-early-2023-says-report-122020600253_1.html)

#### **Green bonds to be rupee-denominated with long tenure: DEA secretary**

Asserting that the issuance of sovereign green bonds is part of the government's overall borrowing programme, Economic Affairs Secretary Ajay Seth has said these rupee-denominated papers will have long tenure to suit the requirement of green infrastructure projects.

<https://economictimes.indiatimes.com/news/economy/finance/green-bonds-to-be-rupee-denominated-with-long-tenure-dea-secretary/articleshow/89384330.cms>

#### **Implementation of SEBI norms on collateral may get delayed**

Stock brokers are expecting the new regulations on client-level segregation and monitoring of collateral to be further pushed to April 2022. The mechanism with regard to monitoring of segregated funds and other collateral in cash and derivatives segment at the client level and allowing the same to be deployed simultaneously in various segments on a real time basis was not fully operational by the clearing corporations (CCs), a source told BusinessLine. The trading and margin systems of the brokers and CCs should be seamlessly connected for smooth functioning of the markets and clients should be allowed to switch their margin from cash to derivatives segment and vice-versa without any glitch.

<https://www.thehindubusinessline.com/markets/implementation-of-sebi-normson-collateral-may-get-delayed/article64969603.ece>

## **Industry**

#### **67% MSMEs were temporarily shut, profits dipped for 66% in FY21: SIDBI survey**

67 per cent MSMEs, in a survey conducted by SIDBI late last year and announced last month, reported temporary closure for up to a three-month period during Covid in the financial year 2020-21. The survey was assigned by the

MSME Ministry to SIDBI in September last year to assess the impact of change in MSME classification in 2020 on the sector and losses suffered by MSMEs due to the Covid pandemic. The survey results were shared by the MSME Minister Narayan Rane in reply to a question in Lok Sabha on Thursday. SIDBI surveyed a random sample pool of 1,029 MSMEs across 20 States and two union territories and submitted the study on January 27, 2022.

<https://www.financialexpress.com/industry/sme/msme-eodb-67-msmes-were-temporarily-shut-profits-dipped-for-66-in-fy21-sidbi-survey/2426781/>

#### **MSMEs queue up to support Defence forces' indigenisation programmes**

Unfazed by the disruptions caused by the Covid-19 pandemic, Micro, small and medium enterprises (MSMEs) in the country have lined up in a big way to support the indigenisation programme of the Indian Defence forces. Of the total 81 MoUs (memorandum of understandings) signed by both the Tamil Nadu and Uttar Pradesh governments for their Defence Industrial Corridors, 30 agreements have been signed up with MSMEs. "Micro, Small & Medium Enterprises are an integral part for the successful implementation of both the corridors attracting investments in Aerospace and Defence sector. In both the defence corridors, investments have been attracted from MSMEs and start-ups, besides anchor industries and foreign players," Ajay Bhatt, Union Minister of State for Defence told Lok Sabha recently.

<https://www.thehindubusinessline.com/companies/msmes-queue-up-to-support-defence-forces-indigenisation-programmes/article64969560.ece>

#### **Cement prices up in January; east, south lead hikes**

Cement prices have seen a 3-5 per cent month-on-month price increase pan-India in January, led by hikes coming in primarily across east and southern regions. The upward movement came after weak demand witnessed in November – a wash-out for cement companies – continued into a part of December. Extended rains in South India, and sand mining issues in the East (Bihar and Bengal) were also reasons for weaker demand for nearly half of the Oct-Dec period.

<https://www.thehindubusinessline.com/news/real-estate/cement-prices-up-in-january-east-south-lead-hikes/article64969758.ece>

#### **Funding into space tech start-ups grew 198 per cent y-o-y in 2021**

Indian space technology start-ups are soaring new heights. Funding into this sector jumped 198.67 per cent in 2021 touching \$67.2 million across 11 rounds, up from \$22.5 million in 2020 across nine rounds, according to data accessed from Tracxn. Top space tech start-ups to raise funding last year include satellite-based services and applications start-ups Pixxel, Astrome and Dhruva Space. Space launch vehicle manufacturing start-ups AgniKul and Skyroot, too, were among the top ones to raise funds. Pixxel is the highest funded start-up among all.

<https://www.thehindubusinessline.com/info-tech/funding-into-space-tech-start-ups-grew-198-per-cent-y-o-y-in-2021/article64969678.ece>

### **Agriculture**

#### **Govt considering plans to waive off farmers' premium in crop insurance**

The Centre is considering various options including "zero or token premium of Re 1" for the 12 crore small and marginal farmers under the flagship Pradhan Mantri Fasal Bima Yojana (PMFBY) amid many States expressing their dissatisfaction, some even had earlier quit the scheme due to financial burden.

<https://www.thehindubusinessline.com/economy/agri-business/govt-considering-plans-to-waive-off-farmers-premium-in-crop-insurance/article64969611.ece>

### **Infrastructure**

#### **'Infra projects expected to route through PM GatiShakti's NPG after Apr 1'**

The implementation framework for PM GatiShakti national master plan is taking its final shape at a faster pace and after April 1 this year, every infrastructure project is expected to route through the network planning group (NPG) constituted under this initiative, a top government official said. The PM GatiShakti plan was announced last year

with an aim to break departmental silos and bring in more holistic and integrated planning and execution of projects with a view to address the issues of multi-modal and last-mile connectivities. This will help in bringing down the logistics cost, Secretary in the Department for Promotion of Industry and Internal Trade (DPIIT) Anurag Jain said. "Things are in readiness. the Empowered Group of Secretaries (EGOS) and NPG are constituted and the TSU (Technical Support Unit) is more or less in place. So the structure is there," he told PTI.

[https://www.business-standard.com/article/economy-policy/infra-projects-expected-to-route-through-pm-gatishakti-s-npg-after-apr-1-122020600292\\_1.html](https://www.business-standard.com/article/economy-policy/infra-projects-expected-to-route-through-pm-gatishakti-s-npg-after-apr-1-122020600292_1.html)

### **Highway construction speed to be enhanced to meet next fiscal target: Road Transport Secy**

Terming the recent budget a "development-oriented" exercise, Union Road Transport and Highways Secretary Giridhar Aramane on Sunday said the pace of road construction will be further increased to achieve the target of expansion of national highways in the next fiscal. In the ongoing fiscal so far, he said, the National Highways Authority of India (NHA) and the National Highways and Infrastructure Development Corporation Ltd (NHIDCL) have so far constructed 7,500 km of national highways, and in the remaining two months, at least 2,500 km of highway construction is expected.

<https://economictimes.indiatimes.com/news/economy/infrastructure/highway-construction-speed-to-be-enhanced-to-meet-next-fiscal-target-road-transport-secy/articleshow/89382549.cms>

## **Energy**

### **Discoms' outstanding dues to gencos dip 5.1% to Rs 1,15,972 crore in February**

Total outstanding dues owed by electricity distribution companies (discoms) to power producers dipped 5.1 per cent year-on-year to Rs 1,15,972 crore in February 2022, as per latest data. Discoms owed a total of Rs 1,22,226 crore to power generation firms in February 2021, according to portal PRAAPTI (Payment Ratification And Analysis in Power procurement for bringing Transparency in Invoicing of generators). On a sequential basis also, total dues in February 2022 declined from Rs 1,16,834 crore in January 2022. The PRAAPTI portal was launched in May 2018 to bring in transparency in power purchase transactions between generators and discoms.

<https://economictimes.indiatimes.com/industry/energy/power/discoms-outstanding-dues-to-gencos-dip-5-1-to-rs-115972-crore-in-february/articleshow/89379438.cms>

### **Rajasthan govt to sign MoUs of Rs 3.05 lakh crore for renewable energy**

The Rajasthan government will be signing MOUs with major players in the renewable energy sector, capturing investment of Rs 3.05 lakh crore under Invest Rajasthan Campaign. The companies that will be signing MOUs or letters of intent are five PSUs, including NTPC, NHPC, SJVN Limited, THDC India Ltd., SECI and private players such as Reliance, Axis and SAEL, according to an official statement.

The expected investment is worth Rs 3.05 lakh crores which includes renewable energy projects with 92.1 GW capacity and 4GW solar module manufacturing. Rajasthan Renewable Energy Corporation Pvt Ltd, the nodal department for Renewable Energy with Bureau of Investment Promotion, the state nodal agency for investment promotion, will coordinate with the investors.

<https://economictimes.indiatimes.com/industry/renewables/rajasthan-govt-to-sign-mous-of-rs-3-05-lakh-crore-for-renewable-energy/articleshow/89389637.cms>

## **States**

### **As Bengal's debt piles up, state govt applies brakes on spending**

Recently West Bengal Chief Minister Mamata Banerjee directed all the departments to cut down unnecessary expenditure beyond the approved budget and not to take any new project without the approval of the Chief Secretary or the finance department. This made it obvious that the government is trying to negotiate the financial burden imposed by the non-planned expenditure of the dole politics of the chief minister before the election.

"The Centre owes us more than Rs 90,000 crore. However, the state finance department has released Rs 74,000 crore this year to various departments and 84 per cent of the funds disbursed have been spent already. No projects which are not approved in the budget should be taken up. The approval from the Chief Secretary and the finance department will be mandatory for any project," Banerjee had said.

[https://www.business-standard.com/article/economy-policy/as-bengal-s-debt-piles-up-state-govt-applies-brakes-on-spending-122020600112\\_1.html](https://www.business-standard.com/article/economy-policy/as-bengal-s-debt-piles-up-state-govt-applies-brakes-on-spending-122020600112_1.html)

#### **Assam has attracted 16 ethanol projects worth Rs 3,290 crore: Himanta Biswa Sarma**

Assam chief minister Himanta Biswa sarma said that Assam has attracted 16 ethanol projects worth Rs 3290 crore as a fallout of consortium of OMCs floated bids for long term ethanol procurement. Sarma held a meeting with the promoters of seven Ethanol manufacturing entities who came forward under Assam Ethanol Production Promotion Policy, 2021 to set up their plants.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/assam-has-attracted-16-ethanol-projects-worth-rs-3290-crore-himanta-biswa-sarma/articleshow/89389919.cms>

#### **Healthcare**

#### **Single-dose Sputnik Light Covid-19 vaccine gets EUA in India**

India's drug regulator on Sunday granted emergency use authorisation (EUA) to Single-dose Sputnik Light Covid-19 vaccine in India. With this, Sputnik light becomes the ninth Covid-19 vaccine that has been granted EUA in the country. "This will further strengthen the nation's collective fight against the pandemic," tweeted Union health minister Mansukh Mandaviya.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/single-dose-sputnik-light-covid-19-vaccine-gets-eua-in-india/articleshow/89389276.cms>

#### **External**

#### **India-Australia FTA: New Delhi ready to cut duties on wine but with conditions**

India is ready to bring down import duty on Australian wine as part of the free trade agreement (FTA) being negotiated, but it will do so only partially and with a likely caveat that the imported items are above a minimum assessable value (MAV) to qualify for a duty cut, a source tracking the development has said. "The Commerce Ministry has called for another round of talks with the wine industry in India to take inputs before finalising the offer," the source told BusinessLine.

<https://www.thehindubusinessline.com/economy/india-australia-fta-new-delhi-ready-to-cut-duties-on-wine-but-with-conditions/article64969879.ece>

#### **Asian Development Bank lends record \$ 4.6-bn loans to India in 2021**

The Asian Development Bank (ADB) on Sunday said it provided a record USD 4.6 billion loans to India in 2021, including USD 1.8 billion towards coronavirus response. "The Asian Development Bank committed a record USD 4.6 billion in sovereign lending to India in 2021 for 17 loans, including USD 1.8 billion for the country's coronavirus disease (COVID-19) pandemic response," the multilateral funding agency said in a statement. Of the COVID-19-related assistance, USD 1.5 billion was towards vaccine procurement and USD 300 million to strengthen primary health care in urban areas and the country's future pandemic preparedness. The ADB's regular funding programme to India is made to support transport, urban development, finance, agriculture, and skills building.

[https://www.business-standard.com/article/economy-policy/asian-development-bank-lends-record-4-6-bn-loans-to-india-in-2021-122020600549\\_1.html](https://www.business-standard.com/article/economy-policy/asian-development-bank-lends-record-4-6-bn-loans-to-india-in-2021-122020600549_1.html)

#### **India takes tough stand on tax treaties with MFN countries**

Indian tax authorities have toughened their stand to bar foreign funds and strategic investors from most favoured nation (MFN) jurisdictions like The Netherlands, France, and Switzerland from taking advantage of lower tax offered to investors from some of the other countries who have signed tax treaties with India at a later point. Conveyed last week by the apex tax body Central Board of Direct Taxes (CBDT), the view goes against a High Court ruling, sends a strong message from India on tax treaties, and could set off a slew of litigation in the coming days.

<https://economictimes.indiatimes.com/news/economy/policy/india-takes-tough-stand-on-tax-treaties-with-mfn-countries/articleshow/89385833.cms>

### **DGTR for imposing countervailing duty on copper tubes, pipes from Malaysia, Thailand, Vietnam**

The commerce ministry has recommended the imposition of countervailing duty on copper tubes and pipes from Malaysia, Thailand and Vietnam for five years, a move aimed at guarding domestic players against imports that are subsidised by these countries. The ministry's investigation arm Directorate General of Trade Remedies (DGTR) in its findings after a probe has stated that the investigation was initiated on a suo-motu basis and was notified to all interested parties. The DGTR added that adequate opportunity was given to the domestic industry, embassies of these countries, exporters, importers and other interested parties to provide positive information on the aspect of subsidisation, injury and causal link.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/dgtr-for-imposing-countervailing-duty-on-copper-tubes-pipes-from-malaysia-thailand-vietnam/articleshow/89381280.cms>