



February 24, 2022 – Thursday

## Economy

### **Russia-Ukraine crisis may raise retail inflation in India on costlier transport, higher oil import bill**

The impact of high oil prices amid the worsening of tensions between Russia and Ukraine could hit Indian shores, raising fuel inflation and the country's oil import bill. India could face higher inflation and for a long period, unless the government sharply cuts taxes on petrol and diesel. India, a net-importer of oil, buys very little oil and gas from Russia. However, it could be indirectly impacted if the West puts sanctions on Moscow, the second largest oil producer of the world. "Higher crude oil prices will keep CPI inflation higher for longer, obliging the RBI to raise rates more than the two hikes we expected in Aug-Dec'22 – unless the government sharply cuts excise duties on petrol and diesel to contain fuel inflation," ICICI Securities said in a note Wednesday. Transport forms about a fifth of CPI basket for an average consumer, and higher inflation in the form of fuel prices could pinch their pockets even more.

<https://www.financialexpress.com/economy/russia-ukraine-crisis-may-raise-retail-inflation-in-india-on-costlier-transport-higher-oil-import-bill/2442339/>

### **India Ratings pegs GDP growth for FY22 at 8.6% after data revision**

India Ratings has revised downwards its GDP growth forecast for 2021-22 to 8.6 per cent from the consensus 9.2 per cent projected earlier. The National Statistical Organisation (NSO), which has forecast 9.2 per cent real GDP growth for the year, will release the second advance estimate of national income on Monday. According to an India Ratings analysis, NSO is likely to peg the FY22 real gross domestic product growth at Rs 147.2 lakh crore. This translates into a GDP growth rate of 8.6 per cent, down from 9.2 per cent forecast in the first advance estimate released on January 7, 2022. The major reason for the likely downward revision is the upward revision of FY21 GDP to Rs 135.6 lakh crore in the first revised estimate of national income for FY21, which was released on January 31, 2022, the agency said.

[https://www.business-standard.com/article/economy-policy/india-ratings-pegs-gdp-growth-for-fy22-at-8-6-after-data-revision-122022300825\\_1.html](https://www.business-standard.com/article/economy-policy/india-ratings-pegs-gdp-growth-for-fy22-at-8-6-after-data-revision-122022300825_1.html)

## Banking and Finance

### **RBI asks NBFCs to enable Core Fin Services Solution akin to that in banks**

The Reserve Bank of India (RBI) on Wednesday said non-banking finance companies (NBFCs) in the upper and middle layer, with ten or more fixed point service delivery units as of October 1, 2022, will have to mandatorily implement "Core Financial Services Solution (CFSS)" by September 30, 2025, a system akin to the Core Banking Solution used by banks. It will provide seamless customer interface in digital offerings and transactions relating to products and services with anywhere / anytime facility, the RBI said in a statement. Further, it will enable integration of NBFCs' functions, provide centralised database and accounting records, and be able to generate a suitable management information system (MIS), both for internal purposes and regulatory reporting. Earlier, the RBI had said, NBFCs with ten and more branches will be mandated to adopt Core Banking Solution. And a glide path of three years with effect from October 01, 2022 will be provided.

[https://www.business-standard.com/article/finance/rbi-asks-nbfc-to-enable-core-fin-services-solution-akin-to-that-in-banks-122022301223\\_1.html](https://www.business-standard.com/article/finance/rbi-asks-nbfc-to-enable-core-fin-services-solution-akin-to-that-in-banks-122022301223_1.html)

### **Centre likely to miss national monetisation target for next fiscal**

The Centre's ambitious Rs 6-trillion National Monetisation Pipeline (NMP) could fall short of yearly targets for the current fiscal year (FY22) and the next one as well (FY23), partly due to the long gestation period in monetising big-ticket railway infrastructure, Business Standard has learnt from sources in the finance and rail ministries. Officials say the major chunk of railway monetisation will happen from FY24 onwards because leasing some of the infrastructure, like stadiums and dedicated freight corridor, will not happen anytime soon.

[https://www.business-standard.com/article/economy-policy/centre-likely-to-miss-national-monetisation-target-for-next-fiscal-122022201588\\_1.html](https://www.business-standard.com/article/economy-policy/centre-likely-to-miss-national-monetisation-target-for-next-fiscal-122022201588_1.html)

### **Term insurance ownership has risen to 43% from 36% in two years: IPQ Survey**

Indians are buying more term plans now as term insurance ownership has gone up to 43 per cent from 39 per cent last year, revealed the India Protection Quotient (IPQ) survey 4. This is despite life insurance ownership remaining unchanged at 78, signifying the fact that consumers are now diversifying their insurance holdings and building a holistic portfolio. The term insurance ownership has gone up from 36 per cent to 43 per cent in two years' time.

[https://www.business-standard.com/article/finance/term-insurance-ownership-has-risen-to-43-from-36-in-two-years-ipq-survey-122022300838\\_1.html](https://www.business-standard.com/article/finance/term-insurance-ownership-has-risen-to-43-from-36-in-two-years-ipq-survey-122022300838_1.html)

## **Industry**

### **Packaged foods to soon have a 'Health Star'**

The Food Safety and Standards Authority of India (FSSAI) is starting a star rating system for packaged foods just like the bureau of energy efficiency has for electronic appliances. As per the 'Health Star' rating system, packaged foods will display the number of stars on the front of the pack, indicating how healthy or unhealthy it is depending upon the amount of salt, sugar and fat it has. Health star rating was one of five types of labels that were considered, including traffic light signs, a nutrition score and warning symbols. It will be rolled out in the next few months.

<https://economictimes.indiatimes.com/industry/cons-products/food/packaged-foods-to-soon-have-a-health-star/articleshow/89783574.cms>

### **Back-to-office plans: Lifestyle, apparel and footwear companies upbeat about reopening**

Lifestyle, apparel and footwear companies are upbeat that the back-to-office plans of India Inc., reopening of schools and easing of travel restrictions will push up sales in categories that had seen a slump with the onset of the Covid-19 pandemic two years ago. With the third Covid-19 wave waning in the country, demand for apparel--especially smart casuals, formal and women's ethnic wear--shoes, grooming products, stationary products and beverages for vending machine is expected to rise as more people return to office and attendance in schools and educational institutes climbs. The executives ET spoke with said most of these categories had recorded 40-60% drop in sales during the pandemic and early signs of revival are now visible.

<https://economictimes.indiatimes.com/news/india/back-to-office-plans-lifestyle-apparel-and-footwear-companies-upbeat-about-reopening/articleshow/89781077.cms>

### **Summer likely to see higher prices of durable with costly inputs and possible increase in transportation fuel**

Buyers are facing a tough summer as Russia-Ukraine crisis has pushed the prices of not just crude but also of metals and minerals on an upward spiral. While consumer durables companies say that impact of rise in input prices is going to be high and this might lead to price rise, economists feel that possible hike in fuel prices will have impact on inflation rate in the immediate term. Rate of retail inflation based on Consumer Price Index (CPI) is now above the targeted level of 6 per cent while producers' inflation based on Wholesale Price Index (WPI) is a bit down but still in double digits for last two months. Though both of these indices have limited weight for fuel, fuel has a much wider indirect impact.

<https://www.thehindubusinessline.com/economy/summer-likely-to-see-higher-prices-of-durable-with-costly-inputs-and-possible-increase-in-transportation-fuel/article65077294.ece>

### **Textile, jewellery firms go on hiring spree on UAE trade agreement**

Textile and gem and jewellery industries have started increasing their headcount in anticipation of a spike in exports in the wake of the trade agreement between India and the United Arab Emirates (UAE). Textile export units in Tirupur and Noida plan to increase their headcount by up to 15% and 30%, respectively, while jewellery trade said artisans from West Bengal will get more jobs as jewellery crafted by them are in huge demand in the UAE market. India and the UAE on February 18 signed a Comprehensive Economic Partnership Agreement (CEPA) – the country's first free trade agreement with a major trading partner in more than a decade.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/textile-jewellery-firms-go-on-hiring-spree-on-uae-trade-agreement/articleshow/89768229.cms>

#### **Top tier IT firms likely to report stellar growth in FY23 backed by strong demand**

Analysts expect top information technology companies to post double-digit revenue growth for FY23 following a robust performance in the December quarter. A strong order book backed by sustained momentum in digital adoption by clients offers improved revenue visibility. The margin performance may, however, remain range-bound given higher recruitment costs.

<https://economictimes.indiatimes.com/markets/stocks/earnings/top-tier-it-firms-likely-to-report-stellar-growth-in-fy23-backed-by-strong-demand/articleshow/89774610.cms>

#### **As Omicron fears subside, IT firms want staff back in offices**

With Omicron fears subsiding and the number of people fully vaccinated crossing the 80 per cent mark, a majority of the IT and IT-enabled services want their employees to return to offices. They are so serious about making their employees to return to office that a large number of the companies have either already written to employees or planning to write soon, asking them to return to office as early as possible.

<https://www.thehindubusinessline.com/info-tech/as-omicron-fears-subside-it-firms-want-staff-back-in-offices/article65077219.ece>

### **Agriculture**

#### **Govt plans to make onion production sustainable to avert export ban, price rise**

Faced with frequent changes in export-import and price spiral in onions due to even marginal shortfall, the Centre has been working on a plan to permanently become a surplus country in this edible bulb by expanding areas in “non-traditional” growing States. Success of the plan will make domestic prices stable throughout the year, officials said. The cultivation of onion was mainly confined to Maharashtra, Karnataka and Rajasthan, which were catering to the entire demand of the country as most other States are deficit. There has been a significant increase in area in Madhya Pradesh, nearly 50 per cent to 173.89 lakh hectares in just four years (between 2016 and 2019), an agriculture ministry official said.

<https://www.thehindubusinessline.com/economy/agri-business/govt-plans-to-make-onion-production-sustainable-to-avert-export-ban-price-rise/article65077581.ece>

#### **Gujarat to request Centre for additional chana procurement**

The Gujarat government on Wednesday informed that it will request the Centre to increase the procurement of gram (chana) from the State following an anticipated bumper crop in the growing region. At a State Cabinet meeting held on Tuesday in Gandhinagar, it was decided to approach the Centre to support additional procurement of chana during the current season.

<https://www.thehindubusinessline.com/economy/agri-business/gujarat-to-request-centre-for-additional-chana-procurement/article65077489.ece>

#### **Potato prices likely to gain on lower Bengal crop**

Potato prices are likely to rule higher this year compared with last year on an anticipated drop in production in West Bengal, the second-largest producer of the spud in the country. The tuber's production is likely to be lower by around 20 per cent at close to 8.5-9 million tonnes (mt) this year due to delayed sowing on the back of untimely rains. Last year, the State harvested a bumper crop, nearly a 16 per cent rise in production at 11 mt (compared with 9.5 mt in 2020).

<https://www.thehindubusinessline.com/economy/agri-business/potato-prices-likely-to-gain-on-lower-bengal-crop/article65077271.ece>

## Infrastructure

### Retirement and Second Home market in India set to grow at a CAGR of 23.63% in next 5 years

The Retirement and Second Home (RSH) market segment in India is expected to grow at a CAGR of 23.63% in the next 5 years. The current size of the market is USD 1.394 billion and is set to reach USD 4.021 billion by 2026, as per the latest research by 360 Realtors. At the onset of the previous decade, the concept of RSH started becoming popular in the country. Goa became a natural choice, comprising around a quarter of the market. Goa offers sun, sand, and tremendous scenic beauty, thereby attracting a large volume of buyers. The coastal state has plenty of row houses, gated compounds, and villa options and alongside Indian buyers, NRIs also bet big on Goa.

<https://www.financialexpress.com/money/retirement-and-second-home-market-in-india-set-to-grow-at-a-cagr-of-23-63-in-next-5-years/2442961/>

### CIDCO extends registration deadline for Mass Housing Scheme 2022

The City and Industrial Development Corporation (CIDCO), the government of Maharashtra's town planning authority, has granted an extension for the online registration of Mass Housing Scheme 2022 until March 10, 2022 based on the requests of the citizens. The deadline for the payment of fees and EMD amount and the computerized draw has been extended accordingly. "CIDCO's Mass Housing Scheme 2022 has received an overwhelming response. The deadline for submission of the applications has been extended to allow sufficient time for submission of documents and payment of the EMD amount. This will give an added window to the citizens who are willing to apply," said Sanjay Mukherjee, Vice-Chairman and Managing Director, CIDCO.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/cidco-extends-registration-deadline-for-mass-housing-scheme-2022/articleshow/89780591.cms>

## Telecom

### BharatNet now connects 171,000 blocks

Nearly 171,000 gram panchayats or village blocks are now service-ready following the BharatNet initiative, said K Rajaraman, secretary, Department of Telecommunications (DoT), on Wednesday. BharatNet, a national programme to connect villages with high-speed optic fibre cable, was initially launched in 2012, but has missed several deadlines, with low capacity utilisation being one of the key concerns for the department. The programme aims to connect 250,000 blocks encompassing more than 600,000 villages by 2025. "And, as of now, I think 5,000 terabytes of data is being consumed on a monthly basis," Rajaraman said at a virtual industry event.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/bharatnet-now-connects-171000-blocks/articleshow/89782319.cms>

## Energy

### India's crude oil production drops 2.4% in January to 2,511 TMT

India's crude oil production fell to 2,511.66 thousand metric tonnes (TMT) in January 2022, which is 2.40 per cent lower than the output registered during the same month last year and 6.04 per cent lower than the official target for the month, the government data showed on Wednesday. Cumulative crude oil production during the April-January period of the current financial year stood at 24890.07 TMT, which is 2.61 per cent lower than the output registered during the corresponding period of 2020-21, according to data released by the Ministry of Petroleum & Natural Gas. The cumulative output for the April-January 2021-22 is 4.63 per cent lower than the official target for the period. Crude oil production by ONGC (Oil and Natural Gas Corporation) in the nomination block during January 2022 was 1662.79 TMT, which is 3.68 per cent lower than the target of the month and 3.09 per cent lower when compared with production of January 2021.

[https://www.business-standard.com/article/economy-policy/india-s-crude-oil-production-drops-2-4-in-january-to-2-511-tmt-122022301267\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-crude-oil-production-drops-2-4-in-january-to-2-511-tmt-122022301267_1.html)

## Healthcare

### **Govt may launch vaccination programme for 12-15 age group after March 15**

The government is likely to announce vaccination programme for children in the 12-15 age group after March 15, a highly-placed official told BusinessLine. The government is also examining booster doses for those under 60 years with comorbid conditions, the source added. "Our priority is to vaccinate the unvaccinated first. We will come out with the immunisation programme for those under 12-15 age set after March 15. On March 10, election results will be out, after which our expert team will do a detailed analysis on the booster doses for those under 60 and about the children's vaccination," said the source.

<https://www.thehindubusinessline.com/incoming/govt-may-launch-vaccination-programme-for-12-15-age-group-after-march-15/article65078058.ece>

### **\$774 bn revenue opportunity for India from healthcare by 2030: Report**

India has the potential to generate a staggering \$774 billion revenue in the healthcare sector by 2030, suggests a new report on Wednesday. The report by Aspire Circle, a social impact leadership champion and advocate, showed that with an investment of \$217 billion, the country can create 12 million jobs in healthcare and allied sectors, which can impact 1.5 billion lives by 2030. "Indian healthcare will become the second most attractive investment sector this decade, behind food, agri and agriTech but ahead of BFSI, financial inclusion & fintech," said Amit Bhatia, Founder of Aspire Circle & Creator - Impact Future Project, in a statement. "Covid-19 has thrown open India's health infrastructure fault-lines and both entrepreneurs and investors are on an epic mission to convert the crisis into an investment opportunity," he added.

[https://www.business-standard.com/article/economy-policy/774-bn-revenue-opportunity-for-india-from-healthcare-by-2030-report-122022301231\\_1.html](https://www.business-standard.com/article/economy-policy/774-bn-revenue-opportunity-for-india-from-healthcare-by-2030-report-122022301231_1.html)

## States

### **Rajasthan govt presents Budget 2022-23 with special focus on employment, health, education**

Rajasthan Chief Minister Ashok Gehlot on Wednesday presented the Budget for the year 2022-23, with the main focus on sectors like health, education, infrastructure, social security and tourism. Presenting the Budget in the Rajasthan Assembly, Gehlot during the almost three-hour-long speech announced the launch of the Indira Gandhi Urban Employment Guarantee Scheme with an aim to provide 100 days of employment in urban areas. The Indira Gandhi Urban Employment Guarantee Scheme is in the lines of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), for which a Rs 800 crore budget has been proposed.

<https://economictimes.indiatimes.com/news/india/rajasthan-govt-presents-budget-2022-23-with-special-focus-on-employment-health-education/articleshow/89774967.cms>

## External

### **Smartphone production set for another disruption as component shipments held up by customs**

Smartphone manufacturers in India are now staring at another disruption due to a recent change in the import policy. Shipments of key components such as flat panel displays and camera modules for smartphones have been held up by customs since February 9, with industry executives warning that handset factories will have to suspend production in the next couple of days if they aren't cleared. A Directorate General of Foreign Trade (DGFT) notification dated February 9, 2022, and effective immediately, said that the status of specific components, which were previously classified as "Free", has been changed to "Restricted". Goods classified as "Free" in the import policy do not require permission from DGFT for import. However, "Restricted" goods require authorization or license from the authority for being imported into the country.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/smartphone-production-set-for-another-disruption-as-component-shipments-held-up-by-customs/articleshow/89774537.cms>

### **PC shipments grow 44.5% YoY in CY2021, bolstered by remote working: IDC**

Remote working demand coupled with better supplies attributed to a strong growth in the Indian PC market. The India traditional PC market, inclusive of desktops, notebooks, and workstations delivered a strong year with

shipment growth of 44.5 per cent year-over-year (YoY) in 2021 (January-December), said the International Data Corporation (IDC) Worldwide Quarterly Personal Computing Device Tracker. While the notebook category was the volume driver with shipments reaching 11.6 million units, there was a steep decline in the desktop category in 2020, which managed a recovery with 30 per cent YoY growth. This can be attributed to strong demand from enterprises, SMB, and consumer segments.

[https://www.business-standard.com/article/companies/pc-shipments-grow-44-5-yoy-in-cy2021-bolstered-by-remote-working-idc-122022300718\\_1.html](https://www.business-standard.com/article/companies/pc-shipments-grow-44-5-yoy-in-cy2021-bolstered-by-remote-working-idc-122022300718_1.html)

#### **Indian exporters delay orders, worry over payment dues**

Amid the global tension over Russia's threat to invade Ukraine, Indian exporters are treading cautiously while executing existing orders. They are also delaying the execution of fresh export orders with Russia, fearing delay in payments. The looming uncertainty will affect the global economy, which is recovering from the pandemic, said industry experts. "Exporters are already delaying the execution of fresh orders (in case the situation worsens) and the uncertainty will continue.

[https://www.business-standard.com/article/economy-policy/ukraine-crisis-indian-exporters-delay-orders-worry-over-payment-dues-122022300013\\_1.html](https://www.business-standard.com/article/economy-policy/ukraine-crisis-indian-exporters-delay-orders-worry-over-payment-dues-122022300013_1.html)