



March 07, 2022 – Monday

Economy

GST Council may consider raising lowest slab to 8%, rationalise tax slabs

The GST Council in its next meeting may look at raising the lowest tax slab to 8 per cent, from 5 per cent, and prune the exemption list in the Goods and Services Tax regime as it looks to increase revenues and do away with states' dependence on Centre for compensation, sources said on Sunday. A panel of state finance ministers is likely to submit its report by this month end to the Council suggesting various steps to raise revenue, including hiking the lowest slab and rationalising the slab. Currently, GST is a four-tier structure attracting a tax rate of 5, 12, 18 and 28 per cent. Essential items are either exempted or taxed at the lowest slab, while luxury and demerit items attract the highest slab. Luxury and sin goods attract cess on top of the highest 28 per cent slab. This cess collection is used to compensate states for the revenue loss due to GST rollout.

https://www.business-standard.com/article/economy-policy/gst-council-may-consider-raising-lowest-slab-to-8-rationalise-tax-slabs-122030600271_1.html

Disinvestment proceeds to fall short of Revised Estimates for second time since 2014

India will miss its revised disinvestment target for the second time in the past eight years by a wide margin, as the government may not be able to raise an expected over Rs 60,000 crore from the IPO of insurance behemoth LIC in 2021-22. Since the Modi government came to power in 2014, it was only in the financial year 2019-20 that it failed to achieve the revised CPSE disinvestment target of Rs 65,000 crore. The mop-up during the year was only Rs 50,304 crore. In the ongoing financial year 2021-22, the government was all set to go ahead with the share sale of Life Insurance Corporation (LIC) this month and draft papers for the same were also filed with markets regulator Sebi.

<https://www.financialexpress.com/economy/disinvestment-proceeds-to-fall-short-of-revised-estimates-for-second-time-since-2014/2452168/>

States leave behind 'scissor effect', show healthy recovery in own tax revenue

State finances, derailed by the economic shocks of the Covid-19 pandemic, appear to be getting back on track. Thanks to an economic recovery led pick-up in own tax revenues, coupled with higher tax devolution from the Centre, aggregate revenue receipts of states show decent growth in the first three quarters of the current fiscal as compared to the pre-Covid period.

<https://www.thehindubusinessline.com/data-stories/deep-dive/deep-dive-states-leave-behind-scissor-effect-show-healthy-recovery-in-own-tax-revenue/article65192800.ece>

Banking and Finance

Small finance banks seek an urgent extension of time limit for listing

Small finance banks (SFBs) have sought an urgent extension of the time limit for their listing — after having met some financial conditions — to eight years from six currently. These banks have cited the “accepted recommendations 31 and 27” of the Reserve Bank of India’s (RBI’s) Internal Working Group (IWG) to buttress their request.

https://www.business-standard.com/article/finance/small-finance-banks-seek-an-urgent-extension-of-time-limit-for-listing-122030600957_1.html

Industry

Govt: 12,000 MSME registrations recorded on Udyam portal almost every day

Government's new paperless portal for micro, small and medium enterprises (MSMEs) to register through Aadhaar number, Udyam Registration is seeing around 12,000 registrations almost every day, said BB Swain, Secretary, MSME Ministry. "In a brief span of about 20 months, Udyam has seen almost 75 lakh registrations," Swain said at an event organised by plastic manufacturers' body All India Plastics Manufacturers' Association. Udyam portal, which shows real-time registration count, has recorded 75.25 lakh registrations since its launch on July 1, 2020, after the government revised the MSME definition.

<https://www.financialexpress.com/industry/sme/msme-eodb-govt-12000-msme-registrations-recorded-on-udyam-portal-almost-every-day/2452097/>

Rs 20,000 cr Subordinate Debt scheme for MSMEs: Govt says proposal to modify guidelines in progress

The Rs 20,000-crore Credit Guarantee Scheme for Subordinate Debt (CGSSD) launched in June 2020 is yet to pick up pace. The scheme, intended to support stressed MSMEs or non-performing asset (NPA) accounts, has been able to extend guarantees amounting to Rs 81.78 crore to 756 borrowers only as of December 31, 2021, according to the MSME Ministry's 2021-22 annual report. Hence, "the proposal for modification in the scheme guidelines is in progress," the report added. The government had initially envisioned support to 2 lakh MSMEs under the scheme till March 31, 2021, but later extended the tenure till March 31, 2022, "on the basis of the requests received from the stakeholders," the government had said last year in a statement.

<https://www.financialexpress.com/industry/sme/msme-fin-rs-20000-cr-subordinate-debt-scheme-for-msmes-govt-says-proposal-to-modify-guidelines-in-progress/2452322/>

E-commerce, BFSI, Retail and Telecom hiring on steroids: TeamLease

One of India's largest flexi-staffing companies — TeamLease Services Ltd — with more than 2.5 lakh employees on its rolls, says hiring in several key sectors like e-commerce, banking, financial services and insurance (BFSI), retail, IT and telecom sectors has been red-hot. Flexi or temporary staffing companies like TSL and Qness Corp are canaries in a coal mine — they are the lead indicators of what is happening in the economy, serving as a springboard in good times and as shock absorbers during bad ones. Ashok Reddy, Co-founder and Managing Director of TeamLease Services, said, "We've seen quite aggressive demand that is coming in from various sectors. Obviously e-commerce has been a big driver of the boost. Telecom investments have been happening and this has come into play. Then there is retail — BFSI has been on a rebound. Manufacturing has its ups and downs and so on. It's been more broad-based growth, but all corporates seem quite robust about their (hiring) outlook."

<https://www.thehindubusinessline.com/economy/e-commerce-bfsi-retail-and-telecom-hiring-on-steroids-teamlease/article65198523.ece>

India's Smart TV market records highest ever shipments in 2021, growing 24% YoY: Report

India's smart TV shipments grew 24 per cent YoY in 2021, according to the latest research from Counterpoint's IoT Service. The smart TV market grew even faster at 55 per cent YoY in 2021 and 65 per cent YoY in Q4 2021 to reach its highest ever shipments for a calendar year, the report said.

<https://www.thehindubusinessline.com/economy/indias-smart-tv-market-records-highest-ever-shipments-in-2021-growing-24-yoy-report/article65195590.ece>

New innovative edtech startups likely to bloom amid pandemic: Experts

The edtech sector has been witnessing consolidation like mergers and acquisitions led by top companies such as Byju's, Simplilearn, Unacademy, upGrad and Vedantu over the last 12 months amid the pandemic, according to industry experts and edtech founders. They said the sector is expected to see a lot of younger companies emerging in the space and the market pivoting to foster innovation across all micro levels.

https://www.business-standard.com/article/companies/new-innovative-edtech-startups-likely-to-bloom-amid-pandemic-experts-122030600776_1.html

Infrastructure

No further financial relaxation for highway companies after March 22

The Centre is unlikely to extend any of the Covid-19 relief measures given earlier to the infrastructure sector for highway projects, after the end of this month. The Ministry of Road, Transport and Highways (MoRTH) is of the view that the effect of the pandemic has been neutralised and as the industry has not asked for any further relief, these relaxations can now be rolled back as the fiscal ends. Many of these provisions which were offered during the last two years of the pandemic, conclude on March 31.

https://www.business-standard.com/article/economy-policy/no-further-financial-relaxation-for-highway-companies-after-march-22-122030600696_1.html

81 high-impact infrastructure projects make it to Gati Shakti list

The industry department has identified 81 high-impact projects under various infrastructure ministries for the government's Gati Shakti initiative. These projects will be closely monitored in 2022-23, according to officials. Major industrial corridors of National Industrial Corridor Development Corporation (NICDC), key expressways and highways, such as 1,257-km Amritsar-Jamnagar expressway, 1,350-km Delhi-Mumbai expressway, and 210-km Delhi-Saharanpur-Dehradun expressway, and the world's largest broadband project BharatNet will be among the government's priority

https://www.business-standard.com/article/economy-policy/81-high-impact-infrastructure-projects-make-it-to-gati-shakti-list-122030700032_1.html

New lease of life for commercial realty after third wave-induced blip

Commercial real estate spaces such as offices and malls are back in demand after a minor blip caused by the third wave of Covid-19, according to industry players and analysts. As the threat of the virus recedes due to acquired immunity and the vaccination drive, many offices are preparing to return to normalcy, although the hybrid model is here to stay, they add. "The interest from occupiers is high to lease new and more spaces now that the pandemic is ebbing, according to government directives as well as indications from global health agencies.

https://www.business-standard.com/article/markets/new-lease-of-life-for-commercial-realty-after-third-wave-induced-blip-122030600363_1.html

Centre okays Rs 155 crore for building 47 ships

The Centre has approved financial assistance for 47 vessels amounting to ₹155 crore under the Shipbuilding Financial Assistance Policy (SBFA). The total contract value of these ships stands at ₹850 crore. In response to queries from ET, the shipping ministry said that 95 applications have been received till now seeking an in-principle approval for 170 vessels with contract value of Rs 2,620 crore.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/centre-okays-rs-155-crore-for-building-47-ships/articleshow/90037808.cms>

Energy

Govt working on 14 coal-evacuation rail projects for quick transit of fuel

The government is planning to strengthen the rail infrastructure and has stressed on commissioning 14 critical coal-evacuation rail projects for faster transportation of fuel, as higher fuel prices is likely to put pressure on the railways for transportation of domestic coal. The projects include -- Tori-Shivpur Railway Line (on Deposit Basis), Jharsuguda-Barpali-Sardega Rail Link at Ib-Valley Coalfield of MCL in Odisha (on deposit basis) and Shivpur-Kathautia Railway line (through SPV). In a meeting held last month, under the Chairmanship of Coal Secretary A K Jain, the status and progress of these projects was reviewed. Thermal power generation from imported coal-based plants is likely to drop further due to higher fuel prices and would put stress on the railways for transportation of domestic coal.

https://www.business-standard.com/article/current-affairs/govt-working-on-14-coal-evacuation-rail-projects-for-quick-transit-of-fuel-122030600201_1.html

Fuel price hikes likely with State polls coming to an end

With voting coming to an end on Monday, get ready to pay more for petrol and diesel. This will be the first revision for petrol after November 04 in Mumbai, Kolkata and Chennai and diesel in all four metros. "Revision can take place any time as early as on from the Tuesday morning," a source said. In December, the Delhi government lowered VAT (Value Added Tax) for petrol, brought second revision after November 02.

<https://www.thehindubusinessline.com/economy/fuel-prices-likely-to-rise-further-as-voting-ends-on-monday/article65198201.ece>

Coal supply gap to non-power sector widens further in February

The coal supply gap for non-power sector (NPS) industries such as captive power plants (CPP), steel, cement and sponge iron widened further in February 2022. Cumulatively, the sectors were supplied 4.47 million tonnes (mt) of the dry fuel, lower by 43.7 per cent from February 2020 (7.94 mt). During January 2022, coal despatch to these four was 6.36 mt, a decline of 17 per cent against 7.68 mt in the same month in 2020. Even the coal despatches in February 2022 were down 23 per cent against the Covid-19 impacted February 2021 (5.81 mt). During the April-February period in FY22, coal despatch to these four fell 28.4 per cent at 53.94 mt compared to 75.31 mt in April-February FY20. Compared to April-February FY21 (64.12 mt), supplies fell 16 per cent.

<https://www.thehindubusinessline.com/markets/commodities/coal-supply-gap-to-non-power-sector-widens-further-in-february/article65198136.ece>

Telecom

Net neutrality debate resurface as telcos clash with big tech on regulating content data networks

The net neutrality debate has resurfaced in the country as telecom operators, including Reliance Jio and Vodafone Idea, are backing a proposal to regulate content delivery networks, which are used by global big tech companies to host data locally. Telecom operators like Jio say that content delivery networks, which were kept out of the Telecom Regulatory Authority of India's 2017 recommendations on net neutrality, need regulatory re-examination as internet companies start to tie up with specific ISPs to deliver higher quality services to certain groups of customers.

<https://www.thehindubusinessline.com/info-tech/net-neutrality-debate-resurface-as-telcos-clash-with-big-tech-on-regulating-content-data-networks/article65198440.ece>

Healthcare

Govt panel recommends permission for phase-3 trial of Covovax as booster dose in adults

An expert panel of India's central drug authority has recommended permission for conducting a phase-3 clinical trial of Covid vaccine Covovax as a booster dose in adults, official sources said on Sunday. The Drugs Controller General Of India (DCGI) has already approved Covovax for restricted use in emergency situations in adults on December 28. It is yet to be included in the country's inoculation programme. The Subject Expert Committee on COVID-19 of the Central Drugs Standard Control Organisation had on Friday recommended giving permission for conducting a phase-3 clinical trial of the single-dose COVID-19 vaccine Sputnik Light as a booster dose.

<https://economictimes.indiatimes.com/news/india/covid-govt-panel-recommends-permission-for-phase-3-trial-of-covovax-as-booster-dose-in-adults/articleshow/90031242.cms>

States

Karnataka govt approves 48 industrial projects worth Rs 2,062 cr

The Karnataka government has approved 48 industrial projects worth Rs 2,062 crore that would provide jobs for over 6,393 people in the state. The clearance for the projects was given at the State Level Single Window Clearance Committee (SLSWCC) meeting chaired by Large and Medium Scale Industries Minister Murugesh Nirani on Saturday. According to Nirani, the panel has considered and approved seven important large and medium size industrial projects worth Rs 1,275.67 crore, which are expected to create employment opportunities for 3,181 people in the state. Also, at the SLSWCC meeting, 40 new projects each with investment of more than Rs 15 crores and less than Rs 50 crore were cleared.

<https://economictimes.indiatimes.com/news/economy/policy/karnataka-govt-approves-48-industrial-projects-worth-rs-2062-cr/articleshow/90032552.cms>

External

Amid Russia-Ukraine war, India's wheat exports seen up

The country's wheat exports are set to touch record 7 million tonnes (mt) in the current fiscal, while the flare-up in global prices of the grain may further help to boost shipments, potentially easing pressure on the government procurement programme as domestic market prices are seen improving.

<https://www.thehindubusinessline.com/economy/agri-business/amid-russia-ukraine-war-indias-wheat-exports-seen-up/article65193982.ece>

Sugar exports likely to touch record high 7.5 MT in 2021-22

Indian sugar exports could touch a record high of 7.5 million tonnes (MT) in the current marketing year 2021-22 as against the estimated 6 MT. However, traders and exporters do not expect substantial increase in domestic sugar prices. A rise in the amount of sugar diverted to ethanol production has led to a deficit globally which Indian exports are filling. Indian sugar export is expected to touch record high, said Sudhanshu Pandey, secretary, Department of Food & Public Distribution.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/sugar-exports-likely-to-touch-record-high-7-5-mt-in-2021-22/articleshow/90037761.cms>

India suggests holding discussions at WTO on role of e-commerce during pandemic

India has suggested to convene a meeting under the aegis of the World Trade Organization (WTO) to discuss the role of e-commerce during the time of the COVID-19 pandemic. According to a statement delivered by Ambassador of India to the WTO Brajendra Navnit at the General Council meeting held on February 23 to 24, many members have spoken about how e-commerce helped their economies during pandemic-led lockdowns. "India suggests holding a discussion on the role of e-commerce during the time of the pandemic... Within the boundaries of every country, there may have been positive examples. But, did international e-commerce play a big role? It will be good to hear member experiences specifically linked to cross-border trade," he has said.

<https://www.financialexpress.com/economy/india-suggests-holding-discussions-at-wto-on-role-of-e-commerce-during-pandemic/2452126/>