



March 09, 2022 – Wednesday

Key Developments

Interest subsidy scheme for exporters extended till March 2024: RBI

The Reserve Bank on Tuesday extended the interest equalisation scheme for pre and post shipment rupee credit for MSME exporters till March 2024 with the objective of boosting outbound shipments. Exporters get subsidy under the 'Interest Equalisation Scheme for pre and post-shipment Rupee Export Credit'. In April last year, the scheme was first extended till June end and later till September 2021. The interest equalisation rates under the scheme have been revised to 2 per cent and 3 per cent for specified categories of MSME manufacturer exporters, the RBI said.

"The government has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit up to March 31, 2024 or till further review, whichever is earlier. The extension takes effect from October 1, 2021 and ends on March 31, 2024," the RBI said in a notification. The scheme will not apply to telecom instruments and entities availing benefits under the Production Linked Incentive (PLI) scheme of the government.

<https://www.financialexpress.com/economy/interest-subsidy-scheme-for-exporters-extended-till-march-2024-rbi/2454692/>

Sebi raises investment limit via UPI to Rs 5 lakh for retail investors

Sebi on Tuesday increased the investment limit for payments through UPI mechanism for retail investors buying debt securities in public issues to Rs 5 lakh from Rs 2 lakh at present in its effort to bring ease of investment for investors. The new framework will be applicable to public issues of debt securities which open on or after May 1, 2022, the Securities and Exchange Board of India (Sebi) said in a circular. The current Sebi rules provide an option to investors to apply in public issues of debt securities with the facility to block funds through UPI (unified payment interface) mechanism for application value of up to Rs 2 lakh.

https://www.business-standard.com/article/markets/sebi-raises-investment-limit-via-upi-to-rs-5-lakh-for-retail-investors-122030801029_1.html

Regular international passenger flights from Mar 27 after two-year gap

Scheduled international passenger flights will begin on March 27 after a gap of two years.

The civil aviation ministry on Tuesday announced the resumption of scheduled international flights and an end of air transport bubbles which replaced regular scheduled flights in the past two years. The move is expected to boost international capacity and will help soften airfares which have been soaring due to increased demand and rise in crude oil prices. While the government had earlier planned to resume international flights from 15 March, the Russia-Ukraine conflict which necessitated relief flights to bring back stranded Indians delayed the process.

https://www.business-standard.com/article/current-affairs/regular-international-passenger-flights-from-mar-27-after-two-year-gap-122030801258_1.html

Economy

PM Modi to address global investors on privatisation, asset monetisation on Wednesday

Prime Minister Narendra Modi will on Wednesday address global investors as well as infrastructure, real estate and legal sector experts on the strategy of CPSE privatisation, asset monetisation and their contribution to India's growth. The Department of Investment and Public Asset Management (DIPAM), in collaboration with NITI Aayog, is organising the apex level consultative post-Budget webinar, which will see participation from 22 ministries and senior management from PSEs. Global sovereign funds, private equity, global pension funds, investment banks, asset monetisation companies especially real estate, infrastructure, and legal experts along with other stakeholders from North America, Europe, Middle East, Asia and Far East, and Australia would also participate.

<https://economictimes.indiatimes.com/news/economy/policy/pm-modi-to-address-global-investors-on-privatisation-asset-monetisation-on-wednesday/articleshow/90080291.cms>

Include women entrepreneurs as stakeholders in consultations on FTA: ICRIER

Economic think tank ICRIER has suggested the government to include targeted measures in the forthcoming foreign trade policy to boost women's participation in global commerce and involve them as key stakeholders in consultations for free trade agreements. A policy brief Women and Trade: Towards an Enabling Ecosystem in India - brought out by Indian Council for Research on International Economic Relations (ICRIER) -- has said that support for internationalisation of women-owned enterprises through targeted measures to boost women's participation in international trade has lagged. "It is recommended that the upcoming foreign trade policy... (can) be used to mainstream gender in the national trade agenda.

https://www.business-standard.com/article/economy-policy/include-women-entrepreneurs-as-stakeholders-in-consultations-on-fta-icrier-122030800944_1.html

Icra sees serious downside risks to growth; CAD to cross 3.2%

Rating agency Icra has warned of serious downside risks to the economy next fiscal with runaway current account deficit, steep fall in the rupee and a hardening yields on government bonds, as a result of the Russian-Ukraine crisis and the resultant spike in crude and other commodity prices. International crude oil prices have hit a 14-year high at USD 130 a barrel on March 7, up from USD 94 a barrel before the invasion of Ukraine by Russia, which is the world's third-largest oil producer, supplying 14 per cent of global production.

<https://www.financialexpress.com/economy/ukraine-war-icra-sees-serious-downside-risks-to-growth-cad-to-cross-3-2/2454437/>

Banking and Finance

UPI for non-smartphones: RBI launches UPI 123Pay for instant digital payments using feature phones

The RBI launched UPI for non-smartphone users on Tuesday, a move expected to further democratise the retail payments system in the country, and deepen the digital payments network especially in rural areas. RBI's new service, called UPI 123Pay, would allow feature phone users to make instant digital payments. RBI Deputy Governor T Rabi Sankar said he is certain UPI for feature phones will be a gamechanger and put India's fast growing payment system on the global map. "I don't see a day when we are far away from reaching a transaction volume of (Rs) 100 lakh crore from UPI," RBI Governor Shaktikanta Das said at the event. "And with the launch of UPI 123 Pay it makes the facilities under UPI now accessible to that section of society which was so far excluded from the digital payments landscape. In that way it is promoting financial inclusion in society," he said. This will enable users who are in lower rungs of society, in economic terms, or who cannot afford a smartphone to access UPI, he added.

<https://www.financialexpress.com/economy/rbi-launches-upi-for-non-smartphones-heres-how-users-can-make-payments-using-feature-phones/2453998/>

Rs 83,600-crore credit demand by women-owned very small businesses in India: Report

The estimated credit demand by women-owned very small businesses (WVSEs) in the country is worth Rs 83,600 crore, said a report by International Finance Corporation (IFC) and Intellectap – the advisory arm of impact investment firm Aavishkaar Group on Tuesday highlighting the need for strong support from financial institutions. Launched on the occasion of International Women's Day, the report said there are about 15 million women-owned MSMEs in India that face challenges such as inadequate access to capital, technology and information, and infrastructure gaps. Moreover, "contrary to popular perception, over 70 per cent of them are manufacturing enterprises, many of them home-based," the report added.

<https://www.financialexpress.com/industry/sme/msme-fin-rs-83600-crore-credit-demand-by-women-owned-very-small-businesses-in-india-report/2454367/>

Russia-Ukraine war: Rs 1.2 trn SME debt at risk, lower-rated unit worse off

The direct impact of the Russia-Ukraine war on Indian business would be largely restricted to small entities with low ratings and would be manageable. The effect on credit will be more pronounced in a few sectors such as pharma and subsidy-linked industries like fertilisers, according to India Ratings. As for the indirect impact of war on credit, rating agency said the analysis of top 1,400 corporate entities (excluding oil and financial entities) as per total debt, is expected to be limited-to-moderate. The median EBITDA margins could be impacted by 100-200 bps for commodity-consuming sectors in a scenario of commodity prices sustain at the current levels, rupee depreciates by 10 per cent and an increase in the borrowing costs by one per cent.

https://www.business-standard.com/article/finance/russia-ukraine-war-rs-1-2-trn-sme-debt-at-risk-lower-rated-unit-worse-off-122030800989_1.html

Life insurers' February new business premium rises 22%

After muted showing in December and January because of the third wave of the Covid-19 pandemic, life insurance companies reported impressive growth in new business premium (NBP) in February, driven mainly by initial public offering-bound Life Insurance Corporation (LIC) of India's sharp jump in NBP in the same period, fuelled by 40 per cent growth in group single premiums. NBP of life insurers rose 22.47 per cent year-on-year (YoY) to Rs 27,464.76 crore in February, with LIC's NBP recording a jump of 35.36 per cent to Rs 17,849.34 crore.

https://www.business-standard.com/article/pf/lic-effect-life-insurers-february-new-business-premium-rises-22-122030800053_1.html

Industry

Aiming for large chip, electronics investments into India: Union Minister

Pitching the India innovation story at a global stage is necessary and appropriate. The country is at an inflection point for growth and the need is to showcase to more investors and corporates around the world that this India innovation story is really durable and sustainable, said Union Minister of State for Entrepreneurship, Skill Development, Electronics & Technology Rajeev Chandrasekhar. "We aim to bring in investments from the big semiconductor and electronics giants," said Chandrasekhar at the India Global Forum's annual summit 'The New India Inc' held in Bengaluru. "We have newly discovered ambitions post Covid. It is very necessary to (showcase investors) the story of innovation, entrepreneurship and the role of the government and public policy in creating this kind of an ecosystem is real."

https://www.business-standard.com/article/economy-policy/aiming-for-large-chip-electronics-investments-into-india-union-minister-122030801382_1.html

Consumer goods to get costlier by 10%

Groceries, smartphones, laptops as well as imported cosmetics and watches are some of the items that could turn costlier in the next few weeks. The reason: record high commodity prices and a weaker rupee due to Russia's invasion of Ukraine late last month. Experts said prices of these consumer goods could increase by up to 10%. In the case of edible oils, the jump could be as high as 20%.

<https://economictimes.indiatimes.com/industry/services/retail/collateral-damage-consumer-goods-to-get-costlier-by-10/articleshow/90061402.cms>

Economic sanctions on Russia to take shine off India's diamond industry

Sanctions imposed by the US and European nations on Russia and consequently on Alrosa, Russia's largest diamond miner, will impact the growth of Indian diamond polishing industry. Alrosa supplies 30 per cent of the rough diamonds globally and is the critical source for India, which imports, cuts and polishes 80-90 per cent of the world's roughs.

<https://www.thehindubusinessline.com/economy/economic-sanctions-on-russia-to-take-shine-off-indias-diamond-industry/article65204232.ece>

Jewellers want a lower hallmarking rate

The All India Gem and Jewellery Domestic Council and All Kerala Gold and Silver Merchants Association have demanded a rollback of the hike in hallmarking rates for gold and silver jewellery. The hike comes even as jewellers' associations have expressed willingness to open hallmarking facilities and assaying centres across the country.

<https://www.thehindubusinessline.com/news/jewellers-want-a-lower-hallmarking-rate/article65203807.ece>

Spike in commodity, fuel prices may stall revival in automotive supply chain

The ongoing Russia-Ukraine conflict threatens to spoil the revival in automotive supply chain and cause more hurdles to vehicle makers. While most vehicle makers are in a wait-and-watch mode, industry representatives and experts point to likely additional challenges in semiconductor availability.

<https://www.thehindubusinessline.com/companies/russia-ukraine-war-spike-in-commodity-fuel-prices-may-stall-revival-in-automotive-supply-chain/article65204711.ece>

'Steel prices will continue to move up as Ukraine-Russia conflict hits supply chain'

The price of steel will continue to move upwards on "good demand" and as the supply chain remains affected amid the Ukraine-Russia conflict, according to industry consultancy SteelMint. The prices in the international market have moved up by around USD 135 a tonne and are moving up since the conflict started in the last week of February, SteelMint founder and CEO Dhruv Goel told PTI on Tuesday. In the domestic market, prices of hot-rolled coil (HRC) in the first week of March were in the range of Rs 68,000-69,000 a tonne against Rs 65,500-66,500 tonne in the previous week; while for cold-rolled coil (CRC), at Rs 73,000-74,000 a tonne as compared with Rs 71,000-72,000 tonne in the preceding week, he said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/steel-prices-will-continue-to-move-up-as-ukraine-russia-conflict-hits-supply-chain/articleshow/90072660.cms>

ITES/BPO sector accounts for 30% job openings for women workforce: Monster.com report

ITES/BPO sector currently has the highest demand for women employees, consequently accounting for highest share of total jobs available for women at nearly 30 per cent. This was driven by increasing awareness around gender parity in the workplace. As per data from Monster.com's report, this was followed by IT/Computers-Software sector accounting for another 24 per cent of the jobs, and Banking/Accounting/Financial Services for another 13 per cent.

<https://www.thehindubusinessline.com/info-tech/itesbpo-sector-accounts-for-30-job-openings-for-women-workforce-monstercom-report/article65203983.ece>

Agriculture

Agri Ministry ready with new Rs 2,500 cr plan to boost natural farming

The Agriculture Ministry is ready with a new central scheme to promote natural farming in the country with an estimated outlay of Rs 2,500 crore, a senior government official said on Tuesday. The proposed new scheme on natural farming will soon be placed before the Cabinet for approval, the official added. The new scheme has been designed months after Prime Minister Narendra Modi stressed the need to keep looking at alternatives for existing fertiliser and pesticide-based farming while addressing a national conclave on natural farming in Gujarat in December last year. Modi had also said natural farming offers much better products with no side effects. "After several rounds of consultations with stakeholders, a draft scheme on natural farming has been framed in order to promote natural farming with a systematic approach without disturbing the existing systems of farming," the government official told PTI.

https://www.business-standard.com/article/economy-policy/agri-ministry-ready-with-new-rs-2-500-cr-plan-to-boost-natural-farming-122030800815_1.html

Three States allow free trading of agri produce even after repeal of farm laws

Rajasthan, Gujarat and Karnataka are now among a handful of States that allow free trade outside mandis, without charging any fees for the same, thus kicking off reforms in agricultural trade. In most big States, agri trade is regulated

with Uttar Pradesh and Madhya Pradesh issuing licenses and charging mandi fees even for direct buying from farmers. In the Union Territory of Chandigarh, direct buying from farmers is not allowed at all.

<https://www.thehindubusinessline.com/economy/agri-business/three-states-allow-free-trading-of-agri-produce-even-after-repeal-of-farm-laws/article65204824.ece>

Infrastructure

Indian Railways achieves record freight loading of 119.76 MT for February 2022

Indian Railways sees constant growth in freight loading! With consistent growth in freight loading, the national transporter has achieved a record loading of 119.76 Million Tonnes for February 2022, surpassing previous years' loading for the month of February. According to details shared by the Railway Ministry, Indian Railways had registered freight loading of 100 Million Tonnes in February 2019, 106.49 Million Tonnes in February 2020, 112.25 Million Tonnes in February 2021, and 119.76 Million Tonnes in February 2022. Indian Railways had also recorded the highest ever freight loading for January this year.

<https://www.financialexpress.com/infrastructure/railways/indian-railways-achieves-record-freight-loading-of-119-76-mt-for-february-2022/2454375/>

Steps being taken to resolve difficulties in land pooling scheme: Housing minister Hardeep S Puri

Union Minister of Housing and Urban affairs Hardeep S Puri said that the steps are being taken to resolve residual difficulties faced in implementation of land pooling scheme in Delhi and removing bottlenecks in Development & Control norms for unauthorized colonies. For the improvement of infrastructure in the unauthorised colonies, amendments has been proposed in the PM-UDAY Regulations so that vacant land parcels can be utilized for creation of parks, schools, hospitals / dispensary for the benefit of residents.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/steps-being-taken-to-resolve-difficulties-in-land-pooling-scheme-housing-minister/articleshow/90082111.cms>

Established residential realtors' topline to grow 35% in FY22: Report

There has been a significant recovery in the property market as the established realtors reported sale of Rs 34,000 crore in the first nine months of FY22, equalling the amount achieved in the entire FY21, a report said on Tuesday. The established residential realtors' topline is expected to rise by 35 per cent in FY22, compared to 14 per cent in FY21, it added. This jump in sales for the 11 listed players was attributed to affordability and a preference for larger homes, owing to a surge in remote working driven by the COVID-19 pandemic, as per the report by rating agency Crisil. This has led to an improvement in the market share of these players to about 22 per cent against the 14-16 per cent before the COVID pandemic struck, it said.

Apart from the higher sale of residential dwellings, this set of developers has been able to navigate the pandemic, courtesy equity raising and monetisation of land and other assets, it said.

https://www.business-standard.com/article/economy-policy/established-residential-realtors-topline-to-grow-35-in-fy22-report-122030801287_1.html

Telecom

DoT starts accepting applications for registration of M2M companies

Companies providing machine-to-machine solutions and connectivity for the M2M services can now apply online for registration and obtaining a licence from the Department of Telecom, an official note said on Tuesday. The DoT has mandated all machine-to-machine (M2M) players to register for providing service. "To obtain registration/licence, as may be applicable, the entities may visit the SaralSanchar portal. The guidelines, user manual and FAQs are available on the portal," the official memorandum said. The communication among devices like deduction of money on toll plaza through Fastag and sending the alert to the subscriber about deduction of money fall under M2M category, where the message is transmitted automatically.

https://www.business-standard.com/article/companies/dot-starts-accepting-applications-for-registration-of-m2m-companies-122030801439_1.html

Energy

Oil companies to determine fuel prices: Hardeep Singh Puri

Amid the Russia-Ukraine war, Union Minister for Petroleum and Natural Gas Hardeep Singh Puri on Tuesday said oil companies will determine the fuel prices, even as he said there will be no shortage of crude oil in the country. Puri, however, said the government will take decisions in the best interest of citizens. "I assure you all that there will be no shortage of crude oil. We will make sure that our energy requirements are met, even though 85 per cent of our requirements are dependent on imports for crude oil and 50-55 per cent on gas," Puri said at a press conference here.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/oil-companies-to-determine-fuel-prices-hardeep-singh-puri/articleshow/90077032.cms>

States

Haryana govt presents Rs 1.77-lakh-cr Budget; focus on growth, women initiatives, environment

The Haryana government on Tuesday presented a Rs 1.77 lakh crore Budget for 2022-23 with a focus on economic growth, ease of living for citizens and initiatives for women, while proposing no fresh taxes. Presenting the Budget in the state assembly, Haryana Chief Minister Manohar Lal Khattar said it lays emphasis on spurring growth through increased infrastructure investment. The Budget envisioned five developmental forces through the 'Vajra Model' for enhanced economic growth and human development, ease of living for citizens, lifting the poor and disadvantaged from all socioeconomic groups, leveraging productivity through increased adoption of technology accompanied by employment and entrepreneurship. Among its focus areas are initiatives for women to boost infrastructure, agriculture and overall growth.

<https://www.financialexpress.com/economy/haryana-govt-presents-rs-1-77-lakh-cr-budget-focus-on-growth-women-initiatives-environment/2454534/>

Telangana government presents tax free budget for 2022-23

Telangana Finance Minister T Harish Rao on Monday presented a tax-free budget of Rs 2.56 lakh crore for 2022-23, up from about Rs 2.31 lakh crore last year. The budget proposed an outlay of Rs 17,700 crore for the state government's flagship Dalit welfare scheme 'Dalit Bandhu'. "For the financial year 2022-23, I am proposing a total expenditure of Rs 2,56,958.51 crores. Out of this, revenue expenditure is Rs.1,89,274.82 crores and capital expenditure is Rs.29,728.44 crore," the Minister said. In FY 2021-22, the revenue expenditure and capital expenditure were Rs 1.69 lakh crore and Rs 29,046 crore respectively. During his speech, Harish Rao alleged discrimination against Telangana by the Centre, saying it was creating hurdles in the path of state's progress.

https://www.business-standard.com/article/economy-policy/telangana-government-presents-tax-free-budget-for-2022-23-122030800022_1.html

Maharashtra govt to register criminal cases against companies selling illegal seeds

The Maharashtra government will register criminal cases against companies selling illegal seeds and also take stringent action against agriculture department officials for not taking action against such companies, said State Agriculture Minister Dada Bhuse, while speaking in the State Assembly on Tuesday.

<https://www.thehindubusinessline.com/economy/agri-business/maharashtra-govt-to-register-criminal-cases-against-companies-selling-illegal-seeds/article65204295.ece>

External

Exporters seek freight support, flag refund issues with government

Exporters have sought freight support from the government, and flagged the issues of pending goods and services tax (GST) refunds and the status of various export incentive schemes. In a meeting with commerce and industry ministry on Tuesday, exporters said that freight support is much required. With crude oil prices soaring to their highest since 2008 at \$139 per barrel amid the Russia-Ukraine conflict, container rates have risen ten-fold in less than a fortnight while war insurance premiums are up 3-5%, as per sources.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/exporters-seek-freight-support-flag-refund-issues-with-government/articleshow/90084663.cms>

India may consider alternative pay system for exporters if Russia-Ukraine war continues for long

India may consider alternative payment mechanisms for exporters if the Russia-Ukraine conflict continues for a long time and key trade sectors such as gems and jewellery face a problem in international cash transfer, government sources said on Tuesday. This consideration came against the backdrop of the Russia-Ukraine war and sanctions being imposed by western countries, including the Group of Seven (G-7) economies, that has imposed punitive sanctions against the Russian central bank. They have also decided to remove Russian banks from the SWIFT inter-banking system, which is intended to isolate Russia from global trade. "India is closely monitoring its foreign trade situation in the wake of the Ukraine situation and may consider alternative payment mechanisms if the adverse situation continues for a long time and key trade sectors such as gems and jewellery face a problem in international cash transfer," one of the sources said.

<https://www.financialexpress.com/economy/india-may-consider-alternative-pay-system-for-exporters-if-russia-ukraine-war-continues-for-long/2454181/>

India wants EU to start FTA negotiations, drop preconditions

India is trying to persuade the European Union to come to the negotiating table to work out the contours of the proposed bilateral free trade agreement instead of putting in place numerous preconditions for starting the talks, sources have said. "The European Commission has been sending us numerous letters on narrowing areas of divergences that negotiators had during the previous phase of the India-EU FTA talks. It is also seeking newer concessions that India is extending to some of its other trade partners bilaterally," a source tracking the matter told BusinessLine.

<https://www.thehindubusinessline.com/economy/india-wants-eu-to-start-fta-negotiations-drop-preconditions/article65204860.ece>