



March 16, 2022 – Wednesday

Key Developments

Commerce ministry to start online module for filing registration for interest equalisation scheme

The commerce ministry on Tuesday said it has decided to operationalise a new online module for filing of electronic registration for interest equalisation scheme for exporters, a move aimed at effective monitoring of the scheme.

On March 9, the RBI extended the scheme for pre- and post-shipment rupee credit for MSME exporters till March 2024. Under this, exporters get subsidies for pre- and post-shipment rupee export credit. The interest rates under the scheme have been revised downwards to 2 per cent and 3 per cent for specified categories of MSME manufacturer exporters, as against the earlier rates of 5 per cent and 3 per cent. “In order to capture granular data about the beneficiaries of the scheme and its effective monitoring, it has been decided to operationalise a new online module for filing of electronic registration for Interest Equalisation Scheme (IES) w.e.f. April 01, 2022,” the Directorate General of Foreign Trade (DGFT) said in a trade notice.

<https://www.financialexpress.com/economy/commerce-ministry-to-start-online-module-for-filing-registration-for-interest-equalisation-scheme/2462190/>

SEBI comes out with clarifications on transactions in mutual funds units

Markets regulator Sebi on Tuesday came out with certain clarifications on transactions in the units of mutual funds and has also given guidelines for authentication in case of redemption of units. The clarifications pertain to transactions in units of mutual funds on stock exchange platforms and also for entities including online platforms other than exchanges. A circular issued in October 2021 had said that stock brokers and clearing members shall not accept payment through one-time mandate or issuance of mandates or instruments in their name for mutual fund transactions. Mandate includes instrument, authorisation or order in any form, including electronic means, to effect a payment by a person for the purpose of mutual fund investment. However, now the regulator has said one-time mandates in favour of Sebi-recognised clearing corporations may be accepted. “On or after April 01, 2022, new mandates shall be accepted only in favour of SEBI recognized Clearing Corporations and those mandates shall exclusively be for subscriptions to units of Mutual Fund schemes and not for any other purpose,” Sebi said.

<https://www.financialexpress.com/money/mutual-funds/sebi-comes-out-with-clarifications-on-transactions-in-mutual-funds-units/2461931/>

Economy

Economy is well prepared to absorb any upcoming external shock: Finance ministry

Finance Ministry on Tuesday said that the Indian economy is well prepared to absorb any upcoming external shock in terms of capital outflow induced by an uncertain geo-political environment, however inflation remains a concern. The report said India has adequate forex reserves to absorb any upcoming external shock. The report said India has adequate forex reserves to absorb any upcoming external shock. Notwithstanding global developments, India’s forex reserves also stood at record high and large enough to finance more than 12 months of import,”

<https://economictimes.indiatimes.com/news/economy/indicators/economy-is-well-prepared-to-absorb-any-upcoming-external-shock-finance-ministry/articleshow/90230419.cms>

Skill ministry pulled up over vacancies in ITIs, inadequate use of budgetary resources

The standing committee on skills development has pulled up the ministry for a large number of vacancies in ITIs, both for candidates as well as professionals, and inadequate utilization of budgetary resources leading to insufficient allocation and shortfalls in achievement of physical targets. According to the committee, out of the existing 22,75,439 seats across all the ITIs in 36 states/UTs, 10,60,191 seats are lying vacant noticeable in Uttar Pradesh (2,07,606) followed by Rajasthan (1,37,200), Madhya Pradesh (86,999), Jharkhand (71,886), Odisha (51,829) and Tamil Nadu (49,668).

<https://economictimes.indiatimes.com/news/economy/policy/skill-ministry-pulled-up-over-vacancies-in-itis-inadequate-use-of-budgetary-resources/articleshow/90225293.cms>

Over 8.22 cr taxpayers in FY20

India had 8.22 crore taxpayers, which include individuals and corporates, in 2019-20, Finance Minister Nirmala Sitharaman informed the Rajya Sabha on Tuesday. "Total number of taxpayers for AY 2020-21 is 8,22,83,407. The projected total population of the country as on March 1, 2021 was 136.30 crore," Sitharaman said. The number of taxpayers include persons who pay income tax and corporate tax and who have either filed a Return of Income or in whose case tax has been deducted at source. Sitharaman further said the government has implemented the non-filers monitoring system (NMS) which assimilates and analyses in-house information as well as transactional data received from third-parties to identify such persons/entities who have undertaken high value financial transactions with potential tax liabilities but have not filed their returns.

<https://economictimes.indiatimes.com/news/economy/finance/over-8-22-cr-taxpayers-in-fy20/articleshow/90224614.cms>

Minimum pension under EPS must be enhanced: Standing committee on labour

The standing committee on labour has suggested that the labour ministry persuade the finance ministry for enhancing the minimum pension to Rs 2000 per month as against Rs 1000 under the Employees' Pension Scheme, 1995 as the current minimum pension appears grossly inadequate. The committee has also suggested that the Employees Provident Fund Organisation (EPFO) take up an actuarial assessment of all its pension schemes so that the monthly member pension is enhanced to a reasonable extent.

<https://economictimes.indiatimes.com/news/economy/policy/minimum-pension-under-eps-must-be-enhanced-standing-committee-on-labour/articleshow/90224244.cms>

GST compensation of over ₹53,000 cr yet to be released to States/UTs

The Finance Ministry on Tuesday informed the Rajya Sabha that over ₹53,000 crore of GST compensation is yet to be released to 28 States and 3 Union Territories (with legislature) in the current fiscal. The Ministry also said the number of counterfeit notes detected in all denominations except ₹500 has come down.

<https://www.thehindubusinessline.com/economy/gst-compensation-of-over-53000-cr-yet-to-be-released-to-statesuts/article65227319.ece>

Banking and Finance

NaBFID to fund projects in Rs 6 trillion asset monetisation pipeline

The National Bank for Financing Infrastructure and Development (NaBFID) will finance projects that are part of the country's Rs 6 trillion National Monetisation Pipeline. The asset monetisation will free up resources that will come back to industry. There is large aggregate demand for resources, K V Kamath, chairman NABFID said addressing convention of Indian Construction Equipment Manufacturer's Association in Mumbai. The aggregate asset pipeline under NMP over the four-year period, FY 2022-2025, is indicatively valued at Rs six trillion. The top five sectors (by estimated value) capture about 83 per cent of the aggregate pipeline value. These five sectors include: Roads (27%) followed by Railways (25%), Power (15%), oil & gas pipelines (8%) and Telecom (6%).

https://www.business-standard.com/article/finance/nabfid-to-fund-projects-in-rs-6-trillion-asset-monetisation-pipeline-122031500737_1.html

PSBs disburse Rs 41,269 cr 'loans in 59 minutes' over three years

Public sector banks have disbursed business and retail loans of about Rs 41,269 crore through the psbloansin59minutes.com portal, between September 2018 and February 2022. About 201,000 loan proposals of Rs 39,580 crore have been disbursed in the business loan category and 17,791 proposals amounting to Rs 1,689 crore have been disbursed in the retail loan category through psbloansin59minutes.com from September 25, 2018 to February 28, 2022, Minister of State Bhagwat Kisanrao Karad informed Rajya Sabha.

https://www.business-standard.com/article/finance/psbs-disburse-rs-41-269-cr-loans-in-59-minutes-over-three-years-122031500946_1.html

Banks recover over Rs 7.34 trn in six-and-a-half years to Dec 2021: Govt

Banks recovered over Rs 7.34 lakh crore in the past six years and the first six months of the current fiscal year, the government said in Parliament on Tuesday. During the past six financial years and the first six months of the current financial year, banks have effected an aggregate recovery of Rs 7,34,542 crore, in non-performing assets and written-off loan accounts, including those reported as fraud, Minister of State for Finance Bhagwat Karad said in a written reply to the Rajya Sabha. On recovery of fraud amounts, the minister said Rs 55,895 crore have been recovered in the past six financial years and the current financial year up to December 31, 2021, he said.

https://www.business-standard.com/article/finance/banks-recover-over-rs-7-34-trn-in-six-and-a-half-years-to-dec-2021-govt-122031500793_1.html

Govt receives Rs 4,353 crore as dividend tranches from 7 CPSEs

The government on Tuesday said it has received Rs 4,353 crore as dividend tranches from seven public sector enterprises, including Coal India and PFC. "Government has respectively received about Rs 575 crore and Rs 2038 crore from Nuclear Power Corporation of India Ltd and Coal India Ltd as dividend tranches," Department of Investment and Public Asset Management (DIPAM) Secretary Tuhin Kanta Pandey tweeted. Besides, about Rs 887 crore and Rs 653 crore have been received from Power Finance Corporation (PFC) and Hindustan Aeronautics Ltd as dividend tranches.

https://www.business-standard.com/article/companies/govt-receives-rs-4-353-crore-as-dividend-tranches-from-7-cpses-122031500989_1.html

India plans Rs 24,000 cr sovereign green bond as economy goes low carbon

India will issue at least 240 billion rupees (\$3.3 billion) in sovereign green bonds as the country marks a shift towards a low-carbon economy, according to officials with knowledge of the matter. The debut sale may take place in the first half of the fiscal year that starts on April 1, and a decision to sell more green debt will depend on the response to the initial issuance, the people said, requesting not to be identified as the information is private, said. A finance ministry spokesman was not immediately available for a comment. The South Asian country's maiden foray into the green bond space comes as it plans to fund renewable energy projects that will help meet its goal of net-zero emissions by 2070.

https://www.business-standard.com/article/economy-policy/india-plans-rs-24-000-cr-sovereign-green-bond-as-economy-goes-low-carbon-122031500116_1.html

No plans to introduce cryptocurrency: Govt

There is no plan to introduce cryptocurrency by the government, Minister of State for Finance Pankaj Chaudhary informed the Rajya Sabha on Tuesday. Currently, cryptocurrencies are unregulated in India, he said in a written reply. "RBI does not issue a cryptocurrency. Traditional paper currency is a legal tender and is issued by RBI in terms of provisions of RBI Act, 1994. A digital version of traditional paper currency is called Central Bank Digital Currency (CBDC)," he said. RBI is currently working towards a phased implementation strategy for the introduction of CBDC and examining use cases that could be implemented with little or no disruption, he said in another reply.

<https://economictimes.indiatimes.com/news/economy/policy/no-plans-to-introduce-cryptocurrency-govt/articleshow/90224115.cms>

FPIs sold more in last 1 year than during 2008 global financial crisis; banks, IT sector see most outflows

Foreign investors have been selling domestic equities for months now, pulling money out of stocks before central banks start hiking interest rates. Heavy outflows of Foreign Portfolio Investors (FPI) money in the last one year has exceeded that during the global financial crisis of 2008, analysts at ICICI Securities said in a note. "The ongoing FPI

selling in Indian equities is turning out to be the highest selling spree since the global financial crisis (GFC) of 2008 with TTM FPI cumulative selling of \$36 billion vs \$28 billion during the GFC," they added. However, benchmark indices are down just around 10% compared to more than 50% in 2008. Inflows into Indian stocks were robust from FPIs during 2020 and most of 2021. Dalal Street rallied during this phase, outperforming emerging markets. However, recent headwinds such as global inflation, anticipated interest rate hikes, and now the Russia-Ukraine war have forced FPIs to turn net sellers.

<https://www.financialexpress.com/market/fpis-sold-more-in-last-1-year-than-during-2008-global-financial-crisis-banks-it-sector-see-most-outflows/2462055/>

Industry

Auto PLI scheme investment proposals overshoots target

Major auto component manufacturers and auto makers today were shortlisted by the government for incentives under the Production-Linked Incentive Scheme (PLI) for the automobile and component industry.

The government has granted approval to 75 companies for incentives under the Production-Linked Incentive Scheme (PLI) for the automobile and component industry. Those who got approvals include the likes of Maruti Suzuki, Bharat Forge, Hero MotoCorp, and Bosch India, among others. Two companies which were so far not engaged in auto component manufacturing, Ceat and state-run Bharat Heavy Electricals Ltd., have also been selected under the scheme.

https://www.business-standard.com/article/economy-policy/auto-pli-scheme-investment-proposals-overshoots-target-122031501328_1.html

Nearly 6,000 MSMEs got shut down during FY21 and FY22: Govt data

5,907 businesses registered with the MSME ministry as micro, small and medium enterprises were shut during financial years 2020-21 and 2021-22 (till March 9, 2022) in the country, according to the government data. During FY21, 330 MSMEs got shut down. These included 155 Udyog-Aadhaar-Memorandum (UAM) registered units that were shut during April-June 2020 period and 175 Udyam-registered units between July 2020 and March 2021. UAM registration portal for MSMEs was replaced by Udyam Registration in July 2020. In the current financial year, the number of MSME closures jumped nearly 17x to 5,577 Udyam entities. The data was shared on Monday by the Minister of State for MSME Bhanu Pratap Singh Verma in a written reply to a question in Rajya Sabha on the closure of registered MSMEs.

<https://www.financialexpress.com/industry/sme/msme-eodb-nearly-6000-msmes-got-shut-down-during-fy21-and-fy22-govt-data/2461592/>

Two-wheeler companies target nine-fold increase in electric vehicles

Top Indian two wheeler companies, including start-ups and legacy ICE manufacturers, are ramping up new capacity to hit over six million per annum by calendar year 2023 to meet the anticipated demand for electric vehicles. Estimates by Goldman Sachs indicate that the current capacity is around 0.67 million which means that the six million target represents a nine-fold increase in overall capacity.

This does not include the capacities which Hero MotoCorp plans to build and which TVS Motor wants to expand.

https://www.business-standard.com/article/companies/two-wheeler-companies-target-nine-fold-increase-in-electric-vehicles-122031500009_1.html

Traders' body calls for introducing a regulator for e-commerce sector

Domestic traders' body Confederation of All India Traders (CAIT) has called for setting up of a 'specialised regulator' for the e-commerce sector to protect the interests of small businesses and traders. According to the traders' body, different e-commerce entities are currently being regulated by different entities, resulting in a piecemeal approach and creating confusion among various stakeholders. Considering rapid growth of this sector and its unique sectoral issues CAIT has suggested the setting up of a regulator under the e-commerce policy that is being finalised by the government.

https://www.business-standard.com/article/economy-policy/traders-body-calls-for-introducing-a-regulator-for-e-commerce-sector-122031500896_1.html

Goa preferred destination during Holi weekend, say travel companies

Goa has emerged as the preferred destination for travel during the upcoming Holi weekend, according to analysis shared by EaseMyTrip and Oyo. Other destinations seeing a rise in demand include Jammu & Kashmir, Himachal Pradesh, Puri (Odisha) and hill station of Mahabaleshwar (Maharashtra).

EaseMyTrip said there has been a 40-50 per cent jump in advance air ticket bookings across India for the long weekend of Holi, as compared to the same period last year. International destinations such as Dubai and Sri Lanka have also witnessed a rise in demand, it said.

https://www.business-standard.com/article/economy-policy/goa-preferred-destination-during-holi-weekend-say-travel-companies-122031501154_1.html

Infrastructure

Massive demand, supply, price upcycle await Mumbai's real estate: Report

The Mumbai property market that accounts for 10 per cent of national volumes, 23 per cent of sales and a third of the margins, is on the cusp of a historic upcycle on all fronts, having already hit a decadal high of new or primary sales in 2021 selling 38,000 units despite the pandemic-induced disruptions, says a report.

This also has the city civic body BMC netting around a whopping Rs 14,200 crore in 2021 as building permission charges, up 5x from the previous year, as developers have been making a beeline to make it big in the country's most profitable market, UBS Securities India said in a weekend report.

https://www.business-standard.com/article/economy-policy/massive-demand-supply-price-upcycle-await-nations-most-profitable-property-market-report-122031300541_1.html

Affordable segment share in housing sale dip to 43% : Report

43% of the total housing sales in India's eight leading housing markets was within the price bracket of Rs 45 lakh, a cap essential to avail of certain government subsidies on home purchase in India, according to a report by PropTiger.Com. Policy support from the government is seen fueling the attraction for affordable homes in India in 2021, data show by digital real estate brokerage firm PropTiger.com. This, in turn, helped the world's second most populous nation register a jump in annual housing sales as well as supply.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/affordable-segment-share-in-housing-sale-rises-to-43-report/articleshow/90217849.cms>

Energy

No power crisis in India, generation capacity more than peak demand: Govt

India is not facing any power crisis as the installed electricity generation capacity stood at 395.6 gigawatts (GW) against the peak demand of 203 GW recorded in 2021-22, Parliament was informed on Tuesday. "There is no power crisis in the country. As on February 28, 2022, the installed generation capacity is around 395.6 GW, which is sufficient to meet the demand of electricity in the country. The peak demand experienced during the current year was only 203 GW," said Power Minister R K Singh in a written reply to the Rajya Sabha.

https://www.business-standard.com/article/economy-policy/no-power-crisis-in-india-generation-capacity-more-than-peak-demand-govt-122031500831_1.html

Can't renegotiate PPAs; clear RE dues in 6 weeks: AP HC on PPA reneging matter

The Andhra Pradesh high court on Tuesday held that executed power contracts cannot be renegotiated and asked the state to clear dues estimated at Rs 30,000 crore to renewable energy generators in six weeks. The order settles a crucial two-year old matter that created news within the country and international investment community. Andhra Pradesh's attempt to renegotiate Power Purchase Agreements (PPAs), first in India, has been followed by other states like Gujarat and Punjab.

<https://economictimes.indiatimes.com/industry/energy/power/cant-renegotiate-ppas-clear-re-dues-in-6-weeks-ap-hc-on-ppa-reneging-matter/articleshow/90231424.cms>

Solar manufacturing industry providing 30,000 jobs annually: Govt tells RS

The solar manufacturing industry is providing 29,900 new jobs every year based on the installed capacity, the government informed the Rajya Sabha on Tuesday. Under solar manufacturing, module and capacity as of date is 11,500 MW, Minister of State for New and Renewable Energy Bhagwanth Khuba said. "One MW provides 2.6 jobs per year and based on that annual jobs per year is 29,900," he said. The government is also providing training under programmes and by February 2022, around 62,000 people were trained.

https://www.business-standard.com/article/economy-policy/solar-manufacturing-industry-providing-30-000-jobs-annually-govt-tell-rs-122031501076_1.html

States

Gujarat's public debt crosses Rs 3 trn; amount within norms, says state FM

Gujarat's public debt stood at Rs 3,00,963 crore as per the revised estimates of 2020-21, the state Assembly was informed on Tuesday. The information was given by state Finance Minister Kanu Desai in response to a written query raised by Congress MLA Punja Vansh during Question Hour. In a written reply to a sub-question about interest paid on loans taken in the last two years, Desai said the state had paid Rs 20,293 crore as interest and Rs 16,701 crore as principal amount in 2019-20, while in 2020-21, interest paid stood at Rs 22,099 crore and the principal was Rs 17,918 crore.

https://www.business-standard.com/article/economy-policy/gujarat-s-public-debt-crosses-rs-3-trn-amount-within-norms-says-state-fm-122031501073_1.html

Maharashtra govt suspends drive to snap electricity to agri water pumps

The drive to snap power supply to agriculture water pumps to recover dues worth ₹44,000 crore has been suspended by the government. State Energy Minister Nitin Raut on Tuesday told the Assembly that the government will resume power supply to agriculture pumps and suspend the power cut drive for the next three months. Raut said that the Maharashtra State Electricity Distribution Company Limited (MSEDCL) is reeling under debt and is not able to recover the dues. "We had started the drive to cut power supply to defaulter farmers, but considering the demand made by farmers and all party leaders the government will resume power supply and suspend the drive for the next three months till farmers harvest (rabi) crop," said Raut.

<https://www.thehindubusinessline.com/news/national/maharashtra-govt-suspends-drive-to-snap-electricity-to-agri-water-pumps/article65227179.ece>

Healthcare

Centre issues guidelines for vaccination of 12-14 age group

According to guidelines issued for vaccination of children aged between 12 and 14 years, only Corbevax would be administered to this age group. Two shots of Biological E's intramuscular vaccine would be administered at an interval of 28 days, Health Secretary, Rajesh Bhushan, said on Tuesday. Registration for the vaccination programme will begin from Wednesday and will be activated on the CoWIN platform on the same day. Appointments can be booked through both modes -- walk-in or online, the guidelines state.

<https://www.thehindubusinessline.com/news/centre-issues-guideline-for-vaccination-of-12-14-age-group/article65228429.ece>

Serum Institute seeks Covovax's inclusion in Covid vaccination drive for 12 years and above

Serum Institute of India has urged the Union government to include Covovax in the National COVID-19 Vaccination programme for inoculating those aged 12 years and above, official sources said on Tuesday. The Pune-based SII said it wants to provide Covovax to private hospitals at Rs 900 per dose plus GST and is also waiting for directions to supply the vaccine to the Centre but has not mentioned the price. India's drug regulator had granted restricted emergency use authorisation to Covovax for the 12 to 17 years age group subject to certain conditions on March 9 and for 18 years and above on December 28.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/serum-institute-seeks-covovaxs-inclusion-in-covid-vaccination-drive-for-12-years-and-above/articleshow/90225624.cms>

External

New 5-year Foreign Trade Policy may get delayed by six months

The government's preoccupation with the fall outs of the Russia-Ukraine war and the lingering disruptions caused by the Covid-19 may delay the new five-year foreign trade policy (FTP) by another six months as inter-ministerial consultations are not over yet, a source has said. The policy, which is scheduled on April 1, but could be extended till September 30, is unlikely to have new incentive scheme for exporters, the source added.

<https://www.thehindubusinessline.com/economy/new-5-year-foreign-trade-policy-may-get-delayed-by-six-months/article65227628.ece>

India's tea import up 8.87 per cent in 2021

Although the tea plantation industry in the country has been raising serious concerns about the import of tea despite India being a net exporter, the outgo on tea imports in calendar 2021 was less than the previous year, reveals our analysis of the latest data available with the Tea Board. Volume-wise, India imported 25.90 million kg (mkg) in 2021 against 23.79 mkg in 2020, marking an increase of 8.87 per cent.

<https://www.thehindubusinessline.com/economy/agri-business/indias-tea-import-up-887-per-cent-in-2021/article65228645.ece>

Soyabean meal continues to pull down Indian oilmeal exports

Export of oilmeals declined by 37 per cent during the April-February period of the current fiscal mainly due to the decline in the export of soyabean meal. According to Solvent Extractors' Association of India (SEA) data, the country exported 21.31 lakh tonnes (lt) of oilmeals during the first 11 months of 2021-22 against 33.66 lt in the corresponding period a year ago, recording a decline of 37 per cent.

<https://www.thehindubusinessline.com/economy/agri-business/soyabean-meal-continues-to-pull-down-indian-oilmeal-exports-by-37-per-cent/article65226943.ece>