



March 24, 2022 – Thursday

Economy

Centre revokes Disaster Management Act orders for Covid containment measures

In view of overall improvement in the Covid-19 situation, the National Disaster Management Authority (NDMA), on Wednesday, decided to not invoke provisions of the Disaster Management Act for Covid containment measures. Home Secretary Ajay Bhalla, in a letter addressed to all the States/UTs, said after the expiry of the current order dated February 25, 2022, no further order may be issued by the Ministry of Home Affairs. He advised all the States/UTs to consider discontinuing orders issued under the DM Act.

<https://www.thehindubusinessline.com/news/national/centre-revokes-disaster-management-act-orders-for-covid-containment-measures/article65251891.ece>

Indian consumers optimistic about finances, save more: Report

Indian consumers are cautiously optimistic about their financial situation, balancing savings and non-discretionary spends, according to a report by Deloitte Touche Tohmatsu India LLP (DTTILLP). DTTILLP's latest Global State of the Consumer Tracker indicates a ray of positivity amongst consumers, who are now cautiously balancing their happiness and spending, and saving more for the future.

<https://www.thehindubusinessline.com/economy/indian-consumers-optimistic-about-finance-save-more-report/article65252153.ece>

Banking and Finance

AIFs: Sebi streamlines approval process for sponsor changes requiring NCLT nod

Markets regulator Sebi has streamlined the process for approval with respect to change in control of sponsor and manager of Alternative Investment Funds (AIFs) involving a scheme of arrangement under the companies law. In a circular on Wednesday, the watchdog said such applications seeking approval for the proposed change in control of the Sponsor and/or Manager of the AIF can be filed with Sebi prior to filing the applications with the National Company Law Tribunal (NCLT). "Upon being satisfied with compliance of the applicable regulatory requirements, in-principle approval will be granted by Sebi," it said. According to the regulator, the validity of such in-principle approval would be three months from the date of issuance, within which the relevant application should be made to NCLT.

<https://economictimes.indiatimes.com/markets/stocks/news/aifs-sebi-streamlines-approval-process-for-sponsor-changes-requiring-nclt-nod/articleshow/90403045.cms>

Banks share in industrial credit plunges to 34% in FY21, says report

Domestic banks' share in the overall commercial credit has plunged to a low of 34 per cent in FY2021 from 56 per cent in FY2011 partly due to the pandemic and more because companies are moving away from banks for funds, says a report. The share of non-banks in the commercial credit has more than doubled to 44 per cent while that of foreign banks' rose to 22 per cent in FY21, taking the total non-bank credit flow to two-thirds of the total, the report highlighted. Flow from domestic non-bank sources accounted for 44 per cent of total credit to the commercial sector

in FY21, more than doubling from FY11, the report by BofA Global Research stated. The report includes FDI, bank credit and IPO investments as part of foreign credit to the industry, which rose to 22 per cent of the total flow in FY21- which again doubled from FY11. The brokerage sees the same improving in FY22 even as net FDI inflow tapers. <https://www.financialexpress.com/industry/banking-finance/banks-share-in-industrial-credit-plunges-to-34-in-fy21-says-report/2469788/>

CBIC issues guidelines for scrutiny of GST returns for FY 2017-18, FY 2018-19

Central Board of Indirect Taxes & Customs (CBIC) on Tuesday issued standard operating procedure (SoP) for GST to streamline the scrutiny of Goods and Services Tax (GST) returns filed for the financial year 2017-18 and 2018-19. In a detailed note, the CBIC said that the selection of returns for scrutiny is to be based on specific risk parameters. For this purpose, the Directorate General of Analytics and Risk Management (DGARM) has been assigned the task to select the GSTINs registered with Central tax authorities. Once returns will be picked up for scrutiny, it would be sent to proper officials, which will be of the rank of Superintendent of Central Taxes of the jurisdiction range of the taxpayer.

<https://economictimes.indiatimes.com/news/economy/policy/cbic-issues-guidelines-for-scrutiny-of-gst-returns-for-fy-2017-18-fy-2018-19/articleshow/90393867.cms>

Industry

Draft MSME policy: Govt further extends deadline for feedback from MSMEs, associations, others

The MSME Ministry has further extended the deadline for feedback from MSME stakeholders on the draft national MSME policy by two weeks. According to the notification published on the MSME Development Commissioner website on Wednesday, the last date for receiving comments from all stakeholders, industry associations, MSME units, general public on the draft document has been extended to March 31, 2022. The ministry had earlier this month also extended the deadline from February end till March 15. The draft policy was released by the government in February inviting feedback on the measures suggested to promote competitiveness among MSMEs, boost technology upgradation, cluster and infrastructure development, procurement of MSME products and provide dedicated credit support.

<https://www.financialexpress.com/industry/sme/msme-eodb-draft-msme-policy-govt-further-extends-deadline-for-feedback-from-msmes-associations-others/2469250/>

Over 95% of ECLGS beneficiaries are MSMEs: FinMin

Around 95.21 per cent of total beneficiaries under the Rs 5-lakh-crore Emergency Credit Line Guarantee Scheme (ECLGS) have been micro, small and medium enterprises (MSMEs), according to the government. Sharing data from the National Credit Guarantee Trustee Company Limited (NCGTC), which operates the scheme, Minister of State for Finance Bhagwat Karad said in a written reply to a question in Rajya Sabha on Tuesday that 117.87 lakh businesses have been supported as of March 11, 2022, with fully guaranteed collateral-free loans under ECLGS. Existing credit borrowers such as MSMEs and other business enterprises constituted as proprietorships, partnerships, registered companies, trusts and limited liability partnerships (LLPs); and individual businesses are eligible to apply for guaranteed loans under ECLGS. The guarantee is provided by NCGTC to member lending institutions including banks and non-banking financial companies with respect to the credit given to borrowers on their loan outstanding as of February 29, 2020.

<https://www.financialexpress.com/industry/sme/msme-fin-over-95-of-eclgs-beneficiaries-are-msmes-finmin/2469082/>

Hotel industry near full recovery from Covid; bookings on rise for leisure, MICE events

After two years of downfall due to Covid related restrictions, the hotel industry is all set to reboot, recovering at 70-80 per cent of pre-Covid levels. This recovery is being pushed by leisure bookings and also MICE (Meetings, Incentives, Conferences and Exhibitions) events. "Today, we are at about 75-80 per cent of the pre-Covid levels. During the first wave, the fall was 80 per cent and even the remaining 20 per cent was the non-traditional business, related to the pandemic. So, the business was almost zero. With the way things are going, assuming there is no fourth wave, I think by Q1 or latest by Q2, we will achieve the pre-Covid run rate," said Vikramjit Singh,

President, Lemon Tree Hotels. While this recovery in the hotel industry is being driven by leisure booking because of the vengeance travel by people after the third wave, it is also due to an increase in business travels including MICE events. "We expect a V-shape recovery for the hotel industry as we see a rise in ARR (average room rate) as well as occupancy percentage this year. At the moment, the bookings are standing at 70-75 per cent and we expect 80 per cent recovery of pre-Covid times," Sarbendra Sarkar, Founder & MD, Cygnett Hotels and Resorts.

<https://www.financialexpress.com/industry/hotel-industry-witnesses-rise-in-bookings-for-leisure-mice-events/2469526/>

PLI scheme to account for 13-15 per cent capex in key industrial sectors over next 3-4 years: Report

Production Linked Incentive (PLI) scheme will account for 13-15 per cent of the average annual investment spending in key industrial sectors over the next three-four years, according to a report by Crisil. Since its introduction in March 2020, PLI has been announced for 15 sectors, involving government incentives to the tune of Rs 1.93 lakh crore. Of this, 50-60 per cent is to be spent on sectors with domestic manufacturing and export focus, and the rest on import localization. "Implementation of the Production Linked Incentive (PLI) scheme will lead to a potential capital expenditure (capex) of Rs 2.5-3 lakh crore over the scheme period and will account for 13-15 per cent of average annual investment spending in key industrial sectors over the next 3-4 years," the rating agency said in a report released on Wednesday. PLI is now poised for a rapid on-the-ground execution, with almost 60 per cent of the capex already approved and major spending set to occur over FY23-FY26. The capex has been approved for 10 sectors, it said.

<https://www.financialexpress.com/industry/pli-scheme-to-account-for-13-15-per-cent-capex-in-key-industrial-sectors-over-next-3-4-years-report/2469527/>

Cement industry to record 18-20% volume growth in FY22, says report

The cement industry is expected to record an 18-20 per cent volume-based growth and even surpass pre-COVID levels by 6 per cent in the current fiscal, according to a report. However, high input costs on account of inflationary pressure are resulting in a decline in operating margins by 440-480 basis points to around 19.8-20.2 per cent in FY2022, ICRA said. "For the full year, FY2022, ICRA expects 18-20 per cent volumetric growth to around 355 million metric tonnes which is expected to surpass pre-COVID levels by 6 per cent, driven by continued strong rural housing demand and pick-up in infrastructure activity," it said in the report released on Wednesday. ICRA AVP & Sector Head, Corporate Ratings, Anupama Reddy said that despite the increase in the net sales realisations by 5 per cent, the Operating Profit Before Interest, Taxes, Depreciation and Amortisation (OPBITDA) per metric tonne declined by 10 per cent Y-o-Y in the first 9 months of FY2022 to Rs 1,124.

<https://www.financialexpress.com/industry/cement-industry-to-record-18-20-volume-growth-in-fy22-says-report/2469283/>

Agriculture

Cotton inventory at three-year low on buoyant demand

Buoyant global demand will push India's cotton closing stocks to a three-year low this season to September, while cotton production has also been pegged at a three-year low. The lower closing stock and firm demand will keep cotton prices on the higher side in the coming days.

<https://www.thehindubusinessline.com/news/cotton-inventory-at-thre-year-low-on-buoyant-demand/article65251707.ece>

Over ₹4,300 crore under PM-KISAN scheme given to ineligible beneficiaries

An amount of more than ₹4,352.49 crore, which is 2 per cent of the total amount transferred to all the beneficiaries under the PM-KISAN scheme, has been reported to have been transferred to ineligible beneficiaries. In a written reply in the Lok Sabha on Tuesday, Narendra Singh Tomar, Union Minister for Agriculture and Farmers Welfare, said a standard operating procedure (SOP) has been devised and circulated to States for getting the refunds from the ineligible beneficiaries.

<https://www.thehindubusinessline.com/economy/agri-business/over-4300-crore-under-pm-kisan-scheme-given-to-ineligible-beneficiaries/article65249425.ece>

Consumption of urea set to drop for the first time in 5 years

India's urea consumption is set to drop for the first time in five years due to various factors including lower availability caused by cut in import, potentially indicating a policy shift towards capping the supply to ensure balanced use of fertilisers. The fertiliser consumption was nearly 322 lakh tonnes (lt) during April-February of the current fiscal and even if it remains around last year's level this month, it will not exceed 342 lt for the entire 2021-22 against actual sales of 350 lt last year, industry sources said.

<https://www.thehindubusinessline.com/economy/agri-business/consumption-of-urea-set-to-drop-for-the-first-time-in-5-years/article65252908.ece>

Infrastructure

Realty investments in 2022 near pre-Covid, inflation a downside risk: CBRE

Investments in the real estate sector in India are bound to grow by 5-10 per cent in 2022, with the sector poised to hit the pre-pandemic levels of 2019, real-estate firm CBRE said on Wednesday in its sector outlook report for the year. "The second wave of the pandemic was a blip on the Indian economy and by extension to the real estate sector. We have come a long way since then. Leasing activity across all sectors and segments has witnessed an uptick in the past 6 months and we expect this growth to continue into 2022," said Anshuman Magazine, Chairman & Chief Executive Officer, India, South East Asia, Middle East & Africa, CBRE. He added that a few sunrise sectors such as industrial and logistics (I&L) are expected to surpass pre-pandemic levels as well in terms of leasing as well as supply addition.

https://www.business-standard.com/article/economy-policy/realty-investments-in-2022-near-pre-covid-inflation-a-downside-risk-cbre-122032301103_1.html

Telecom

Trai floats paper on using street furniture for 5G infra

The telecom regulator has floated a consultation paper on use of street furniture for small cell and aerial fiber deployment, critical to roll out of 5G telecom networks in the country. Explaining that dense deployment of small cells was critical for mass adoption and availability of 5G services as higher bandwidths needed to be supplemented with more base stations for high quality 5G services, the Telecom Regulatory Authority of India (Trai) has asked 17 questions on how to incentivise the use of the small cells and broad framework for deploying them. "The use of higher frequency bands for 5G services would require that macro cells be complemented with extensive deployment of small cells so as to support all kinds of uses and applications, at all locations," Trai has said in an 83-page consultation paper issued on Wednesday.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-floats-paper-on-using-street-furniture-for-5g-infra/articleshow/90403982.cms>

Energy

Govt mulls exempting some projects from solar import taxes

India's renewable energy ministry has backed a demand to shield some projects from impending taxes on solar equipment imports, after generators said the added costs will slow the nation's shift to clean energy. "We have requested Ministry of Finance to consider grandfathering of basic customs duty for projects bid out before March 9, 2021," the renewable energy ministry said in response to emailed queries, indicating support for exempting these projects. The levies, effective from April 1, could jeopardise solar projects with a combined capacity of 28 gigawatts, according to the National Solar Energy Federation of India. The industry group has asked the government to shield projects awarded before March 9 last year, when the plan was officially announced, from the higher costs to keep them viable.

https://www.business-standard.com/article/economy-policy/govt-mulls-exempting-some-projects-from-solar-import-taxes-122032301178_1.html

Healthcare

India's drugs regulator gives nod to phase-3 clinical trial of Covid vaccine Covovax

The Drugs Controller General of India (DCGI) granted permission on Wednesday for conducting the phase-3 clinical trial of COVID-19 vaccine Covovax as a booster dose in adults, official sources said. The Subject Expert Committee (SEC) on COVID-19 of the Central Drugs Standard Control Organisation (CDSCO) had, on March 5, recommended permission for conducting the phase-3 clinical trial for Covovax as a booster dose in adults who have been fully vaccinated with either Covaxin or Covishield at least three months ago. The DCGI approved Covovax for restricted use in emergency situations in adults on December 28 last year and for inoculating the beneficiaries in the 12-17 years age group, subject to certain conditions, on March 9. The vaccine has not been included in the country's inoculation programme against COVID-19.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/indias-drugs-regulator-gives-nod-to-phase-3-clinical-trial-of-covid-vaccine-covovax/articleshow/90399907.cms>

External

Exports hit lofty \$400-bn target for FY22 ahead of schedule

India's merchandise exports hit the ambitious target of \$400 billion for FY22 nine days before the fiscal year is set to end, according to commerce ministry data. Goods exports will exceed the \$30-billion mark for a 12th straight month in March, according to official sources. This marks a smart recovery in exports, which had contracted almost 7% in FY21 from a year before to \$292 billion, in the wake of the Covid outbreak. However, global demand for goods improved dramatically this fiscal following an industrial resurgence in advanced economies, brightening prospects of Indian exports.

<https://www.financialexpress.com/economy/exports-hit-lofty-400-bn-target-for-fy22-ahead-of-schedule/2468940/>

India imported 651.24 tonnes of gold in fiscal 2020-21: Anupriya Patel

India imported 651.24 tonnes of gold in financial year 2020-21 as compared to 719.94 tonnes in the year-ago period, the government said on Wednesday. In a written reply to the Lok Sabha, Minister of State for Commerce and Industry Anupriya Patel said the imports stood at 982.71 tonnes in FY 2018-19. Replying to another question, she informed that the import of toys, games, sports equipment from China is showing a declining trend. "The imports of these products from China have reduced from USD 451.71 million in 2018-19 to USD 206.11 million in 2021 (from April 2021 to Jan 2022)," she added.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-imported-651-24-tonnes-of-gold-in-fiscal-2020-21/articleshow/90396703.cms>

Govt imposes curbs on exports of HFCs to boost domestic availability

The government on Wednesday imposed curbs on exports of hydrofluorocarbons, used in refrigeration and air-conditioning, to boost domestic availability of the chemical. Exporters will now have to seek permission from the government to export hydrofluorocarbons (HFCs). "Export policy of hydrofluorocarbons has been revised from free to restricted category with immediate effect, and export authorisations would be issued on NOC (No Objection Certificate) from MoEF and CC (Ministry of Environment, Forest and Climate Change)," the Directorate General of Foreign Trade (DGFT) said in a notification.

https://www.business-standard.com/article/economy-policy/govt-imposes-curbs-on-exports-of-hfcs-to-boost-domestic-availability-122032300741_1.html

FDI inflow to India declines to \$74.01 billion in 2021

Total foreign direct investment (FDI) inflow to India declined to \$74.01 billion in the calendar year 2021, which is 15 per cent lower from \$87.55 billion recorded in the previous year, the Ministry of Commerce & Industry said on Wednesday. The FDI inflow includes equity inflow, equity capital of unincorporated bodies, re-invested earnings and other capital. "FDI is largely a matter of commercial business decisions and FDI inflow depends on a host of factors such as availability of natural resource, market size, infrastructure, political and general investment climate as well as macro-economic stability and investment decision of foreign investors. In calendar year 2021, the FDI inflow

decreased by 15 per cent as compared to calendar year 2020," Minister of State in the Ministry of Commerce and Industry Som Parkash said in a written reply in the Lok Sabha.

<https://economictimes.indiatimes.com/news/economy/finance/fdi-inflow-to-india-declines-to-74-01-billion-in-2021/articleshow/90400950.cms>