



March 30, 2022 – Wednesday

Economy

Framework for GST Summons in Works

The government is drawing up a framework for issuing summons to the top management of companies or arrest by goods and services tax (GST) authorities amid growing concerns about arbitrariness and harassment, said officials. There has been a surge in summons to top management of companies by GST authorities requiring CFOs or CXOs to be mandatorily present in person for hearings. In some instances, multiple summons have been issued over the same issue. An official said that the Central Board of Indirect Taxes and Customs is working on a code for field officials. The idea is to ensure that any overlap between state and central GST authorities or the Directorate General of GST Intelligence is avoided and summons are issued based on some objective parameters, said another official.

<https://economictimes.indiatimes.com/news/economy/policy/framework-for-gst-summons-in-works/articleshow/90527034.cms>

Monetary Conditions Index could be a lead indicator of inflation: Study

Interest rate channel is the most dominant channel of transmission of monetary policy compared to other channels such as exchange rate, credit, and asset prices finds a research paper by RBI economists who have constructed a monetary conditions index-MCI- to make their assessment which is reckoned to be an useful lead indicator of inflation. A study by RBI economists have broad-based the conventional monetary conditions index (MCI) by including bank credit and stock prices in addition to interest rate and exchange rates which validates the usage of MCI as a coincident indicator for assessing monetary policy stance as well as a leading indicator for forecasting inflation.

<https://economictimes.indiatimes.com/news/economy/indicators/mci-could-be-a-lead-indicator-of-inflation-study/articleshow/90525949.cms>

Companies say hiring to return to pre-pandemic levels; maximum jobs in these fields: Naukri survey

A majority of recruiters expect hiring to go back to pre-pandemic levels, while jobseekers may see as much as 30% increments by the first half of this year, according to a survey by job-listing platform Naukri.com. Three out of five recruiters said in the survey that they expect hiring to rise back to pre-COVID levels in their organisations by June 2022. Fields such as Information Technology (IT), business development and marketing will see the most active hiring. According to the Naukri Hiring Outlook Survey, the IT field will see 59% rise in hirings while business development and marketing will see a growth of nearly 40%. "Given the continued surge in demand for IT roles, recruiters expect this sector to witness a high employee fallout rate of 49%. It is interesting to note that the number of recruiters anticipating an attrition rate greater than 20% grew up by 33% when compared with the previous survey conducted last year," according to the statement.

<https://www.financialexpress.com/economy/companies-say-hiring-to-return-to-pre-pandemic-levels-maximum-jobs-in-these-fields-naukri-survey/2475143/>

ICRA lowers India's FY23 GDP growth forecast to 7.2% from 8%

Ratings agency ICRA has lowered India's FY23 GDP growth forecast to 7.2 per cent from an earlier projection of 8 per cent. Besides, the rating agency projected GDP expansion in FY22 at 8.5 per cent, which is modestly lower than the National Statistical Office's (NSO's) second advance estimate of 8.9 per cent. "Following the elevated commodity prices and fresh supply chain issues arising from the Russia-Ukraine conflict, as well as the renewed lockdowns in parts of China, we have pared our forecast of India's real GDP growth in FY2023 to 7.2 per cent from 8 per cent," said Aditi Nayar, Chief Economist, ICRA. "Higher prices of fuels and items such as edible oils are likely to compress disposable incomes in the mid to lower income segments, constraining the demand revival in FY2023."

https://www.business-standard.com/article/economy-policy/icra-lowers-india-s-fy23-gdp-growth-forecast-to-7-2-from-8-122032900773_1.html

Banking and Finance

Centre to sell 1.5% stake in ONGC via OFS; may get Rs 3,000 crore

The government will sell 1.5 per cent stake in Oil and Natural Gas Corporation through an offer for sale (OFS) on Wednesday, a move that's expected to shore up the centre's divestment receipts by over Rs 3,000 crore from the sale. The offer for sale for 1.5 per cent equity stake sale in ONGC, including a greenshoe option, opens Wednesday, and retail investors can place their bids on Thursday, Department of Investment and Public Asset Management Secretary Tuhin Kanta Pandey said. The government's offer to sell 94.3 million shares or 0.75 per cent stake in the public sector oil and gas company would open for non-retail investors on Wednesday. The offer to sell an additional 94.3 million or 0.75 per cent would open for retail investors on Thursday. The floor price for the sale has been set at Rs 159, at about 7 per cent discount to the stock's closing price of Rs 171 on Tuesday.

https://www.business-standard.com/article/companies/centre-to-sell-1-5-stake-in-ongc-via-ofs-may-get-rs-3-000-crore-122032901335_1.html

Steady demand, improving quality may strengthen MFI loan disbursements further in Q4

The microfinance industry is expecting growth to further consolidate in Q4 of this fiscal backed by a steady demand and improving portfolio quality. Loan disbursements in Q3 grew at ₹65,392 crore, as compared with ₹59,508 crore in the same period last year. Disbursements grew by nearly 6 per cent as compared with ₹61,894 crore recorded during the same quarter of FY20 (non-Covid period). The gross loan portfolio (GLP) as on December 31, 2021, increased by over 10 per cent at ₹2,56,058 crore, as against the year-ago levels, said the MFIN Micrometer for Q3FY22. The microfinance industry served 5.57 crore unique borrowers, through 10.58 crore loan accounts, as on December 31, 2021. As many as 13 banks hold the largest share in micro-credit loans with a total outstanding of ₹1,03,569 crore, accounting for nearly 40 per cent of the total micro-credit portfolio.

<https://www.thehindubusinessline.com/money-and-banking/steady-demand-improving-quality-may-strengthen-mfi-loan-disbursements-further-in-q4/article65270497.ece>

Industry

Policy rejig to nudge textile's transition to manmade fibers

The Niti Aayog has begun reviewing policies that need to be tweaked in the textile and apparel sector to encourage a move towards a circular economy, as India gears up for a transition towards manmade fiber (MMF) to cater to the rising global demand. The focus would be to facilitate development of new business models, technological advancement, development of new markets and products and even imposing extended producer responsibility for a transition towards a circular economy, a senior official said. "A formal roadmap, which is being developed in consultation with the textile ministry, will be firmed up soon," the official added.

<https://economictimes.indiatimes.com/industry/cons-products/garments-/textiles/policy-rejig-to-nudge-textiles-transition-to-manmade-fibers/articleshow/90527074.cms>

Garment units in a tizzy as cotton prices approach Rs 1 lakh a candy

The volatility in cotton and cotton yarn prices seems to be taking a toll on the garments industry in India, which was gearing up to cash in on exports following the demand dip for Chinese exports, driven by lockdown in China. Prices of Shankar-6 cotton, a benchmark for exports and widely used for variety, are all set to touch Rs 1,00,000 per candy

mark now. The price of Shankar-6 cotton, a benchmark for exports, was quoted at Rs over Rs 90,000 per candy, up 96 per cent compared to around Rs 46,000 per candy in January 2021.

https://www.business-standard.com/article/economy-policy/garment-units-in-a-tizzy-as-cotton-prices-approach-rs-1-lakh-a-candy-122032901169_1.html

Steel makers hike prices on supply constraints

Steel prices of hot rolled coils (HRCs) and rebars, which include construction steel, are witnessing a 2 to 3 per cent increase, in the range of ₹1,500-2,500 per tonne on the back of a higher demand in Europe, supply concerns from China and the rise in prices of Australian coking coal. More than two price hikes have been effected since March. Further price hikes have not been ruled out either, and steel companies indicate they could renegotiate contracts in the coming days.

<https://www.thehindubusinessline.com/companies/steel-makers-hike-prices-on-supply-constraints/article65255791.ece>

IT hardware PLI: Only 2-3 of 14 firms likely to meet first-year targets

Only two or three companies out of the eligible 14 firms are likely to meet their first-year targets for the production-linked incentive (PLI) scheme for IT hardware for the fiscal year ending March 31. Some companies blamed inadequate sops under the scheme while others pointed to the continuing global supply chain issues and chip shortages, for hurting their local manufacturing plans. Dell, among the global applicants, and Micromax, through Bhagwati Products Ltd, are likely to meet the first-year targets, several people aware of the matter told ET. Another person familiar said Dixon Technologies may also just "scrape through" to meet the first-year target.

<https://economictimes.indiatimes.com/news/economy/policy/it-hardware-pli-only-2-3-of-14-firms-likely-to-meet-first-year-targets/articleshow/90529252.cms>

Local manufacturing of 35 APIs started after PLI scheme: Mandaviya

Manufacturing of 35 active pharmaceutical ingredients, which have been imported earlier, has started in India under the production linked scheme for the pharmaceuticals sector, Union minister Mansukh Mandaviya said on Tuesday. These 35 active pharmaceutical ingredients (APIs) are among the 53 APIs, for which India has 90 per cent import dependence. "The 35 APIs are being manufactured from 32 different manufacturing plants. This will give a boost to AatmaNirbhar Bharat," Mandaviya, the Minister of Health & Family Welfare and Chemical and Fertilisers, told reporters here. This would lead to reduction in import dependence of the key raw materials used for producing medicines, he added.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/local-manufacturing-of-35-apis-started-after-pli-scheme-mandaviya/articleshow/90519863.cms>

India buys Russian sunoil at record high price as Ukraine supplies halt

India has contracted 45,000 tonnes of Russian sunflower oil at a record high price for shipments in April as edible oil prices in the local market surged after supplies from rival Ukraine stopped because of the war, five industry officials told Reuters. Sunflower oil from Russia could help the world's biggest edible oil importer in easing the shortfall at a time when availability of vegetable oils is stretched because of Indonesia's decision to restrict palm oil supplies and lower soybean crop in South America. "As vessel loading is not possible in Ukraine, buyers are trying to secure supplies from Russia," said Pradeep Chowdhry, managing director of Gemini Edibles & Fats India Pvt. Ltd, which contracted 12,000 tonnes of Russian sunflower oil for April shipments.

https://economictimes.indiatimes.com/industry/cons-products/food/india-buys-russian-sunoil-at-record-high-price-as-ukraine-supplies-halt/articleshow/90513686.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

No proposal for merger of sick fertiliser units with profit-making firms: Govt

The government has no proposal for the merger of sick public sector fertiliser units with profit-making fertiliser companies at present, Parliament was informed on Tuesday. Currently, there are two sick public sector fertiliser manufacturing companies FACT (Fertilisers and Chemicals Travancore Ltd) and MFL (Madras Fertilisers Ltd) under the control of the Department of Fertilisers. "Both units are operational. FACT has reported profit from 2018-19

fiscal to 2020-21. MFL has incurred losses from 2015-16 to 2019-20," Minister of State for Chemicals and Fertilisers Bhagwanth Khuba said in a written reply to the Rajya Sabha.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/chem-/-fertilisers/no-proposal-for-merger-of-sick-fertiliser-units-with-profit-making-firms-govt/articleshow/90517693.cms>

Demand for laptops in tier-II cities surges past tier-I cities: Report

The demand for laptops has increased significantly in India's tier-II cities over the past year, due to prolonged work from home (WFH) and virtual classes for students, exceeding the demand in tier-I cities, according to the latest Just Dial Consumer Insights report. As per the report, demand in tier-II cities has surged past tier-I cities by 36 per cent. Overall, the year-over-year demand for laptops in tier-II cities has grown by 28 per cent and tier-I by 9 per cent. HP, Dell, Asus are the top three brands in the country contributing to almost 70 per cent of the demand while Lenovo, Acer, Apple, MSI, MI, Microsoft, and Avita made up the top ten most searched laptop brands in the country.

<https://www.thehindubusinessline.com/info-tech/demand-for-laptops-in-tier-ii-cities-surges-past-tier-i-cities-just-dial-report/article65270005.ece>

Agriculture

Govt in process of setting up committee on MSP: Agriculture Minister Narendra Singh Tomar

The government is in the process of setting up a panel on Minimum Support Price (MSP), Agriculture Minister Narendra Singh Tomar said in the Lok Sabha on Tuesday. While announcing the repeal of three farm laws in November last year, Prime Minister Narendra Modi had promised to set up a committee to make MSP system more effective and transparent as well as suggest ways to promote zero budgeting based-agriculture. "As per the changing requirements of the country to change the cropping pattern, to make MSP more effective and transparent, and to encourage natural farming method of agriculture, setting up a committee is under process," Tomar said in a written reply to the Lok Sabha.

<https://www.financialexpress.com/economy/govt-in-process-of-setting-up-committee-on-msp-agriculture-minister-narendra-singh-tomar/2475192/>

With maize prices soaring, export demand zooms for Indian broken rice as feed

With maize (corn) prices soaring on demand from West, South and South-East Asia, buyers abroad are switching over to 100 per cent broken rice for animal feed in countries such as Vietnam, Indonesia and China. "There is a huge demand for maize from Bangladesh, Vietnam, Indonesia besides the Gulf. But prices have surged and availability is low since the new crop will arrive only after next month," said Bimal Bengani, Managing Director of Kolkata-based Bengani Export Pvt Ltd. "Shipments of maize have slowed down after prices soared due to the Russia-Ukraine conflict. Instead, buyers from Vietnam and Indonesia are now seeking broken rice," said M Madan Prakash, President, Agri Commodities Exporters Association (ACEA).

<https://www.thehindubusinessline.com/economy/agri-business/as-maize-prices-climb-export-demand-for-indian-broken-rice-as-animal-feed-soar/article65270194.ece>

Fertiliser prices may shoot up in Q4 due to Russia-Ukraine woes; govt may increase MSP, says research report

Fertilisers – one of the key inputs in agricultural produce – are expected to see further price rise in coming days, in another fallout from the Russia-Ukraine war. Cost of inputs such as fertilisers and insecticides will rise by 11 per cent to 15 per cent in 2022, according to a report from Kotak Institutional Equities. India is self-sufficient in its food plate, but it depends on countries such as Russia for importing plant nutrients such as urea and phosphates. Amid the ongoing conflict, the government is expected to increase the minimum price support (MSP) to compensate farmers and companies from moved up costs, analysts said.

<https://www.financialexpress.com/economy/fertiliser-prices-may-shoot-up-in-q4-due-to-russia-ukraine-woes-govt-may-increase-msp-says-research-report/2475209/>

UP topples West Bengal as top vegetables producer, Andhra Pradesh continues to lead in fruits

Uttar Pradesh has reclaimed its position as the top producing State in vegetables relegating West Bengal to the second position after two years, but this time the difference between the two is more than a million tonnes. On the other hand, Andhra Pradesh remains the top fruit producer. According to data placed in the Lok Sabha on Tuesday,

vegetables production in Uttar Pradesh is estimated to be 29.58 million tonnes (mt) in the 2021-22 crop year (July-June) against 29.16 mt in the previous year, while West Bengal output is seen to drop to 28.23 mt from 30.33 mt. When Uttar Pradesh was ahead of West Bengal in vegetables production in 2018-19, the gap between the two was around 0.7 mt.

<https://www.thehindubusinessline.com/economy/agri-business/up-topples-west-bengal-as-top-vegetables-producer-andhra-pradesh-continues-to-lead-in-fruits/article65271109.ece>

Infrastructure

Surging cost of construction likely to push up real estate prices

Over the last one year, developers' average cost of construction has risen 10-12 per cent, owing to higher input cost due to supply-side constraints. This surge in cost comes at a time when developers have been under pressure due to higher debt and liquidity concerns over the last few years. The cost of key materials like cement and steel have risen over 20 per cent yearly as of March 2022. These constitute a predominant share in the total cost of construction. So far, developers have been cautious about increasing prices as the market was recovering from the aftermath of Covid-19. However, developers have now started feeling the pinch of rising cost and started reviewing their pricing strategy, Colliers said in a report.

https://www.business-standard.com/article/economy-policy/surging-cost-of-construction-likely-to-push-up-real-estate-prices-122032900356_1.html

Telecom

5G spectrum pricing recommendations in 7-10 days; work in final stages: Trai Secretary

Telecom regulator Trai's much-awaited recommendations on 5G spectrum pricing and other modalities will come out in the next 7-10 days, a senior official said on Tuesday. Telecom Regulatory Authority of India (Trai) Secretary V Raghunandan told PTI that the spectrum reference given to the regulator spanned multiple bands and thereby involved detailed and exhaustive deliberations. "We are in the final stages, and will come out with the recommendations shortly in 7-10 days," Raghunandan said.

https://economictimes.indiatimes.com/industry/telecom/telecom-news/5g-spectrum-pricing-recommendations-in-7-10-days-work-in-final-stages-trai-secretary/articleshow/90512793.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Energy

Assam government signs deal with Oil India for eight Petroleum mining lease blocks

Assam government has signed a deal with Oil India (OIL) for eight Petroleum Mining Lease blocks. Ananda Kr. Das, ACS, Joint Secretary & Director (Geology & Mining), Government of Assam and Agadh Medhi, Executive Director (Frontier Basin), OIL, signed the deed on behalf of Assam government and Oil India. The eight PML blocks are Dibrugarh, Dibrugarh Extn, Hugrijan Extn, Borhapan, Borhat, Moran, Doom Dooma Extension and Mechaki Extension. Assam Government is expected to receive more than Rs 2,000 crores from Oil India annually. Jogen Mohan Minister for Mines and Minerals assured that government would provide all possible support to OIL in its quest of hydrocarbon

<https://economictimes.indiatimes.com/industry/energy/oil-gas/assam-government-signs-deal-with-oil-india-for-eight-petroleum-mining-lease-blocks/articleshow/90523907.cms>

States

Jammu & Kashmir govt receives 4,226 proposals worth Rs 47,441 crore

The Jammu and Kashmir government has received 4,226 investment proposals worth Rs 47,441 crore for land allotment to set up industrial units in the Union Territory. The Jammu and Kashmir administration in January last year announced a new industrial developmental scheme with an outlay of Rs 28,400 crore to encourage new investment and take industrial development to the block level. The new policy, which has been applicable till 2037,

also paved the way for foreigners to invest in the region. "As many as 4,226 proposals with an investment of Rs 47,441 crore have been received through online mode for allotment of land for setting up units in the Union Territory (UT), a senior government official said.

https://www.business-standard.com/article/economy-policy/j-k-govt-receives-4-226-proposals-worth-rs-47-441-crore-122032900717_1.html

Assam govt introduces five bills in assembly to repeal obsolete laws

The Assam government on Monday introduced five bills to repeal obsolete laws related to education and industry to minimise compliance burden on citizens and businesses.

Education Minister Dr Ranaj Pegu introduced "The Assam State Higher Secondary Education Council (Repealing) Bill, 2022" to reduce regulatory compliance burden on citizens and businesses to improve the index of "ease of doing business", according to the statement of objects and reasons. "The Assam State Higher Education Council Act, 2017" had already ceased to be in force and become obsolete, it added. Pegu also brought "The Assam Elementary Education (Provincialisation) (Repealing) Bill, 2022" in the House as the original Act of 1974 had become obsolete with the enactment of the Assam Education (Provincialisation of Services of Teachers and Re-Organisation of Educational Institutions) Act, 2017, as amended in 2018.

<https://www.thehindubusinessline.com/news/national/assam-govt-introduces-five-bills-in-assembly-to-repeal-obsolete-laws/article65269753.ece>

Healthcare

Indian home healthcare market to grow 2.5x to \$19.9 bn by 2025: Nathealth

The largely unorganised and unregulated Indian home-healthcare market is at a tipping point. According to a recent Nathealth study titled 'Indian Home Healthcare 2.0 – Redefining the Modern Care Continuum' released on Tuesday, the home healthcare market is expected to grow to \$19.9 bn market by 2025. The study estimated that the market has a potential to grow an additional \$5 bn with the right impetus. The Indian home healthcare market has evolved and grown to a \$5.4 bn market today. The study by healthcare industry body Nathealth highlighted: "India has multiple home healthcare players providing healthcare across preventive, promotive, chronic, acute rehabilitative and palliative care in the comfort of the patient's home. Traditionally, 60–80 per cent demand for home care has been driven by senior citizens seeking supportive long-term care at home."

https://www.business-standard.com/article/economy-policy/indian-home-healthcare-market-to-grow-2-5x-to-19-9-bn-by-2025-nathealth-122032901032_1.html

External

Tur dal, Urad dal imports to remain in free category till March 2023

The government on Tuesday said it has decided to keep the import of Tur dal and Urad dal under free category till March 2023 as part of its efforts to boost domestic supply and keep prices under control. "In yet another proactive and pre-emptive measure to augment domestic availability and stabilise prices of essential food commodities, the centre today notified the decision to keep the import of Tur and Urad under 'Free Category' till March 31, 2023," an official statement said. The decision has put to rest the speculations regarding the import policy regime for Tur and Urad in the next fiscal. It also signals a stable policy regime which will benefit all the stakeholders.

https://www.business-standard.com/article/economy-policy/tur-dal-urad-dal-imports-to-remain-in-free-category-till-march-2023-122032901319_1.html

Egypt to import wheat from India

Egypt, one of the largest importers of wheat from Russia and Ukraine, to import Indian wheat amid a sharp dip in global wheat production largely due to the conflict between the two countries, said a senior government official. Piyush Goyal, Minister of Commerce and Industry and Consumer Affairs, Food and Public Distribution met the Egyptian minister of Economic Development Hala El-Said on Monday in Dubai where the details of the trade were discussed. In 2020, Egypt imported wheat worth \$ 1.8 billion from Russia and \$ 600 million worth from Ukraine. India is also looking at increasing its share of exports to countries where it already sends wheat such as Sri Lanka,

Bangladesh, Middle East, Yemen, Korea, Philippines, Nepal and Indonesia. At present India's wheat contribution to these countries' import basket ranges between 2-10%.

https://economictimes.indiatimes.com/news/economy/foreign-trade/egypt-to-import-wheat-from-india/articleshow/90513354.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Go for \$100-bn export target: Piyush Goyal to gem, jewellery exporters

Commerce and Industry Minister Piyush Goyal on Tuesday called upon gem and jewellery exporters to target USD 100 billion of exports annually in the coming years as the sector holds huge potential to boost outbound shipments. He urged the industry to suggest ways to take the exports to that level by creating incisive marketing tools and irresistible designs. "Let's go for USD 100 billion target," Goyal said while addressing export members of the Gem and Jewellery Export Promotion Council (GJEPC) here. He informed that the sector has accounted for about 10 per cent of the country's USD 400 billion exports, which India has crossed during the current fiscal.

https://www.business-standard.com/article/economy-policy/go-for-100-bn-export-target-piyush-goyal-to-gem-jewellery-exporters-122032901054_1.html

India-Australia interim trade deal could be concluded this week

Talks between India and Australia on an interim trade deal are at an advanced stage and could be concluded this week, according to people in the know. An agreement could potentially bolster India's economic forays in the Indo-Pacific region through wider market access. Last year in October, the two countries had set the target of concluding the interim trade deal by December 2021 and to conclude talks on a comprehensive economic cooperation agreement (CECA) by the end of 2022. However, the early 'harvest deal' was held up due to apprehensions on the Indian side regarding opening up of the country's agriculture and dairy sectors.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-australia-interim-trade-deal-could-be-concluded-this-week/articleshow/90527523.cms>

BIMSTEC nations must work on ambitious trade facilitation agenda: Jaishankar

BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) nations must accelerate efforts to boost intra-BIMSTEC trade and economic ties and work on a more ambitious trade facilitation agenda, External Affairs Minister S Jaishankar has said.

"The development of a network of regional supply and value chains will reduce our vulnerability to external shocks and give our economies greater resilience and transparency. This requires us to accelerate cooperation that has been under discussion for long. Simultaneously, we must also work on a more ambitious Trade Facilitation agenda," Jaishankar said at the BIMSTEC Ministerial meeting in Colombo on Tuesday.

<https://www.thehindubusinessline.com/economy/bimstec-nations-must-work-on-ambitious-trade-facilitation-agenda-jaishankar/article65271361.ece>

India picks a bone with EU regarding new regulations restricting farm exports

India has complained about the new regulations imposed by the European Union (EU) unjustifiably restricting the export of a broad range of commodities, due to an alleged contamination by pesticide residues detected during official controls. This includes several spices, guar gum, locust, calcium carbonate and food supplements containing botanicals originating from the country.

<https://www.thehindubusinessline.com/economy/india-picks-a-bone-with-eu-regarding-new-regulations-restricting-farm-exports/article65271125.ece>