



April 06, 2022 – Wednesday

Key Developments

Individual investors can use UPI for up to Rs 5 lakh payment in public issues

Capital markets regulator Sebi on Tuesday said individual investors applying in public issues of equity shares and convertibles can use Unified Payment Interface (UPI) for application amount up to Rs 5 lakh. Also, they have been asked to provide their UPI ID in the bid-cum-application form submitted with any of these entities — syndicate member, stock broker, depository participant and registrar to an issue and share transfer agent. The new guidelines will come into force for public issues opening on or after May 1, 2022, Sebi said in a circular. The decision has been taken after National Payments Corporation of India (NPCI) reviewed the systemic readiness required at various intermediaries to facilitate the processing of applications with increased UPI limit. As on March 30, 2022, more than 80 per cent of Self Certified Syndicate Banks (SCSBs)/Sponsor Banks/UPI Apps have conducted the system changes and have complied with the NPCI provisions.

<https://www.financialexpress.com/market/individual-investors-can-use-upi-for-up-to-rs-5-lakh-payment-in-public-issues/2482573/>

Parliament passes accountancy bill

Parliament on Tuesday passed a bill to revamp the functioning of the institutes of chartered accountants, cost accountants and company secretaries, with Union Minister Nirmala Sitharaman asserting that the changes will usher in transparency and will not in any way impact the autonomy of these bodies. Rajya Sabha passed the Chartered Accountants, the Cost and Works Accountants and the Company Secretaries (Amendment) Bill, 2022 with a voice vote after negating all amendments moved by the Opposition.

<https://economictimes.indiatimes.com/news/india/parliament-passes-accountancy-bill/articleshow/90667613.cms>

Economy

India's economy to grow by 7.5% in FY23; to pick-up to 8% in FY24: ADB

Asian Development Bank on Wednesday projected a seven per cent collective growth for South Asian economies in 2022 with the subregion's largest economy India growing by 7.5 per cent in the current fiscal year before picking up to eight per cent the next year. Releasing its flagship Asian Development Outlook (ADO) 2022, the Manila-based multi-lateral funding agency said the growth in South Asia is projected to slow to seven per cent in 2022, before picking up to 7.4 per cent in 2023. The subregion's growth dynamics are largely driven by India and Pakistan. "South Asian economies are expected to expand collectively by seven per cent in 2022 and 7.4 per cent in 2023, with India -- the sub-regions largest economy -- expected to grow by 7.5 per cent this fiscal year (FY23) and eight per cent next fiscal year (FY24)," the agency's ADO report said.

https://www.business-standard.com/article/economy-policy/india-s-economy-to-grow-by-7-5-in-fy23-to-pick-up-to-8-in-fy24-adb-122040600148_1.html

Enhance NAPS stipend for apprentices to restore parity, says standing committee report

The standing committee on skills development has suggested the government enhance the stipend given to apprentices under the National Apprenticeship Promotion Scheme by a sizeable extent to restore parity with the stipend given for technical courses under the apprenticeship scheme of the ministry of education. Currently, stipend under NAPS is 25% subject to a maximum of Rs 1500 per month as against 50% for engineering degree and diploma holders under the National Apprenticeship Training Scheme of the education ministry. "The committee call upon the MSDE to take up the matter at the appropriate fora so that the 25% reimbursement of stipend under NAPS, especially for the non-technical degree and diploma courses, is enhanced to a sizeable extent and parity is restored with the stipend support provisions as exist under NATS," it said in its report submitted to the Parliament on Tuesday. <https://economictimes.indiatimes.com/news/economy/policy/enhance-naps-stipend-for-apprentices-to-restore-parity-says-standing-committee-report/articleshow/90668911.cms>

Over Rs 30,160 cr sanctioned under 'Stand Up India' scheme in six years

Over Rs 30,160 crore has been sanctioned under the Stand Up India scheme to 1,33,995 accounts in six years since the initiative's inception. The Stand Up India scheme was launched in April 2016 to promote entrepreneurship among Scheduled Caste, Scheduled Tribe and women entrepreneurs, focusing on economic empowerment and job creation. As on March 21, 2022, about 133,995 accounts have received advances under the scheme, out of which 19,310 were held by SCs; 6,435 by STs and 108,250 by women. Marking the sixth anniversary of the scheme, Prime Minister Narendra Modi tweeted "India is full of entrepreneurial energy and the Stand Up India initiative is a part of the ongoing efforts to channelise this spirit to further progress and prosperity."

https://www.business-standard.com/article/economy-policy/over-rs-30-160-cr-sanctioned-under-stand-up-india-scheme-in-six-years-122040500697_1.html

Over ₹8.4 lakh crore income tax outstanding, says Finance Ministry

Over one crore individuals have outstanding income tax demand of over ₹8.40 lakh crore as on April 01, 2022, Finance Ministry informed Rajya Sabha on Tuesday. It also mentioned that over ₹21,000 crore was lying unclaimed with Life Insurance Corporation of India (LIC). In a written reply, Minister of State for Finance Pankaj Chaudhary said that taxes on income other than corporate tax dropped to over ₹4.70 lakh crore in FY2020-21 from ₹4.80 lakh crore in FY2019-20. However, it is higher than ₹4.61 lakh crore of FY2018-19.

<https://www.thehindubusinessline.com/economy/over-84-lakh-crore-income-tax-outstanding-says-finance-ministry/article65292580.ece>

Hiring activity in India grows 16% y-o-y in March: Naukri JobSpeak

India Inc's hiring activity recorded a 16% year-on-year growth in March amid removal of restrictions and a pick-up in business momentum prompting employers to strengthen their search for manpower, according to latest data from online job portal Naukri.com. The Naukri JobSpeak Index for March stood at 2832 at the end of the financial year reflecting the steady growth of hiring activity in India. March witnessed a sequential increment in hiring activity across all key sectors. Apart from travel & hospitality (82%), that has seen consistent growth since the travel restrictions have been relaxed, other key sectors that observed an uptick in hiring trends compared with last year are education (+44%), real estate (+30%), retail (+28%), BFSI (+22%), IT-software (+14%), and FMCG (+5%). Oil & gas (-6%) recorded a slight decline in March compared to a year ago, while healthcare remained flat.

<https://economictimes.indiatimes.com/jobs/hiring-activity-in-india-grows-16-y-o-y-in-march-naukri-jobspeak/articleshow/90658791.cms>

Banking and Finance

Not activating countercyclical capital buffer: RBI

The Reserve Bank on Tuesday said it has decided not to activate the countercyclical capital buffer at this point in time as it is not required. The framework on the countercyclical capital buffer (CCyB) was put in place by the Reserve Bank in terms of guidelines in February 2015 wherein, it was advised that the CCyB would be activated as and when the circumstances warranted and that the decision would normally be pre-announced. The framework envisages the credit-to-GDP gap as the main indicator, which may be used in conjunction with other supplementary indicators.

"Based on the review and empirical analysis of the CCyB indicators, it has been decided that it is not necessary to activate CCyB at this point in time," the central bank said in a statement.

<https://www.financialexpress.com/economy/not-activating-countercyclical-capital-buffer-rbi/2482637/>

Bank credit growth likely to be at 8.9-10.2 pc this fiscal: Report

The outlook for banks is expected to be stable amid improvement in credit growth of 8.9-10.2 per cent and decline in provisions in the current fiscal, rating agency Icri Ratings said on Tuesday. Gross Non-Performing Advances (GNPAs) of banks are expected to decline to 5.6-5.7 per cent by March, 2023 as against an estimate of 6.2-6.3 per cent by March, 2022. "Icri Ratings expects outlook for banks to be stable in FY23, based on continued improvement in earnings driven by improved credit growth of 8.9-10.2 per cent in FY23 (8.3 per cent for FY22 (expected) and 5.5 per cent in FY21) and decline in credit provisions," the agency said in a report on Tuesday.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-credit-growth-likely-to-be-at-8-9-10-2-pc-this-fiscal-report/articleshow/90666446.cms>

LIC IPO planned for early May, but conditions apply

Life Insurance Corporation (LIC) of India's public offer will be held in early May if markets remain buoyant. However, if there is marked volatility over the next few weeks, the issue may get delayed. The government plans to sell a 5% stake in the state-owned insurer. According to Sebi ICDR Regulations 2018 for public offers, if LIC's initial public offer (IPO) does not take place by May 12, it will need to update the offer document with FY23 financials, which may delay the issue to June or even beyond. "The government is monitoring the market situation closely. The next two weeks will be crucial. If things start settling, it may hit before May 12, otherwise it may be pushed," a senior government official told ET. "We do not want to push the issue in haste when there are global developments beyond our control."

<https://economictimes.indiatimes.com/news/economy/finance/lic-ipo-planned-for-early-may-but-conditions-apply/articleshow/90673985.cms>

Domestic MF industry's average AUM grew 19% to Rs 38.37 trn in FY22

The average assets under management (AAUM) for the domestic mutual fund (MF) industry grew 19.5 per cent from Rs 32.1 trillion in March 2021 quarter to Rs 38.4 trillion during the March 2022 quarter. Strong inflows into equity and hybrid schemes coupled with sustained inflows through systematic investment plan (SIP) contributed to the growth in assets. SBI MF continued its dominant position with AAUM of Rs 6.47 trillion compared to Rs 5 trillion in Jan-March 2021, a growth of 28.27 per cent.

https://www.business-standard.com/article/markets/domestic-mf-industry-s-average-aum-grew-19-to-rs-38-37-trn-in-fy22-122040501003_1.html

Industry

Passenger vehicle retail sales dip 5% in March to 2,71,358 units: FADA

Domestic passenger vehicle retail sales in March declined by 4.87 per cent to 2,71,358 units, as compared to the same month last year, automobile dealers' body FADA said on Tuesday. According to the Federation of Automobile Dealers Associations (FADA), PV sales stood at 2,85,240 units in March 2021. "Passenger vehicles continue to see high demand and long waiting periods as semiconductor availability still remains a challenge, even though supplies slightly improved from previous month," FADA President Vinkesh Gulati noted. The Russia-Ukraine war and China lockdown will further dent supplies and will hit vehicle deliveries, he added.

<https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-retail-sales-dip-5-in-march-to-271358-units-fada/articleshow/90659682.cms>

Automotive sales in India to be the strongest in Asia-Pacific in 2022: Moody's

Among the Asia-Pacific countries, India is set to see the strongest growth in automotive sales in 2022, Moody's Investor Service wrote in a note on Tuesday. India, which is the fourth largest automotive market in the world, is set to see a growth of 10% in 2022 on strong underlying demand reflecting the general economic recovery and consumers' preference for personal vehicles over public transportation, the report said. India had seen a 27% growth in 2021. The research firm has, however, lowered the global vehicle sales forecast on supply chain problems & the

invasion of Ukraine. The reduced forecast for global light vehicle sales is mainly the result of Russia's invasion of Ukraine, it said. Moody's has revised its forecast for Asia-Pacific from a 4.7% growth seen earlier to 3.4% now, reflecting further temporary Covid-related lockdowns that could constrain supply chains and production in the region.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/automotive-sales-in-india-to-be-the-strongest-in-asia-pacific-moodys/articleshow/90657688.cms>

Surge in raw material cost pushes steel prices to new high in April

The surge in raw material prices prompted major steel companies to increase prices in April after two successive months of hikes. The country's largest steel producer, JSW Steel, and ArcelorMittal Nippon Steel India (AM/NS India) and Jindal Steel & Power (JSPL), among the top private sector steelmakers, have increased prices of hot rolled coil (HRC) – a benchmark for flat steel – by Rs 4,000-5,000 a tonne. JSW Steel and JSPL which are into long products have increased rebar prices by Rs 2,250-3,000 a tonne, respectively. Data from SteelMint shows that the price of HRC after the increase stands at Rs 79,000-79,500 a tonne for JSW Steel and AM/NS India ex-Mumbai. Revised JSW rebar prices are at Rs 73,000-73,500 a tonne ex-Mumbai and JSPL rebar at Rs 76,000-76,500 a tonne ex-Delhi. According to a SteelMint analyst, list prices have surpassed previous highs.

https://www.business-standard.com/article/companies/surge-in-raw-material-cost-pushes-steel-prices-to-new-high-in-april-122040501114_1.html

Cement makers eye price rise in April as demand improves, input costs bite

Cement-makers in India could look at a price hike of ₹15–50 per bag April onwards on the back of sharp input cost rise and improving demand. Volume recovery in March saw an around 25 per cent month-on-month growth (versus usual 15 per cent) and around 9 per cent y-o-y growth for FY22, despite high base and higher prices. The average pan-India prices went up between 2 and 5 per cent month-on-month and 6–10 per cent y-o-y, say sources. Demand recovery in March and low base of Q1 FY22 may result in strong 10-15 per cent y-o-y growth during Q1 FY23E which augurs well for absorption of price hikes, ICICI Securities said in a recent report.

<https://www.thehindubusinessline.com/companies/cement-makers-eye-price-rise-in-april-as-demand-improves-input-costs-bite/article65292628.ece>

Textile, yarn firms demand duty-free cotton imports on dwindling supplies

With cotton textile and yarn makers bracing for a shortfall in the supply of raw materials in the months to come, the firms have once again called upon the government to immediately allow duty free import of raw cotton. Trade sources while discounting the possibility of any big ticket hoarding by traders and multinational companies, said that on March 31, 2022, around 3 million bales is left as stocks in the pipeline as against a normal of 5-6 million bales (1 bale=170 kilograms).

https://www.business-standard.com/article/economy-policy/textile-yarn-firms-demand-duty-free-cotton-imports-on-dwindling-supplies-122040501095_1.html

SEA asks edible oil makers to refrain from raising prices

Amid a sharp rise in prices of edible oils, industry body SEA on Tuesday requested its members to refrain from increasing the maximum retail price (MRP) to avoid inconvenience and provide relief to consumers. Solvent Extractors Association of India (SEA) President Atul Chaturvedi said in a letter to its members that the country is grappling with very high prices of edible oils and the situation has got further aggravated due to the ongoing Russia-Ukraine standoff. "High edible oil inflation, even though it is largely an imported phenomenon, has unnerved policymakers. However, officials feel the high prices may be contributed by hoarding of edible oils and oilseeds by traders, which we feel may not be the case," he said.

https://www.business-standard.com/article/economy-policy/sea-asks-edible-oil-makers-to-refrain-from-raising-prices-122040500879_1.html

Infrastructure

India among the cheapest flexible office locations in world: Report

Indian metro cities are among the cheapest to operate flexible office, with New York being the world's most expensive flexible office location, according to a joint report by flexible office specialist, Workthere and international property consultant Savills. New York, San Francisco, Singapore, London and Berlin are among the world's most expensive office locations, with per seats rental ranging from Rs 60,000 to Rs 72,000. In India, Mumbai ranks as the most expensive flexible office location with Rs 20,420 rental followed by NCR with average rental of Rs 14,759.

https://economictimes.indiatimes.com/industry/services/property/-/cstruction/india-among-the-cheapest-flexible-office-location-in-the-world-report/articleshow/90660004.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Housing prices witness an uptick across key property markets in January-March

Prices of residential real estate have started inching upward across the country as improving demand has supported the optimism among developers to increase rates. The combination of revival in demand and rising cost pressure has resulted in housing prices moving higher as developers attempt to protect their margins. Without exceptions, all the top eight markets witnessed a rise in the average capital values of residential properties as demand continued to strengthen. All cities posted up to 7% year-on-year growth in per sq ft prices during the quarter ended March. Prices grew the most in Bengaluru at 7% on-year followed by Pune and Mumbai at 5% and 4% on-year, respectively. The lowest price rise of 1% was witnessed in Hyderabad and Chennai, showed data from Knight Frank India.

https://economictimes.indiatimes.com/industry/services/property/-/cstruction/housing-prices-witness-an-uptick-across-key-property-markets-in-january-march/articleshow/90653304.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Telecom

Telecom industry seeks incentives from the government for “Made in India” gears

The telecom industry is seeking incentives in order to deploy indigenous equipment in their networks. Amongst the top three operators, there is a consensus that telcos should be given the flexibility to be able to purchase equipment from global vendors such as Nokia, Ericsson, etc. Meanwhile, in order to nurture an indigenous ecosystem in the long term, telcos believe that the government may consider an incentive-based approach. However, making procurement of indigenous networking and telecom equipment mandatory is discouraged by telecom operators.

<https://www.thehindubusinessline.com/info-tech/telecom-industry-seeks-incentives-from-the-government-for-made-in-india-gears/article65293144.ece>

Energy

Centre extends timeline for loan disbursement for ethanol projects till September

The government on Tuesday extended the timeline for disbursement of loan for ethanol projects under different schemes till September 30 this year, as part of its efforts to boost domestic production and achieve ethanol blending of 20 per cent by 2025. In an official statement, the government said it has decided to extend the timeline for disbursement of loans till September 30, 2022 in respect of all the schemes notified during 2018-2021. The move is aimed at facilitating entities to complete their projects and avail benefits of interest subvention. The Centre has notified different interest subvention schemes for sugar mills and distilleries during 2018-2021, with a view to increasing production of ethanol and its supply under Ethanol Blended with Petrol (EBP) Programme, especially in the surplus season. This will also improve the liquidity position of the sugar mills enabling them to clear cane price arrears of farmers.

<https://economictimes.indiatimes.com/news/economy/policy/centre-extends-timeline-for-loan-disbursement-for-ethanol-projects-till-september/articleshow/90668648.cms>

Fresh coal crisis looms in India as top miner adds new curbs

A coal supply crisis is brewing in India for a second year. Coal India Ltd. is restricting deliveries to industrial consumers to prioritize power plants, with fuel stockpiles already below target levels and the country heading into a traditional

summer demand peak. The state-owned miner limited daily supplies to non-power sector users to 275,000 tons, according to an internal letter seen by Bloomberg. That's about 17% lower than recent average daily volumes.

<https://economictimes.indiatimes.com/industry/energy/power/fresh-coal-crisis-looms-in-india-as-top-miner-adds-new-curbs/articleshow/90661653.cms>

Costlier natural gas to push up CNG, PNG prices

The recent doubling of the domestic natural gas price will make CNG dearer by `16 per kg and piped kitchen gas by `10 per standard cubic meter (SCM), adding to the sharp increases witnessed in the past six months. The local natural gas price increased 110% to \$6.1 per mmBtu from April 1. Since then, city gas companies have taken some hikes but more could be in the offing. In Delhi, Indraprastha Gas (IGL) has increased rates of CNG by `4 and that of PNG, used in cooking, by Rs 5 per unit. Rates could rise further by Rs 12 for CNG and Rs 5 per unit for PNG in Delhi, according to industry executives. The increases could be similar in other parts of the country, with the quantum being slightly more in areas with higher local taxes.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/costlier-natural-gas-to-push-up-cng-png-prices/articleshow/90672165.cms>

Gas price hike supports upstream profitability: Fitch

The more than doubling of natural gas prices and rise in oil prices will boost the profitability of oil and gas producers like ONGC and Reliance Industries Ltd, Fitch Ratings said on Tuesday. From April 1, the government has raised the price of gas for old fields of state-owned Oil and Natural Gas Corporation (ONGC) and Oil India Ltd (OIL) to USD 6.1 per million British thermal unit for April-September 2022 from USD 2.9. The rate for difficult fields of deepsea KG-D6 of Reliance has gone up to USD 9.9 per mmBtu from USD 6.1. The "increase in natural gas prices by the Indian government, along with a recent revision in our Brent crude oil price assumptions to USD 100 per barrel in 2022, from USD 70 earlier, and USD 80 in 2023, from USD 60 previously, will boost the profitability of rated Indian upstream companies and support their investment spending and shareholder distributions," Fitch said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/gas-price-hike-supports-upstream-profitability-fitch/articleshow/90667716.cms>

India needs \$17.77 trillion to meet long term net-zero goals: Report

The country will need USD 17.77 trillion to meet its long term net-zero goals but it will have to find additional resources worth USD 12.4 trillion to complete the green journey, according to a study. If this funding gap is met from external sources then household spending will rise by USD 7.9 trillion, it added. According to a study by British lender Standard Chartered Bank, emerging markets, as a whole, will need an additional USD 94.8 trillion, an amount higher than their annual global GDP, if they are to meet climate goals without hitting their citizens' cost of living.

<https://economictimes.indiatimes.com/industry/renewables/india-needs-17-77-trillion-to-meet-long-term-net-zero-goals-report/articleshow/90670600.cms>

States

Goa to recommend status quo on GST rate rationalisation, says Minister

Goa will recommend a status quo on GST rate rationalisation, in view of the ongoing fluctuation in petrol and diesel prices, the state's representative on the Goods and Services Tax (GST) Council and cabinet minister Mauvin Godinho said on Tuesday. Godinho, who is also a member of the Council's revenue analysis committee, said that GST collection over the next "three to four years" could reach Rs 1.50 lakh crore, claiming that the country's economy had bounced back following the bleak Covid pandemic phase. "We have decided to submit the report. When the Karnataka Chief Minister (Basavaraj Bommai) was here for the swearing-in, we had met and said that we would submit the report as soon as possible," Godinho told reporters here.

https://www.business-standard.com/article/current-affairs/goa-to-recommend-status-quo-on-gst-rate-rationalisation-says-minister-122040500850_1.html

Healthcare

Covid-19 can have long-term impacts on the brain, shows study

Researchers have found that subjects infected with the SARS-CoV-2 virus displayed signs of severe brain inflammation and injury consistent with a reduction in blood or oxygen flow into the brain, neuron damage and small areas of bleeding. Researchers at Tulane University have explained how COVID-19 affects the central nervous system of human beings. The findings are the first comprehensive assessment of neuropathology associated with SARS-CoV-2 infection in a nonhuman primate model. The findings of the research were published in the journal, 'Nature Communications'. Surprisingly, these findings were present in subjects that did not experience severe respiratory disease from the virus.

https://www.business-standard.com/article/current-affairs/covid-19-can-have-long-term-impacts-on-the-brain-shows-study-122040500305_1.html

External

Local currency trading with Sri Lanka not feasible, says govt official

India does not find local currency trading feasible with Sri Lanka under the current circumstances. This is because there's no demand for Indian goods at present, except for essential items that India is supplying under humanitarian grounds. "It is not feasible at present. Sri Lanka does not have much to offer in terms of exports to India. We will continue to focus on supporting Sri Lanka," a government official, privy to the discussions, said. Ajay Sahai, director general and chief executive officer, Federation of Indian Export Organisations (FIEO), said a proposal for local currency trading was deliberated by the government. "In fact, we proposed trading in local currency. We said that since the balance of trade is in India's favour, we will have a situation where money is lying in our account. Since a lot of companies are looking at investment opportunities in Sri Lanka also, that money can be used by them for investment there.

https://www.business-standard.com/article/economy-policy/not-feasible-says-govt-official-on-local-currency-trading-with-sri-lanka-122040500057_1.html

Rice exporters face twin challenges after record 17-mt shipment

Exporters of Indian non-basmati rice, after shipping close to 17 million tonnes in 2021-22, are facing the twin challenges of higher freight cost and the return of Thailand, a major supplier, to the international market in the current financial year. This may lead to a decline of 10-15 per cent in shipments, exporters said. As per the latest official data available till end-February for the financial year 2021-22, non-basmati shipments grew by around 40 per cent to 15.61 million tonnes, from 11.17 million tonnes a year ago. In dollar terms, non-basmati rice shipments were up 35.2 per cent at \$5.551 billion in April-February 2021-22 against \$4.105 billion a year ago.

<https://www.thehindubusinessline.com/economy/agri-business/rice-exporters-face-twin-challenges-after-record-17-mt-shipment/article65292271.ece>