



April 18, 2022 – Monday

## Economy

### **GST Council may do away with 5% rate; move items to 3% & 8% slabs**

With most states on board to raise revenue so that they do not have to depend on Centre for compensation, the GST Council at its meeting next month is likely to consider a proposal to do away with the 5 per cent slab by moving some goods of mass consumption to 3 per cent and the remaining to 8 per cent categories, sources said. Currently, GST is a four-tier structure of 5, 12, 18 and 28 per cent. Besides, gold and gold jewellery attract 3 per cent tax. In addition, there is an exempt list of items like unbranded and unpacked food items which do not attract the levy.

<https://www.financialexpress.com/economy/gst-council-may-do-away-with-5-rate-move-items-to-3-8-slabs/2494054/>

### **Normal monsoon, higher crops prices may help agri GVA to grow 4% in FY23: Niti Aayog Member**

India can expect another good year of agriculture growth of at least 3 per cent this fiscal, if the monsoon becomes normal as predicted by the weather bureau and due to high prices of commodities. “Normal monsoon is definitely good news for agriculture. However, there are three aspects — quantity of rainfall, geographical distribution and timing. As of now, the quantity aspect is predicted to be normal. So, we can expect normal agriculture growth too,” Niti Aayog Member Ramesh Chand told BusinessLine.

<https://www.thehindubusinessline.com/economy/agri-business/normal-monsoon-higher-crops-prices-may-help-agri-gva-to-grow-4-in-fy23-niti-aayog-member/article65328922.ece>

### **Panel backs raising monthly EPFO wage ceiling to ₹21,000**

A high-level committee has backed a proposed increase in wage ceiling under the Employees' Provident Fund Organisation (EPFO) to ₹21,000 a month from the current ₹15,000. The committee has, however, said the government can implement the increase from a later date considering all inputs. The proposal, once implemented, will bring an estimated 7.5 million additional workers within the fold of the scheme, and also adjust for the increase in wages as the last revision was done in 2014.

<https://economictimes.indiatimes.com/news/economy/policy/panel-backs-raising-monthly-epfo-wage-ceiling-to-21000/articleshow/90899465.cms>

### **Extreme poverty in India down by 12.3 percentage points: World Bank paper**

Extreme poverty in India has declined by over 12 percentage points during 2011-2019, a World Bank working paper has said. This is the second working paper after a recent International Monetary Fund paper that talked about poverty reduction. However, while the former dealt with the period before Covid, the latter focuses on the period during the pandemic. The World Bank paper says that extreme poverty was as low as 0.8 per cent in the pre-pandemic year of 2019, and food transfers were instrumental in ensuring that it remained at that level in the pandemic year of 2020. Extreme poverty is measured as the number of people living on less than \$1.90 per day (₹144.40 at ₹76 a dollar). “Our preferred estimates suggest that the poverty head-count rate is 10.2 per cent in 2019, down from 22.5 per cent in 2011,” says the paper titled ‘Poverty in India Has Declined over the Last Decade But Not As Much As Previously Thought’. It has been authored by Sutirtha Sinha Roy and Roy van der Weide.

<https://www.thehindubusinessline.com/economy/extreme-poverty-in-india-down-by-123-world-bank-paper/article65328910.ece>

## Banking and Finance

### Govt amends FEMA rules to allow 20 pc FDI in LIC

The government has amended rules of the Foreign Exchange Management Act (FEMA), paving the way for up to 20 per cent foreign direct investment in the insurance behemoth LIC. The government is planning to dilute its stake in LIC through the the Initial Public Offering (IPO). LIC in February had filed the Draft Red Herring Prospectus (DRHP) before the markets regulator Sebi for the IPO.

<https://www.financialexpress.com/market/ipo-news/govt-amends-fema-rules-to-allow-20-pc-fdi-in-lic/2494071/>

### Banks to move towards expected loss-based rating for infra projects

Banks are weighing the possibility of embracing the 'expected loss' concept for rating infrastructure projects in the backdrop of the big infrastructure push being given by the government. The 'expected loss' (EL) concept-based ratings take into account both timely debt servicing/repayment (probability of default/PD) and recovery potential of an infrastructure project after a default occurs (loss given default/LGD). Since EL based ratings are holistic, the capital burden on banks vis-à-vis their exposure to infrastructure projects and funding costs for project developers could come down, according to experts. The Indian banking system currently follows traditional PD based guidelines whereby credit rating agencies downgrade the debt of a company or infrastructure project to the default category even if there is "a single day, single rupee delay" in payments of principal/interest. This requires banks to make credit loss provisioning.

<https://www.thehindubusinessline.com/money-and-banking/banks-to-move-towards-expected-loss-based-rating-for-infra-projects/article65329638.ece>

### UPI to stay on top; BNPL, digi currency to drive digital payments growth in next 5 years: Report

Retail online transaction platform UPI will likely continue to dominate the digital payments space in the country even as newer methods such as BNPL and digital currency are expected to define the future of payments, a study has said. Unified Payments Interface (UPI), Buy Now Pay Later (BNPL), Central Bank Digital Currency (CBDC) and offline payments will drive growth of digital payments in India in the next five years, PwC India said in a report.

<https://www.financialexpress.com/industry/banking-finance/upi-to-stay-on-top-bnpl-digi-currency-to-drive-digital-payments-growth-in-next-5-years-report/2494127/>

### Mutual funds add over 3 cr folios in FY22 on sharp rally in equity market, digitisation

Increasing awareness about mutual funds, ease of transactions through digitisation and sharp surge in equity markets have aided asset management companies to add a staggering 3.17 crore investor accounts in 2021-22, with experts saying the trend is likely to continue this fiscal as well. This was a significant rise from 2020-21 when 81 lakh accounts (or folios in mutual fund parlance) were opened, data with the Association of Mutual Funds in India (Amfi) showed.

<https://www.financialexpress.com/money/mutual-funds/mutual-funds-add-over-3-cr-folios-in-fy22-on-sharp-rally-in-equity-market-digitisation/2494082/>

## Industry

### Parl panel: Link Udyam portal with CIBIL, other databases; need UPI-like platform, credit card for MSMEs

The Parliamentary standing committee on finance has suggested developing the Udyam portal into a one-stop central data repository for the MSME sector by linking it with other databases such as CIBIL data, utility bills data etc. The portal is currently already linked with the Government e-Marketplace (GeM), Income Tax, GST and Trade Receivables Discounting System (TReDS) portals. However, "the committee still feel that whatever data is there with regard to MSME sector, they exist in a fragmented manner and there is no real integration across multiple datasets...Such a database could then be accessed by lenders, after getting the MSME borrower's consent, to extend timely credit to them," said a report tabled by the committee in Lok Sabha on strengthening credit flow to the MSME sector.

<https://www.financialexpress.com/industry/sme/msme-eodb-parl-panel-link-udyam-portal-with-cibil-other-databases-need-upi-like-platform-credit-card-for-msmes/2494143/>

#### **Over 30,000 small, medium brands in retail catering to 80% of India's population: CAIT**

Over 30,000 regional-level small and medium enterprise (SME) brands in the country are catering to India's retail trade in comparison to around 3,000 corporate brands present particularly in the fast-moving consumer goods (FMCG), consumer durables, cosmetics, and other segments, traders' body Confederation of All India Traders (CAIT) said on Sunday. While corporate brands meet the demand of almost 20 per cent of India's population, the rest 80 per cent is catered by small and medium-sized brands selling products in loose quantity, CAIT said based on a recent survey by its research arm CAIT Research & Trade Development Society (CRTDS).

<https://www.financialexpress.com/industry/sme/msme-eodb-over-30000-small-medium-brands-in-retail-catering-to-80-of-indias-population-cait/2494199/>

#### **India Inc rejigs supply chain models as Ukraine invasion, Chinese lockdowns disrupt working**

India Inc is rewiring organisational risk models in the wake of inflationary pressures provoked by Russia's invasion of Ukraine and sweeping lockdowns in China that have hit supply chains and transformed the business landscape, industry leaders said. Companies have been forced to look to Indonesia, Thailand, Bangladesh and Vietnam as sourcing alternatives to China. Building stronger supply chains has become crucial, said Sanjiv Mehta, president of the Federation of Indian Chambers of Commerce & Industry (Ficci). "There is this huge disruption in the global supply chain that has impacted many businesses, especially automobiles," said Mehta, who is also the chairman of Hindustan Unilever, the country's biggest consumer goods company.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-inc-rejigs-supply-chain-models-as-ukraine-invasion-chinese-lockdowns-disrupt-working/articleshow/90901463.cms>

#### **Many FMCG companies take recent online launches offline**

Several top consumer goods makers, including Hindustan Unilever, Dabur and Emami, are taking their direct-to-consumer (D2C) brands launched online in the last two years during the pandemic into brick-and-mortar stores after their brands built reasonable heft, and sales from supermarkets recovered. With ecommerce doubling its contribution over the past two years, several mainstream companies either launched online-only brands or acquired stakes in existing D2C companies. This helped them compete with nearly 600 online-only brands, especially in the premium segment, as well as learn from their nimbler rivals in the digital space. "We will take the equity of Dabur by bringing digital exclusive brands to brick-and-mortar stores. The idea is to connect with younger consumers and then shift them back to traditional trade to build a larger business," Dabur India chief executive officer Mohit Malhotra told ICICI Securities analysts, adding that consumers are more experimental in ecommerce versus traditional trade.

[https://economictimes.indiatimes.com/industry/cons-products/fmcg/many-fmcg-companies-take-recent-online-launches-offline/articleshow/90899209.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/industry/cons-products/fmcg/many-fmcg-companies-take-recent-online-launches-offline/articleshow/90899209.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

#### **Consumer goods cos accelerate workforce formalisation to reduce costs, step up productivity**

Large consumer goods companies in India have started accelerating formalisation of their workforce with staffing solutions, to eliminate unnecessary costs, reduce attrition and increase productivity, said TeamLease Services VP & business head, consumer & healthcare, Balasubramanian A. "Over 90% of the Indian workforce is informally employed, without any social security benefit. To aid in workforce formalisation, companies are following the GAPS or ghost employee elimination, attrition reduction, productivity enhancement with tech and statutory compliances model," he said.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/consumer-goods-cos-accelerate-workforce-formalisation-to-reduce-costs-step-up-productivity/articleshow/90890892.cms>

### **Agriculture**

#### **Draft tea bill proposes to remove licenses, archaic provisions**

The draft tea bill intends to remove archaic or redundant provisions, do away with licences, promote ease of doing business and boost exports from the sector, an official said. The commerce ministry has proposed to repeal the 68-year old Tea Act, 1953 and introduce a new legislation Tea (Promotion and Development) Bill, 2022. "The purpose of the new bill is to remove the archaic/redundant provisions which have lost their relevance and make it industry friendly, doing away with licences and act as a facilitator," the official said. It would also suit the need of the industry and the economic scenario currently prevalent in the country.

<https://economictimes.indiatimes.com/news/economy/agriculture/draft-tea-bill-proposes-to-remove-licences-archaic-provisions/articleshow/90890272.cms>

#### **Sugar industry upbeat on next season with normal monsoon forecast**

With Skymet and India Meteorological Department (IMD) predicting a normal monsoon in 2022, the sugar industry is hopeful of another bumper harvest next season (October-September), at least at par with the current year. However, the sugarcane sowing in the next two months will be crucial to estimating any crop outlook. "Though it is difficult to say anything at this stage, but the prediction of a normal monsoon means there is no reason India should not be producing same level of sugar output next season as well," said Ravi Gupta, chairman of export and ethanol committee of All India Sugar Trade Association (AISTA). India's sugar production is estimated to be about 34.5 million tonnes (mt) in 2021-22 season, he said.

<https://www.thehindubusinessline.com/economy/agri-business/normal-monsoon-to-help-india-maintain-sugar-production-next-season/article65323746.ece>

#### **Telangana plans to increase area under cotton by over 55 per cent**

The Telangana government is targeting to increase the area under cotton by 55–65 per cent to about 28–30 lakh hectares (lh) from last year's 18 lakh hectares even as the cottonseed industry pegged the growth in cotton acreage at 15 per cent in the upcoming kharif season, starting July. Farmers, enthused by attractive prices and demand for the fibre crop this season, are expected to go in for higher coverage. From the start of the cotton season in October 2021, the natural fibre's prices have been ruling well above its minimum support price of ₹5,726 for medium staple cotton. Prices over the last few weeks have been ruling near ₹12,000 a quintal in most agricultural markets across the country.

<https://www.thehindubusinessline.com/economy/agri-business/telangana-plans-to-increase-area-under-cotton-by-over-55-per-cent/article65329192.ece>

### **Infrastructure**

#### **New govt measures spur Sagarmala implementation**

It's been seven years since the ambitious Sagarmala programme — pet project of the Narendra Modi government in the maritime sector — was launched. It's been slow and steady progress so far. Out of the 802 projects worth ₹5.48 lakh crore — to be executed by 2035 — a total of 202 worth over ₹1 lakh crore have been completed. Project overrun and lack of financial support have affected the pace, not to mention the pandemic. However, a slew of measures, including financial support to projects and operationalisation of Major Port Authorities Act 2021, is likely to speed up the pace of implementation in coming years.

<https://www.thehindubusinessline.com/economy/logistics/new-govt-measures-spur-sagarmala-implementation/article65323738.ece>

### **Telecom**

#### **Telcos, satcom cos must coexist in mmWave band for optimum resource use, says Trai**

The telecom regulator believes that its suggestion of coexistence between terrestrial network operators and satellite service providers in the millimetre wave (mmWave) band of 27.5- 28.5 GHz is essential for the "optimum use of airwaves". Satcom players oppose the regulator's stand. "Both International Mobile Telecommunications (IMT) and satellite bands can co-exist. It (co-existence) has to happen for the efficient use of spectrum," said a senior Trai official, who did not wish to be named. In a first for India, the watchdog has recommended the mmWave band - 24.25 GHz to 28.5 GHz - be put to auction. It has recommended a base price of ₹7 crore a unit. Trai has added that

the frequency range 27.5-28.5 GHz be used for both 5G and satellite communications services on a "coexistence basis". "The Satellite Earth Station Gateway (for satcom) should be permitted to be established in frequency range 27.5-28.5 GHz at uninhabited or remote locations on a case-to-case basis, where there is less likelihood of 5G IMT services to come up," Trai said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-satcom-cos-must-coexist-in-mmwave-band-for-optimum-resource-use-says-traï/articleshow/90899086.cms>

## Energy

### Oil Min freezes gas allocation, prices of CNG, PNG spike

The Oil Ministry has stopped making fresh allocation of natural gas from domestic fields to the city gas sector, threatening the viability of Rs 2 lakh crore investment planned in the sector besides leading to a hike in CNG and piped cooking gas prices to record levels, sources said. Despite a decision of the Union Cabinet to give 100 per cent gas supply under 'no cut' priority to the city gas distribution (CGD) sector, current supplies have been maintained at March 2021 demand level.

<https://www.financialexpress.com/industry/oil-min-freezes-gas-allocation-prices-of-cng-png-spike/2494213/>

### Coal India all set to launch own e-auction platform

Coal India Ltd is set to launch its own e-auction platform, and the mining major has informed new and existing bidders to register on the portal, a top company official said. At present, the e-auction portal is managed by mjunction and state-owned MSTC Ltd.

<https://www.financialexpress.com/industry/coal-india-all-set-to-launch-own-e-auction-platform/2494357/>

### Private sector can lease 3,200 hectares of de-coaled land

Private sector will now be eligible to take mined out or de-coaled land on lease from Coal India to develop coal and energy-related infrastructure. Over 3,200 hectares of such lands are available as on date. These are lands acquired under Coal Bearing Areas (Acquisition & Development) Act, 1957, popularly known as CBA Act for coal mining activities by Coal India and its subsidiaries. However, these are either mined out or are practically unsuitable for coal mining, prone to unauthorised encroachment, and entail avoidable expenditure on security and maintenance. "Central and State PSU were earlier permitted, now private sector too can take the land on lease," a senior government official told BusinessLine. Further, he made it clear that this is not a real estate decision that aims to free huge areas of land. Explaining the possible uses, he said that there are power plants next to a coal mine. "If a private power plant wanted to set up a conveyer belt to bring down the transportation cost of coal, it was not allowed to lay a conveyer belt there as it was a private entity, but now it will be possible," he said.

<https://www.thehindubusinessline.com/companies/private-firms-can-now-lease-over-3200-hectares-of-non-minable-coal-land/article65328909.ece>

### In a first, India plans standalone renewable battery power bank

India is setting up a first-of-its-kind standalone renewable battery power bank envisaging an investment of Rs 2,000 crore to make green energy available on tap for discoms and grid operators during peak demand, but spike in prices of lithium — a key ingredient for making batteries — and supply chain disruptions due to the Russia-Ukraine conflict may weigh on industry response. According to the tender floated by SECI (formerly Solar Energy Corporation of India Ltd), the government entity implementing India's solar and wind energy plans, earlier this week, the project will have storage capacity to supply 500MW for two hours, or 1,000MWh (mega watt hour), the renewable energy ministry said in a statement on Saturday.

<https://economictimes.indiatimes.com/industry/renewables/in-a-first-india-plans-standalone-renewable-battery-power-bank/articleshow/90893132.cms>

## States

### Cost of 16 major central government projects in Tamil Nadu goes up by 54%

There has been a 54 per cent increase in cumulative cost of 16 major Central government projects in Tamil Nadu due to cost over run for reasons like financial and administrative factors. This was disclosed by Rao Inderejit Singh,

Union Minister of State (Independent Charge) of the Ministry of Statistics, while replying to a question raised by Arni MP MK Vishnu Prasad in the Lok Sabha recently. The original cumulative cost of the 16 projects was ₹40,068 crore but the delays increased it to ₹61,577 crore. Of the 16 projects, four are railways and three national highways.

<https://www.thehindubusinessline.com/news/cost-of-16-major-central-government-projects-in-tamil-nadu-goes-up-by-54/article65329066.ece>

## Healthcare

### Over 3 lakh teleconsultations done in a day at Ayushman Bharat-Health and Wellness Centres

More than three lakh teleconsultations were done in a day at Ayushman Bharat-Health and Wellness Centres (AB-HWCs) on Saturday, the Union health ministry said. This is the highest number of teleconsultations ever done at AB-HWCs in a single day, surpassing its earlier record of 1.8 lakh teleconsultations, it said. This was achieved on the day when the centres were celebrating their fourth anniversary under the chairmanship of Union Health Minister Mansukh Mandaviya, the ministry said. The teleconsultations are carried out by AB-HWCs on the e-Sanjeevani platform.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/over-3-lakh-teleconsultations-done-in-a-day-at-ayushman-bharat-health-and-wellness-centres/articleshow/90897579.cms>

## External

### Amid Sri Lankan economic crisis, apparel orders from island nation diverting to India

Countries importing textile products from Sri Lanka have now started moving towards Indian exporters as Sri Lanka continues to reel under its worst economic crisis, said the Ministry of Textile official. Speaking to ANI, UP Singh, Secretary, Ministry of Textile said, "Some countries who were earlier importing from Sri Lanka, have started contacting India, as Sri Lanka is under its worst economic crises. Some orders have already been given to companies in the Tirupur district of Tamil Nadu. Tirupur is the hub of the textile industry in Tamil Nadu." Singh said that last year's textile sector export was around USD 43 billion and this year the target has been set for 100 billion. He said India currently produces more than 340 lakh bales of cotton, but consumption is going to be more than production due to the order diversion from Sri Lanka due to the crisis.

<https://economictimes.indiatimes.com/small-biz/trade/exports/insights/amid-sri-lankan-economic-crisis-apparel-orders-from-island-nation-diverting-to-india/articleshow/90889558.cms>

### India, Iran likely to begin exploratory talks to resume trade in crude oil, fertilisers

India and Iran may soon begin exploratory talks on resumption of bilateral trade in items such as crude oil and fertilisers that have faced US sanctions since 2019 as Iran and the US are trying to expedite talks on reviving the Iranian nuclear deal of 2015, a source has said. A high-level team from Iran, comprising senior government officials and representatives of public sector companies, is scheduled to visit New Delhi soon for talks with officials led by Ministry of External Affairs. "There is a hope that Iran sanctions will be lifted as progress has been reported in talks between the US and Iran in Vienna on reviving the nuclear agreement. So, we have to position ourselves for that. An Iranian team of senior officials will visit India soon to discuss how to go about resuming trade in items such as oil and fertilisers," the source tracking developments in the area told BusinessLine.

<https://www.thehindubusinessline.com/economy/india-iran-likely-to-begin-exploratory-talks-to-resume-trade-in-crude-oil-fertilisers/article65329586.ece>