



April 19, 2022 – Tuesday

Economy

WPI inflation soars to 14.55% in March, 4-month high, hurt by high oil prices amid Russia Ukraine war

Wholesale price inflation in the country jumped to 14.55% in March, a four-month high, primarily due to rising crude oil and commodity prices owing to disruption in global supply chain caused by Russia-Ukraine conflict, per the government data released on Monday. The latest Wholesale Price Index (WPI) inflation figure is a tad below the wholesale inflation in November, which was at 14.87%. WPI inflation has now remained in double digits for 12 months in a row.

<https://www.financialexpress.com/economy/wpi-inflation-soars-to-14-55-in-march-4-month-high-hurt-by-high-oil-prices-amid-russia-ukraine-war/2494764/>

Over 167,000 companies incorporated last year: MCA

More than 1.67 lakh companies were incorporated in the country in the last financial year compared to 1.55 lakh new companies registered in the year-ago period, according to the Ministry of Corporate Affairs (MCA). In a statement on Monday, the ministry said the increase is significant considering that number of companies incorporated during the financial year 2020-21 was the highest in any of the previous years.

https://www.business-standard.com/article/companies/over-167-000-companies-incorporated-last-year-mca-122041801043_1.html

Ministers tasked to look into rate rationalisation likely to meet early next month

A group of ministers tasked by the Goods and Services Tax Council to look into rate rationalisation is likely to meet early next month. The seven member GoM is led by Karnataka chief minister Basavaraj S. Bommai and has finance ministers from West Bengal, Kerala Goa, Bihar, Uttar Pradesh and Rajasthan as members. The group is unlikely to take up a proposal to raise the lowest or threshold slab under GST to 8% from 5% now, government sources said.

The recommendations of the GoM would be placed before the GST Council, likely to meet in May second half, which will take the final call.

<https://economictimes.indiatimes.com/news/economy/policy/ministers-tasked-to-look-into-rate-rationalisation-likely-to-meet-early-next-month/articleshow/90917970.cms>

Indian economy not immune to negative externalities, says RBI report

Global geo-political tensions have impacted India, choking supplies and pushing up commodity prices. The spike in food and energy has stoked inflationary pressures, the monthly State of the Economy of the Reserve Bank of India said on Monday. "The fallout of the (Russia-Ukraine) war and retaliatory sanctions is already evident in inflation prints and balance of payments developments," the report said on the domestic impact of the Russia-Ukraine war.

https://www.business-standard.com/article/finance/indian-economy-not-immune-to-negative-externalities-says-rbi-report-122041800907_1.html

States giving away freebies is a matter of concern: SBI report

Indian states' offer of 'economically unsustainable' sops like farm loan waivers, and restoring old pension systems is a matter of concern, SBI Research wrote in a report dated April 18. "Telangana has committed 35% of revenue

receipts of the state to finance the several populist schemes. In terms of percentage of states' own tax revenue it is as whopping as 63%. Clearly, this is unsustainable and might be a potential recipe for fiscal disaster going forward," the report read. States including Rajasthan, Chhattisgarh, Andhra Pradesh, Bihar, Jharkhand, West Bengal and Kerala have committed to spend 5-19% of their revenue receipts on such schemes. In terms of percentage of state own tax revenue, this is as much as 53% for some of the states.

<https://economictimes.indiatimes.com/news/economy/policy/states-giving-away-freebies-is-a-matter-of-concern-sbi-report/articleshow/90909064.cms>

Banking and Finance

Proposal to exempt SPACs from 'shell company' tag

The corporate affairs ministry has proposed to exempt special purpose acquisition vehicles (SPACs) from the 'shell company' provisions. In its 'Company Law Committee Report 2022', the ministry proposed to give legal status to SPAC entities and exempt them from the requirement applicable to companies regarding business operations. Under Companies Act, every company needs to carry out business after incorporation, failing which the name of the company will be struck off. This rule is aimed at curbing the creation of shell companies which do not undertake any business but are used as a front for illegal activities. "The relaxation will enable companies to be set up as SPACs," said Moin Ladha, partner, Khaitan & Co. "This coupled exit opportunity for dissenting shareholders of a SPAC is a welcome step towards facilitating these transactions," he added.

<https://economictimes.indiatimes.com/news/economy/policy/proposal-to-exempt-spacs-from-shell-company-tag/articleshow/90921224.cms>

Use of blockchain for security and covenant monitoring becomes operational

The use of distributed ledger technology (DLT) or blockchain has become operational for security and covenant monitoring in the area of debenture issuance. Market regulator Sebi on Monday issued operational guidelines in this regard. "With effect from April 01, 2022, the recording of asset details (and their verification), allotment, listing and payment of interestor redemption shall be available in the DLT system," Sebi said in a press release.

https://www.business-standard.com/article/markets/use-of-blockchain-for-security-and-covenant-monitoring-becomes-operational-122041801023_1.html

Loan assets securitised by NBFCs jump 43 pc to Rs 1.25 lakh crore last fiscal: Report

Total value of loan assets securitised by non-banking financial companies, including housing finance firms, grew by around 43 per cent in the last fiscal year to Rs 1,25,000 crore, driven by quick economic recovery and lower base effect, a report said on Monday. The amount of loans securitised by NBFCs (Non-Banking Financial Companies) and HFCs (Housing Finance Companies) in FY21 stood at Rs 87,300 crore, Icra Ratings said in a report. The agency expects the securitisation volume to touch the pre-Covid level of Rs 2 lakh crore in fiscal 2023-24. "The growth (in securitisation volumes) in FY22 was on account of the lower base of FY21 and quick recovery in economic activities following the second pandemic wave in the first quarter and limited disruptions seen during the third wave," the agency said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/loan-assets-securitised-by-nbfc-jump-43-pc-to-rs-1-25-lakh-crore-last-fiscal-report/articleshow/90913566.cms>

New business premium income of insurance cos up 13% at Rs 3.14 trn in FY22

New business premium income of all the life insurance companies rose by nearly 13 per cent to Rs 3,14,263 crore in fiscal 2022, data from Irdai showed on Monday. Twenty four life insurance companies had a total premium income of Rs 2,78,277.98 crore from new business in the previous fiscal. Soon-to-be listed public sector insurance behemoth LIC registered about 8 per cent growth in its new business premium income at Rs 1,98,759.85 crore in 2021-22, against Rs 1,84,174.57 crore in the previous fiscal, as per the data shown by the Insurance Regulatory and Development Authority of India (Irdai).

https://www.business-standard.com/article/finance/new-business-premium-income-of-insurance-cos-up-13-at-rs-3-14-trn-in-fy22-122041801069_1.html

Not a single rupee spent under Central Sector Schemes in FY23 with new payment mechanism yet to go live

Central Ministries and Department are not able to spend under various Central Sector Schemes (CS) in the current fiscal till date as new mechanism for flow of funds is yet to be operationalised. Indications are that some relaxation may be made soon to tide over this bottleneck that is blocking all payments. Budget documents show there are total of 740 Central Sector schemes with total allocation of over ₹11.81-lakh crore. However, some of schemes will not be affected as they are in exempted category. "Each rupee spent has to go through either Treasury Single Account (TSA) or the new mechanism implemented through scheduled commercial banks. Since there is no model operationalised as on date, not a single rupee has been spent so far under Central Sector Schemes," a senior official told BusinessLine. Expenditure Department has directed all the Ministries and Departments to follow the new mechanism, titled 'Revised Procedure for flow of Funds under Central Sector Schemes', from April 1 which will supersede all previous instructions.

<https://www.thehindubusinessline.com/economy/not-a-single-rupee-spent-under-central-sector-schemes-in-fy23-as-new-mechanism-yet-to-operationalise/article65332467.ece>

Industry

India will consume semiconductors of \$80 bn to manufacture electronics worth \$300 bn: MoS IT

India will consume semiconductors of around USD 70-80 billion to manufacture electronics products worth USD 300 billion by 2026 as envisaged in the government's vision document, Minister of State for Electronics and IT Rajeev Chandrasekhar said on Monday. The minister said the government will achieve the target of establishing a semiconductor ecosystem in the country based on the interest it is getting from around the globe. India will consume semiconductors of around USD 70-80 billion to manufacture electronics products worth USD 300 billion by 2026 as envisaged in the government's vision document, Minister of State for Electronics and IT Rajeev Chandrasekhar said on Monday. The minister said the government will achieve the target of establishing a semiconductor ecosystem in the country based on the interest it is getting from around the globe.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/india-will-consume-semiconductors-of-80-bn-to-manufacture-electronics-worth-300-bn-mos-it/articleshow/90916672.cms>

Only 9% of India's semiconductor needs fulfilled locally in 2021: IESA

Only 9 per cent of India's semiconductor requirements were sourced locally last year, according to a report by the industry body Indian Electronic and Semiconductors Association (IESA). However, the government's 'Make in India' and product-linked incentive (PLI) policies for semiconductors are expected to be a game-changer for the space, driving local sourcing further and local procurement will grow by over 17 per cent by 2026. According to the report, some of the primary growth drivers include accelerated digitisation, dependence on complex electronic systems to process vast amounts of data, and the increasing use of technologies like artificial intelligence (AI).

https://www.business-standard.com/article/economy-policy/only-9-of-india-s-semiconductor-needs-fulfilled-locally-in-2021-iesa-122041800331_1.html

Govt eyes innovative products to raise credit flow to pharma companies

The government is eyeing innovative credit products such as funds against Intellectual property rights (IPR) as it looks to increase flow of credit to the pharmaceuticals sector. It has set up a working group to look into financing issues of the sector. Besides representation from the finance and chemicals and fertilizers ministries, the group will have officials from leading pharma firms and banks including the State Bank of India. "Sector specific issues of pharmaceuticals companies will be taken up by this group, including credit requirement, faster loan clearances and streamlining of procedures," said an official aware of the matter.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/govt-eyes-innovative-products-to-raise-credit-flow-to-pharma-companies/articleshow/90921264.cms>

Agriculture

Govt procures 6.92 mn tonnes wheat at MSP for nearly Rs 14,000 cr

The government has procured 69.24 lakh tonnes of wheat in the rabi marketing season so far at minimum support price (MSP) for nearly Rs 14,000 crore. "A quantity of 69.24 lakh tonnes of wheat has been procured up to April 17 benefitting 5.86 Lakh farmers with MSP value of Rs 13,951.41 crore," it added.

https://www.business-standard.com/article/economy-policy/govt-procures-6-92-mn-tonnes-wheat-so-far-at-msp-for-nearly-rs-14-000-cr-122041800868_1.html

India summer pulses sowing up 37.19% as on April 18, 2022

India's summer pulses sowing is up by 37.19% while summer oilseed is up 3.35% even as rice has been sown in 1.87 lakh ha less than last year, according to government of India's latest data release on Monday. For pulses "about 12.21 lakh ha area coverage has been reported compared to 8.90 lakh ha during the corresponding period of last year," the ministry of Agriculture and Farmers' Welfare said in a statement. The area has been reported mainly from the states of Odisha, Madhya Pradesh, Tamil Nadu, Uttar Pradesh, Gujarat, West Bengal, Bihar, Andhra Pradesh, Chhattisgarh, Maharashtra, Assam, Karnataka, Rajasthan, Jharkhand, Punjab, Uttarakhand and Jammu & Kashmir.

<https://economictimes.indiatimes.com/news/economy/agriculture/india-summer-pulses-sowing-up-37-19-as-on-april-18-2022/articleshow/90912370.cms>

House panel enquires into increase in fertiliser prices, Centre blames global reasons

The Chemicas and Fertilizers Standing Committee, headed by DMK MP Kanimozhi, has started examining the reasons for the increase in fertilisers prices. In its first meeting on the 'Availability and Price volatility of fertilisers in the context of present international situation', the panel held a discussion with the representatives of Department of Fertilizers here on Monday. Sources in the panel told BusinessLine that the department officials told them that the Centre is aware of the situation and has increased the subsidy on fertilisers by 25 per cent compared to last year. "The problem is that 25 per cent increase in subsidy does not mean anything for farmers as the prices have increased between 80 to 140 per cent due to various reasons," a member in the panel said.

<https://www.thehindubusinessline.com/economy/house-panel-enquires-into-increase-in-fertiliser-prices-centre-blames-global-reasons/article65332328.ece>

Infrastructure

PE inflows into Indian real estate up 5x sequentially in Q1 2022: Report

Private equity investment inflows into the Indian real estate sector stood at \$1.0 billion (Rs 79 billion) during Q1 2022, almost 5 times the quantum recorded during Q4 2021, according to the latest report by global property consultancy firm Savills India. However, PE investment in real estate witnessed a 47% dip when compared to Q1 2021. As per the report, the first quarter of 2022 has already clocked in nearly one-third of the investment inflows that the sector witnessed in the entire year of 2021. Commercial office assets continued to remain the frontrunner during Q1 2022, garnering more than two-third share of the investment pie. All the quarterly investment came from foreign institutional investors and was concentrated in core office assets in Bengaluru.

<https://www.financialexpress.com/money/pe-inflows-into-indian-real-estate-up-5x-sequentially-in-q1-2022-report/2494808/>

Telecom

TRAI proposes new set of professionals to set up telecom infrastructure in buildings

In a move that could create thousands of jobs, the Telecom Regulatory Authority of India (TRAI) has proposed that a new category of professionals need to be created in order to ensure that a good digital network is provided within buildings in a timely manner. In order to take on the increasingly complex digital connectivity ecosystem and provide end-users residing in buildings with seamless integration to the telecom service providers' (TSP) network, TRAI proposes that dedicated DCI (digital connectivity infrastructure)-property managers, designers, engineers, and evaluators need to be cultivated. These professionals can curate a connectivity solution for a particular type of building, and thus ensure that more end users can be onboarded.

<https://www.thehindubusinessline.com/info-tech/trai-proposes-new-set-of-professionals-to-set-up-telecom-infrastructure-in-buildings/article65332321.ece>

Energy

Coal-based power generation rises in March

Coal-based power generation rose 3.12 per cent to 1,00,276 million units in March compared to the year-ago period, according to official data. Thermal power generation stood at 97,238 MU (Million Units) in the same period a year ago. In February this year, it stood at 85,534 MU. Coal accounts for over 70 per cent of the country's electricity output and utilities account for around 75 per cent of country's coal consumption. According to the monthly statistics (provisional) of the coal ministry, coal-based power generation registered a growth of 35 per cent in March this year compared to March 2020. The rise was 3.12 per cent compared to the power generation witnessed in March 2021.

<https://economictimes.indiatimes.com/industry/energy/power/coal-based-power-generation-rises-in-march/articleshow/90915530.cms>

Heavy capex preventing deleveraging by Indian renewable energy firm: S&P

Rating agency Standard and Poor's (S&P) said that heavy capital expenditure and weak cash flows is preventing Indian renewable companies from deleveraging, i.e. reducing debt burden. The multi-decade growth opportunities for renewable energy in India will result in persistently high leverage across the sector.

https://www.business-standard.com/article/economy-policy/heavy-capex-preventing-deleveraging-by-indian-renewable-energy-firm-s-p-122041800432_1.html

Oil prices may rise to \$90/bbl this FY as Ukraine war looms, brokerage says

Crude oil prices are expected to rise to \$90 per barrel in FY 2023, higher than earlier expectations of \$80 per barrel, as the Russia-Ukraine conflict continues to put pressure. The limited supply of oil from Russia rigs and curtailed oil production by OPEC+ countries will likely result in soaring oil prices, Kotak Securities said.

<https://www.financialexpress.com/market/commodities/oil-prices-may-rise-to-90bbl-this-fy-as-ukraine-war-looms-brokerage-says-16-upside-for-gail-stock/2495179/>

States

Telangana woos SpaceTech firms, startups with sops

In a bid to become a global hub for space technologies, the Telangana Government has launched a SpaceTech Framework, offering sops to startups and other ecosystem players to set up shop in the State. Besides offering support from State-funded incubators like T-Hub, WE Hub and T-Works, the Framework promises land at competitive prices and access to AI and data infrastructure. The State Government will set up an exclusive Accelerator for SpaceTech startups in association with the public incubators. Besides incubating the startups, it would provide infrastructure, market insights, investor connect and mentorship. Unveiling the Framework here on Monday, Telangana IT and Industries Minister K T Rama Rao has said that the share of India in the global opportunity in the space industry was very meagre.

<https://www.thehindubusinessline.com/info-tech/telangana-woos-spacetech-firms-startups-with-sops/article65332639.ece>

J-K's debt pile grows to Rs 83,536 crore: CAG

The Comptroller and Auditor General of India (CAG) has pulled up Jammu and Kashmir government for its debt situation, stating that the union territory's overall debt has gone up to Rs 83,536 crore by October 2019. The CAG expressed concern over J-K government's action of using borrowed funds for meeting current consumption and repayment of interest on outstanding loans. "Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable," it said, stressing that borrowed funds should ideally be used to fund capital creation and developmental activities.

<https://economictimes.indiatimes.com/news/economy/finance/j-ks-debt-pile-grows-to-rs-83536-crore-cag/articleshow/90917674.cms>

Healthcare

Covovax for 7-12-year-olds: Panel seeks more data

India's expert committee on Covid-19 vaccines has sought more data from Serum Institute of India (SII) to review its application to allow use of its Covovax vaccine in the 7-12-year age group, amid rising coronavirus infections among school children, people in the know said. The DCGI's subject expert committee, which reviewed the data last week,

has sought additional information from the company, the people cited earlier told ET. "The application will be taken up once again for evaluation after the company submits the data asked from them," one of the persons cited earlier said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/covovax-for-7-12-year-olds-panel-seeks-more-data/articleshow/90921262.cms>

DDMA meeting on Wednesday, likely to discuss mandatory use of masks

A crucial meeting of DDMA on Wednesday is likely to discuss mandatory use of face masks and hybrid mode of offline and online teaching for school children, in view of rising number of infections in past many days, official sources said. The meeting of Delhi Disaster Management Authority (DDMA) chaired by Lt Governor Anil Baijal, will review the COVID situation in the national capital, as per notice of the meeting. The use of masks by people in Delhi has "considerably" gone down after fine of Rs 500 was withdrawn by the DDMA earlier this month. This is not an ideal situation in view of rising number of infections, said a senior government officer. "In view of the UP government today making it compulsory for residents of six National Capital Region (NCR) cities of the state, the mandatory mask use in Delhi is most likely to be discussed with reimposing fines for its strict implementation during the meeting," said the officer.

<https://economictimes.indiatimes.com/news/india/ddma-meeting-on-wednesday-likely-to-discuss-mandatory-use-of-masks/articleshow/90917215.cms>

Global Centre for traditional medicine in India could be game-changer: WHO

With India set to establish WHO Global Centre for traditional medicine in Jamnagar, Gujarat, Dr Poonam Khetrapal Singh, Regional Director, WHO South-East Asia Region has called it a "game-changer." Traditional medicines, she said have been around for millennia and pointed out that nearly 80 per cent of people, in 170 of 194 WHO member countries use them.

https://www.business-standard.com/article/current-affairs/global-centre-for-traditional-medicine-in-india-could-be-game-changer-who-122041800699_1.html

External

Exports rise 37% to \$18.8-bn during April 1 to April 14

India's exports increased by 37.01 per cent to USD 18.79 billion during April 1-14 on the back of healthy growth in sectors like petroleum, gems and jewellery, according to a preliminary data of the commerce ministry. Exports during April 1-14, 2021, stood at USD 13.72 billion. Imports during the period rose by 12.24 per cent to USD 25.84 billion, the data showed. Imports excluding petroleum increased in the said period by 18.24 per cent against the same period of 2021-22.

https://www.business-standard.com/article/economy-policy/exports-rise-37-to-18-8-bn-during-april-1-to-april-14-122041800778_1.html

India's sugar exports grow by 291% since FY14: Govt

India's sugar exports witnessed an astounding growth of 291% from \$1,177 million in FY14 to \$4,600 million in FY22, said the Ministry of Commerce & Industry on Monday. As per Directorate General of Commercial Intelligence and Statistics (DGCI&S) data, India exported sugar to 121 countries across the globe. Sugar export jumped 65% in 2021-22 corresponding to previous year. The growth was achieved despite logistical challenges posed by COVID19 pandemic in the form of high freight rates, container shortages, etc, the ministry said.

https://www.business-standard.com/article/economy-policy/india-s-sugar-exports-grow-by-291-since-fy14-govt-122041800821_1.html

Passenger vehicle exports from India rise 43% in FY22; Maruti Suzuki leads segment

Passenger vehicle exports from India increased 43 per cent in FY22, with Maruti Suzuki India leading the segment with dispatches of over 2.3 lakh units, as per the latest data by industry body SIAM. The total passenger vehicle (PV) exports stood at 5,77,875 units in 2021-22 fiscal, as compared to 4,04,397 units in 2020-21. Passenger car shipments saw 42 per cent growth at 3,74,986 units, while utility vehicle exports rose 46 per cent at 2,01,036 units during the

last fiscal, the data by the Society of Indian Automobile Manufacturers (SIAM) showed. Exports of vans rose to 1,853 units in 2021-22 fiscal, from 1,648 units in the 2020-21 fiscal year.

https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-exports-from-india-rise-43-in-fy22-maruti-suzuki-leads-segment/articleshow/90903953.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

India restarts tea, rice, other exports to Russia

India's exports to Russia have resumed with containers carrying goods including tea, rice, fruits, coffee, marine products and confectionery shipping out last week, said people with knowledge of the matter. Banks led by Russia's largest lender, Sberbank, are facilitating settlement of bilateral trade moving largely through ports in Georgia. "The transactions are happening through Sberbank," said Ajay Sahai, director general and CEO, Federation of Indian Export Organisations.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-restarts-tea-rice-other-exports-to-russia/articleshow/90924207.cms>