



April 20, 2022 – Wednesday

Key Developments

RBI expands scope of exemptions for banks to open current, cash credit and overdraft accounts

The Reserve Bank of India (RBI) has expanded the scope of exemptions under its circular for “opening of current accounts and cash credit (CC)/overdraft (OD) accounts” by banks, permitting them to open and operate inter-bank accounts and accounts of All India Financial Institutions (AIFIs), among others. Further, the RBI has brought accounts attached by the orders of Central or State governments, regulatory bodies, courts, investigating agencies etc, wherein the customer cannot undertake any discretionary debits, within the purview of exemptions.

<https://www.thehindubusinessline.com/money-and-banking/rbi-expands-scope-of-exemptions-for-banks-to-open-current-cash-credit-and-overdraft-accounts/article65335873.ece>

IBBI proposes changes in insolvency resolution process regulations

The Insolvency and Bankruptcy Board of India (IBBI) has proposed four changes to corporate insolvency resolution process (CIRP) regulations to reduce delays. Public comments have been invited by May 3 on the proposed changes for which a consultation paper has also been issued by the regulator. The paper addresses areas such as substantiating default in admitting applications by operational creditors; facilitating information availability to prepare information memorandum and avoidance applications; dealing with avoidance applications after closure of a CIRP; and significant difference in valuation during a CIRP and appointment of a third valuer.

<https://www.thehindubusinessline.com/economy/ibbi-proposes-changes-in-insolvency-resolution-process-regulations/article65335017.ece>

Economy

Govt: KVIC creates record high employment under PMEGP; enables over 1 lakh new micro units in FY22

The number of jobs created through micro enterprises set up under the Prime Minister’s Employment Generation Programme (PMEGP) hit a record high of 8,25,752 in FY22 since the launch of the programme in 2008, MSME Ministry said on Tuesday. Also, the number of enterprises set up during the year went over 1 lakh to 1,03,219 for the first time in the past 14 years. The new units were set up at a total capital of nearly Rs 12,000 crore, of which Rs 2,978 crore margin money subsidy, the highest since 2008, was disbursed by the programme’s implementing body Khadi & Village Industries Commission (KVIC) while bank credit flow had contributed the remaining nearly Rs 9,000 crore.

<https://www.financialexpress.com/industry/sme/msme-skil-govt-kvic-creates-record-high-employment-under-pmegp-enables-over-1-lakh-new-micro-enterprises-in-fy22/2496570/>

Jobs in India: Hiring activity sees 6 pc growth in March on improving economic activities, says report

Hiring activity witnessed a 6 per cent year-on-year growth in March this year, supported by a rebound in economic activities and led by sectors such as banking and telecom, according to a report. However, there was a marginal dip of 2.4 per cent in hiring activity as compared to February, owing to the appraisal season, according to the Monster Employment Index (MEI).

<https://www.financialexpress.com/economy/jobs-in-india-hiring-activity-sees-6-pc-growth-in-march-on-improving-economic-activities-says-report/2496655/>

IMF slashes India's FY23 GDP growth forecast to 8.2%

The International Monetary Fund, in its latest World Economic Outlook report, has slashed its forecast for India's FY23 gross domestic product growth to 8.2 per cent, saying that higher commodity prices will weigh on private consumption and investment. This was one of the steepest cuts for emerging economies compared to the IMF's January WEO forecasts.

https://www.business-standard.com/article/economy-policy/imf-slashes-india-s-fy23-gdp-growth-forecast-to-8-2-122041900967_1.html

Agriculture

Govt sets foodgrain output target at record 328 million tonnes for 2022-23 crop year

The government has set the foodgrain production target at a record level of 328 million tonnes for the 2022-23 crop year on the back of good monsoon rains. The target is 3.8 per cent higher compared to previous year's output. As per the second advance estimate of the agriculture ministry, foodgrains production is estimated to be a record of 316.06 million tonne in ongoing 2021-22 crop year ending June.

<https://www.financialexpress.com/market/commodities/govt-sets-foodgrain-output-target-at-record-328-million-tonnes-for-2022-23-crop-year/2496803/>

Domestic wheat prices up by 5-7% on fears of fall in production due to heat damage

Domestic wheat prices are up by 5% to 7% on reports of lower yields of the crop being harvested across the country, which has also driven up the export prices. Punjab, Haryana and Uttar Pradesh have reported 10-35% fall in yield due to early onset of summer season and excess rainfall in December and January shrinking grain size. The Indian government has set a target of exporting 10 million tonnes of wheat in 2022-23, of which 1 million tonnes will be exported to Egypt. The world is expecting India to fill up the gap in global wheat supply created by the ongoing Ukraine Russia war, while the Indian government is trying to make the most of the opportunity to emerge as a global wheat Super Power.

https://economictimes.indiatimes.com/news/economy/agriculture/domestic-wheat-prices-up-by-5-7-on-fears-of-fall-in-production-due-to-heat-damage/articleshow/90927341.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Won't be any fertiliser shortage in kharif season; will fix soon P&K subsidy for FY23: Govt

The government on Tuesday asserted that there will not be any fertiliser shortage in the upcoming kharif sowing season and said it will soon announce the subsidy rate for non-urea soil nutrients for the current fiscal. Addressing a conference on preparedness for the kharif sowing operation that commences with the onset of the southwest monsoon from June, Fertiliser Secretary RK Chaturvedi highlighted the steps taken by the government to ensure sufficient availability of fertilisers at an affordable price to the farmers. "We have made both short and long term arrangements with global suppliers for import of fertilisers. There will not be any shortage of fertilisers during the kharif season," he said.

https://economictimes.indiatimes.com/industry/indl-goods/svs/chem/-/fertilisers/wont-be-any-fertiliser-shortage-in-kharif-season-will-fix-soon-pk-subsidy-for-fy23-govt/articleshow/90935292.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

Banking and Finance

RBI unveils large exposures framework for Upper Layer NBFCs

The sum of all the exposure values of a Non-Banking Finance Company (NBFC) placed in the Upper Layer (UL), to a single counterparty and to a group of connected counterparties, must not be higher than 20 per cent and 25 per cent, respectively, of its available eligible capital base at all times, according to the Reserve Bank of India (RBI).

However, an infrastructure finance company (IFC) which is classified as an NBFC-UL, can exceed the aforementioned limits by 5 per cent of its Tier-I capital for exposure to a single counterparty, and by 10 per cent of its Tier-I capital for exposure to a group of connected counterparties. Further, an NBFC-UL may exceed the exposure limit by 5 per cent of its Tier I capital for exposure to a single counterparty, if the additional exposure is on account of infrastructure 'loan and/ or investment'. However single counterparty limit shall not exceed 25 per cent in any case for NBFC-UL (other than IFC) and 30 per cent for NBFC-UL (IFC), per RBI's Large Exposures Framework for NBFC-UL. An NBFC-UL may exceed the exposure limit by 10 per cent of its Tier-I capital for exposure to a group of connected counterparties, if the additional exposure is on account of infrastructure 'loan and/ or investment'.

<https://www.thehindubusinessline.com/money-and-banking/rbi-unveils-large-exposures-framework-for-upper-layer-nbfcs/article65336317.ece>

LIC dominates insurance market despite losing share

Life Insurance Corp of India (LIC) sold 2.17 crore insurance policies in fiscal 2021-22, up from 2.10 crore the previous year, a growth of 3.54%. Its total premium increased 12.66% to Rs 1.43 lakh crore in March 2022 from Rs 1.27 lakh crore a year ago. During 2021-22, individual non-single premium rose 8.82% to Rs 30,016 crore from Rs 27,584 crore at the end of March 2021. The total first year premium (FYP) of the life insurer rose by 7.92% to Rs 1.98 lakh crore in March 2022 from Rs 1.84 lakh crore in the previous fiscal. LIC claims a market share of 63% in total first year premium for financial year 2021-22. The number of policies sold increased by 3.54% to 2.17 crore in the financial year 2021-22 from 2.09 crore in the previous financial year.

https://economictimes.indiatimes.com/industry/banking/finance/insure/lic-dominates-insurance-market-despite-losing-share/articleshow/90941373.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

As pandemic eases, insurers hopeful of more reinsurance support

In some relief to customers, insurers are hopeful that reinsurance support will now come back for products like term insurance and group insurance with the Covid-19 pandemic showing signs of easing. While there is no action on the ground as of now, there is expectation that the stricter underwriting norms and exposure norms will now be reviewed. However, players are clear that premium rates that were hiked over the last 12 to 18 months are unlikely to be revisited. Fresh increases may not be on the cards for most insurers.

<https://www.thehindubusinessline.com/money-and-banking/as-pandemic-eases-insurers-hopeful-of-more-reinsurance-support/article65334619.ece>

AUM of domestic funds hit a record Rs 20 lakh crore in March on sustained inflow

Though India's market capitalization has fallen by nearly 8% from the peak, the equity value of the domestic mutual funds or the assets under management (AUM) hit a record Rs 20 lakh crore in March following sustained inflow, according to the NSDL data. This includes equity funds, arbitrage funds, equity exposure in balance funds and exchange traded funds (ETFs). The local funds had the second largest equity AUM at the end of March 2022 following foreign portfolio investors (FPIs) with an AUM of Rs 47 lakh crore. The share of local mutual funds in the country's market capitalization rose by 300 basis points to 8% over the past year. The AUM of local equity funds has nearly doubled over the past two years buoyed by a strong inflow. Indian savers invested over Rs 3 lakh crore in FY22 in equity mutual funds through active and passive schemes.

<https://economictimes.indiatimes.com/mf/mf-news/aum-of-domestic-funds-hit-a-record-rs-20-lakh-crore-in-march-on-sustained-inflow/articleshow/90934911.cms>

Industry

Centre plans to douse EV fires with battery policy

India could soon come out with standards for electric vehicle (EV) batteries, in light of the recent incidents of electric two-wheelers catching fire. A senior official from the road transport and highways ministry told ET that the government is planning to come out with norms to put in place quality controls for batteries used in EVs. The detailed policy will cover performance testing and manufacturing standards, along with heat resistance of these

batteries. "The fires are a matter of concern... We have informally started directing EV manufacturers to improve (on) their existing vehicles," said the official, adding that work had begun on the proposed battery policy too.

<https://economictimes.indiatimes.com/industry/renewables/centre-plans-to-douse-ev-fires-with-battery-policy/articleshow/90946733.cms>

Raw material costs on boil, restaurants and cafes put price hikes on the menu

Fine-dining and quick service restaurants, bars and cafes are increasing prices by up to 15% to deal with steep food inflation caused by global supply disruptions even as there is a surge in travel, close to a dozen industry executives told ET. Many chains are undertaking a combination of reducing discounts and increasing prices as their raw material costs have shot up by anywhere between 7% and 30% over the past three months, they said, adding that the price hikes are happening after two-to-three years in most cases. "We are increasing prices by at least 5% now after three years," said Anjan Chatterjee, chairman of Speciality Restaurants that operates multiple brands including Mainland China, Asia Kitchen and Sigree Global Grill.

<https://economictimes.indiatimes.com/industry/services/hotels-/-restaurants/raw-material-costs-on-boil-restaurants-and-cafes-put-price-hikes-on-the-menu/articleshow/90946885.cms>

Cost pressure likely to weigh on pharma companies' margins in Q4

Indian drug firms are likely to post moderate growth during the fourth quarter of financial year 2021-22 (Q4FY22) supported by the domestic market. However, higher raw material and freight costs, as well as pricing pressure in the US (amid inventory destocking) could weigh on overall performance. Edelweiss analysts estimate that pharma firms could report around 9 per cent revenue growth while the profit after tax (PAT) could dip by 2 per cent.

https://www.business-standard.com/article/companies/cost-pressure-likely-to-weigh-on-pharma-companies-margins-in-q4-12204200033_1.html

Indian SaaS sector to clock \$100 bn revenue by 2026: Chiratae-Zinnov study

The Indian SaaS industry is set to clock in a massive \$100 billion in revenues by 2026. This was underscored by the 2022 edition of the Chiratae-Zinnov India SaaS report titled, "India SaaS - Punching Through the Global Pecking Order." On the global stage, India is gearing to supersede China as the second largest SaaS nation in the next few years, said the report. On the back of successful listings, coupled with stronger fundamentals and the path to profitability, are making SaaS companies in India an attractive investment theme. The industry aims to attract a strong private capital infusion of close to \$6.5 billion in the coming year alone, up from last year's \$4.2 billion, notes the report.

https://www.business-standard.com/article/companies/indian-saas-sector-to-clock-100-bn-revenue-by-2026-chiratae-zinnov-study-122041900670_1.html

Infrastructure

All 100 smart cities to get integrated command-control centre by Aug 15

Union Minister of Housing and Urban Affairs Hardeep Singh Puri on Monday said that 80 out of the 100 Smart Cities in the country have Integrated Command and Control Centres and the remaining will get them by August 15. "Out of the 100 smart cities, 80 already have their Command and Control Centre. We have to complete the work in the remaining 20 cities by August 15, 2022," he said. Further, Puri said that all the projects worth around Rs 200,000 crore have been tendered, while projects worth around Rs 63,000 crore or so have been completed.

https://www.business-standard.com/article/economy-policy/all-100-smart-cities-to-get-integrated-command-control-centre-by-aug-15-122041900123_1.html

Realty developers seek govt intervention on rising raw material prices

Realty developers are seeking government intervention on rising raw material prices as most of them are now citing apprehension of being able to sustain their business as the woes deepen. While the rise in prices has been an ongoing issue for the past two years, the current situation owing to the Russia-Ukraine war has resulted in prices of some of the raw materials increasing over 100%, and has made it impossible for developers to deal with the imbroglio, they said. According to developers, they have already increase residential property prices by 6-8% across several cities of

the country including Mumbai in the last few weeks. Apart from increasing prices, developers are also considering of slowing down construction work to tackle the input cost pressure.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/realty-developers-seek-govt-intervention-on-rising-raw-material-prices/articleshow/90935478.cms>

Telecom

Telecom subscribers' base declines to 116.6 crore in February

Telecom subscribers' base in the country declined to 116.6 crore in February this year, with players like Reliance Jio and Vodafone Idea losing customers in the mobile services segment during the period. Bharti Airtel was the only net gainer in the mobile segment, according to the subscribers data report of the Telecom Regulatory Authority of India (Trai) for February. The report was released on Tuesday.

<https://www.financialexpress.com/industry/telecom-subscribers-base-declines-to-116-6-crore-in-february/2496851/>

Energy

CIL raises coal supply to power units; in talks with govt to build stocks

The country's largest coal producer and supplier CIL on Tuesday said it has upped its supplies by 14.2 per cent to coal-based electricity generating plants in the first half of the current month, but soaring power demand due to hotter-than-normal summer seems to have dwarfed the upsurge in supplies. Coal India (CIL) said that it is coordinating with the ministries of coal, power and railways to build up stocks at power plants in a synergic effort, in the wake of a decline in coal stocks at power plants.

https://www.business-standard.com/article/economy-policy/cil-raises-coal-supply-to-power-units-in-talks-with-govt-to-build-stocks-122041900656_1.html

Coal shortages at thermal plants indicate looming power crisis: AIPEF

Thermal plants across the country are grappling with coal shortages, indicating a looming power crisis in the country, said All India Power Engineers Federation (AIPEF). "Thermal plants across the country are grappling with a coal shortage as the power demand in the states has increased, and a number of states are not able to bridge the gap between demand and supply because of insufficient coal stocks at thermal plants," AIPEF spokesperson VK Gupta said in a statement. Gupta stated that coal shortages indicate a power crisis in the making. As per Central Electricity Authority's (CEA) latest daily coal report, the coal stock at 81 out of a total of 150 thermal power stations using domestic coal is critical as per guidelines, the statement said.

<https://economictimes.indiatimes.com/industry/energy/power/coal-shortages-at-thermal-plants-indicate-looming-power-crisis-aipef/articleshow/90937918.cms>

Delhi: Power demand soars to 5,735 MW, highest ever in April

"The unabated heat wave in the national capital continues to push the power demand to newer highs. At 3:30 pm on Tuesday, Delhi's peak power demand touched 5,735 MW, the highest ever in the month of April," officials said. The previous high was recorded at 5,664 MW on April 30, 2019, they said.

<https://www.financialexpress.com/economy/delhi-power-demand-soars-to-5735-mw-highest-ever-in-april/2496727/>

Renewable capacity addition: Rajasthan and Gujarat pip Tamil Nadu and Karnataka

Rajasthan and Gujarat have surpassed incumbents Tamil Nadu and Karnataka in terms of overall installed capacity of renewable energy in FY22 led by a strong rise in solar power capacity. Rajasthan is now the leader in overall installed capacity of grid-connected renewable power in the country, followed by Gujarat. Tamil Nadu is in the third position, while Karnataka is at fourth position, down from the number one position a year ago. As of March 31, 2022, Rajasthan's total renewable capacity stood at 17,041 MW up from 10,205 MW a year ago, led by a sharp increase in solar power capacity to 12,565 MW (including 11,494 MW of ground-mounted capacity) in FY22 from 5,733 MW (including 5,314 MW of ground-mounted) in FY21, according to the data provided by Union Ministry of New and Renewable Energy.

<https://www.thehindubusinessline.com/economy/renewable-capacity-addition-rajasthan-and-gujarat-pip-tamil-nadu-and-karnataka/article65334361.ece>

Fitch trims India's gas consumption growth to 5 pc on high prices

Fitch Ratings on Tuesday cut its India gas consumption outlook for the current fiscal to a growth of 5 per cent as the recent spike in domestic gas prices and high LNG rates would slow the shift to the environment-friendly fuel. The government more than doubled the price of gas from domestic fields to USD 6.1 per million British thermal unit for the six-month period beginning April 1.

<https://www.financialexpress.com/market/commodities/fitch-trims-indias-gas-consumption-growth-to-5-pc-on-high-prices/2496546/>

States

Tamil Nadu initiates measures to attract ₹23 lakh crore investment for achieving \$1 trillion economy

The Government of Tamil Nadu is undertaking several measures to attract the approximately ₹23 lakh crore of investment in manufacture and for the creation of employment opportunities for 46 lakh persons, which are necessary to achieve a growth target of \$1 trillion economy by the Financial Year 2030-31. Tamil Nadu is the second largest State economy in India and accounts for 9.47 per cent of India's Gross Domestic Product (GDP) in Financial Year 2020-21. The State's economy rebounded sharply in Financial Year 2021-22, with the GSDP increasing from ₹19.02 lakh crore to ₹21.79 lakh crore at current prices., says Industries Department Policy Note for 2022-23, presented in the Assembly on Tuesday by Industries Minister Thangam Thennarasu.

<https://www.thehindubusinessline.com/news/tamil-nadu-attracts-fdi-worth-37-billion-in-the-last-21-years/article65335376.ece>

Healthcare

Healthcare segment continues to see increase in hiring, shows report

Demand for healthcare professionals, which has been on the rise since the start of the pandemic, continues to be high as healthcare chains and hospitals continue to strengthen their manpower to address future needs. There is a 20% increase in hiring in the healthcare segment, especially nurses, according to a report by Spectrum Talent Management shared exclusively with ET. There is robust growth in hiring activity over the last six months from cities across different tiers, like Kolkata, Vadodara, Kochi and Bengaluru. It is a mix of 80:20 of permanent hiring and contractual hiring.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/healthcare-segment-continues-to-see-increase-in-hiring-shows-report/articleshow/90926776.cms>

External

Services boost: India ups export target for this fiscal

India has for the first time achieved the targeted \$250 billion in services exports during FY22 and is now aiming at \$300 billion this fiscal year. Here follows a look at the action plan.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/services-boost-india-ups-export-target-for-this-fiscal/articleshow/90937063.cms>

Crisis-hit Sri Lanka, India revive talks to link electric grids

India and Sri Lanka have resumed talks on linking their electricity grids, officials told Reuters on Tuesday, a step that could aid New Delhi's goal of reducing China's influence on the island nation, now grappling with a severe economic crisis. India has extended assistance running into billions of dollars to its southern neighbour to fight the crisis, brought on by a steep drop in foreign exchange reserves that stalled imports of essentials such as fuel, so disrupting power supply.

<https://www.financialexpress.com/economy/crisis-hit-sri-lanka-india-revive-talks-to-link-electric-grids/2496609/>

India's oilmeals exports fall 37 pc to Rs 5,600 crore in FY22: SEA

India's oilmeals exports declined 36 per cent to 23.73 lakh tonnes in the last fiscal, while in value terms the shipments were down 37 per cent to Rs 5,600 crore on lower sale of soyabean meal in the overseas markets, according to industry data. Solvent Extractors' Association of India (SEA) said in a statement that the export of oilmeals at 2,42,043 tonnes fell 25 per cent in March, 2022 compared to 3,22,850 tonnes in March 2021. The overall export of oilmeals during the last fiscal stood at 23,73,744 tonnes compared to 36,89,483 tonnes in the 2020-21 financial year.

<https://www.financialexpress.com/economy/indias-oilmeals-exports-fall-37-pc-to-rs-5600-crore-in-fy22-sea/2496498/>