



May 26, 2022 – Thursday

### Key Developments

#### **RBI issues norms for import of gold by qualified jewellers**

The RBI on Wednesday came up with norms for facilitating physical import of gold through India International Bullion Exchange IFSC (IIBX) or similar authorised exchange by Qualified Jewellers in India. In addition to agencies nominated by the RBI and by DGFT, Qualified Jewellers (QJ) as approved by International Financial Services Centers Authority (IFSCA) were permitted to import gold in January. The RBI issued the guidelines in order to enable resident Qualified Jewellers to import gold through IIBX or any other exchange approved by IFSCA and the Directorate General of Foreign Trade (DGFT). As per the guidelines, banks may allow Qualified Jewellers to remit advance payments for 11 days for import of gold through IIBX in compliance to the extant Foreign Trade Policy and regulations issued under IFSC Act.

<https://www.financialexpress.com/economy/rbi-issues-norms-for-import-of-gold-by-qualified-jewellers/2537851/>

### Economy

#### **Conditions favourable for monsoon's onset in next 48 hours: IMD**

Conditions are favourable for the onset of the South-West monsoon over Kerala in the next 48 hours, the India Meteorological Department (IMD) has said. The monsoon will "further advance" over parts of the south-west Arabian Sea, parts of the south-east Arabian sea, south and east-central Bay of Bengal and parts of the north-east Bay of Bengal, the IMD said on Wednesday. The IMD has predicted that there will be "no significant" heatwave conditions over the next five days. The IMD's monsoon update is in line with forecasts that had predicted India's most-watched weather event around May 27, some five days before the scheduled date of June 1 for its arrival.

<https://www.thehindubusinessline.com/economy/agri-business/conditions-favourable-for-monsoons-onset-next-48-hours-imd/article65460038.ece>

#### **New employment under EPFO sees 58.7% increase in FY22**

Formal job creation surged in 2021-22 on the back of faster economic recovery post Covid. Payroll data for the last fiscal shows 58.7% increase in net new employment under the Employees' Provident Fund Organisation in 2021-22, 29.6% surge in new subscribers under the Employees' State Insurance Corporation and 23.4% increase in the number of subscribers under the National Pension Scheme. While the number of net new subscribers under EPFO surpassed all records and stood at 12.2 million compared to 7.7 million new subscribers added in 2020-21, net addition under ESIC stood at 14.9 million as against 11.5 million in the preceding year while the new subscribers under NPS were higher at 0.77 million compared to 0.62 million in 2020-21.

<https://economictimes.indiatimes.com/news/economy/indicators/new-employment-under-epfo-sees-58-7-increase-in-fy22/articleshow/91785886.cms>

#### **India's economy seen growing 9.2 pc in FY22 on upbeat rural sector, uptick in credit demand: BoB**

India's economy is expected to have grown at 9.2 per cent in the fiscal ended March 2022, after having contracted by 7.3 per cent in the previous financial year, aided by resilience in the rural economy, uptick in bank credit and rising GST collections, a note by Bank of Baroda said. As per government's advance estimates, the gross domestic

product (GDP) in FY22 is projected to grow by 8.9 per cent. Bank of Baroda (BoB), in a note on GDP expectations by its Economic Research Department, said it expects the economy to post higher growth in the last quarter ended March as mobility improved, allowing opening up of economy with much lower COVID-19 cases across states. Contact-intensive sectors are expected to make stronger recovery, and the economy is projected to grow by 5.5 per cent in Q4 FY22 against 5.4 per cent in Q3, it said.

<https://www.financialexpress.com/economy/indias-economy-seen-growing-9-2-pc-in-fy22-on-upbeat-rural-sector-uptick-in-credit-demand-bob/2537836/>

## Banking and Finance

### Government on course on PSU bank privatisation: Sources

The government is on course with the privatisation of two public sector banks (PSBs) and will take appropriate steps in the coming months, sources said. In the Union Budget for 2021-22, the government announced its intent to take up the privatisation of two PSBs in the year and approved a policy of strategic disinvestment of public sector enterprises. According to sources, the government is committed to the privatisation of two public sector banks and it is on course. Besides, sources also said the divestment of BPCL is also on the card and fresh bids will be invited. The government had to cancel the sale as only a single bidder was left in the fray, sources said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/government-on-course-on-psu-bank-privatisation-sources/articleshow/91795868.cms>

### Govt has no plan for additional borrowing to manage fiscal deficit: Sources

The government is not planning any additional borrowing and will stick to the borrowing target fixed for the current fiscal year despite sacrificing revenue on account of reduction in duties on petroleum products and other goods, official sources said on Wednesday. In order to contain rising inflation, the government last week reduced excise duty on petrol by a record Rs 8 per litre and that on diesel by Rs 6 to give relief to consumers reeling under high fuel prices that have also pushed inflation to a multi-year high. Besides, it also provided Rs 200 per cylinder subsidy on LPG to about 9 crore beneficiaries of the Pradhan Mantri Ujjwala Yojana.

<https://economictimes.indiatimes.com/news/economy/policy/govt-has-no-plan-for-additional-borrowing-to-manage-fiscal-deficit-sources/articleshow/91795375.cms>

### Inflationary concerns may delay GST rate rationalisation: sources

The Goods and Services Tax (GST) regime taxes goods and services in four tax slabs of 5 per cent, 12 per cent, 18 per cent and 28 per cent. It was being considered to reduce these tax slabs possibly to 3, an exercise which would have involved raising taxes in some items and a reduction in others. But with inflation rate ruling at all-time high, such an exercise is likely to be delayed, sources said.

<https://www.financialexpress.com/economy/inflationary-concerns-may-delay-gst-rate-rationalisation-sources/2537669/>

### Centre notifies new vehicle insurance rates

The centre on Wednesday approved the new base premium rates for third party motor vehicle insurance. These revised rates will be applicable from June 1, 2022. These rates were last revised for financial year 2019-20 and were kept unchanged during the COVID-19 pandemic. According to a gazette notification from the Ministry of Road, Transport, and Highways, the annual rate of third-party insurance for private cars not exceeding 1000 cc has been fixed at Rs 2,094, up from Rs 2,072 in 2019-20. Under the new rates, third party insurance for private cars with an engine capacity between 1000 cc and 1500 cc has been raised to Rs 3,416 from Rs 3,221 in 2019-20. Larger private vehicles that have an engine capacity above 1500 cc will see the premiums fall to Rs 7,897 from Rs 7,890.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/centre-notifies-new-vehicle-insurance-rates/articleshow/91797208.cms>

## Industry

### Cabinet Secretary-led committee to suggest measures for multi-mode transportation of cement to deficient area

A committee under the Chairmanship of Cabinet Secretary is looking at ways to increase the supply from the southern parts of the country to the northern and eastern parts using multi-mode transportation. This is followed by Finance Minister Nirmala Sitharaman announcement on Saturday when she said in one of series of tweets, related with measures to rein in inflation, "Measures are being taken up to improve the availability of cement and through better logistics to reduce the cost of cement." Cement together with steel account for nearly 30 per cent of new construction cost.

<https://www.thehindubusinessline.com/economy/cabinet-secretary-led-committee-to-suggest-measures-for-multi-mode-transportation-of-cement-to-deficient-area/article65461053.ece>

#### **Packed food prices may rise despite government sops**

Consumer prices of packaged foods will continue to increase despite recent government measures to check food inflation because of sustained increase in costs of packaging and not enough cost benefits on oil and industry fuel, executives said. The government has in recent days banned wheat exports, restricted sugar exports, allowed duty-free imports of crude soyabean and sunflower oil up to 2 million tonnes each per year for two years, and cut excise duty on petrol and diesel. "Owing to continuous increase in packaging costs and not enough benefits on oil, we are forced to continue taking up price increases directly or indirectly," said B Krishna Rao, senior category head at Parle Products, one of the country's largest makers of biscuits and snacks. "There is no respite on costs of packaging laminates and cartons because these are internationally linked, as a result of which are being forced to continue price increases."

<https://economictimes.indiatimes.com/industry/cons-products/food/packed-food-prices-may-rise-despite-government-sops/articleshow/91797826.cms>

#### **Revenue outlook bright for electronics SMEs: Crisil SME Tracker**

Buoyant consumption of electronics is expected to boost the top lines of small and medium enterprises (SMEs) in the sector in India in the current fiscal year (FY23), though rising input costs could limit the growth in their margins. Consumption of electronics in the domestic market is estimated to grow 15-20 per cent to Rs 11-12 trillion, compared with 18-22 per cent growth last fiscal (FY22). A raft of factors support demand for mobile, consumer and industrial electronics, which account for 50-55 per cent of total consumption — rising disposable incomes, faster replacement cycles, easier payment terms, increasing internet penetration, rising temperature, and developments in auto, electric vehicles, and power segments, to name some. Domestic production of electronics is also expected to clock 18-22 per cent growth this fiscal, riding on the Production Linked Incentive scheme for mobile phones, white goods, and information technology hardware.

[https://www.business-standard.com/article/sme/revenue-outlook-bright-for-electronics-smes-crisil-sme-tracker-122052500866\\_1.html](https://www.business-standard.com/article/sme/revenue-outlook-bright-for-electronics-smes-crisil-sme-tracker-122052500866_1.html)

### **Agriculture**

#### **FSSAI directs State food safety commissioners to scrutinise labels of multi-source edible oils**

The Food Safety and Standards Authority of India (FSSAI) has directed State food safety commissioners to scrutinise the labels of multi-source vegetable edible oil products sold on retail shelves to check for compliance with labelling regulations. It has also asked them to take immediate action against errant manufacturers that are not in compliance with regulations and submit a report by June 1. As per FSSAI's regulations, edible oil products containing an admixture of multiple vegetable edible oils cannot be sold under the "common or generic" name of a single oil used in the blend. It needs to be labelled as "multi-source edible vegetable oil" as per FSS (Prohibition and Restriction on Sales) Regulations 2011.

<https://www.thehindubusinessline.com/economy/agri-business/fssai-directs-state-food-safety-commissioners-to-scrutinise-labels-of-multi-source-edible-oils/article65460289.ece>

### **Infrastructure**

#### **Developers increasing focus on ESG compliance: Experts**

Real estate developers have increased the focus on making buildings that are ESG (environmental, social, governance) compliant as investors prefer green certification, according to property consultants and developers.

Almost 60% of respondents of CBRE's 2021 Global Investor Intentions Survey (released in May 2021) stated that investors have already adopted ESG criteria as a part of their investment strategies, with the Americas, EMEA and Asia-Pacific displaying a stronger focus on these issues than in previous years. "In the last couple of years, the awareness of ESG compliance increased. In this post-pandemic world, people are a lot more concerned about their health and overall wellness. Increasing climate change events too have intensified the focus on ESG. There is a growing perception amongst homebuyers that in the long run, ESG compliant buildings will fetch better returns and therefore even willing to pay a premium for them," said Aditya Kushwaha, CEO and Director Axis Ecorp.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/developers-increasing-focus-on-esg-compliance-experts/articleshow/91786414.cms>

#### **No decision on cut in tax on ATF: Source**

The finance ministry has not yet taken a view on the civil aviation ministry's plea for tax cuts on jet fuel (ATF) to bring down prices, a top source said on Wednesday. Civil Aviation Minister Jyotiraditya Scindia has been making a case for lowering the high taxes on aviation turbine fuel (ATF) even as most states have already moved to significantly reduce the value-added tax (VAT). "They (civil aviation ministry) have approached us with a plea to moderate the prices. However, no decision has been taken yet," the source said. The civil aviation ministry continues to be in discussion with the finance minister over the issue, the source added.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-/aviation/no-decision-on-cut-in-tax-on-atf-source/articleshow/91794823.cms>

### **Energy**

#### **Govt to allow Discoms to settle dues in 48 monthly instalments**

The government is working on a scheme to liquidate the past dues of Discoms, which, as on May 18, stand at ₹1,00,018 crore. Under the scheme, the Discoms will be allowed to pay dues in up to 48 monthly instalments, the Power Ministry said on Wednesday. The inability of Discoms to pay dues impacts the entire value chain of the power sector. The scheme will help Discoms save ₹19,833 crore, it said in a statement. "Delay of payments by a Discom to a generating company (Genco) affects the cash flow of a generating company, which needs to make provisions for input supplies such as coal, and for keeping adequate working capital for day-to-day operation of the power plant, etc. Per data available on PRAAPTI portal, as on May 18, 2022, the Discoms overdues (excluding disputed amounts and Late Payment Surcharge (LPSC)) stood at ₹1,00,018 crore and LPSC dues at ₹6,839 crore.

<https://www.thehindubusinessline.com/economy/govt-to-allow-discoms-to-settle-dues-in-48-monthly-instalments/article65460095.ece>

#### **India power ministry seeks 2-year delay for emission norms deadline**

India's power ministry has sought a two-year extension from the environment ministry for utilities to install emission cutting equipment, according to a power ministry letter seen by Reuters. India initially had set a 2017 deadline for thermal power plants to comply with emissions standards for installing flue gas desulphurization (FGD) units that cut emissions of toxic sulphur dioxide. That was later changed to varying deadlines for different regions, ending in 2022. Thermal power companies, which produce three-quarters of the country's electricity, account for some 80% of India's industrial emissions of sulphur- and nitrous-oxides in India, which cause lung diseases, acid rain and smog.

<https://economictimes.indiatimes.com/industry/energy/power/india-power-ministry-seeks-2-year-delay-for-emission-norms-deadline/articleshow/91781915.cms>

#### **Govt asks States to set up steering committees for energy transition**

Power and New & renewable Energy Minister R K Singh has asked the Chief Ministers of all States and Lieutenant Governors of Union Territories to set up State Level Steering Committees for Energy Transition. These Steering Committees will work under the chairmanship of Chief Secretaries of the respective States and Union Territories. The Principal Secretaries of Power and New and Renewable Energy Departments, Transport, Industries, Housing and Urban Affairs, Agriculture, Rural Development and Public Works Departments, etc. will act as members of these Committees, Power Ministry said in a statement on Wednesday.

<https://www.thehindubusinessline.com/economy/govt-asks-states-to-set-up-steering-committees-for-energy-transition/article65460620.ece>

### **Domestic solar capacity installations rise 50% to over 3 GW in Jan-Mar: Mercom India**

Over 3 gigawatt (GW) of solar energy capacity was installed in India in January-March 2022, Mercom India said on Wednesday. The installation was 50 per cent higher than the 2 GW added in the same period of 2021, the research firm said in a report. "India added over 3 GW of solar capacity in Q1 (January-March) 2022, a 21 per cent rise compared to 2.6 GW in Q4 2021. On a year-on-year basis, installations rose by 50 per cent compared to the 2 GW added in Q1 2021," the report titled 'Q1 2022 India Solar Market Update by Mercom India Research' said. During Q1 2022, 2.7 GW of large-scale solar was installed, registering a quarter-over-quarter (q-o-q) increase of 23 per cent and a 53 per cent rise on a year-on-year basis. Large-scale solar accounted for 85 per cent of the installations, and rooftop accounted for the remaining 15 per cent during the reporting period.

<https://economictimes.indiatimes.com/industry/renewables/domestic-solar-capacity-installations-rise-50-to-over-3-gw-in-jan-mar-mercom-india/articleshow/91788950.cms>

## **Healthcare**

### **Government may 'rationalise' drug trade margins in a bid to reduce costs**

The government is geared up to apply the trade margin rationalisation (TMR) formula to drugs in order to bring down their prices. At the National Pharmaceutical Pricing Authority's (NPPA's) meeting with stakeholders on the issue last week, the stakeholders were asked to give their suggestions by the end of this week, people in the know told ET. The meeting was attended by representatives from the Indian Drug Manufacturers Association (IDMA) and Indian Pharmaceutical Alliance (IPA), The Organisation of Pharmaceutical Producers of India (OPPI), and All India Drug Action Network (AIDAN), among others. The All India Organisation of Chemists and Druggists (AIOCD) has suggested a 10% trade margin for wholesale dealers on PTR (price to retailer) and 20% for retailers on MRP.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/government-may-rationalise-drug-trade-margins-in-a-bid-to-reduce-costs/articleshow/91797771.cms>

### **Indian hospitals set for quality upgradation thanks to ISRO**

Some of India's hospitals are set to upgrade the quality of their services leveraging space technology in emergency care and critical care departments thanks to ISRO. Many healthcare associations approached ISRO in 2016 to learn the best practices in its quality domain and implement them in their emergency care and critical care departments "for reducing mortality rates." They included Association of Healthcare Providers (India) (AHPI), Indian Society of Critical Care Medicine (ISCCM), Society for Emergency Medicine India (SEMI), and the Consortium of Accredited Healthcare Organisations (CAHO), according to ISRO (Indian Space Research Organisation). "It is heartening to note that the pilot studies conducted in Dr. Mehta's hospital, Chennai and Narayana Health City, Bengaluru, based on the learnings from ISRO, have yielded positive results," the Bengaluru-headquartered space agency said in a statement late on Tuesday.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/indian-hospitals-set-for-quality-upgradation-thanks-to-isro/articleshow/91787475.cms>

## **External**

### **After wheat and sugar, govt may curb rice exports**

The government may consider export restrictions on rice after wheat and sugar to ensure adequate domestic supplies and prevent a rise in prices. A committee led by the Prime Minister's Office is doing a product-by-product analysis of essential commodities including non-Basmati rice and swift measures are expected if there are any signs of a price rise. "Inflation is being tackled at the highest level. The price monitoring committee is meeting on every product and deciding the course of action," said an official in the know of the details. As per another official, export restrictions on five products are being considered, of which wheat and sugar have already been covered.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/after-wheat-and-sugar-govt-may-curb-rice-exports/articleshow/91797167.cms>

### **Paper exports from India jumps 80 pc to all-time high of Rs 13,963 cr in FY22, says IPMA**

Exports of paper and paperboard from India jumped nearly 80 per cent in FY 2021-22, touching a record Rs 13,963 crore, according to industry body IPMA. The export growth has straddled across different grades of paper, said a statement from Indian Paper Manufacturers Association (IPMA) while citing data released by Directorate General of Commercial Intelligence & Statistics (DGCI&S). "In value terms, exports of coated paper and paperboard increased by 100 per cent, uncoated writing and printing paper by 98 per cent, tissue paper by 75 per cent and kraft paper by 37 per cent," said IPMA. Paper exports from India have been on an uptrend since the last five years. India is exporting papers to – UAE, China, Saudi Arabia, Bangladesh, Vietnam and Sri Lanka. "In volume terms, paper exports from India have gone up four times from 0.66 million tonnes in FY17 to 2.85 million tonnes in FY22. Similarly in value terms, the figures for corresponding years rose from Rs 3,041 crore to Rs 13,963 crore," it said.

<https://www.financialexpress.com/industry/paper-exports-from-india-jumps-80-pc-to-all-time-high-of-rs-13963-cr-in-fy22-says-ipma/2537080/>

#### **World Economic Forum 2022: India has no immediate plan to lift wheat export ban, says Piyush Goyal**

India has no immediate plans to lift a ban on wheat exports, but will continue with deals which are done directly with other governments, Commerce Minister Piyush Goyal told Reuters. The world's second biggest producer of wheat banned private overseas sales of the grain on May 14 after a scorching heat wave curtailed output and domestic prices hit a record high. Global wheat prices surged after the decision. "Currently there's instability in the world, if we were to do that (lift the ban), it would only help black marketeers, hoarders and speculators. Neither will it help the really vulnerable and needy countries," Goyal said when asked if New Delhi had any plans to allow private exports to resume.

<https://www.financialexpress.com/market/commodities/world-economic-forum-2022-india-has-no-immediate-plan-to-lift-wheat-export-ban-says-piyush-goyal/2537708/>

#### **As Indonesia curbs exports, Indian palm oil imports could fall to 11-yr low**

India's palm oil imports could fall 19% to the lowest level in 11-years as soyoil, now cheaper, takes more market share because of Indonesia's curbs on palm oil exports and New Delhi's move to allow duty-free imports of soyoil, dealers said. Lower palm oil purchases by the world's biggest vegetable oil importer could put pressure on Malaysian palm oil prices and may lift soyoil imports to record highs and support U.S. soyoil futures prices. India's palm oil imports in the 2021/22 marketing year, ending on Oct. 31, could fall to 6.7 million tonnes, the lowest since 2010/11, according to the average forecast from five dealers.

[https://www.business-standard.com/article/economy-policy/as-indonesia-curbs-exports-indian-palm-oil-imports-could-fall-to-11-yr-low-122052500623\\_1.html](https://www.business-standard.com/article/economy-policy/as-indonesia-curbs-exports-indian-palm-oil-imports-could-fall-to-11-yr-low-122052500623_1.html)

#### **'WTO pandemic response' cannot be tool to limit export restrictions, push trade facilitation: India**

India is opposed to efforts made by some developed nations to push elements such as limiting scope of export restrictions, expanding market access, implementing permanent disciplines for trade facilitation, and shrinking the scope of the proposed TRIPS waiver, as part of the 'WTO response to the pandemic' being negotiated by members. It wants the WTO response to Covid-19 to be focussed on addressing the challenges posed by the current pandemic, including intellectual property concerns, an official said.

<https://www.thehindubusinessline.com/economy/wto-pandemic-response-cannot-be-tool-to-limit-export-restrictions-push-trade-facilitation-india/article65460420.ece>