



May 31, 2022 – Tuesday

### Key Developments

#### **Sebi tweaks cyber security, cyber resilience framework of KYC registration agencies**

Capital markets regulator Sebi on Monday changed the cyber security and the cyber resilience framework of KYC Registration Agencies (KRAs) and mandated them to conduct a comprehensive cyber audit at least twice in a financial year. Along with the cyber audit report, all KRAs have been instructed to submit a statement from the MD and CEO certifying compliance by them with all of Sebi's cyber security-related guidelines and notices issued periodically, according to a circular. Under the revised framework, KRAs are required to identify and classify critical assets based on their sensitivity and criticality to business operations, services and data management. Critical assets should include business-critical systems, internet-facing applications/systems, systems containing sensitive data, sensitive personal data, sensitive financial data, personally identifiable information data, among others. All ancillary systems used to access or communicate with critical systems, whether for operations or maintenance, must also be classified as critical systems.

<https://www.financialexpress.com/market/sebi-tweaks-cyber-security-cyber-resilience-framework-of-kyc-registration-agencies/2542582/>

### Economy

#### **Govt releases revised Draft National Data Governance Framework Policy**

The government has invited inputs on the Draft National Data Governance Framework Policy (NDGFP) that aims to enhance access, quality, and use of data, in line with the current and emerging technology needs of the decade. The development comes after a strong criticism of the previous 'Draft India Data Accessibility and Use Policy, 2022', which was opened for public consultation in February, and had aims to "radically transform India's ability to harness public sector data". It proposed to permit the licensing and sale of public data by the government to the private sector. "The NDGFP standards and rules will ensure data security and informational privacy. This Policy shall be applicable to all government departments and entities and rules and standards prescribed will cover all data collected and being managed by any government entity," the Ministry of Electronics and Information Technology (MeitY) said in the latest draft policy.

<https://www.thehindubusinessline.com/info-tech/after-strong-criticism-about-its-previous-draft-in-february-govt-comes-out-with-new-draft-national-data-governance-framework-policy/article65467482.ece>

#### **Govt extends PMEGP scheme for five more years with Rs 13.5k crore outlay**

The government on Monday announced the extension of its scheme for employment generation Prime Minister's Employment Generation Programme (PMEGP) over the 15th Finance Commission Cycle from 2021-22 to 2025-26 with an outlay of Rs 13,554.42 crore. In addition, multiple modifications have also been made to the scheme including increasing the maximum financial assistance offered from existing Rs 25 lakh to Rs 50 lakh to entrepreneurs for setting up new manufacturing units and from existing Rs 10 lakh to Rs 20 lakh for new service units. Launched in 2008-09, the scheme has supported around 7.8 lakh micro enterprises with a subsidy of Rs 19,995 crore to create employment for around 64 lakh people, the MSME Ministry said in a statement. Around 80 per cent of the units assisted under PMEGP are in rural areas and about 50 per cent units are owned by scheduled caste, scheduled tribe

and women entrepreneurs. Khadi and Village Industries Commission (KVIC) is the national nodal agency of the scheme.

<https://www.financialexpress.com/industry/sme/msme-eodb-govt-extends-pmegp-scheme-for-five-more-years-with-rs-13-5k-crore-outlay/2542625/>

## Banking and Finance

### Advance action on bank privatisation underway: DFS secretary

Advance action is underway for privatisation of two public sector banks in pursuance of the announcement made by finance minister Nirmala Sitharaman, Department of Financial Services secretary Sanjay Malhotra said on Monday. In the Union Budget for 2021-22, the government announced its intent to take up the privatisation of two PSBs (Public Sector Banks) in the year and approved a policy of strategic disinvestment of public sector enterprises. "In so far as banking privatisation is concerned, there is already a statement on the floor of the house by the finance minister for making enabling provision. Advance action on this is underway," he said during the curtain raiser event 'Iconic Week of the Finance Ministry' to be held between June 6 and 12. In the Union Budget for the financial year 2021-22, the government had announced its intent to take up privatisation of two PSBs in the year and approval of a policy of strategic disinvestment of public sector enterprises, Sitharaman had said in Parliament.

<https://www.financialexpress.com/industry/banking-finance/advance-action-on-bank-privatisation-underway-dfs-secretary/2542628/>

### Revenue loss due to customs duty rationalisation in iron, steel and plastic seen at Rs 10K-15K cr

The government is expecting a revenue loss of Rs 10,000-15,000 crore annually due to the recent recalibration in customs duty on iron and steel and plastic, an official said on Monday. The government, with effect from May 22, waived customs duty on the import of some raw materials, including coking coal and ferronickel, used by the steel industry, a move which will lower the cost for the domestic industry and reduce the prices. The duty on the import of raw materials used in the plastic industry has also been reduced to lower the cost of domestic manufacturing. Also, to increase domestic availability, the duty on exports of iron ore has been hiked up to 50 per cent, and a few steel intermediaries to 15 per cent.

<https://economictimes.indiatimes.com/news/economy/finance/revenue-loss-due-to-customs-duty-rationalisation-in-iron-steel-and-plastic-seen-at-rs-10k-15k-cr-/articleshow/91892294.cms>

### GST has not boosted states' tax collections: Ind Ra

Domestic ratings agency India Ratings on Monday said the GST has not helped states achieve the key objective of boosting their tax revenue. The rating agency said that the data does not point to any benefits to the states in the last five years since the implementation of GST (Goods and Services Tax). From June this year, the Centre will stop giving states any compensation for tax collection shortfall. GST compensation for a five-year period was part of the agreement between states and the central government at the time of the roll-out of the new indirect tax regime in 2017. Several states have asked for an extension of the GST compensation. However, finance minister Nirmala Sitharaman, while presenting the Budget for FY23, has already said that the compensation period will not be extended beyond June 2022. The share of state GST (SGST) in States' Own Tax Revenue (SOTR) at 55.4 per cent during FY18-FY21 compared 55.2 per cent during FY14-FY17 indicates that the growth in both SGST and non-SGST components of SOTR has been broadly similar, it said.

<https://www.financialexpress.com/economy/gst-has-not-boosted-states-tax-collections-ind-ra/2542749/>

### Sustainable Investment: EIS claims over 36% annual returns, beating the equity markets

Earthwise Investors have published a first-of-its-kind Sustainability Report for EIS which presents a summary of the sustainability characteristics of the EIS portfolio and their comparison with the broader market (represented by the NIFTY 100 index) for the 2021 reporting cycle. The report is based on Earthwise's proprietary "Net Sustainability Positioning" (NSP) Framework. The NSP Framework is organised around five themes: Climate resilience, Resource efficiency, Human capital, Impact on communities, and Inclusion & Access. According to the report, during the 2021 reporting cycle, the GHG intensity of EIS portfolio was 1,447 tonnes for billion rupees of EBITDA. In comparison, the NIFTY 100 constituents produced GHG emissions of 59,473 tonnes for producing the same EBITDA. The GHG footprint of EIS portfolio was a mere 2.6% of that of the NIFTY 100. Similarly, the EIS portfolio companies during the

same period used 240 MWh of non-renewable energy for producing one billion rupees of EBITDA, while the NIFTY 100 constituents used 17,011 MWh of non-renewable energy for producing the same EBITDA. Even the water intensity of EIS portfolio stood at only 2.7% of that of NIFTY 100.

<https://www.financialexpress.com/economy/sustainable-investment-eis-claims-over-36-annual-returns-beating-the-equity-markets/2542559/>

#### **NBFC-MFIs' stressed assets likely declined 800 bps, but still above pre-Covid levels: Crisil**

Stressed assets of non-banking financial companies-microfinance institutions (NBFC-MFIs) comprising 30+ portfolio at risk (loans overdue by over 30 days), and loan book under restructuring are estimated to have declined a significant 800 basis points to around 14 per cent as of March 2022, after peaking to approximately 22 per cent in September 2021, according to credit rating agency Crisil. However, it remained well above the pre-pandemic level of 30+ PAR at around 3 per cent. "The microfinance sector restructured around 10 per cent of its loan book under the Resolution Framework 2.0 announced by the Reserve Bank of India (RBI) in the wake of the second Covid-19 wave, compared with a mere 1-2 per cent in the first wave," said Krishnan Sitaraman, Senior Director and Deputy Chief Ratings Officer, CRISIL Ratings.

<https://www.financialexpress.com/industry/sme/msme-fin-nbfc-mfis-stressed-assets-likely-declined-800-bps-but-still-above-pre-covid-levels-crisil/2542460/>

### **Industry**

#### **Govt extends PLI scheme for specialty steel a third time, till June 30**

The government on Monday extended for the third time the deadline to submit applications under the production-linked incentive scheme for specialty steel till June 30, 2022. Till now only 10 applications have been received from the players looking to invest under the Rs 6,322-crore scheme which was launched in July last year. Initially, March 29 was the last date for manufacturers to apply for the benefits under the PLI (Production-Linked Incentive) scheme for specialty steel. It was later extended till April 30 and again to May 31, 2022. Last week, PTI had reported the government is considering extension of the last date to submit applications under the PLI scheme with a few modifications like no minimum investment cap and setting up minimum capacity for secondary players, a uniform incentive on the production of specialty steel, among others.

[https://www.business-standard.com/article/economy-policy/govt-extends-pli-scheme-for-specialty-steel-a-third-time-till-june-30-122053001270\\_1.html](https://www.business-standard.com/article/economy-policy/govt-extends-pli-scheme-for-specialty-steel-a-third-time-till-june-30-122053001270_1.html)

#### **Appointment of 'master developers' for mega textile parks prerequisite to shortlisting for PM MITRA**

To ensure that states proposing to set up mega textile parks under the ₹4,445 crore PM MITRA scheme have sufficient funds, the Centre has decided to wait till they successfully rope in 'master developers' before the initial list of 18 proposals is pruned in the first stage of the selection process. "The Textile Ministry, which needs to select seven projects in a two-stage selection process, will also soon take a call on whether to restrict states to a maximum of one park each instead of allowing them to go for more projects. If it is decided to allot not more than one project to one state, this would also bring down the number of proposals," an official tracking the matter told BusinessLine.

<https://www.thehindubusinessline.com/economy/appointment-of-master-developers-for-mega-textile-parks-prerequisite-to-shortlisting-for-pm-mitra/article65476521.ece>

### **Agriculture**

#### **Govt's wheat procurement down at 184.58 lakh tonnes so far**

The government has procured 184.58 lakh tonnes of wheat at a MSP value of Rs 37,192.07 crore so far in the ongoing 2022-23 rabi marketing year, benefitting 17.50 lakh farmers, the Food Ministry said on Monday. Total wheat purchases made by the Food Corporation of India (FCI) and state agencies are, however, much lower than the year-ago period. According to the ministry, 96.16 lakh tonnes of wheat have been procured in Punjab, 44.45 lakh tonnes in Madhya Pradesh, 40.97 lakh tonnes in Haryana, 2.84 lakh tonnes in Uttar Pradesh till May 29 of the current marketing year. About 3,343 tonnes of wheat have been procured in Bihar, 3,221 tonnes in Chandigarh, 1,982 tonnes in Uttarakhand, and 1,685 tonnes in Rajasthan, while one tonne in Delhi during the comparable period.

<https://www.financialexpress.com/economy/govts-wheat-procurement-down-at-184-58-lakh-tonnes-so-far/2542672/>

## Infrastructure

### Govt to transform Paradip port into world-class port at cost of over Rs 3,000 crore

The Ministry of Ports, Shipping, and Waterways is all set to transform Odisha's Paradip port into a world-class modern port, which will have the capability to handle capsized vessels. According to a statement issued by the Ministry of Ports, Shipping, and Waterways, the decision has been taken by the government with a futuristic approach as Prime Minister Narendra Modi has been laying emphasis on the development of eastern states. The project, according to the ministry, involves deepening as well as optimization of inner harbour facilities including the development of the western dock on a BOT basis under PPP mode at Paradip Port. The project's estimated cost is Rs 3,004.63 crore. This includes the development of the new Western Dock on the build, operate and transfer basis at a cost of Rs 2,040 crore and capital dredging by the selected concessionaire at a cost of Rs 352.13 crore; and the investment of Paradip Port will be to the tune of Rs 612.50 crore towards providing Common Supporting Project Infrastructure. According to Ports, Shipping and Waterways Minister Sarbananda Sonowal, the project's success is a milestone toward Paradip Port becoming a Mega Port. This is in line with PM Modi's vision of the development of Eastern States, he said.

<https://www.financialexpress.com/infrastructure/govt-to-transform-paradip-port-into-world-class-port-at-cost-of-over-rs-3000-crore/2542092/>

### Rentals in major Indian cities go up by 10%–20%

Rentals in major Indian cities have gone up by 10%–20% as companies have started pushing hybrid work arrangements and schools have opened up in most urban centers, say industry experts. Since January, the rental housing market in big cities has started to get back on its feet. This is because companies are starting to use hybrid work arrangements and schools are opening in big cities. "The residential rental market has, however, shown a steady increase in demand over the last two quarters as work from home culture is returning to near normal. The real estate industry witnessed a sharp rise in sales and is now showing amazing signs of recovery in the rental segment too," said Samir Arora, president, National Association of Realtors India.

<https://economictimes.indiatimes.com/industry/services/property/-/construction/rentals-in-major-indian-cities-go-up-by-1020/articleshow/91895034.cms>

## Energy

### Centre announces Rs 1,000 cr scheme for power and RE equipment making zones

The Centre has proposed a scheme to invite private companies to set up manufacturing zones for power and renewable energy equipment, at a total capital outlay of Rs 1,000 crore. The move is part of the government's efforts to cut down import reliance and build domestic capacity. The three proposed zones are proposed to come up by 2026-27. The ministries of power, and new and renewable energy have jointly proposed a scheme for establishment of three manufacturing zones, of which two would be brownfield on already developed land and one greenfield in a coastal area of the country, said the expression of interest (EoI) published by the ministries. "India is largely reliant on imports to meet its growing domestic demand of power and renewable energy equipment and this trend is likely to continue unless domestic capacity is ramped up with suitable policy support. The target of 450 GW of Renewable Energy capacity offers a tremendous opportunity to create skilled jobs, bring about technology transfer, and contribute to the Make in India campaign, in addition to reducing the country's trade deficit and reliance on imports," said the ministry in its EoI.

[https://www.business-standard.com/article/economy-policy/centre-announces-rs-1-000-cr-scheme-for-power-and-re-equipment-making-zones-122053001338\\_1.html](https://www.business-standard.com/article/economy-policy/centre-announces-rs-1-000-cr-scheme-for-power-and-re-equipment-making-zones-122053001338_1.html)

### Govt aims to cut power output from at least 81 coal-fired plants over 4 yrs

India plans to reduce power generation from at least 81 coal-fired utilities over the next four years, the federal power ministry said in a letter, in an effort to replace expensive thermal generation with cheaper green energy sources. The plan aims to maximize green energy potential and save costs, the letter sent to top energy department officials

of state and federal government said, but will not involve shutting down old and expensive power plants. India has 173 coal-fired plants. "The thermal power plants in future shall operate up to the technical minimum to accommodate cheaper renewable energy when it is available," the ministry said in the letter dated May 26. An increase in peak power consumption during the night when solar power is not available has made phasing out coal-fired generation a big challenge. The addition of alternative sources such as nuclear and hydro power have also been slow.

[https://www.business-standard.com/article/economy-policy/govt-aims-to-cut-power-output-from-at-least-81-coal-fired-plants-over-4-yrs-122053000718\\_1.html](https://www.business-standard.com/article/economy-policy/govt-aims-to-cut-power-output-from-at-least-81-coal-fired-plants-over-4-yrs-122053000718_1.html)

## Telecom

### Government allots Rs 3,683 cr project to Jio, Airtel for 4G services in uncovered villages

The government has allocated a project worth Rs 3,683 crore for providing 4G mobile service in uncovered villages of aspirational districts, an official source said on Monday. Under the project, Bharti Airtel will install 1,083 mobile towers with an expenditure of Rs 847.95 crore in Jharkhand and Maharashtra and Reliance Jio will roll out 3,696 towers for Rs 2,836 crore the source said. The project was allocated to the companies in May. "The project to provide 4G coverage in uncovered villages of aspirational district of five states was approved by the Cabinet last year. Airtel and Jio have been given 18 months to roll out 4G services in the identified villages," the source said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/government-allots-rs-3683-cr-project-to-jio-airtel-for-4g-services-in-uncovered-villages/articleshow/91896729.cms>

## States

### Haryana CM Khattar allocates Rs 2,711cr for development work in Gurugram

Haryana Chief Minister Manohar Lal Khattar on Sunday announced an allocation of Rs 2,711 crore for development work in all four assembly constituencies of Gurugram district during a 'Pragati Rally' here. He claimed that this is one of the biggest ever allocations for the development of Gurugram passed by the government during the BJP's rule. He also inaugurated a Government Women's College built at Rs 14.5 crore in Sector-52. He said that the state government believes in making the youth self-reliant by providing employment opportunities to them.

[https://www.business-standard.com/article/economy-policy/haryana-cm-khattar-allocates-rs-2-711cr-for-development-work-in-gurugram-122053000023\\_1.html](https://www.business-standard.com/article/economy-policy/haryana-cm-khattar-allocates-rs-2-711cr-for-development-work-in-gurugram-122053000023_1.html)

### SIDBI launches Enterprise Connect Desks in UP's district industries centres to promote entrepreneurship

Small Industries Development Bank of India (SIDBI) in association with the Uttar Pradesh government's One District One Product (ODOP) Cell of its MSME Department on Monday launched Enterprise Connect Desks (ECDs) in 35 district industries centres (DICs) of the state. SIDBI said the ECDs have been set up for enterprise promotion by encouraging entrepreneurship among people and helping them with information on MSME related schemes of the central government, Uttar Pradesh government, banks and SIDBI. Navneet Sehgal, Additional Chief Secretary, MSME & Export Promotion, Government of Uttar Pradesh appreciated the effort of SIDBI and ODOP in connecting with the unemployed youth to take up entrepreneurship through this initiative which will facilitate budding entrepreneurs to connect with banks. Sehgal also advised participants to use the state government's Udyam Sarathi App for self-employment opportunities in the state.

<https://www.financialexpress.com/industry/sme/msme-eodb-sidbi-launches-enterprise-connect-desks-in-ups-district-industries-centres-to-promote-entrepreneurship/2542830/>

## Healthcare

### New infections rising slowly on the back of international travel

Even as economic and social activities return to a normal state after the recent upsurge in Covid cases in January-February, daily new cases have shown a marginal-but-steady rise in recent weeks with test positivity rate in States heading north again. Data from the State health bulletins show that big States, including Maharashtra, Tamil Nadu, Karnataka, Gujarat, Delhi and West Bengal, have shown a steady rise in the daily test positivity rate with daily new

cases going up steadily. The nation's average daily test positivity rate was reported at 0.2 per cent on March 30, 2022, with 1,233 positive cases from the 6.24 lakh tests conducted in 24 hours. The TPR has steadily increased to 0.74 per cent on April 30 and 0.97 per cent on May 29. Notably, the number of daily tests dropped by more than half from 6.24 lakh to about 2.78 lakh tests conducted on May 29.

<https://www.thehindubusinessline.com/news/covid-new-infections-rising-slowly-on-the-back-of-international-travel/article65476451.ece>

## External

### **India's sugar exports to grow up to 10 mln tonnes in SS22 on lower output in Brazil: Report**

The country's sugar exports are expected to increase to around 9-10 million tonnes in sugar season 2022, beginning October, following lower production in Brazil due to adverse weather conditions, according to a report. Ind-Ra expects the total exports for SS22 (Sugar Season 2022) to rise to 9-10 million tonnes, surpassing the previous high of 7.2 million tonnes shipped in SS21, as the lower production in Brazil (which is down 40 per cent year-on-year in first 1.5 months ended mid-May 2022) due to adverse weather conditions and delayed harvesting. Brazil is the largest exporter of sugar, constituting 35-45 per cent of the global trade, and a fall in its exports in the current season could result in India's share rising to around 15 per cent, the Ind-Ra report stated.

<https://www.financialexpress.com/economy/indias-sugar-exports-to-grow-up-to-10-mln-tonnes-in-ss22-on-lower-output-in-brazil-report/2542668/>

### **India's imports of cheap Russian crude surge since Ukraine invasion: Data**

India has received 34 million barrels of discounted Russian oil since Moscow invaded Ukraine on Feb. 24, according to Refinitiv Eikon data, more than trebling the value of total imports from Russia, including other products, compared with the same period of 2021. The volumes of India's seaborne oil imports from Russia exclude CPC Blend oil, which is also exported via Russia's Black Sea port, but mostly supplied by Kazakhstan's subsidiaries of western countries as transit volumes. India's oil imports from Russia have been rising since February, as Asia's third largest economy and the world's third biggest oil importer, turned to deeply discounted Russian oil, mostly Urals crude, to cut its imports bill. The country received more than 24 million barrels of Russian crude this month, up from 7.2 million barrels in April and about 3 million in March, and is set to receive about 28 million barrels in June, according to Refinitiv Eikon oil flows.

[https://www.business-standard.com/article/economy-policy/india-s-imports-of-cheap-russian-crude-surge-since-ukraine-invasion-data-122053001171\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-imports-of-cheap-russian-crude-surge-since-ukraine-invasion-data-122053001171_1.html)

### **India asked to supply more than 1.5 million tonnes wheat**

India has received requests for the supply of more than 1.5 million tonnes of wheat from several countries that need the staple to overcome shortages triggered by the invasion of Ukraine by Russia, trade and government sources said on Monday. "More than half a dozen countries have approached India for more than 1.5 million tonnes of wheat and we will see how to go about these requests," said a government official who didn't wish to be identified in line with official rules. "India is keen to help vulnerable countries and anyone who needs wheat," said the official involved in decision making. The bulk of the request has come from Bangladesh, a regular buyer of Indian wheat, the sources said. India, which has banned private wheat exports, is open to specific requests for grain from foreign governments.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-asked-to-supply-more-than-1-5-million-tonnes-wheat/articleshow/91894461.cms>

### **Centre warns of CBI action against post-dated wheat export letter of credit**

The government on Monday said that it will initiate proceedings under the Foreign Trade Act and could also take the help of CBI and Economic Offence Wing against exporters who have issued post-dated Letters of Credit beyond May 13. In a notice, the Directorate General of Foreign Trade also said that the government will take all necessary action against those banks which are found complicit with exporters in issuing post-dated LCs as it has been "apprehended that some of the exporters are applying for registration certificates from RA (regional authorities) based on improper documents and therefore more checks need to be put in the system". "In cases where the LC date is on or prior to May 13 but the swift message/message exchange date between the Indian and foreign bank is after May 13, the RA

may conduct full investigation (if required, through external experts) and if these are found to be ante-dated, immediate proceedings under the FT (D&R) Act needs to be initiated against the exporter,” the DGFT said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/centre-warns-of-cbi-action-against-post-dated-wheat-export-letter-of-credit/articleshow/91896500.cms>