



May 05, 2022 – Thursday

### Key Developments

#### **RBI hikes rates by 40 basis points in an unscheduled meet, attempts to tame inflation**

Reserve Bank of India governor Shaktikanta Das said that the Monetary Policy Committee (MPC) met in an off-cycle meet and voted unanimously to hike the policy repo rate by 40 basis points, taking it to 4.40%. He added that global inflation is expected to remain high in April and RBI's policy actions are an attempt to curb inflation and maintain growth. He added that MPC decided to hike the Cash Reserve Ratio (CRR) by 50 basis points to 4.5%. CPI inflation climbed to 6.95 per cent in March while WPI (wholesale price index) inflation touched 14.55 per cent in the same month. Economists and market experts have pointed out that the central bank needs to hike rates by 50 basis points in the upcoming June monetary policy meeting. Shaktikanta Das' decision comes just ahead of the US Federal Reserve policy meeting, where the Jerome Powell-led FOMC is expected to initiate the rate hike cycle.

<https://www.financialexpress.com/economy/rbi-governor-live-shaktikanta-das-to-make-an-unscheduled-statement-at-2-pm-today/2512432/>

### Economy

#### **Growth to be in range of 7-8.5% given global uncertainties: CEA Nageswaran**

Chief Economic Adviser V Anantha Nageswaran on Wednesday said India's growth is expected to be in the range of 7-8.5 per cent given the global uncertainties. The International Monetary Fund recently lowered its growth forecast to 8.2 per cent which is higher than 7.2 per cent by the Reserve Bank of India. "The range of outcomes is fairly wide. Wider than it could ever be and that makes decision making all the more hazardous. Lots of luck is needed to get it right," he said at an event here. As per the Economic Survey, India's economy is expected to grow by 8-8.5 per cent in the fiscal beginning April 1. The CEA said he had a conversation this afternoon with Fitch Ratings which has projected a growth rate of 8.5 per cent for India. Although they have a negative outlook on India with BBB minus rating, they do have a forecast of 8.5 per cent real GDP growth for 2022-23, he added.

[https://www.business-standard.com/article/economy-policy/growth-to-be-in-range-of-7-8-5-given-global-uncertainties-cea-nageswaran-122050401135\\_1.html](https://www.business-standard.com/article/economy-policy/growth-to-be-in-range-of-7-8-5-given-global-uncertainties-cea-nageswaran-122050401135_1.html)

#### **FASTag toll collection touches Rs 4,218.89 crores in April 2022**

Toll collection through the FASTag network reported a 3.02 per cent rise to Rs 4218.89 crores during April 2022 compared with March 2022. The increase is despite the number of transactions declining from 270.41 million in March 2022 to 265.98 million in April 2022. According to analysts, the rise in collections is on the back of toll rates being hiked from April 1, 2022. Toll rates are linked to the Wholesale price index (WPI) and routinely revised.

<https://economictimes.indiatimes.com/news/economy/indicators/fastag-toll-collection-touches-rs-4218-89-crores-in-april-2022/articleshow/91319880.cms>

### Banking and Finance

#### **Investor wealth tumbles Rs 6.27 lakh cr as markets face heavy drubbing after RBI surprise**

Investors became poorer by over Rs 6.27 lakh crore on Wednesday as markets crashed after the RBI hiked the policy rate by 40 bps in a surprise move. The 30-share BSE benchmark Sensex tumbled 1,306.96 points or 2.29 per cent to settle at 55,669.03. During the day, it plummeted 1,474.39 points or 2.58 per cent to 55,501.60. In tandem with the slump in equities, the market capitalisation of BSE-listed firms tumbled Rs 6,27,359.72 crore to stand at Rs 2,59,60,852.44 crore. Home, auto and other loan EMIs are likely to increase after the Reserve Bank of India (RBI) hiked its key interest rate by 40 bps in a surprise move on Wednesday in an effort to tame inflation that has remained stubbornly above target in recent months.

<https://www.financialexpress.com/market/investor-wealth-tumbles-rs-6-27-lakh-cr-as-markets-face-heavy-drubbing-after-rbi-surprise/2512950/>

### **States' off-balance-sheet borrowings at decadal high; will hurt new investments, warns Crisil**

States have done off-balance-sheet borrowings through various entities in FY22, resulting in a 1 percentage point increase in such hidden loans to 4.5 per cent of GSDP, a report said on Wednesday. The report by ratings agency Crisil, based on an analysis of 11 states accounting for three-quarters of GSDP, warned that this will impact the badly-needed capital expansion measures by the states as resources will be ploughed to service debt. The Indian economy has revived to touch the pre-Covid levels after one year of a decline in the GDP due to the impact of the Covid-19 pandemic. Policymakers are betting on capital expansion to accelerate the revival through various measures.

<https://economictimes.indiatimes.com/news/economy/finance/states-off-balance-sheet-borrowings-at-decadal-high-will-hurt-new-investments-warns-crisil/articleshow/91315147.cms>

## **Industry**

### **TReDS: Only 35% companies registered on invoice discounting platform out of nearly 5,000 identified by govt in April 2021**

A year after the government identified total companies with a turnover of more than Rs 500 crore to onboard the trade receivables financing platform TReDS, the registration count is far from 100 per cent. According to the information available from the MSME Ministry, 4,714 such companies were identified by the Ministry of Corporate Affairs in April 2021. After filtering out companies registered on TReDS and which were central government enterprises, 1,661 companies (35.2 per cent) had registered themselves as of April 1, 2022, on the TReDS platform.

<https://www.financialexpress.com/industry/sme/msme-fin-treds-only-35-companies-registered-on-invoice-discounting-platform-out-of-nearly-5000-identified-by-govt-in-april-2021/2513112/>

### **Deadline to apply for production-linked incentive for steel manufacturing extended till May 31**

The government has extended the deadline to submit applications under the production-linked incentive scheme for speciality steel till May 31, according to an official notification. The deadline has been extended for the second time. Initially, March 29 was the last date for manufacturers to apply for the benefits under the PLI (Production-Linked Incentive) scheme for speciality steel. It was later extended till April 30. "...the application window (for scheme) will be kept open up till May 31, 2022," according to the steel ministry notification dated April 28.

Earlier, an official in the ministry had told PTI that the government was considering modifications in the PLI scheme for speciality steel after steel makers raised certain concerns. "...the application window (for scheme) will be kept open up till May 31, 2022," according to the steel ministry notification dated April 28. Earlier, an official in the ministry had told PTI that the government was considering modifications in the PLI scheme for speciality steel after steel makers raised certain concerns.

<https://economictimes.indiatimes.com/news/economy/policy/deadline-to-apply-for-production-linked-incentive-for-steel-manufacturing-extended-till-may-31/articleshow/91312927.cms>

### **Total EV registrations report single-digit decline in April**

The first month of FY23 saw electric vehicle registrations record an overall decline of six per cent on a sequential basis amid intensifying debate on EV safety and power sources for charging EVs. Year-on-year numbers, however, registered a significant growth. Total registered EV sales in April 2022 stood at 72,519 units as compared to 77,243 units in March 2022 and 14,179 units in April 2021, according to data on Vahan Dashboard. EV registrations in April 2022 were driven by electric two-wheelers and passenger-type electric three-wheelers which, together, accounted

for about 93 per cent of total registrations.. The shares of these categories were followed by electric cars (close to 4 per cent) and cargo-type electric three-wheelers (three per cent), among others, said a report by JMK Research. <https://www.thehindubusinessline.com/companies/total-ev-registrations-report-a-single-digit-decline-in-april/article65380918.ece>

#### **Repo rate hike to put brakes on auto industry growth: FADA**

Automobile dealers' body FADA on Wednesday said the increase in repo rate will "apply certain amount of brakes" on the industry's growth, especially the two-wheeler segment which is already reeling under a severe slowdown. Home, auto and other loan EMIs are likely to go up after the Reserve Bank of India (RBI) hiked its key interest rate by 40 bps in an unexpected move on Wednesday to tame the rising inflation that has remained stubbornly above target in the recent months.

<https://economictimes.indiatimes.com/industry/auto/auto-news/repo-rate-hike-to-put-brakes-on-auto-industry-growth-fada/articleshow/91322206.cms>

#### **Rising costs hit grocery consumption, staples and F&B worst affected**

Unit consumption of daily groceries and essentials fell marginally during the quarter ended March, over the year ago period, as consistent price hikes forced people to cut back on household spending, and the omicron wave impacted out of home consumption in January. Unit consumption of daily groceries and essentials fell marginally during the quarter ended March, over the year ago period, as consistent price hikes forced people to cut back on household spending, and the omicron wave impacted out of home consumption in January.

<https://economictimes.indiatimes.com/news/economy/indicators/rising-costs-hit-grocery-consumption-staples-and-fb-worst-affected/articleshow/91299496.cms>

### **Agriculture**

#### **Govt's wheat purchases set to halve; no plans to curb exports: Food secretary**

The Centre's wheat procurement is set to decline by more than half to 19.5 million tonnes in the the current rabi marketing year amid higher exports and likely fall in output, food secretary Sudhanshu Pandey said on Wednesday, and asserted there won't be any concern for meeting the domestic demand under the Public Distribution System. The secretary also ruled out a possibility of imposing any curbs on wheat exports as farmers are getting higher than the Minimum Support Price (MSP) for their produce. New export markets such as Egypt, Turkey and some European Union countries are opening for Indian wheat. Agri-export promotion body APEDA is facilitating the shipments, he said.

<https://www.financialexpress.com/economy/govts-wheat-purchases-set-to-halve-no-plans-to-curb-exports-food-secretary/2512250/>

#### **Farmers sell wheat to private players on global demand, lesser yield**

With the rise in global demands of wheat, farmers across states are making a beeline to sell the produce to private players, instead of government procurement agencies, to earn a better remuneration. This has seen significant decline in government procurement in the current rabi season, which could lead to shortage of the essential commodity in future. Government's support price for wheat is ₹2,015 per quintal, while private players have been offering a price above MSP to meet export demand. Lower yield this season also has contributed to the high demand.

<https://economictimes.indiatimes.com/news/economy/agriculture/farmers-sell-wheat-to-private-players-on-global-demand-lesser-yield/articleshow/91325484.cms>

### **Infrastructure**

#### **Sagarmala Apex Panel to meet Friday: Monetisation, new projects on agenda**

The central government will hold the National Sagarmala Apex Committee (NSAC) meeting on Friday to discuss various policy measures for development of ports and related infrastructure under the Sagarmala programme. The apex committee, which was formed in 2015, will meet with Shipping Minister Sarbananda Sonowal, Road Transport and Highways Minister Nitin Gadkari, Commerce Minister Piyush Goyal, Railways Minister Ashwini Vaishnaw, Civil

Aviation Minister Jyotiraditya Scindia in attendance, among others. "The committee shall review the Sagarmala program along with review of development of port linked Road and Rail connectivity project, development of Floating jetties and Inland waterways besides other agenda items," the ministry of ports, shipping and waterways said.

[https://www.business-standard.com/article/economy-policy/sagarmala-apex-panel-to-meet-friday-monetisation-new-projects-on-agenda-122050401029\\_1.html](https://www.business-standard.com/article/economy-policy/sagarmala-apex-panel-to-meet-friday-monetisation-new-projects-on-agenda-122050401029_1.html)

### **Unsold residential unit stock in India declines to its lowest since 2020**

Unsold residential inventory in India is at its lowest in eight quarters (since 2020) at 6,27,280 units in the January–March period of this year. Analysts and market sources say that, altogether, there has been a 3 per cent decline in unsold stock across the top seven cities from Q1 2020 till Q1 2022, from 6,44,420 units to 6,27,280. Unsold stock is spread across the mid segment – ₹40 lakh–₹80 lakh and premium homes – ₹80 lakh–₹15 crore – and some in the affordable housing segment. The affordable/budget segment's share in sales remained stable at 27 per cent in Q1 2022 vis-à-vis Q4 2021 while sales in the high-end category jumped to 23 per cent in Q1 2022 versus 16 per cent in Q4 2021.

<https://www.thehindubusinessline.com/news/real-estate/unsold-residential-unit-stock-in-india-declines-to-its-lowest-since-2020/article65381797.ece>

## **Telecom**

### **Tech cos oppose DCC call on E band allotment to telcos**

Broadband, tech and WiFi players will shortly write to the government, pointing out that the Digital Communications Commission's (DCC) recent decision backing allocation of premium 'E band' airwaves exclusively to mobile carriers via the administrative route is in direct conflict with the sector regulator's position to open up this spectrum band.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/tech-cos-oppose-dcc-call-on-e-band-allotment-to-telcos/articleshow/91311349.cms>

## **Energy**

### **Power crisis: Maharashtra, Rajasthan, West Bengal couldn't build up coal stocks due to pending dues**

Huge outstanding dues worth about Rs 7,918 crore of state-run power generating companies have resulted in less dispatch of coal especially to the states with high dues like Maharashtra, Rajasthan and West Bengal, according to an official note. Several parts of the country are grappling with power outages on account of shortages of fossil fuel. "Total dues of state gencos are to the tune of Rs 7,918 crore. This has led to less dispatch of coal to states over the past many months. Maharashtra, Rajasthan and West Bengal could not build up stocks due to pending dues," according to a recent note to the cabinet secretary on the power supply situation.

<https://www.financialexpress.com/economy/power-crisis-maharashtra-rajasthan-west-bengal-couldnt-build-up-coal-stocks-due-to-pending-dues/2512777/>

### **Coal Ministry to hold investors' meet on Friday**

The coal ministry will hold a high-level Investors' Meet on Friday in a bid to attract investments from the private sector. Coal Minister Pralhad Joshi will launch the event to be held in Mumbai. To be organised by the Ministry of Coal in association with CIL and FICCI, the Investors' Meet will also be addressed by Minister of State for Coal, Mines and Railways Raosaheb Patil Danve. Coal Secretary Anil Kumar Jain and other senior functionaries of the ministry, CIL and experts from the sector will attend the day-long meet. During the forenoon session, presentations and talks will be held on showcasing the opportunities in the launch of closed/discontinued coal mines and aspects pertaining to revenue sharing model.

<https://www.financialexpress.com/industry/coal-ministry-to-hold-investors-meet-on-friday/2513010/>

### **Centre to set up joint task force to explore value addition to by-products of petrochem industries**

Fertiliser and Chemicals Minister Mansukh Mandaviya on Wednesday decided to set up a joint task force to explore possibilities of utilising by-products of petroleum and petrochemical industries for producing crucial intermediates for pharma and agro-chemical industries. A decision in this regard was taken in a meeting between department

secretaries, top officials of PSUs and industry leaders. Minister of State for Chemicals and Fertilizers Bhagwanth Khuba as well as Secretary (Chemicals and Petrochemicals), Secretary (Petroleum & Natural Gas), Secretary (Department of Science and Technology) were also present. The meeting was held to discuss methodologies for adding value to by-products of the petroleum industry that go as raw material into downstream specialty chemical industry, an official statement said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/centre-to-set-up-joint-task-force-to-explore-value-addition-to-by-products-of-petrochem-industries/articleshow/91322459.cms>

## Healthcare

### **Bharat Biotech seeks DCGI nod for phase 2/3 Covaxin booster trial among two to 18-year-old**

Bharat Biotech has sought permission from India's drug regulator to conduct a phase 2/3 study of its Covid vaccine Covaxin as a booster dose among those aged two to 18 years, sources told PTI. Presently, precaution dose of Covaxin and Covishield is administered to all those aged above 18 who have completed nine months after the second dose. Bharat Biotech has sought permission from India's drug regulator to conduct a phase 2/3 study of its Covid vaccine Covaxin as a booster dose among those aged two to 18 years, sources told PTI.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/bharat-biotech-seeks-dcgi-nod-for-phase-2/3-covaxin-booster-trial-among-two-to-18-year-old/articleshow/91314248.cms>

## External

### **Services exports set a new record of USD 254.4 billion in 2021-22**

India's services exports set a new record of USD 254.4 billion (about Rs 19 lakh crore) in 2021-2022, the commerce ministry said on Wednesday. The exports also hit an all-time monthly high of USD 26.9 billion in March, it said. Telecommunications, computer, and information services, other business services and transport are the top contributors to the exports, it added. "The new record achieved in 2021-22 beats the previous high of USD 213.2 billion in 2019-20," it said.

<https://www.financialexpress.com/economy/services-exports-set-a-new-record-of-usd-254-4-billion-in-2021-22/2512876/>

### **India excludes 1,157 products from ambit of free trade pact with UAE**

India has kept out as many as 1,157 products, including TVs, picture tubes, soaps, toys, footwear, instant coffee, sharbat, and petroleum waxes, from the ambit of its free trade agreement with UAE. The pact came into force on May 1. Given the sensitivities of these products for the domestic industry, India will not provide any kind of customs duty concessions on the 1,157 goods under the the India-UAE Comprehensive Economic Partnership Agreement (CEPA), according to FAQs prepared by the commerce ministry on the pact. The product categories include jewellery (except for 2.5 tons quota for gold jewellery), plastics, scrap of aluminium and copper, most automobiles and automotive components, medical devices, dairy products, fruits, cereals, sugar, food preparations, tobacco products, dyes and pigments, natural rubber, tyres, and processed marble.

<https://www.financialexpress.com/economy/india-excludes-1157-products-from-ambit-of-free-trade-pact-with-uae/2512847/>

### **Apparel exporters' body seeks quick measures to check raw material price hikes**

Apparel exporters' body AEPC on Wednesday urged the government to take immediate measures to contain rising prices of raw materials as the continuous surge has impacted the entire value chain of the industry. The price of cotton yarn, which was around Rs 376 per kilogramme in March, rose to Rs 406 in April and further to Rs 446 a kg as of now, the Apparel Export Promotion Council (AEPC) said in a statement. The prices of yarn have more than doubled from Rs 200 per kg witnessed 18 months ago, it said. Flagging the continuous increase in the cost of cotton yarn which is critical to the apparel industry, AEPC sought the government's immediate intervention in order to meet the country's annual export target.

<https://www.financialexpress.com/economy/apparel-exporters-body-seeks-quick-measures-to-check-raw-material-price-hikes/2513025/>