



June 27, 2022 – Monday

Economy

Indian economy may touch \$30 trillion in next 30 years, says Piyush Goyal

India is one of the fastest-growing economies in the world and it is expected to reach USD 30 trillion in the coming 30 years, Commerce and Industry Minister Piyush Goyal said. If India grows at 8 per cent every year on a compounded annual growth basis, the economy will double in about nine years, he said. The country's economy at present stood at about USD 3.2 trillion and in nine years from today, he said, it will be about USD 6.5 trillion. "Another nine years, that is 18 years from now, we will be about USD 13 trillion economy. And then another nine years after that, that is 27 years from now, we will be a USD 26 trillion economy... Then obviously, 30 years from today, confidently we can all expect that the Indian economy will be a USD 30 trillion economy," the minister said.

<https://www.financialexpress.com/economy/indian-economy-may-touch-30-trillion-in-next-30-years-says-piyush-goyal/2573299/>

Finance Minister to release states' ranking for ease of doing business

Finance minister Nirmala Sitharaman will on Thursday release a ranking of states and Union Territories (UTs) on ease of doing business under the Business Reforms Action Plan (BRAP). The exercise is aimed at triggering competition among states to improve the business climate to attract domestic and global investors. "It has been decided to release the assessment of states/UTs under BRAP (Business Reforms Action Plan), 2020, on June 30 by Sitharaman," a government official said.

<https://economictimes.indiatimes.com/news/economy/indicators/finance-minister-to-release-states-ranking-for-ease-of-doing-business/articleshow/92477196.cms>

India's economy shows spark on pent-up demand after reopening

India's economy gathered momentum in May driven by pent up demand for services and higher output from industries as reopening continued from pandemic restrictions. Five of the eight high-frequency indicators compiled by Bloomberg News showed improvement, pushing the needle on a dial measuring so-called 'Animal Spirits' to 6, from 5, for the first time since July and the first upward move in more than a year. The gauge is based on the three-month weighted average scores to smoothen out volatility in the single-month readings. The upturn was fueled by an expansion in services activity and a robust growth in core infrastructure industries. However, an unprecedented rise in input prices, due in part to Russia's invasion of Ukraine and persistent NSE 3.92 % demand-supply imbalances, may spoil sentiment going forward.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-economy-shows-spark-on-pent-up-demand-after-reopening/articleshow/92480286.cms>

Banking and Finance

Govt in talks with RBI to let RRBs tap credit depository to help prune NPAs

The Centre is in talks with the Reserve Bank of India (RBI) to let regional rural banks (RRBs) tap its Central Repository of Information of Large Credit (CRILC), in a move that's seen helping such lenders reduce their non-performing assets by referring to the information available with the depository of borrowers who approach them for loans.

https://www.business-standard.com/article/economy-policy/govt-in-talks-with-rbi-to-let-rrbs-tap-credit-depository-to-help-prune-npas-122062600851_1.html

India Inc flocks to banks for funds

Corporates are flocking back to banks for funds as alternative sources of funding such as domestic bond markets and overseas borrowings have become costly. Besides the aforementioned reasons, the pick-up in bank credit is also due to the draw-down of unutilised limits by India Inc, in the backdrop of rising commodity prices. As on June 3, 2022, the credit offtake from (all scheduled) banks was robust at 11.88 per cent year-on-year (y-o-y), according to Reserve Bank of India (RBI) data. The y-o-y bank credit growth as on June 4, 2021, was lacklustre at 5.61 per cent. The reason for the healthy credit demand is that the marginal cost of funds-based lending rate (MCLR), against which most corporate loans are priced off, have not moved up as much as the non-convertible debenture (NCD) and commercial paper (CP) rates following the RBI's 90 bps hike in the policy repo so far in FY23, said a senior public sector bank (PSB) official.

<https://www.thehindubusinessline.com/money-and-banking/corporates-flock-to-banks-for-funds/article65567699.ece>

Finance Ministry asks banks to explore fintech partnership, co-lending opportunities

The Finance Ministry has asked public sector banks to explore fintech partnerships and co-lending opportunities to expand their business. In the recently concluded performance review of PSBs by the Finance Ministry, sources said, lenders were asked to focus on technology and data analytics to push their lending. The ministry also urged the heads of the public sector lenders to strengthen IT security systems and cybersecurity to check fraud. According to the sources, banks were asked to sanction loans for productive sectors to accelerate the revival of the economy facing headwinds, including the Russia-Ukraine war.

<https://economictimes.indiatimes.com/industry/banking/finance/finance-ministry-asks-banks-to-explore-fintech-partnership-co-lending-opportunities/articleshow/92468450.cms>

Centre extends GST cess till March 2026: Rs 8.22 trillion released to states so far

Ahead of the end of the five-year goods and services tax (GST) shortfall compensation to states on June 30, the Centre has extended the 'compensation cess' till March 31, 2026. The extension, which was earlier approved by the GST Council, is necessary to repay the principal and service the interest cost of the loans taken in FY21 and FY22 to compensate states for the shortfall in guaranteed GST revenues. The GST Compensation to States Act provides for the release of compensation against 14% year-on-year growth over revenues in 2015-16 from taxes subsumed in GST. This compensation cess is credited to the compensation fund and as per the Act, all compensation is paid out of the fund. Currently, the cess is levied on demerit items like pan masala, tobacco, coal and expensive cars. The Centre has so far released a total of Rs 8.22 trillion to the states as GST compensation till May 31 2022, including Rs 1.6 trillion in FY22, even as the collections of cesses for this purpose fell way short of the target.

<https://www.financialexpress.com/economy/centre-extends-gst-cess-till-march-2026-rs-8-22-trillion-released-to-states-so-far/2572803/>

GST council expected to focus on improving revenue collections and plugging leakages

The Goods and Services Tax (GST) council is likely to take up a proposal for stricter scrutiny and verification of highrisk taxpayers ahead of the next level of reforms in the indirect tax framework that completes five years of roll-out on July One. A group of ministers (GoM) headed by Maharashtra finance minister Ajit Pawar, which is scheduled to give its report on reforms on the GST system to the council, has recommended public disclosure of information of unregistered bogus traders and provision of information on transactions through Point of Sale (POS) by banks, among others.

<https://economictimes.indiatimes.com/news/economy/policy/gst-council-expected-to-focus-on-improving-revenue-collections-and-plugging-leakages/articleshow/92477279.cms>

AMCs prepare to launch new MF schemes from next month as Sebi restriction nears end

After a temporary pause, asset management companies are gearing up to launch new mutual fund schemes from the next month as capital markets regulator Sebi's three-month ban on the introduction of new fund offerings nears its end. Moreover, asset management companies (AMCs) have a line-up of passive funds on the fixed income and equity side as well as selective launches in certain categories to fill product gaps. The Securities and Exchange Board of India (Sebi) had discontinued the launch of NFOs until the new systems concerning pool accounts were determined and the regulator had set July 1 as the deadline for the implementation of the new system. So far this month, at least six AMCs — including PGIM India Mutual Fund (MF), Sundaram MF, Baroda BNP Paribas MF, LIC MF and Franklin India MF — have filed offer documents with Sebi seeking its approval to launch new schemes.

<https://www.thehindubusinessline.com/money-and-banking/amcs-prepare-to-launch-new-mf-schemes-from-next-month-as-sebi-restriction-nears-end/article65566760.ece>

'Microfinance industry not likely to witness pre-pandemic level of collection efficiency'

The microfinance industry is not likely to witness the pre-pandemic levels of collection efficiency of near 99 per cent levels as the entire landscape of microfinance lending in India has undergone transformation. Recovery levels are likely to settle around 96-99 per cent for the industry as a whole, said Jiji Mammen, ED and CEO, Sa-dhan. The collection efficiency of MFIs, which had witnessed a significant decline in the early part of 2020 following Covid-induced lockdown and overall slowdown in economy, has been witnessing steady improvement over the last one to two years. "Recovery rate has been improving. For all new lending done post the recent Omicron wave, the recovery rate is near 100 per cent. But the lending done during second wave has suffered and because of that overall recovery is down at 95-96 per cent. While it may go up a little [moving forward], it may not be possible to achieve the 99 per cent levels. It is likely to settle between 96 to 99 per cent," Mammen told BusinessLine.

<https://www.thehindubusinessline.com/money-and-banking/microfinance-industry-not-likely-to-witness-pre-pandemic-level-of-collection-efficiency/article65567122.ece>

Industry

Second PLI scheme for textiles sector: Piyush Goyal

The government is planning to roll out a second production-linked incentive (PLI) scheme for the labour-intensive textiles and garment sector following good response to the first such programme, commerce and industry minister Piyush Goyal said on Saturday. Speaking at an event in Coimbatore, Goyal said: "We are keen to support the apparel manufacturing sector... Talks are going on between the ministry of textiles, the department for the promotion of industry and internal trade (DPIIT) and Niti Aayog. We will be shortly devising a scheme after consulting the industry. We will then put up a proposal for Cabinet approval." Incentives of Rs 6,013 crore will be extended to them, which represent 56% of the Rs 10,683 crore that the government had initially earmarked for this scheme. As per sources, the government will likely use the remaining funds to launch the second PLI scheme, instead of spending it elsewhere. Goyal said, given the recent drop in cotton and yarn prices, the government may not need to keep allowing duty-free imports of the fibre beyond September 30 (when the new crop hits the market).

<https://www.financialexpress.com/industry/second-pli-scheme-for-textiles-sector-piyush-goyal/2572818/>

Mobiles could get cheaper this festive season as companies look to liquidate stock

Smartphone buyers could expect steep discounts and multiple rounds of sales offers on both ecommerce and offline channels in the upcoming festive season, market trackers and retailers said, as brands seek to liquidate bloating inventories spawned by quickening inflation and consequent lukewarm demand globally. "The festive season in H2, 2022 is expected to bring in some steep discounts in the Indian market. Online discount sales have increased in Q2, 2022, and we expect a renewed push to it in the upcoming quarters," said Rajeev Nair, senior analyst, Strategy Analytics that tracks consumer market trends.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/mobiles-could-get-cheaper-this-festive-season-as-companies-look-to-liquidate-stock/articleshow/92477643.cms>

Agriculture

ICAR report highlights ways to fight heat wave, protect crops

Selection of varieties based on when exactly a crop is getting sown is one of the key components in protecting the yield during an abnormal increase in temperature as seen during the recent heat wave in March-April. Similarly, straw mulching in orchards can help save fruit crops while bathing cows and buffaloes is one of the simple practices farmers can adopt to overcome the adverse impact of climate change, according to a report prepared by scientists of the Indian Council of Agricultural Research (ICAR). Some select villages in 25 districts of Bihar, Madhya Pradesh, Uttar Pradesh, Maharashtra, Haryana and Punjab are part of risk-prone 151 clusters created by ICAR through its National Innovations in Climate Resilient Agriculture (NICRA) programme across the country, where technologies were demonstrated that helped minimise the negative impacts of heat waves.

<https://www.thehindubusinessline.com/economy/agri-business/icar-report-highlights-ways-to-fight-heat-wave-protect-crops/article65564777.ece>

FSSAI operationalises standards for fortified rice kernels

The Food Safety and Standards Authority of India (FSSAI) has decided to operationalise standards for fortified rice kernels (FRKs) with immediate effect to strengthen the national-level fortification programme in the country. As per the order dated June 23, the food safety authority said that while the draft regulation with regards to standards for FRKs has been framed and notified on May 25, finalising this amendment regulation after stakeholder consultation will take some more time. "Meanwhile, to strengthen the National level fortification programme and its implementation, it has been decided to operationalise the provisions related to FRKs with immediate effect," it added.

<https://www.thehindubusinessline.com/economy/agri-business/fssai-operationalises-standards-for-fortified-rice-kernels/article65564483.ece>

Infrastructure

423 infrastructure projects show cost overruns of Rs 4.95 lakh crore

As many as 423 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.95 lakh crore, as per a report. According to Ministry of Statistics and Programme Implementation, which monitors infrastructure projects of Rs 150 crore and above, out of 1,568 projects, 423 reported cost overruns and as many as 721 projects were delayed. "Total original cost of implementation of the 1,568 projects was Rs 21,59,802.67 crore and their anticipated completion cost is ...Rs 26,54,818.05 crore, which reflects overall cost overruns of Rs 4,95,015.38 crore (22.92 per cent of original cost)," the ministry's latest report for May 2022 said. According to the report, the expenditure incurred on these projects till May 2022 is Rs 13,42,535.22 crore, which is 50.57 per cent of the anticipated cost of the projects.

<https://www.financialexpress.com/infrastructure/423-infrastructure-projects-show-cost-overruns-of-rs-4-95-lakh-crore/2573026/>

Trucking costs likely to zoom

High inflation and supply shortages of diesel threatens to increase trucking costs. Analysts point out that if the scenario persists, it could lead to not just an increase in operating expenses, but will have a cascading effect on the already high inflation considering that 70 per cent of diesel is consumed by the transport sector. Fuel accounts for 45-60 per cent of a truck's operating costs. Besides GST, Excise, VAT, tolls and agriculture cess are other costs, analysts say. High inflation and low consumer spending have already impacted logistics activity in May. Inflation is already above the RBI and government's comfort zone, they said.

<https://www.thehindubusinessline.com/economy/logistics/trucking-costs-likely-to-zoom/article65567210.ece>

Homebuyers in Noida-Greater Noida worst hit; 165,000 units stalled

Homebuyers who booked flats in housing projects in the Noida-Greater Noida property market are worst affected, with over 1.65 lakh flats worth Rs 1.18 lakh crore currently stalled or significantly delayed in these two cities, according to property consultant Anarock. In its research, the consultant has taken only those housing projects that were launched in 2014 or before, across seven big property markets -- Delhi-NCR, Mumbai Metropolitan Region (MMR), Kolkata, Chennai, Bengaluru, Hyderabad and Pune. According to the Anarock data, 4,79,940 units worth Rs 4,48,129 crore are "stalled or heavily delayed" across these seven cities as of May 31, 2020. Out of this, Delhi-NCR alone accounts for a whopping 50 per cent with 2,40,610 stalled or delayed units worth Rs 1,81,410 crore. Giving

further breakup of the Delhi-NCR data, Anarock said that Noida and Greater Noida region account for nearly 70 per cent of total stuck/delayed units while Gurugram's share is only 13 per cent.

https://www.business-standard.com/article/economy-policy/homebuyers-in-noida-greater-noida-worst-hit-165-000-units-stalled-122062600192_1.html

Energy

Government to invite bids for power from 8,000 MW thermal capacities without PPAs

The government will invite bids from states to sell electricity generated from 8,000 megawatt (MW) thermal capacities without PPAs, Power Minister RK Singh has said. A total of 8,000 MW of thermal capacities in India are without any power purchase agreements, Singh, who is also the Minister for New and Renewable Energy, told PTI. Sharing the government's plan to resolve the issue, the minister informed that states have been asked to send their electricity requirement, and accordingly bids will be invited. "We will aggregate (their demand) and call on for bids and based on the bids, whoever puts in the lowest bids, PPAs will be signed. Once PPAs are signed, they (states) will get the power," he said.

<https://www.financialexpress.com/economy/government-to-invite-bids-for-power-from-8000-mw-thermal-capacities-without-ppas/2572996/>

Indian power plants blended 7 million tons of imported coal in April-June

Thermal power plants (TPPs) have blended around seven million tonnes of imported coal during the April-June period this year following the Centre's directive for blending of foreign coal to overcome shortage. "By and large for April-June 2022, we have blended around seven million tonnes of imported coal, which adds up to 10 million tonnes (mt) if compared with domestic coal as imported coal has 1.4 times more GCV than that of domestic coal. I still have around 2.5-3 mt in stock with NTPC, DVC and some States. Many States have given their indent to Coal India, which has issued tenders for import," Power Minister RK Singh told the BusinessLine.

<https://www.thehindubusinessline.com/companies/indian-power-plants-blended-7-million-tons-of-imported-coal-in-april-june/article65567633.ece>

Telecom

Fixed line broadband market grew for first time in 10 years in FY22

Even as mobile user base dips due to the increase in tariffs, wireline subscribers grew for the first time in 10 years in FY22. Fixed-line broadband saw a nearly 23 per cent jump year-on-year to 24.8 million subscribers by the end of the 2022 fiscal. This comes even as the wireline market saw no growth during the peak Covid years. Experts suggest this indicates that the fixed-line broadband market is stabilising and maturing, which is why they predict that the market will see further growth in the future. BSNL continues to have the largest share of subscribers at 7.5 million, followed by Jio, which has 6.2 subscribers nationwide. Bharti Airtel has 5.9 million wireline subscribers. According to the report by Spark Capital, telcos continue to have an edge over the regional Internet service providers, with the largest market share hold.

<https://www.thehindubusinessline.com/info-tech/fixed-line-broadband-market-grew-for-first-time-in-10-years-in-fy22/article65567716.ece>

Healthcare

Centre has allocated over ₹2,600 crore to TN under National Health Mission: Mansukh Mandaviya

Union Minister for Health and Family Welfare Mansukh Mandaviya on Sunday said that the Centre has allocated over ₹2,600 crore towards health for Tamil Nadu under the National Health Mission and ₹404 crore for medical infrastructure advancement in the State under the Pradhan Mantri Ayushman Bharat Health Infrastructure Mission. Mandaviya was on a two-day visit to Tamil Nadu and Puducherry during the weekend. Earlier on Sunday, he visited the Tamil Nadu Government Multi Super Speciality Hospital in Chennai and witnessed the Robotic Surgery Facility and Early Pregnancy Screening Centre located at the hospital.

<https://www.thehindubusinessline.com/news/centre-has-allocated-over-2600-crore-to-tn-under-national-health-mission-mansukh-mandaviya/article65567256.ece>

External

India exported 1.8 million tonnes wheat to several countries since ban: Food Secretary

India has exported 1.8 million tonnes of wheat to a dozen-odd countries, including Bangladesh and Afghanistan, since the country banned exports of the grain on May 13, according to Food Secretary Sudhanshu Pandey. About 33,000 tonnes of wheat as humanitarian assistance has already been supplied to Afghanistan against the commitment of 50,000 tonne, he said. Pandey, addressing a ministerial conference on 'uniting for global food security' held at Berlin, Germany on June 24, said India has always taken the needs of the world into consideration, even while meeting the onerous obligations of feeding its population of 1.38 billion people, an official statement said.

<https://www.financialexpress.com/economy/india-exported-1-8-million-tonnes-wheat-to-several-countries-since-ban-food-secretary/2573222/>