



March 11, 2022 – Friday

Key Developments

Govt launches Innovative Scheme to provide incubation, improve design, commercialise patents for MSMEs

The MSME Ministry on Thursday launched the MSME Innovative Scheme with the combination of existing sub-schemes around incubation, design, and intellectual property rights (IPR) for MSMEs. The new scheme would act as a hub for innovation activities facilitating and guiding the development of ideas into viable business propositions that can benefit society directly and can be marketed successfully, the ministry said at the launch. However, the erstwhile three schemes of incubation, design and IPR will also continue to operate as individual programmes. "Prime Minister Narendra Modi believes India can become atmanirbhar, create employment, boost entrepreneurship, adopt new technologies, enhance GDP and exports through MSMEs. We have announced the MSME Innovative Scheme in that direction to support different MSME ideas. Our enterprises should also endeavour to achieve high growth in manufacturing the way businesses in countries like the US and China have achieved. This new scheme will ensure support through guidance, financial support, technical support, and more to MSMEs to scale up," MSME Minister Narayan Rane said at the launch of the scheme.

<https://www.financialexpress.com/industry/sme/msme-eodb-govt-launches-innovative-scheme-for-msmes-to-provide-incubation-improve-design-and-commercialise-patents/2456530/>

Economy

Income tax refunds of over Rs 1.83 trn issued so far this fiscal: CBDT

Refunds worth over Rs 1.86 lakh crore have been issued to more than 2.14 crore taxpayers during the current financial year, the Income Tax department said on Thursday. This includes refunds of Rs 67,442 crore in 2,11,76,025 cases under the personal income tax category and corporate tax refunds of Rs 1,19,235 crore in 2,31,654 cases, the department said in a series of tweets. "CBDT issues refunds of over Rs 1,86,677 crore to more than 2.14 crore taxpayers from 1st Apr, 2021 to 07th March, 2022," it said.

https://www.business-standard.com/article/economy-policy/income-tax-refunds-of-over-rs-1-83-trn-issued-so-far-this-fiscal-cbd-122031001314_1.html

Subscribers under PFRDA schemes increase 22% to 5.07 cr in Feb

The number of subscribers under two flagship pension schemes by PFRDA jumped 22 per cent year-on-year to more than 5.07 crore by the end of February, according to data from the Pension Fund Regulatory and Development Authority (PFRDA). "The number of subscribers in various schemes under the national pension system (NPS) rose to 507.23 lakh by the end of February 2022, from 414.70 lakh in February 2021, showing a year-on-year increase of 22.31 per cent," the PFRDA said in a statement on Thursday. The total assets under management (AUM) of the two schemes -- NPS and the Atal Pension Yojana (APY) rose 28.21 per cent to Rs 7,17,467 crore. In a break-up, the PFRDA said the central government employees under NPS witnessed nearly five per cent yearly growth in the subscriber base to 22.75 lakh at the end of February 2022. State government employees' count under the scheme rose by 9.22 per cent to 55.44 lakh.

https://www.business-standard.com/article/economy-policy/subscribers-under-pfrda-schemes-increase-22-to-5-07-cr-in-feb-122031000651_1.html

India's GDP growth expected at 7.8% in fiscal 2023, says Crisil

India's gross domestic product (GDP) growth is expected to come in at 7.8 per cent in fiscal 2023, said ratings agency Crisil. According to the ratings agency, any potential upside due to the early end of a mild third wave of Covid-19 infections will be offset by the ongoing geopolitical strife stemming from Russia's invasion of Ukraine. Currently, the geo-political crisis is creating a dampening effect on global growth and pushing up oil and commodity prices. The agency said that risks to growth are tilted to the downside. "Spiking commodity prices, especially of crude oil, will have a bearing on India's macros, including the current account deficit and inflation. These would create headwinds to growth. The good part is, the health of the financial sector is on the mend, with better capitalisation, profitability and asset quality," said Amish Mehta, Managing Director & CEO, Crisil at 'India Outlook, Fiscal 2023' event.

https://www.business-standard.com/article/economy-policy/india-s-gdp-growth-expected-at-7-8-in-fiscal-2023-says-crisil-122031001236_1.html

MS flags stagflation risk for India, cuts FY23 GDP growth forecast

American brokerage firm Morgan Stanley on Thursday sharply cut its India FY23 real GDP growth estimate to 7.9 per cent, mainly due to the impact of the Russia-Ukraine conflict on oil prices. Analysts at the brokerage also raised their inflation forecast to 6 per cent - the upper end of the tolerance band for the RBI - and flagged stagflation risks because of the ongoing events. "We believe that the ongoing geopolitical tensions exacerbate external risks and impart a stagflationary impulse to the economy," they said. It can be noted that stagflation involves a stagnancy in output or growth, coupled with high inflation. The analysts said they expect the cyclical recovery trend to continue, but the same will be in a softer mode.

https://www.business-standard.com/article/economy-policy/ms-flags-stagflation-risk-for-india-cuts-fy23-gdp-growth-forecast-122031001320_1.html

Banking and Finance

Bank credit grows by 7.9% to Rs 116.27 trn; deposits by 8.6%: RBI data

Bank credit grew by 7.9 per cent to Rs 116.27 lakh crore and deposits rose by 8.6 per cent to Rs 162.17 lakh crore in the fortnight ended February 25, RBI data showed. In the fortnight ended February 26, 2021, bank advances stood at Rs 107.75 lakh crore and deposits at Rs 149.33 lakh crore, according to the RBI's Scheduled Banks' Statement of Position in India as on February 25, released on Thursday. In the previous week ended February 11, 2022, bank credit grew by 7.86 per cent and deposits by 9.11 per cent. In 2020-21, bank credit had risen by 5.56 per cent and deposits by 11.4 per cent.

https://www.business-standard.com/article/finance/bank-credit-grows-by-7-9-to-rs-116-27-trn-deposits-by-8-6-rbi-data-122031001503_1.html

Strong recovery seen as bounce rates ease further in Feb; lowest in 32 mths

After staving off the impact of the third wave of the pandemic in January, bounce rates eased further in February, indicating a strong recovery in the economy and further improvement in the asset quality of lenders. According to National Automated Clearing House (NACH) data, the bounce rate in value terms in February improved by 100 basis points over January to stand at 22.4 per cent, the lowest since May 2019. And, in volume terms, the bounce rate in February stood at 29.2 per cent, an improvement of 40 bps over January.

https://www.business-standard.com/article/finance/strong-recovery-seen-as-bounce-rates-ease-further-in-feb-lowest-in-32-mths-122031001144_1.html

RBI issues notification to operationalise USD 500-mn loan provided to Sri Lanka for petro items

The RBI on Thursday issued a notification to operationalise the USD 500-million line of credit provided by India to Sri Lanka, which is facing the worst economic crisis in decades due to the pandemic, to buy petroleum products. Export-Import Bank of India (Exim Bank) entered into a pact on February 2, 2022, with Sri Lanka to provide the USD 500-million line of credit for financing purchase of petroleum products.

<https://www.financialexpress.com/economy/rbi-issues-notification-to-operationalise-usd-500-mn-loan-provided-to-sri-lanka-for-petro-items/2456905/>

Banks, financial institutions rush to raise funds as credit growth picks up

A host of banks and financial institutions is raising funds from the market in March to fund their business growth and meet balancesheet targets before the end of the financial year. Earlier this month, two public sector lenders — Union Bank of India and Canara Bank — raised Rs 1500 crore and Rs 1,000 crore by way of additional tier-I bonds as they see increase in credit demand. Another public sector lender Bank of Maharashtra is planning to raise Rs 1000 crore through the same route in March.

https://www.business-standard.com/article/finance/banks-financial-institutions-rush-to-raise-funds-as-credit-growth-picks-up-122030901532_1.html

Sidbi keen on coming out with venture debt scheme, says CMD S Ramann

Small Industries Development Bank of India (Sidbi) is looking at launching a venture debt scheme, its Chairman and Managing Director S Ramann said on Thursday. "Sidbi is very keen on coming out with a venture debt scheme," Ramann said at an event organised by Indian Venture and Alternate Capital Association. He also said some action from the government in terms of working towards a corpus that can go into venture debt will be seen soon. The development finance institution is also ready to partner with a host of players to be able to bring in venture debt for these companies, Ramann added. He said the Fund of Funds for Start-ups (FFS) is an equity scheme and it is now being followed by a venture debt scheme where Sidbi will be able to offer venture debt to companies.

https://www.business-standard.com/article/economy-policy/sidbi-keen-on-coming-out-with-venture-debt-scheme-says-cmd-s-ramann-122031001422_1.html

Commodity surge could pressure RBI to normalise more quickly: S&P

The Reserve Bank of India may feel pressure to tackle inflation sooner than it expected following a surge in global commodity prices, sovereign ratings analyst Andrew Wood of S&P Global Ratings said on Thursday. Although elevated, India's current ratio of debt to GDP, at about 90%, has already been factored into the agency's existing sovereign rating of BBB- with a stable outlook, Wood said on a regional conference call. "We had expected a gradual start to the normalisation of rates and monetary policy as a whole from the RBI," he added. "But should inflation breach its 4% to 6% target for a longer period of time, the central bank could face pressure to normalise more quickly."

https://www.business-standard.com/article/economy-policy/commodities-surge-could-pressure-india-cenbank-to-normalise-more-quickly-s-p-122031001004_1.html

Industry

High aluminium prices globally to benefit Indian producers

Indian aluminium producers are expected to benefit from high global prices as most of their inputs are domestically sourced even as low coal supply to non-power sector by Coal India remains a concern. Global aluminium prices increased 18 per cent from January-end fuelled by rising geo-political risks amid the ongoing Russia-Ukraine war. Further, aluminium prices have touched an all-time high of \$3,875 a tonne in the first week of March and currently trading at \$3,320 a tonne, indicating tightness in the global supply.

<https://www.thehindubusinessline.com/markets/commodities/high-aluminium-prices-globally-to-benefit-indian-producers/article65211114.ece>

India Inc's direct overseas investment plunges 67% to \$754 mn in Feb

India Inc's direct overseas investment declined 67 per cent to USD 753.61 million in February this year, the Reserve Bank data showed on Thursday. The domestic investors had invested over USD 2.28 billion in overseas ventures as part of the outward foreign direct investment (OFDI) in February 2021. Of the total invested amount during the last month, USD 237.84 million was in the form of equity infusion, USD 230.06 million as loan and USD 285.72 million by way of issuance of guarantees, showed the RBI data on OFDI February 2022. Comparing month-on-month, the investment fell 56 per cent from USD 1.71 billion in January 2022.

https://www.business-standard.com/article/economy-policy/india-inc-s-direct-overseas-investment-plunges-67-to-754-mn-in-feb-122031001194_1.html

BIS asks soy product makers to get quality certification, use ISI mark

With the increased acceptance of soy products amid growing health consciousness among general people, the government agency Bureau of Indian Standards on Thursday asked manufacturers of soya products to use 'ISI mark' on their products by taking BIS quality certification. The ISI mark is a standards-compliance mark for industrial products in India since 1955. The mark certifies that a product conforms to an Indian standard (IS) developed by the Bureau of Indian Standards (BIS), the national standards body of India. In a webinar organised to create awareness about Indian standards on soy products, BIS said that the use of soybean is getting acceptance in the form of textured vegetable protein (popularly known as soy badi or soy nuggets), soy milk, Tofu, soy dahi, etc, an official statement said. To maintain the quality and safety of these soy products, physical, chemical, and microbiological parameters and their test methods are standardised.

https://www.business-standard.com/article/economy-policy/bis-asks-soy-product-makers-to-get-quality-certification-use-isi-mark-122031001508_1.html

BPO, shipping lead Feb 2022 hiring activity: Monster Employment Index

At 11 per cent and nine per cent, BPO/ITeS and shipping-cum-marine sectors have led the monthly hiring activity for February 2022, according to the latest Monster Employment Index. According to the Monster Employment Index, the job analysis report by Monster.com, a Quess Company, hiring activity significantly increased in the past six months with a two per cent incline, while February 2022 saw a monthly uptick of three per cent in hiring activity versus January 2022. February 2022 saw BPO/ITES showcasing a strong 11 per cent growth owing to the increased adoption of digitization across industries, according to the index. Following BPO/ITES were demand for roles in shipping/marine as well as production and manufacturing at nine per cent each amid announcement of the Maritime Vision 2030 and renewed focus on employment generation and expansion through the PLI scheme.

https://www.business-standard.com/article/economy-policy/bpo-shipping-lead-feb-2022-hiring-activity-monster-employment-index-122031001101_1.html

Infrastructure

Infra push: Railways to spend Rs 1 trn on developing and procuring assets

As part of the government's infrastructure push, the Indian Railways is planning to spend more than Rs 1 trillion on developing and procuring assets. The national transporter intends to procure 90,000 wagons over the next three fiscal years, for which the process of floating tenders will begin on March 16. The estimated cost of this is around Rs 31,000 crore. "Our procurement for each year will be slightly more or fewer than 30,000 wagons, but the number would be around 90,000 for the three years," a senior railways official said.

https://www.business-standard.com/article/economy-policy/infra-push-railways-to-spend-rs-1-trn-on-developing-and-procuring-assets-122031000037_1.html

Co-working space rentals firming up to pre-Covid levels

Co-working space rentals have gone back to pre-Covid levels driven by short supply coupled with an increasing demand from Tier-II markets. Price corrections, an 8-10 per cent upward movement, is expected in the coming quarters as "back to office" picks up and hybrid work models gain popularity, says Amit Ramani, Founder and CEO, Awfis, the country's largest co-working space provider. Segment rentals have averaged out to ₹9,000-₹10,000 per seat per month on a pan-India basis; with some micro-markets witnessing rise in rentals. For instance, a short supply in the prime Bengaluru market has led to firming up of rentals by approximately 20 per cent over the last few months.

<https://www.thehindubusinessline.com/companies/co-working-space-rentals-firming-up-to-pre-covid-levels/article65210649.ece>

Energy

Govt creates policy advocacy arm for power and allied sectors

The government has set up a society under the Ministry of Power which will act as the top policy advocacy arm for the power and allied sectors and will assist states and businesses with cutting edge research as well as help create solutions and processes for India's energy transition journey. The Power Foundation is registered under the Societies

Act, under the Power Ministry, by CPSEs such as NTPC, Powergrid, REC, PFC, NHPC, THDC, NEEPCO and SJVN. The Power and New & Renewable Energy Minister RK Singh is the Chair of the society.

<https://www.thehindubusinessline.com/companies/govt-creates-policy-advocacy-arm-for-power-and-allied-sectors/article65211516.ece>

New solar PLI scheme to cap bidding capacity at 10 Gw for past winners

The new round of the production linked incentive (PLI) scheme for solar manufacturing will see changed methodology and would be open to past winners with a cap on bidding amount. However, the capacity will be capped to 10 Gw. The minimum Local Value Addition (LVA) or use of local content for the participating manufacturers has been kept at 90 per cent. The PLI guidelines have been modified after the ministry of new and renewable energy (MNRE) received close to 50 GW of bids against a PLI sanction of Rs 4,500 crore. The corpus was increased to Rs 19,500 crore under the Union Budget 2022-23. In the first round, the Centre received close to 18 bids from a range of companies - Coal India, L&T, Vikram Solar, Megha Engineering and several new companies. Against an RfP of 10 GW, bids received touched 50 GW.

https://www.business-standard.com/article/economy-policy/new-solar-pli-scheme-to-cap-bidding-capacity-at-10-gw-for-past-winners-122031001352_1.html

Rs 745 cr collected from coal, other minerals in last 3 years: Minister

Over Rs 754 crore was collected as revenue from coal and other major minerals during the last three years, Meghalaya Commerce and Industry Minister Sniawbhalang Dhar told the state Assembly on Thursday. Dhar said this while replying to a query raised by AITC legislator from Rangakona Zenith Sangma in the Assembly. On the revenue share, Dhar said for coal it is 75 per cent for state government and 25 per cent for ADCs while for other major minerals it is 40 per cent for state government and 60 per cent for ADCs. He said the total amount entitled to the three Autonomous District Councils (ADCs) as revenue share during 2019-2020, 2020-2021 and 2021-2022 is Rs 174.63 crore.

https://www.business-standard.com/article/economy-policy/over-rs-745-crore-collected-as-revenue-from-coal-other-major-minerals-in-last-3-years-minister-122031001534_1.html

Telecom

TRAI's order on port out facility needs no interference: Telecom tribunal

The telecom tribunal on Thursday ruled that TRAI's directive that enabled users to port out of their network via SMS request, regardless of the value of their tariff plans "requires no interference", as it dismissed a petition filed by Vodafone Idea. The Telecom Disputes Settlement and Appellate Tribunal (TDSAT), however, asked sector regulator TRAI to provide a "reasonable time" to Vodafone Idea Ltd (VIL) to implement the impugned directions for all its subscribers, irrespective of the value of the tariff offers or vouchers.

https://www.business-standard.com/article/companies/trais-order-on-port-out-facility-needs-no-interference-telecom-tribunal-122031001307_1.html

States

Maharashtra saw drop in FDI inflow in 2021-22; Karnataka emerged on top

Maharashtra's economic survey report on Thursday revealed that the FDI inflow in the state in 2021-22 was Rs 48,633 crore as compared to Rs 1,19,734 crore in the previous year. The report, which was tabled in the legislative Assembly, stated that Karnataka was leading with Rs 1,02,866 crore FDI inflow in 2021-22, followed by Gujarat with Rs 11,145 crore, Tamil Nadu with Rs 8,364 crore and Telangana with Rs 7,506 crore in the same year. The FDI inflow in the state from April 2000 to September 2021 was Rs 9,59,746 crore, which was 28.2 per cent of the total FDI inflow of the country, the survey stated.

https://www.business-standard.com/article/economy-policy/maharashtra-saw-drop-in-fdi-inflow-in-2021-22-karnataka-emerged-on-top-122031000929_1.html

External

India's gold imports bounced back to 1,067 tonnes in 2021: GJEPC

India's gold imports bounced back to 1,067.72 tonnes in 2021 from 430.11 tonnes during 2020 when the demand was hit due to the COVID-19 pandemic, Gem Jewellery Export Promotion Council (GJEPC) said on Thursday. The gold imports in 2021 were up by 27.66 per cent from 836.38 tonnes during 2019, it said in a statement. The maximum quantity of gold was imported from Switzerland at 469.66 tonnes, followed by UAE (120.16 tonnes), South Africa (71.68 tonnes) and Guinea (58.72 tonnes) in 2021, it added. Along with China, India is by far the world's largest importer and consumer of gold. According to GJEPC Chairman Colin Shah, "About 1,067 tonnes of gold import in 2021 can be attributed to the abnormal pandemic situation a year prior when imports had nosedived to 430.11 tonnes".

https://www.business-standard.com/article/economy-policy/india-s-gold-imports-bounced-back-to-1-067-tonnes-in-2021-gjepc-122031001466_1.html

India's Russian coal imports could be highest in over two years in March

India's coal imports from Russia in March could be the highest in more than two years, data from research consultancies showed, as Indian buyers continue buying the fuel from a market that is now increasingly isolated by sanctions. Vessels carrying at least 1.06 million tonnes of coking coal, mainly used for steelmaking, and thermal coal, used primarily for electricity generation, are set to deliver the fuel at Indian ports in March, the highest since January 2020, data from consultancy Kpler showed. Russia, usually India's sixth largest supplier of coking and thermal coal, could start offering more competitive prices to Chinese and Indian buyers as European and other customers spurn Russia because of sanctions, traders said, adding that the trade could also be boosted by a rouble-rupee trading arrangement.

https://www.business-standard.com/article/economy-policy/india-s-russian-coal-imports-could-be-highest-in-over-two-years-in-march-122031001260_1.html

Soyabean imports revised downwards to 3.50 lakh tons for 2021-22: SOPA

Soybean Processors Association of India (SOPA) on Thursday revised downwards the country's soyabean imports to 3.50 lakh tonnes for the ongoing 2021-22 oil year from the earlier projection of 4 lakh tonnes on lower crushing and slow meal off-take. Oil year runs from October to September. The country had imported 5.48 lakh tonnes of soyabean during the 2020-21 oil year. "Looking at the current market scenario, lower crushing and slow meal off-take, we have revised downwards the whole year crushing, local demand of soybean meal and soybean import estimates," the association said in a statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/soyabean-imports-revised-downwards-to-3-50-lakh-tons-for-2021-22-sopa/articleshow/90125520.cms>

India's sugar exports accelerate on global price rally, weak rupee

Indian sugar mills signed contracts to export 550,000 tonnes of the sweetener in recent days, as surging global prices and a weak rupee made overseas sales lucrative, four dealers told Reuters. Higher exports from the world's second-biggest sugar producer could check the rally in global prices, which have been buoyed by a spike in crude oil prices and lower output in top exporter Brazil. The shipments will also help India reduce its stockpile and support the local prices of the sweetener, crucial in ensuring millions of cane farmers get government-mandated prices.

<https://economictimes.indiatimes.com/news/economy/agriculture/indias-sugar-exports-accelerate-on-global-price-rally-weak-rupee/articleshow/90121704.cms>

Sustainability is now counted as major pillar of export business: AEPC

Apparel industry is aware that without sustainable supply chains, the fashion sector will become less viable and sustainability is now counted as one of the major pillars of export business, industry body AEPC said on Thursday. Apparel Export Promotion Council (AEPC) Chairman Narendra Goenka said India offers to the world a complete value chain solution from farm to fashion giving it a competitive edge towards efficient implementation and monitoring of sustainability. "The Indian apparel industry is very well aware of the alarming fact that without sustainable supply chains, the fashion industry will become less and less viable.

https://www.business-standard.com/article/economy-policy/sustainability-is-now-counted-as-major-pillar-of-export-business-aepc-122031001214_1.html