



April 07, 2022 – Thursday

Key Developments

Govt forms advisory committee for Semicon India

The government has formed an advisory committee to drive the Rs 72,000-crore project, Semicon India, to make the country a global leader in semiconductor manufacturing, design and innovation, an official statement said on Wednesday. The panel formed under the chairmanship of electronics and telecom minister Ashwini Vaishnaw includes venture capitalist Vinod Dham, who led Intel's iconic Pentium microprocessor from inception, and Arogyaswami Paulraj, who invested in MIMO wireless communication that is used in 4G technology. "The newly-formed Advisory Committee shall steer the objectives in a structured, efficient, and strategic manner, and provide necessary guidance to the ISM executives. It shall also provide insights and suggestions to develop a sustainable semiconductor and Display ecosystem in India," the statement said.

<https://economictimes.indiatimes.com/news/economy/policy/govt-forms-advisory-committee-for-semicon-india/articleshow/90688576.cms>

IBBI puts voluntary liquidation processes on fast-track mode

The Insolvency and Bankruptcy Board of India (IBBI) has made several changes to its voluntary liquidation regulations so as to fast track the process, thereby providing quicker exits for corporate persons, release idle resources faster and put them into productive uses. The changes include crunching the timelines in preparation of list of stakeholders; distribution of proceeds from realisation and submission of final report to the adjudicating authority. The idea is to curtail the unwarranted time spent on various activities so as to ensure early completion of voluntary liquidation process.

<https://www.thehindubusinessline.com/economy/ibbi-puts-voluntary-liquidation-processes-on-fast-track-mode/article65296427.ece>

Sebi comes out with new guidelines for KYC Registration Agencies

Capital markets regulator Sebi on Wednesday issued fresh guidelines for KYC Registration Agencies (KRAs) whereby such agencies will have to independently validate KYC records of all clients from July 1. The move comes after Sebi, in January, notified new norms to make KRAs responsible for carrying out independent validation of the KYC records uploaded onto their system by Registered Intermediaries (RIs). Under the notified rules, such agencies will have to maintain an audit trail of the upload/modification/download with respect to KYC records of clients.

https://www.business-standard.com/article/markets/sebi-comes-out-with-new-guidelines-for-kyc-registration-agencies-122040601183_1.html

Economy

India's services sector expands at fastest pace so far this year in March

India's services sector expanded at its fastest pace so far this year in March as an easing of Covid-19 restrictions boosted demand, but elevated inflationary pressures clouded business confidence, a private survey showed. The S&P Global India Services Purchasing Managers' Index rose to 53.6 in March from 51.8 in February, beating the 52.5

estimate in a Reuters poll. While the index remained above the 50-mark separating growth from contraction for an eighth straight month, input costs rose at the sharpest pace in 11 years.

https://www.business-standard.com/article/economy-policy/india-s-services-sector-expands-at-fastest-pace-so-far-this-year-in-march-122040600305_1.html

GST Council may consider strict anti-evasion measures

While a much-awaited restructuring of the goods & services tax (GST) slabs to raise the revenue-neutral rate (RNR), from a little over 11% now to 15.5% could be delayed, the GST Council will likely consider enforcing a ministerial panel's recommendations on data analytics to tighten compliance to augment revenues. "The recommendations are about checking leakages at various points, from point of production till consumption," a member of the panel told FE. The group of ministers (GoM) for system reforms led by Maharashtra deputy chief minister Ajit Pawar will submit its report to the Council ahead of a meeting of the body in end-April or early May, a senior official said. The GoM suggested analysis of e-way data, income tax and National Payments Corporation of India (NPCI) of taxpayers, etc, the GoM member said.

<https://www.financialexpress.com/economy/gst-council-may-consider-strict-anti-evasion-measures/2482955/>

Panel moots universal pension for self-employed, gig workers

A government panel has proposed a universal pension scheme for gig workers and the self-employed while raising serious concerns about the sustainability of the Employees' Pension Scheme, 1995 under the Employees' Provident Fund Organisation. "A new Universal Pension Scheme may be considered in view of the clarion call of the prime minister on universal social security and global trends, to cater to those not covered under EPS-95 including gig workers and self-employed persons," the committee said in its report on pension reforms. The report was discussed at the central board of trustees meeting of the EPFO last month, people familiar with the deliberations said.

<https://economictimes.indiatimes.com/news/economy/finance/panel-moots-universal-pension-for-self-employed-gig-workers/articleshow/90692757.cms>

PMGKAY helped keep extreme poverty at lowest level in pandemic-hit 2020: IMF working paper

Pradhan Mantri Garib Kalyan Yojana (PMGKAY), which provides free foodgrains to poor people, played a key role in keeping extreme poverty in India at the lowest level of 0.8 per cent during the pandemic-hit 2020, according to a working paper of the International Monetary Fund (IMF). The working paper titled 'Pandemic, Poverty, and Inequality: Evidence from India' presents estimates of poverty and consumption inequality in India for each of the years 2004-5 through the pandemic year 2020-21. "Extreme poverty was as low as 0.8 per cent in the pre-pandemic year 2019, and food transfers were instrumental in ensuring that it remained at that low level in the pandemic year 2020," it said. Under PMGKAY, which was launched in March 2020, the central government provides 5 kilograms of foodgrains per month for free. The additional free grain is over and above the normal quota provided under the National Food Security Act (NFSA) at a highly subsidised rate of Rs 2-3 per kilogram.

<https://www.financialexpress.com/economy/pmgkay-helped-keep-extreme-poverty-at-lowest-level-in-pandemic-hit-2020-imf-working-paper/2483756/>

Banking and Finance

RBI Monetary Policy Committee starts discussions on next bi-monthly policy

The Reserve Bank of India's rate-setting panel on Wednesday started discussions to firm up the next bi-monthly monetary policy amid expectations that it might retain status quo on interest rate but change its monetary policy stance amid rising inflation on account of geopolitical developments. The Monetary Policy Committee (MPC), headed by RBI Governor Shaktikanta Das, is holding its first meeting in the current financial year. The meeting will be on from April 6 to 8 and the outcome will be announced on April 8.

https://www.business-standard.com/article/finance/rbi-monetary-policy-committee-starts-discussions-on-next-bi-monthly-policy-122040600918_1.html

NARCL: Procedural delays led to non-transfer of Rs 50k-cr NPAs by Mar 31

Non-performing assets worth Rs 50,000 crore could not be transferred to the National Asset Reconstruction Company Ltd (NARCL) by March 31 due to "procedural delays", a senior bank official said on Wednesday. The transfer

of these 15 Non-Performing Assets (NPAs) is expected to happen very quickly by the end of April. "We were trying to do that (transfer of 15 NPAs to NARCL) before March 31 but we couldn't complete all the processes. The process took some time. "For the first time, we are doing a structure like this. There are lots of rules and procedures to be followed. By March 31, all the capitalisation part had to happen. Private banks needed some approvals to come in and we have got the permission. The capital has come in and it (NARCL) is 100 per cent capitalised as per the plan," Union Bank of India Managing Director and CEO Rajkiran Rai G told reporters.

https://www.business-standard.com/article/finance/narcl-procedural-delays-led-to-non-transfer-of-rs-50k-cr-npas-by-mar-31-122040601341_1.html

CBDT notifies online tax dispute resolution scheme

The Central Board of Direct Taxes (CBDT) on Wednesday notified the e-Dispute Resolution Scheme, 2022, to settle tax disputes involving small taxpayers. Taxpayers having total returned income up to ₹50 lakh having income tax disputes not exceeding ₹10 lakh will be able to avail the scheme. Taxpayers will not be required to appear before tax officials either personally or through an authorised representative in connection with any proceedings under this scheme and the entire communication will be in electronic mode.

<https://economictimes.indiatimes.com/news/economy/policy/cbd-t-notifies-online-tax-dispute-resolution-scheme/articleshow/90693727.cms>

India's share of global green bonds off highs despite record issuance in 2021

India had a lower share of the global green bond market in 2021 than it did in 2015. This is despite a multifold increase in the total amount raised during this period. Indian green bonds raised a total of \$6.8 billion in 2021, shows a Business Standard analysis of data from London-based non-profit Climate Bonds Initiative, a tracker of such issuances. This gave it a total share of 1.3 per cent of the issuers for whom data is available. This is higher than 0.4 per cent share in 2020, and the pre-pandemic market share of 1.2 per cent in 2019.

https://www.business-standard.com/article/economy-policy/india-share-of-global-green-bonds-off-highs-despite-record-issuance-in-2021-122040601116_1.html

Industry

Defence Minister to release third positive indigenisation list on Thursday

In a major push towards defence indigenisation, Defence Minister Rajnath Singh will on Thursday unveil the third list of over 100 military systems and weapons that will be put under import restrictions under a staggered timeline of over three-and-a-half years. The defence ministry said orders worth more than Rs 2,10,000 crore are likely to be placed on the Indian industry in the next five years as part of the items covered in the third list. It said the list will comprise major equipment and platforms which are scheduled to be "completely indigenised" by December 2025.

https://www.business-standard.com/article/pti-stories/rajnath-to-release-third-positive-indigenisation-list-on-thursday-122040601115_1.html

Cement industry may be on recovery path as margin pressures ease

The cement industry has faced a combination of cost escalation and weak demand in the recent past. This has led to margin pressures with EBITDA per tonne dropping sharply in Q3, 2021-22 versus Q2, 2021-22. However, the industry could now be on the recovery path with analysts saying capacity utilisation is strong and the demand cycle is likely to improve given the policy thrust on infrastructure and hopes of an uptick on housing. The cost inflation remains a serious worry however since fuel/energy costs are very high, and that is a critical input in cement manufacturing.

https://www.business-standard.com/article/companies/cement-industry-may-be-on-recovery-path-as-margin-pressures-ease-122040601383_1.html

Electric vehicle sales soar in FY22 even as safety issues spark concerns

The electric vehicle industry in India ended the fiscal FY22 on a high note as the total registered EV volumes (all segments) reported strong growth at 4.3 lakh units compared to 1.3 lakh units in FY21. The record volumes were boosted by high fuel prices, revisions in the FAME policy and additional benefits under different State-level EV policies. March 2022 saw the highest-ever monthly registered volumes at 77,128 units, an increase of about 43 per

cent over February 2022 numbers and a 196 per cent jump over March 2021 volumes, according to information on Vahan Dashboard.

<https://www.thehindubusinessline.com/companies/electric-vehicle-sales-soar-in-fy22-even-as-safety-issues-spark-concerns/article65293503.ece>

Indian shoppers turning hybrid with mix of online-offline purchases: Criteo

Indian shoppers are following the hybrid path on their purchases and are increasingly starting their shopping journeys on the open internet, says a report. According to the 2022 India Shopper Story report by Nasdaq-listed Criteo, about 45 per cent of Indians surveyed browse products online but buy them at a store, whereas 44 per cent purchase online after selecting products at a retail store. A majority (52 per cent) of Indians also confirmed purchasing products online via retail/brand shopping apps.

https://www.business-standard.com/article/companies/indian-shoppers-turning-hybrid-with-mix-of-online-offline-purchases-criteo-122040601147_1.html

Agriculture

Subsidy on 'decontrolled' fertilisers to be hiked again

India has managed to bring down its explicit fuel subsidies to very low levels over the last couple of years, but these gains seem to be offset by a spike in fertiliser and food subsidies. With retail prices of di-ammonium phosphate (DAP) and muriate of potash (MoP) rising steeply since November 2021, the government may soon announce another sharp increase in the subsidy on these fertilisers in order to reduce the cost of the key farming inputs to farmers, ahead of the kharif sowing season. In FY22, the government had hiked the nutrient-based subsidy (NBS) rates for phosphatic fertilisers by a massive 197%. Another sharp hike in the subsidy would amount to an unravelling of the 'decontrol' of the two soil nutrients effected more than a decade ago.

<https://www.financialexpress.com/economy/subsidy-on-decontrolled-fertilisers-to-be-hiked-again/2483004/>

Infrastructure

NHAI settled 60 disputes for Rs 4,076 cr vs claims of Rs 14,590 in FY22

The National Highways Authority of India (NHAI) settled 60 dispute cases for Rs 4,076 crore with contractors and concessionaires in the financial year 2021-22. The settlement amount comes against claims made for Rs 14,590 crore, the authority said. NHAI had settled disputes worth Rs 14,207 crore for Rs 5,313 crore in the fiscal before that, with settlement amount being 37 per cent of the claimed amount. In 2021-22, the highways authority's settlement amount accounted for almost 28 per cent of the claimed amount.

https://www.business-standard.com/article/economy-policy/nhai-settled-60-disputes-for-rs-4-076-cr-vs-claims-of-rs-14-590-in-fy22-122040600992_1.html

Office space leasing up 25% at 11 msf in March quarter: Knight Frank

Office space transactions grew 25 per cent year-on-year in the March quarter to 10.8 million square feet (msf), according to a report by real estate consulting firm Knight Frank. Bengaluru remained the biggest market with total leasing of 3.5 msf of office space, followed by Delhi-NCR which recorded 2.3 msf of gross leasing in the first three months. New completion in the first (Q1) of CY22 was recorded at 11.9 msf led by Pune that saw fresh supply of 3.6 msf followed by Bengaluru with 2.5 msf of new office spaces.

https://www.business-standard.com/article/economy-policy/office-space-leasing-up-25-at-11-msf-in-march-quarter-knight-frank-122040600526_1.html

Telecom

Government defers proposal to merge BSNL, MTNL due to financial reasons

The government has deferred the merger of state-run telecom firms BSNL and MTNL due to financial reasons, Parliament was informed on Wednesday. Minister of State for Communications Devusinh Chauhan in a written reply to the Rajya Sabha said that a proposal for the merger of Bharat Broadband Network Limited (BBNL) and Bharat Sanchar Nigam Limited (BSNL) is under examination. "Government has approved the revival plan of Bharat Sanchar

Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) on October 23, 2019, which inter-alia includes in-principle approval for the merger of MTNL and BSNL. Due to financial reasons including high debt of MTNL, the merger of MTNL with BSNL is deferred," Chauhan said.

<https://www.financialexpress.com/industry/government-defers-proposal-to-merge-bsnl-mtnl-due-to-financial-reasons/2483764/>

Telcos to post strong Q4 on tariff hikes; user additions to stay muted

Reliance Jio, Bharti Airtel and Vodafone Idea (Vi) are set to report strong average revenue per user (ARPU) as well as India mobile revenue sequential growth in the fiscal fourth quarter, helped by the full beneficial impact of sharp tariff hikes taken last November-December, analysts said. Jefferies estimates Airtel and Jio to report 10% sequential jumps in their India mobile revenues in the March quarter, while BNP Paribas estimates Vi's to rise by around 5.5% on-quarter.

https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-to-post-strong-q4-on-tariff-hikes-user-additions-to-stay-muted/articleshow/90683469.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

Energy

Indian Energy Exchange's trade volume jumps 38% in FY22

Indian Energy Exchange (IEX) clocked a 38 per cent growth in trade volume at 1,02,035 million units in financial year 2021-22. In the last fiscal, the total market volume stood at 73,941 MUs (Million Units). "Cumulatively for the fiscal year 2022, the exchange market achieved an all-time high volume of 1,02,035 MUs leading to 38 per cent Y-o-Y growth," IEX said in a statement on Wednesday.

https://www.business-standard.com/article/companies/indian-energy-exchange-iex-s-trade-volume-jumps-38-in-fiscal-2021-22-122040600654_1.html

Healthcare

Covid case detected in Mumbai not XE variant, clarifies government

Hours after report of detection of XE variant of coronavirus in Mumbai, the Ministry of Health has said present evidence does not suggest the presence of the new variant. Earlier in the day, reports suggested that the first case of 'XE', a sub-variant of the Omicron variant of coronavirus in India had been detected in Mumbai.

<https://economictimes.indiatimes.com/news/india/covid-case-detected-in-mumbai-not-xe-variant-clarifies-government/articleshow/90690952.cms>

External

India, Australia should look at \$100 billion bilateral trade by 2030: Piyush Goyal

Commerce and Industry Minister Piyush Goyal on Wednesday said that India and Australia should look at boosting the bilateral trade to USD 100 billion by 2030 from the current level of around USD 27.5 billion. Goyal, who is in Australia on a three-day visit, said that both the countries are already at an advanced stage of entering into an agreement for greater collaboration in the education sector. On April 2, India and Australia signed the Economic Cooperation and Trade Agreement (IndAus ECTA) under which both the countries are providing duty free access to a huge number of goods and relaxing norms to promote trade in services. "I would suggest that our teams should drill down sector by sector to see how we are going to grow this relationship... Let's be more ambitious, let's look at USD 100 billion engagement by 2030... So, we are looking at quadrupling this relationship in eight years," Goyal said on Wednesday. Both the countries are also looking at things like providing dual degrees and signing mutual recognition agreements to promote services trade.

<https://www.financialexpress.com/economy/india-australia-should-look-at-100-billion-bilateral-trade-by-2030-piyush-goyal/2483945/>

India now sets sights on free trade agreement with Gulf countries

After inking trade pacts with the UAE and Australia, India is set to begin deeper engagements with the Gulf Cooperation Council (GCC) countries as early as May-June to finalise a free trade agreement (FTA) with the group of nations, people aware of the matter said.

https://www.business-standard.com/article/economy-policy/india-now-sets-sights-on-free-trade-agreement-with-gulf-countries-122040501480_1.html

India gets to tap Iranian orthodox tea market ceded by Sri Lanka

Sri Lanka has seen a major dip in tea production and lost a chunk of Iranian market for orthodox tea. Around 20% of India's total tea exports go to Iran and the present decline in Sri Lankan orthodox production may enable India to increase its market share of orthodox tea in Iran. India produces an average of 120 million kg of orthodox tea per annum and Sri Lanka an average 300 million kg per annum, predominantly orthodox. There has been a drop of above 15% tea production in Sri Lanka and it has to be seen whether Indian quantum is capable of filling in the gap of orthodox tea supplies in the global market, PK Bhattacharya, president, Tea Association of India, said. Tea exports from India to Iran jumped twofold in January this year to 2.7 million kg from 0.59 million kg during the corresponding month last year. Price realisation this year was also higher at `282.63 a kg against 271.34 a kg realised in January last year, according to tea board data.

<https://www.financialexpress.com/market/commodities/india-gets-to-tap-iranian-orthodox-tea-market-ceded-by-sri-lanka/2482989/>

Indonesia suspends agri imports from India

Indonesia has suspended the import of agricultural produce from India as authorities in New Delhi have failed to register laboratories that test food safety and issue a certificate of analysis (COA), triggering concern among exporters of cereals. "The ban can prove to be a disaster if we have to call back our cargo," said a South-India based exporter.

<https://www.thehindubusinessline.com/economy/agri-business/indonesia-suspends-agri-imports-from-india-for-its-failure-to-register-food-safety-labs/article65295574.ece>