

Weekly Compendium of Economic and Business Developments (For the week ending 24th April, 2020)

PHD Research Bureau disseminated information to the members of PHD Chamber & other industry stakeholders on various economic and business developments at International, National and Sub-national arena such as IMF's World Economic Outlook, April 2020, projection of India's GDP growth at 1.9% for FY2021 and 7.4% in FY2022, relaxation provided by SEBI in adherence to prescribed timelines due to Pandemic Covid 19, Merchandise exports and imports growth for the month of March 2020; Ministry of Power advisory to States/UTs to allow construction activities; SOPs for sign-on and sign-off of Indian Seafarers issued by MHA; RBI permission to banks to issue Electronic Cards for Overdraft Accounts; various relaxation provided by SEBI in wake of Pandemic COVID-19; extension of Interest Subvention (IS) and Prompt Repayment Incentive (PRI) for Short Term Crop Loans by RBI; among others. The details of disseminated information during the week ending 24th April 2020 are appended.

Economy

IMF's World Economic Outlook, April 2020, projects India's GDP growth at 1.9% for FY2021 and 7.4% in FY2022 - According to IMF's World Economic Outlook, April 2020, the COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global GDP growth is projected at (-)3 percent in 2020, much worse than during the 2008–09 financial crisis.

Government initiates dialogue to resurrect Agri sector exports in the aftermath of current pandemic COVID-19 crisis- Government has initiated a dialogue with the exporters of Agri and Allied commodities to address issues affecting the sector as a fallout of the lockdown to check the pandemic COVID-19 disease. Following directions from the Hon'ble Union Minister of Agriculture and Farmers Welfare, Shri Narendra Singh Tomar, the Secretary, Department of Agriculture, Cooperation & Farmers Welfare, Shri Sanjay Agarwal has held a video conference to gain a first-hand account of the problems being faced by the exporters of Agri and Allied commodities and initiate necessary steps by making meaningful interventions for early redressal of their problems to help them sustain through the current pandemic Covid-19 crisis.

India's GDP to grow at 1.5%-2.8% during FY2021: World Bank- According to World Bank's latest report on South Asia Economic Focus, Spring 2020, amid the mounting human toll and global economic fallout triggered by the COVID-19 pandemic, South Asian governments must ramp up action to curb the health emergency, protect their people, especially the poorest and most vulnerable, and set the stage now for fast economic recovery.

Ministry of Power advises States/UTs to allow construction activities in the power projects outside Municipal limits during nation-wide lockdown for COVID-19 outbreak- Ministry of Power has advised the State/UT administrations to allow construction activities in the power projects outside Municipal limits during nation-wide lockdown for COVID-19 outbreak as per the guidelines issued Union Ministry of Home Affairs on 15.04.2020. These activities may be permitted after observing necessary health protocols to curb COVID-19.

MHA issues SOPs for sign-on and sign-off of Indian Seafarers at Indian Ports and their movement- Ministry of Home Affairs (MHA) has issued Standard Operating Procedure (SoP) for Seafarers. This SoP has been formulated to streamline the sign-on/sign-off of Indian Seafarer at Indian Ports for merchant shipping vessels. The following guidelines have been issued: 1. For Sign-on: Ship owner/ Recruitment and Placement Service (RPS) agency will identify the Indian seafarers for joining a vessel; The seafarers will intimate their travel and contact history for last 28 days to the ship owner /RPS agency by email, as per procedure laid down by Director General of Shipping (DGS); among

others. 2. For Sign-off: the master of a vessel, coming from any foreign port, or a coastal vessel from any Indian port, while arriving at its port of call in India, shall ascertain the state of health of each person on board the vessel and submit the Maritime Declaration of Health to the health authorities of the port and to the port authorities; among others.

MNRE provides extension for Renewable Energy Projects and implementation of Approved Lists of Models and Manufacturers of Solar PV Modules & Solar PV Cells, amid Pandemic COVID-19- MNRE Grants Extension for RE Projects considering disruption on account of lockdown due to COVID-19 for a period of 30 Days beyond lockdown; Lockdown due to COVID-19 to be treated as Force Majeure. MNRE extends effective date for implementation of Approved Lists of Models and Manufacturers of Solar PV Modules and Solar PV Cells by six months to 30.09-2020.

Decisions taken by the Union Cabinet- Cabinet approves Rs. 15,000 Crore for India COVID-19 Emergency Response and Health System Preparedness Package; Cabinet approves extension of relaxation of mandatory requirement of Aadhaar seeding of data in respect of beneficiaries of the States of Assam and Meghalaya and UTs of J&K and Ladakh for one year w.e.f. 1st April, 2020 under the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme.

Finance

SEBI provides relaxation in adherence to prescribed timelines due to Pandemic Covid 19- In wake of the current nationwide lock down of 21 days as directed by Government of India due to issue of Covid-19, a need has been felt to extend the timelines for processing of various investor requests pertaining to physical securities and Compliance and disclosures to be made under Securities and Exchange Board of India (SEBI) Regulations and various SEBI circulars. The directions are being issued for Registrars to an Issue and Share Transfer Agents / Issuer Companies, holding SEBI registration under Category 1 or Category 2 of RTI/STA.

RBI permits banks to issue Electronic Cards for Overdraft Accounts- In reference to the Para II.2 of 'Master Circular on Credit Card, Debit Card and Rupee Denominated Co-branded Pre-paid Card Operations of Banks and Credit Card issuing NBFCs' dated July 1, 2015 wherein banks have been permitted to issue debit cards to customers having Saving Bank/Current Accounts but not to cash credit/loan account holders. In this connection, Reserve Bank of India (RBI) has decided to permit banks to issue electronic cards to natural persons having Overdraft Accounts that are only in the nature of personal loan without any specific end-use restrictions. The card shall be issued for a period not exceeding the validity of the facility and shall also be subject to the usual rights of the banks as lenders.

SEBI notifies relaxation in Regulation 24(i)(f) of the SEBI (Buy-back of Securities) Regulations, 2018 due to the COVID 19 pandemic- Considering the developments relating to the COVID 19 pandemic, Securities and Exchange Board of India (SEBI) has received a number of suggestions for relaxation of conditions with respect to raising of funds from the securities market. Currently, regulation 24(i)(f) of SEBI (Buy-back of Securities) Regulations, 2018 ("Buy-back Regulations") provides a restriction that the companies shall not raise further capital for a period of one year from the expiry of buyback period, except in discharge of their subsisting obligations. It has been represented that the said period of one year may be reduced to six months, which would be in line with section 68(8) of the Companies Act, 2013. To enable relatively quicker access to capital, it has been decided to temporarily relax the period of restriction provided in Regulation 24(i)(f) of the Buy-back Regulations. Accordingly the words "one year" shall be read as "six months" in the said regulation.

SEBI releases Consultation Paper on Pricing of Preferential Issues and exemption from open offer for acquisitions in Companies having Stressed Assets- Securities and Exchange Board of India (SEBI) has released a Consultation Paper on Pricing of Preferential Issues and exemption from open offer for

acquisitions in Companies having Stressed Assets. The objective of this discussion paper is to seek comments / views from all stakeholders including listed companies, market intermediaries and public on pricing of Preferential Issues and exemption from making an open offer for acquisitions in listed Companies having Stressed Assets.

SEBI notifies relaxations from certain provisions (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Rights Issue, in wake of COVID-19- In the wake of developments relating to the Covid-19 pandemic, a number of suggestions have been received by Securities and Exchange Board of India (SEBI) from industry bodies and market participants for easing of conditions relating to raising of funds from the securities market. In this context, SEBI has decided to introduce temporary relaxations in the provisions related to Rights Issues as contained in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations).

One-time relaxation with respect to validity of SEBI Observations in wake of Pandemic COVID-19- In view of the impact of the COVID-19 pandemic, based on representations from various industry bodies, Securities and Exchange Board of India (SEBI) has decided to grant the following onetime relaxations: (i) In terms of Regulation 44(1), 85 and 140 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations), a public issue/rights issue may be opened within twelve months from the date of issuance of observations by SEBI. The validity of the SEBI Observations where the same have expired/will expire between March 1, 2020 and September 30, 2020 has been extended by 6 months, from the date of expiry of such observation, subject to an undertaking from lead manager of the issue confirming compliance with Schedule XVI of the ICDR Regulations while submitting the updated offer document to the Board.

SEBI notifies relaxation in timelines for compliance with regulatory requirements by trading members / clearing members- In view of the situation arising due to COVID-19 pandemic and extended lockdown period, Securities and Exchange Board of India (SEBI) has decided to extend the timelines for the compliance requirements by their trading members / clearing members. The delay in submission of the reports related to Submission towards weekly monitoring of client funds under the provisions of Enhanced Supervision; Submission of data on monthly basis towards clients' and fund balance under the provisions of Enhanced Supervision; Daily margin trading reporting, shall not attract penal provisions till May 17, 2020. The date for compliance requirements for Update in Income Tax Permanent Account Number of Key Management Personnel / Directors and Issue of Annual Global Statement to clients are extended by one month from the due date.

RBI extends Interest Subvention (IS) and Prompt Repayment Incentive (PRI) for Short Term Crop Loans during the years 2018-19 and 2019-20, on account of Covid-19- To ensure that farmers do not have to pay penal interest and at the same time continue getting the benefits of interest subvention scheme, Government has decided to continue the availability of 2% IS and 3% PRI to farmers for the extended period of repayment upto 31.05.2020 or date of repayment, whichever is earlier, for short term crop loans upto ₹3 lakh per farmer which have become due between March 01, 2020 and May 31, 2020.

RBI notifies provisioning on interbank exposure of Primary (Urban) Co-operative Banks (UCBs) under All Inclusive Directions- The imposition of All-inclusive Directions (AID) on an Urban Co-operative Bank (UCB), inter alia, restricts the bank from discharging its liabilities except as permitted by Reserve Bank of India (RBI). This impacts the withdrawal of interbank deposits placed by other UCBs with such bank as also timely discharge of interbank exposures such as discounted bills drawn under Letter of Credit (LC) issued by the UCB under AID. In order to ensure that such exposures are objectively recognised in the financial statements of UCBs and also with a view to addressing the systemic impact of provisioning requirements on such exposures, the RBI has decided: The interbank exposures arising from deposits placed by UCBs with a UCB under AID and their non-performing

exposures arising from discounted bills drawn under LCs issued by a UCB under AID shall be fully provided within five years at the rate of 20% annually; among others.

Regulatory measures introduced by SEBI to continue till May 28, 2020 in view of ongoing uncertainty- As the stock markets (both domestic and global) are expected to be volatile in the near future owing to concerns relating to COVID-19 pandemic and the resultant fear of economic slowdown, keeping in view the objective of ensuring orderly trading and settlement, effective risk management, price discovery and maintenance of market integrity, SEBI has decided that the measures implemented since March 23, 2020 will continue to be in force till May 28, 2020.

Trade

Merchandise exports and imports grew by (-)35% and (-)29% respectively in March 2020- Exports in March 2020 were USD 21 billion, as compared to USD 33 billion in March 2019, exhibiting a negative growth of (-) 35 per cent. In Rupee terms, exports were Rs. 1,59,158 crore in March 2020, as compared to Rs. 2,27,318 crore in March 2019, registering a negative growth of (-) 30 per cent. The decline in exports has been mainly due to the ongoing global slowdown, which got aggravated due to the current pandemic Covid-19 crisis. Imports in March 2020 were USD 31 billion (Rs.2,31,71 crore), which was 29 per cent lower in Dollar terms and 24 per cent lower in Rupee terms over imports of USD 44 billion (Rs3,03,754 crore) in March 2019.

Revised Timelines for Sunset Review Investigation for Anti-dumping Duty- The Directorate General of Trade Remedies (DGTR), vide Trade Notice No. 02/2017 dated 12th December, 2017, Ministry of Commerce and Industry had prescribed the procedure and timelines for initiating an Anti-dumping Sunset Review investigation (SSR) under the Customs Tariff Act 1975 and the Anti-dumping Rules. The said notice prescribed a minimum time of 270 days prior to the expiry of the anti-dumping measure in force, for filing the SSR application, which could be relaxed till 240 days with justification of delay.

Our Voice

PHD Chamber fully support the extended lockdown period till 3rd May and appreciates the SEVEN point precautionary guidelines announced by Hon'ble Prime Minister, Shri Narendra Modi ji- PHD Chamber of Commerce and Industry welcomes Hon'ble Prime Minister, Shri Narendra Modi Ji's decision to extend the lockdown period till 3rd May 2020. The seven point precautionary guidelines announced by Hon'ble Prime Minister, Shri Narendra Modi Ji are highly appreciable and will have a significant impact to mitigate the spread of pandemic Covid-19 and its complete removal from our country. The government to provide an increased stimulus relief package of Rs 16 lakh crore which is around 7% of GDP sooner than later to mitigate the impact of Pandemic COVID-19 on economy, trade and Industry through various relief measures and benefits. The Government has already provided a stimulus of around Rs 2 lakh crore, therefore, our expectation is for the remaining Rs 14 lakh crore. A significant stimulus of 7% of GDP would help the economy to grow at around 5% in the current financial year 2020-21, rejuvenate the businesses and refuel the economic growth trajectory of the country. Such reform measures would go a long way to help trade and industry to resume business activity in this extremely difficult time. Increase in government consumption expenditure and capacity building by the business firms would be crucial at this juncture to rejuvenate the economy to its potential growth trajectory of 7-8% in the next few years. Opening up of economic and business activity in least impacted areas would help many daily wagers to return back on work and help the businesses to resume activities with lot of precautions and safety measures advised by the government.

RBI's calibrated steps will help NBFCs, MSMEs and refuel economic growth: PHD Chamber- RBI's calibrated steps will strengthen financial system especially the operations of NBFCs and MSMEs and refuel economic growth sooner than later. The reverse repo rate cut by 25 bps from 4% to 3.75%

under LAF is appreciable as it will make it unattractive for banks to passively deposit funds with the RBI and instead lend it to the productive sectors. Hence, cut in reverse repo rate will enhance credit flow to trade, industry and people which is critically required in this extremely difficult time. Measures such as conducting TLTRO 2.0 of Rs 50,000 crore in many tranches for NBFCs of which 50% of the funds are for small and medium sized NBFCs, reduction of liquidity coverage ratio requirement of scheduled commercial banks from 100% to 80% with immediate effect will go a long way in creating liquidity in the economy and mitigate the impact of pandemic COVID-19 on trade and industry. Provision of Rs 25,000 crore to NABARD, Rs 15,000 to SIDBI for refinancing commercial banks, NBFCs and Rs 10,000 to NHB will mitigate the daunting impact of pandemic COVID-19 on trade and industry. Increase in Ways and Means Advances (WMA) limits of States by 60% till September 30, 2020 will help states to better plan their market borrowings and address their fiscal scenarios adequately. RBI's announcement on keeping asset classification standstill on all loan accounts where 90-day moratorium or deferment has been applied is in line with the expectations of PHD Chamber to boost the sentiments of borrowers and industry in this extremely difficult time, amid pandemic COVID-19. Reforms announced for real estate sector including NBFCs' loans to delayed commercial real estate projects can be extended by a year without restructuring and loans given by NBFCs to real estate companies to get similar benefit as given by scheduled commercial banks are highly appreciable to boost the sentiments of real estate sector. Going ahead, PHD Chamber urge the government to provide an increased stimulus relief package of Rs 16 lakh crore which is around 7% of GDP sooner than later to mitigate the impact of Pandemic COVID-19 on economy, trade and Industry through various relief measures and benefits. Calibrated steps taken by the RBI along with the financial stimulus to be provided by the Government sooner than later will help the economic growth trajectory to grow at around 4% against the 2% rate of growth projected by various international organisations. Further, a calibrated approach to get back to work in the unaffected areas of pandemic COVID-19 will help significantly to normalise the operations of trade and industry in the next few months.

Calibrated exit from lockdown and significant financial stimulus will retain economic growth around 4% in 2020-21: PHD Chamber- PHD Chamber of Commerce and Industry has suggested a calibrated exit from the lockdown for consideration of the government to mitigate the daunting impact of pandemic COVID-19 and to achieve better economic growth in the coming quarters. Industry body suggests a complete opening up of activities from April 20, 2020 in all green zones, with 50% workforce, barring all social gatherings (including shopping malls, religious places) and mandatory social distancing. 25% workforce may be allowed in all non-hotspot zones, barring social gathering (including shopping malls, religious places) and mandatory social distancing with opening up of all the activities. Status quo to be maintained in all the hotspot areas with more strictness to fight the pandemic covid-19, said the industry body. Considering the backward and forward linkages of business firms, it becomes necessary to enable the entire supply chain of trade and industry to resume their activities together (except hotspots districts) with mandatory health guidelines. As complementarities of inter-industry trade linkages are high in India, we suggest to resume the industrial activities across all the states and sectors with 50% and 25% workforce in green and non-hotspot areas respectively and barring the hotspot areas. The proactive measures undertaken by the Government to contain the spread of pandemic COVID-19 are highly effective; though the total number of COVID-19 cases is rising but at a significantly decelerating rate. The increase in the number of cases was at around 30% in the first week of April 2020 which has decelerated to 8% during the last four days. The government's efforts have helped in maintaining the low rate of spread of pandemic, with only one in every 24 samples testing positive. We appreciate that India's GDP growth is projected at 1.9% for FY2021 and 7.4% in FY 2022 by the IMF which is one of the highest in the many advanced and emerging & developing economies.

The vision must be to emerge as a strong economic power in this extremely difficult time of the pandemic Covid-19; at this juncture all the citizens of the country should put their efforts together and pursue the goal persistently through dedicated, well-coordinated and a strong commitment toward hard work. Achieving the growth rate of 4% for the current financial year 2020-21, though a

herculean task, is definitely well within our potential and reach. Vision of 4% growth rate should target an average 5% growth in agriculture sector, 5% in industry and 5% in services in the Q2, Q3 and Q4 of 2020-21. If Q1 of 2020-21 decelerates to less than 2%, the average for the year with improved growth in remaining quarters will support a 4% growth for the year 2020-21. As services sector is one of the most impacted sectors in this difficult pandemic COVID-19 period, but the sector has immense potential to support growth as and when the economic activity is resumed. A significant stimulus of Rs 16 lakh crores which is 7% of GDP would help the economy to grow more than 4% in the current financial year 2020-21 and convert the U shape recovery in V shape and save lakhs of job losses in the country. This will go a long way in boosting the morale of the industry and help the economy bounce in the coming quarters. We are optimistic that India will emerge victorious in the fight against pandemic COVID- 19 by safeguarding both lives and livelihoods of its countrymen.

Economy So Far

Coronavirus could erode global fight against other diseases- As the world focuses on the pandemic, experts fear losing ground in the long fight against other infectious diseases like AIDS, tuberculosis and cholera that kill millions every year. Also at risk are decades-long efforts that allowed the World Health Organization to set target dates for eradicating malaria, polio and other illnesses.

March 2020 WPI falls to 1%- The WPI inflation falls to 1% in March 2020 from 2.3% in February 2020. This decrease in WPI inflation is attributed to deceleration in the inflation rate of Onion to 112% in March 2020 from 162% in February 2020 ; Crude Petroleum to (-)11% in March 2020 from (-)1% in February 2020 ; LPG to 12% in March 2020 from 22% in February 2020.

Niti Aayog chief Rajiv Kumar rejects zero growth forecast for India, expects strong pick up after lockdown ends- Those who are predicting a zero growth scenario may turn out to be wrong as the economic activity will pick up strongly once the lockdown is lifted. He said those who are making forecasts of zero growth at this point are brave enough as it is still not clear what the severity or length of the virus infection will be and that is why it is a bit premature to make such forecasts.

Post April 20, focus is on return of young workforce: Labour Ministry- The labour ministry will soon issue directives to factories and establishments on standard operating procedures (SOPs) for workers that need to be followed when industrial activity resumes after April 20 .A government official told that the directives will focus on ensuring return of young workers staying in the vicinity of the establishments while senior staff members may be advised to work from home, if possible.

Government must focus on rabi, retail supply chain: Shri Arvind Subramanian - India's former chief economic adviser (CEA) Shri Arvind Subramanian has said the government's immediate focus should be on the rabi crop harvest and the retail supply chain, besides strengthening the health infrastructure to battle Covid-19, amid limited financial and administrative resources.

National Rural Employment Guarantee Scheme to be aligned with farm work-

The rural development ministry is preparing a list of works that can be quickly allocated under the Mahatma Gandhi National Rural [<https://economictimes.indiatimes.com/topic/Employment> | Employment] Guarantee Act ([<https://economictimes.indiatimes.com/topic/MGNREGA> | MGNREGA]) while ensuring its convergence with agriculture related works. The move will help generate employment opportunities for the distressed rural population, besides ensuring availability of labour for agriculture al work.

Gold imports dip 14.23% to \$28.2 billion during 2019-20- The decline in gold imports has helped in narrowing the country's trade deficit to \$ 152.88 billion during the last fiscal, as against \$ 184 billion

a year ago. Gold imports have been recording negative growth since December last year. India is the largest importer of gold, which mainly caters to the demand of the jewellery industry.

Coronavirus impact: Wheels turn to wean away factories from China- The Indian government held high-level meetings to set in motion a strategy to wean away manufacturing from China and fast-tracking efforts by tapping into palpable global anger against the Far East nation amid the Covid-19 outbreak, officials familiar with the matter said.

Indian begins export of major farm items amid COVID-19 lockdown: Government- India has started export of major farm products such as rice, meat, dairy and processed food items after the government stepped in to resolve the issues related to transportation and packaging in the wake of COVID-19 lockdown. The Union Agriculture Ministry, in a statement, said exporters' problems are being resolved by the farm export promotion body Agricultural and Processed Food Products Export Development Authority (APEDA).

Over 10.2 lakh Refunds worth Rs 4,250 crore issued in a week by CBDT to help taxpayers in COVID-19 pandemic situation- The Central Board of Direct taxes (CBDT) issued over 10.2 lakh refunds totalling to around Rs. 4,250 crore as on 14 th April 2020 . These refunds are over and above the 2.50 crore refunds already issued in FY 19-20 till 31 st March 2020 totalling Rs 1.84 lakh crore. The CBDT further said that about 1.75 lakh more refunds are in the process of issuance in this week. These refunds would get credited directly to the taxpayer bank account in 5-7 business days from issuance. However, in around 1.74 lakh cases, email responses are awaited from taxpayers regarding reconciliation with their outstanding tax demand for which a reminder email has been sent asking them to respond within 7 days so that the refund can be processed accordingly.

RBI announces further measures amid pandemic COVID-19 to maintain liquidity in the system and refuel economic growth- RBI has announced new measures to maintain adequate liquidity in system, facilitate bank credit flow, ease financial stress and enable formal working of the markets. Several key measures have been taken by RBI, to provide relief to an economy fighting the fallout of Pandemic corona virus.

MHA clarifies Misplaced Apprehensions of Industry Associations regarding Legal liability on Company CEOs, if employees found COVID-19 positive- Ministry of Home Affairs (MHA), on 15.04.2020, had issued an order to exempt certain activities under the consolidated revised guidelines to fight COVID-19, in certain areas not included in hotspots/containment zones. Some apprehensions, based on wrong interpretation of the guidelines, have been raised in the media and by some companies having manufacturing facilities such including that States may take legal action, including imprisonment of CEO, in case a COVID-19 positive employee is found in the factory. It is clarified that there is no such clause in the consolidated revised guidelines and therefore there is no basis for such misplaced apprehensions.

Data unavailability main reason behind govt's inability to announce stimulus for businesses: Shri Subhash Chandra Garg- Former Finance Secretary, Shri Subhash Chandra Garg has said the unavailability of data is the main reason why the government has not been able to announce a stimulus package for coronavirus-stricken businesses, including MSMEs. He said there is an urgent need to assign a unique ID to each business as it would help in collecting vital economic performance data and facilitate linking of all bank accounts of a business to that ID. The finance ministry is working on a second relief package for the Indian economy hit hard by the COVID-19 outbreak and the 40-day nationwide lockdown imposed to curb the contagion.

DIPAM may look at sale of smaller CPSEs to larger counterparts to meet FY21 disinvestment target- The disinvestment department could look at sale of smaller public sector companies to larger ones instead of privatising large CPSEs in the current financial year as the COVID-19 pandemic would make it difficult to scout for buyers. As the fallout of the pandemic has impacted stock market

valuation of companies, an official said the Department of Investment and Public Asset Management (DIPAM) will have to look for different ways to meet the steep target of Rs 1.20 lakh crore budgeted from CPSE stake sale.

No country should have any concern over India's new FDI policy: Government sources- No country should have any concern over India's new policy for foreign direct investment from specific nations, government sources said on Thursday, in a clear message to China which strongly objected to the fresh norms for FDI. Around a week ago, India made prior clearance mandatory for foreign investments from countries that share land border with India to curb "opportunistic takeovers" of domestic firms in the wake of economic downturn triggered by the coronavirus pandemic.

Functional agricultural markets almost double since beginning of lockdown- The Department of Agriculture, Cooperation and Farmers' Welfare, Government of India is taking several measures to facilitate the farmers and farming activities at field level during the lockdown period. Out of 2587 Principal/main Agricultural Markets in the country, 1091 markets were functional at the beginning of the lockdown period on 26.03.2020, which has increased to 2069 markets as on 21.04.2020. Arrival of vegetables such as Onion, Potato and Tomato in mandis has increased by 622%, 187% and 210% respectively on 21.04.2020 as compared to 16.03.2020.

Government transfers Rs 36000 crore during lockdown so far in bank accounts of many beneficiaries- During the existing lockdown period, between March 24 – April 17, over Rs 36,659 crore has been transferred using Direct Benefit Transfer (DBT) through Public Financial Management System (PFMS) in 16.01 crore beneficiaries' bank accounts by the Controller General of Accounts (CGA) office, the Ministry of Finance has said. The amount transferred included Rs 27,442 crore under centrally sponsored schemes (CSS) and central sector (CS) schemes and another Rs 9,717 crore from the state governments. In terms of beneficiaries, 11.42 benefitted under CSS/CS during the said lockdown period, the ministry said.

Stricter FDI rules for bordering nations- As the COVID-19 outbreak has severely hit the liquidity position of many domestic firms, the government has tightened its foreign direct investment (FDI) policy to curb "opportunistic takeovers/acquisitions" by entities in bordering nations. Any FDI proposal by investors from the bordering countries will now require government clearance, even if foreign investments for that sector are placed under the automatic route. Prior to the move, all FDI proposals from only Pakistan and Bangladesh were required to be cleared by the government. FDI from Pakistan is also prohibited in certain sensitive sectors, including defence, space and atomic energy. Over 90% of the country's FDI comes through the automatic route.

India allows additional 745 tonne raw sugar exports to US- The Government has permitted export of additional 745 tonne raw sugar under its tariff-rate quota (TRQ) to the US which enables shipments to enjoy relatively low tariff. TRQ is a quota for a volume of exports that enter the US at relatively low tariffs. After the quota is reached, a higher tariff applies on additional imports. Additional quantity of 745 MTRV (metric tonne raw value) of raw cane sugar, for export to the USA, under TRQ, up to September 30, 2020 has been notified.

Lower inflation to open up policy space further: RBI- Reserve Bank of India (RBI) governor Shri Shaktikanta Das has said that lower inflation in the months ahead could open up greater room for policy easing, while continuing to remain silent on where growth in FY21 could stand. In the period ahead, inflation could recede even further, barring supply disruption shocks, and may even settle well below the target of 4% by the second half of 2020-21. Such an outlook would make policy space available to address the intensification of risks to growth and financial stability brought on by COVID-19. This space needs to be used effectively and in time. In its monetary policy report released earlier this month, RBI forecast inflation to ease from 4.8% in Q1FY21 to 4.4% in Q2, 2.7% in Q3 and 2.4% in Q4.

Government keeps a close vigil on demand-supply of agricultural products- The government is closely monitoring the demand and supply of agricultural products and regularly interacting with mandis and top officials of states. This has helped ensure smooth supplies during the lockdown. We have ensured that there is no shortage of TOP (tomato, onion and potato) in any state. There is no scarcity of these three essential horticultural items. Only thing is stitching supply and demand together. We are coordinating with supply and consuming states for uninterrupted delivery.

Aarogya Setu app primed to take lead in COVID-19 war- Aarogya Setu, the government's Covid-19 contact tracing app, could turn out to be the mother of all apps related to the virus outbreak. The government is planning to incorporate all Covid-19 virus related information and services within the application. The plans include making it a single point of access for food shelters, night shelters as well as Suraksha retail stores that are being launched across the country. A national telemedicine platform may also be integrated within the app so that people with any illness can consult a doctor remotely.

RBI increases centre's WMA limit sharply to Rs 2 trillion- . In India, RBI has revised up its ways and means advances limit for the government to Rs 2 trillion as the country slowly emerges out of lockdown situation.

Finance Ministry gives Rs 46,000 cr in April devolution as states fight coronavirus- The Finance Ministry will release Rs 46,038.7 crore to states as devolution for April, marking the amount from the divisible pool of central taxes and duties. The inter-se share is as per the recommendations of the 15th Finance Commission. To assist States effectively address situation arising out of COVID19 global pandemic, as a special dispensation, the calculation of net proceeds of shareable taxes has been kept unchanged as per Budget 2020-21.

SEZ, Export Oriented Units still await permits from states to resume operation- Manufacturing units in special economic zones (SEZs) and export oriented units (EOUs) were not able to restart operations from Monday as they did not receive permissions from authorities in their respective states, according to exporters. On April 15, the Ministry of Home Affairs issued guidelines stating that manufacturing and other industrial establishments with access control are allowed in SEZs, EoUs, industrial estates and industrial townships after implementation of standard operating protocol for social distancing.

Newsletters

PHD Research Bureau released a newsletter on Trade and Investment facilitation Services (TIFS) to provide information on recent developments in India's foreign trade, foreign investments, policy developments, bilateral economic relations, trade agreements, WTO among others; a newsletter on State Development Monitor, providing information on the developments on various fronts such as economic, health, infrastructure, rural economy and tourism in all the states of India; and a newsletter on Global Economic Monitor, providing information on developments at the international level, on various fronts including growth rate, inflation, trade balance, among others.

· Global Economic Monitor (GEM) for the month of April 2020- <https://www.phdcci.in/wp-content/uploads/2020/04/GEM-for-the-month-of-April-2020.pdf>

· Trade and Investment Facilitation Services (TIFS): Edition March 2020- <https://www.phdcci.in/wp-content/uploads/2020/04/TIFS-Newsletter-April-2020.pdf>

· State Development Monitor (SDM) for the month of March 2020- <https://www.phdcci.in/wp-content/uploads/2020/04/State-Development-Monitor-March-2020.pdf>

Reports

- Calibrated Approach to Exit from Lockdown

Access at: <https://www.phdcci.in/wp-content/uploads/2020/04/Calibrated-Approach-to-Exit-from-Lockdown-by-PHD-Chamber-of-Commerce-Industry.pdf>

- Compendium of various relief measures provided by the States to mitigate the impact of pandemic COVID-19

Access at: <https://www.phdcci.in/wp-content/uploads/2020/04/Compendium-of-various-relief-measures-provided-by-the-States-to-mitigate-the-impact-of-pandemic-COVID-19.pdf>

Warm Regards,

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