



Dear Members,

Greetings!

Weekly Compendium of Economic and Business Developments (For the week ending 2nd May, 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 extension of Lockdown for a further period of 2 weeks with effect from May 4, 2020; March 2020 core infra growth, final report on National Infrastructure Pipeline presented to Hon'ble Finance Minister; signing of US\$ 1.5 billion loan by India with ADB to support India's COVID-19 immediate response; launch of Bank of Schemes, Ideas, Innovation & Research Portal on MSMEs; Special Liquidity Facility for Mutual Funds announced by RBI; ECBs during February 2020; Gross Bank Credit in March 2020; extension of regulatory Benefits under SLF-MF Scheme and truncated Market Hours by RBI; Hon'ble Union Commerce and Industry Minister calls upon the Indian Missions abroad to play an important role in making India a preferred destination; pivotal role played by DPIIT Control Room in monitoring the issues of trade and industry during lockdown; ten-point plan to bolster global transport, ease trade during pandemic COVID-19 by UNCTAD, among others. The details of disseminated information during the week ending 2nd May 2020 are appended.

Economy

MHA notifies Extension of Lockdown for a further period of Two Weeks with effect from May 4, 2020 and New Guidelines on Lockdown Measures- After a comprehensive review, and in view of the Lockdown measures having led to significant gains in the COVID-19 situation in the country, Ministry of Home Affairs (MHA), Government of India (GoI) issued an Order under the Disaster Management Act, 2005, to further extend the Lockdown for a further period of 2 weeks with effect from May 4, 2020. MHA also issued new guidelines to regulate different activities in this period, based on the risk profiling of the districts of the country into Red (hotspot), Green and Orange Zones. The guidelines have permitted considerable relaxations in the districts falling in the Green and Orange Zones.

Hon'ble Prime Minister holds a comprehensive meeting to discuss strategies on boosting investment in India- Hon'ble Prime Minister Shri Narendra Modi held a comprehensive meeting to discuss strategies to attract more foreign investments into India as well as to promote local investments in order to give a boost to the economy against the backdrop of the COVID-19 Pandemic. It was discussed that a scheme should be developed to promote more plug and play infrastructure in the existing industrial lands/plots/estates in the country and provide necessary financing support. During the meeting, the Hon'ble Prime Minister directed that the action should be taken for a more proactive approach to handhold the investors, to look into their problems and help them in getting all the necessary Central and State clearances in a time bound manner.

March 2020 core infra growth stands at (-) 6.5%- The core infrastructure growth stands at (-)6.5% in March 2020 as against 7.1% in February 2020. The combined Index of Eight Core Industries stood at 137.0 in March, 2020, which declined by 6.5% as compared to the index of March, 2019. Its cumulative growth during April to March, 2019-20 was 0.6% as compared to 4.4% in corresponding period of previous year. The growth rate of Coal stands at 4%, Crude Oil at (-)5.5%, Natural Gas at (-)15.2%, Refinery Products at (-)0.5%, Fertilizers at (-)11.9%, Steel at (-)13%, Cement at (-)24.7% and Electricity at (-)7.2% in March 2020 as compared to 11.2%, (-)6.4%, (-)9.6%, 7.4%, 2.9%, 6.3%, 7.8% and 11.7% respectively in February 2020.

Task Force on National Infrastructure Pipeline presents its Final Report to Hon'ble Minister of Finance, Smt. Nirmala Sitharaman- The Task Force on National Infrastructure Pipeline (NIP)



submitted its Final Report on NIP for FY 2019-25 to the Hon'ble Union Minister for Finance & Corporate Affairs Smt. Nirmla Sitharaman. The Summary Report of the Task Force on National Infrastructure Pipeline for 2019-2025 has already been released by the Finance Minister on December 31st, 2019. The Final Report of NIP Task Force is projecting total infrastructure investment of Rs 111 lakh crore during the period FY 2020-25 in light of additional/amended data provided by Central Ministries/State Governments since the release of summary NIP Report. The Final Report of NIP task force is in three volumes. Volume I & II will be uploaded on the DEA website www.dea.gov.in, www.pppinindia.gov.in and on the Ministry of Finance Portal and project database enlisted in Volume III A&B will be uploaded on the India Investment Grid Portal in due course.

Hon'ble Prime Minister of India, Shri Narendra Modi interacts with the Chief Ministers to plan ahead for tackling COVID-19- The Hon'ble Prime Minister Shri Narendra Modi interacted with Chief Ministers of states via video conferencing to discuss the emerging situation and plan ahead for tackling the COVID-19 pandemic. This was the fourth such interaction of the Prime Minister with the Chief Ministers, the earlier ones had been held on 20th March, 2nd April and 11th April, 2020. The hon'ble Prime Minister underlined that the Lockdown has yielded positive results as the country has managed to save thousands of lives in the past one and a half months. He added that India's population is comparable to that of the combined population of several countries. The situation in many countries, including India, was almost similar at the start of March. However, due to timely measures, India has been able to protect many people. He however forewarned that the danger of the virus is far from over and constant vigilance is of paramount importance.

India signs US\$ 1.5 billion loan with ADB to support India's COVID-19 immediate response- The Government of India and the Asian Development Bank (ADB) signed a US\$ 1.5 billion loan that will support the government's response to the novel coronavirus disease (COVID-19) pandemic, focusing on immediate priorities such as disease containment and prevention, as well as social protection for the poor and economically vulnerable sections of the society, especially women and disadvantaged groups. Earlier, the ADB's Board of Directors approved the loan to provide budget support to the government to counter and mitigate the adverse health and socio-economic impact of the pandemic.

MCA notifies draft procedure for submission of Audit Files to National Financial Reporting Authority (NFRA) and extension of last date of filing of Form NFRA-2- In pursuance of the duties cast upon it under the Companies Act, 2013, and NFRA Rules, 2018, National Financial Reporting Authority (NFRA) proposes to prescribe the procedures to be followed by all entities regulated by NFRA for submission of Audit Files to NFRA. These procedures are applicable to all audit firms/ chartered accountants (referred to as entities in these procedures) covered under the jurisdiction of the National Financial Reporting Authority (NFRA) as laid down vide Section 132 of the Companies Act, 2013, read with NFRA Rules 2018. These procedures govern the submission of Audit Files to NFRA and are issued under the mandate given to NFRA by the Companies Act 2013, and to discharge the functional responsibilities defined under NFRA Rules 2018, particularly under Rule 8 (1).

Shri Nitin Gadkari calls for urgent action to facilitate Inter-State border movement of Trucks/Lorries carrying essential goods to ease public life during COVID 19 pandemic- Shri Nitin Gadkari, Hon'ble Union Minister of Road Transport & Highways and MSMES, has called upon all the States/UTs to take urgent action so that blockades of trucks and lorries at inter State/UT borders is cleared at the earliest possible, as smooth movement of essential goods to various parts of the country is essential. This, he said, needs to be given urgent attention by facilitating the truck/Lorry movement, to ease up lives of the public in the light of lockdown announced to curb COVID-19 pandemic. Speaking at the meeting of State/UT Road Transport Ministers held via Video Conference, Shri Gadkari urged the Ministers to intervene in such matters and ensure resolutions through the local/district administrations. At the same time, he underlined following the



health advisories and other guideline like proper distance, wearing masks, use of sanitizers, both by the driver/cleaners and also at the Dhabaas.

World Bank approves US\$ 400 million to Strengthen Integrated Coastal Zone Management in India- The World Bank has approved a US\$ 400 million multi-year financing envelope to help India enhance its coastal resources, protect coastal populations from pollution, erosion, and sea level rise, and improve livelihood opportunities for coastal communities. The first phase of this multi-phase approach (MPA) will provide US\$ 180 million for Enhancing Coastal and Ocean Resource Efficiency (ENCORE). This is the first use of an MPA in India; the approach is aimed at providing long-term support for critical development agendas.

Centre Facilitates the Inter - State Movement of Stranded People including Migrant Labourer in the country, in wake of COVID -19 Pandemic- As a result of lockdown restrictions to fight COVID--19, migrant workers, pilgrims, tourists, students and other persons are stranded at different places in the country. Now, the Centre has permitted the movement of these stranded persons by road. They would be allowed to move between one State/ UT to another State/ UT, after the concerned states consult each other and mutually agree to. It has also been impressed upon that on arrival at their destination, such person(s) would be assessed by the local health authorities, and kept in home quarantine, unless the assessment requires keeping the person in institutional quarantine. They would be kept under watch with periodic health check-ups.

ADB Approves US\$177 Million Loan for Road Improvement in India's Maharashtra State- The Asian Development Bank (ADB) has approved a US\$177 million loan to India to upgrade 450 kilometers (km) of state highways and major district roads in Maharashtra State. The roads to be upgraded link agricultural and industrial areas, and are critical to improving access to markets, employment opportunities, and services. The project will also finance the development of a road maintenance planning system and build the capacity of the Maharashtra Public Works Department (MPWD). Many state roads connecting urban and rural areas in Maharashtra are congested, unsafe, and of poor quality. The project will improve about 25 km of major district roads and expand 425 km of state roads to the two-lane standard.

Shri Nitin Gadkari launches Bank of Schemes, Ideas, Innovation & Research Portal on MSMEs- Shri Nitin Gadkari, Hon'ble Union Minister of Road transport & Highways and MSME, has launched Bank of Schemes, Ideas, Innovation and Research portal (<http://ideas.msme.gov.in/>) on MSMEs through Video Conference from Nagpur. The Portal gives access to all Schemes of Union, State and UT Governments. It has the provision for uploading Ideas, Innovations & Researches in the sector. The portal has unique features of not only crowd sourcing of Ideas, but also evaluation and rating the ideas by crowd sourcing. It can also facilitate inflow of venture capital, foreign collaboration etc. Speaking about the importance of the portal, Shri Gadkari said that this portal will prove to be of great transformational significance to the MSMEs in particular and the economy in general.

MOHUA to soon Issue Advisory on Special Measures to Save Interest of Homebuyers & All Real Estate Industry Stakeholders- An urgent meeting of Central Advisory Council (CAC) constituted under the provisions of Real Estate (Regulation and Development) Act, 2016 (RERA), was held through webinar under the chairmanship of Sh. Hardeep S. Puri, Hon'ble Minister of State (Independent Charge), Ministry of Housing and Urban Affairs (MoHUA) to discuss the impact of the pandemic COVID-19 (Corona Virus) and consequent nationwide lockdown on the real estate sector and to treat it as an event of 'Force Majeure' under the provisions of RERA. The Hon'ble Housing Minister assured all the participants that the matter will be considered keeping in view the interests of all stakeholders. He further said that MoHUA will soon issue an advisory to all RERA/States about the special measures that need to be taken to safeguard the interest of homebuyers and all other real estate industry stakeholders.

Finance



RBI announces Rs 50,000 crore Special Liquidity Facility for Mutual Funds (SLF-MF)-

Heightened volatility in capital markets in reaction to COVID-19 has imposed liquidity strains on mutual funds (MFs), which have intensified in the wake of redemption pressures related to closure of some debt MFs and potential contagious effects therefrom. The stress is, however, confined to the high-risk debt MF segment at this stage; the larger industry remains liquid. The Reserve Bank of India (RBI) has stated that it remains vigilant and will take whatever steps are necessary to mitigate the economic impact of COVID-19 and preserve financial stability. With a view to easing liquidity pressures on MFs, RBI has decided to open a special liquidity facility for mutual funds (SLF-MF) of Rs 50,000 crore.

Reserve Bank extends Regulatory Benefits under SLF-MF Scheme, Truncated Market Hours and Fixed Rate Reverse Repo & MSF window; Extends Regulatory Benefits under SLF-MF Scheme-

Based on requests received from banks, RBI has now decided that the regulatory benefits announced under the SLF-MF scheme will be extended to all banks, irrespective of whether they avail funding from the Reserve Bank or deploy their own resources under the above-mentioned scheme. Banks meeting the liquidity requirements of MFs by (1) extending loans, and (2) undertaking outright purchase of and/or repos against the collateral of investment grade corporate bonds, commercial paper (CPs), debentures and certificates of deposit (CDs) held by MFs will be eligible to claim all the regulatory benefits available under SLF-MF scheme without the need to avail back to back funding from the Reserve Bank under the SLF-MF. Further, in view of persisting operational dislocations and elevated levels of health risks warranting continuing restrictions on movement, work from home arrangements and business continuity plans, RBI has decided that the amended trading hours i.e., from 10.00 am to 2.00 pm for RBI-regulated markets that were effective till the close of business on Thursday April 30, 2020 vide press release dated April 16, 2020 shall be extended till further notice. Market trading timings will be reviewed on issuance of directions pertaining to lockdown from the Government.

Gross Bank Credit grows at 7.6% in March 2020- Gross bank credit grows at 7.6% in March, 2020 as against 7.3% in February, 2020 (year-on-year). On a year-on-year basis, non-food bank credit growth stands at 7.6% in March 2020 as against 7.3% in February 2020. Credit to agriculture & allied activities stands at 5.2% in March 2020 as against 5.8% in February 2020. Credit growth to agriculture & allied activities decelerated to 5.2% in March 2020 from 7.9% in March 2019. Credit growth to industry decelerated to 1.4% in March 2020 from 6.9% in March 2019. Within industry, credit growth to 'beverage & tobacco', 'mining & quarrying', 'petroleum, coal product & nuclear fuels', 'cement & cement products' and 'vehicles, vehicle parts & transport equipment' accelerated.

ECBs stands at about USD 4 billion during February 2020- Indian firms have raised about USD 4 billion through external commercial borrowings (ECBs) by automatic and approval route in February 2020 as against USD 8 billion in January 2020. While, ECBs were at about USD 2.8 billion in February 2019. India has received gross ECBs worth around USD 425 billion between FY2001 and FY2020 (till February 2020). A closer look at the ECBs pattern reveals that the largest share in ECBs during the month of February 2020 is held for Refinancing of Rupee loans purpose by about 25% of the total borrowings, followed by Infrastructure development purpose by around 24%, On-lending/Sub-lending purpose at about 16%, among others.

SEBI reduces Broker turnover fees and filing fees for issuers- In its continuing efforts to help market participants to tide over challenges due to COVID 19, Securities and Exchange Board of India (SEBI) has decided to reduce broker turnover fees and filing fees on offer documents for Public issue, Rights issue and Buyback of shares. The broker turnover fee will be reduced to 50% of the existing fee structure for the period June 2020 to March 2021. The benefit of the above reduction in fees will automatically be passed on to the investors as well. Filing fees on offer documents for Public issue, Rights issue and Buyback of shares will be reduced to 50% of the existing fee structure. This will be effective for documents filed from June 1, 2020 to December 31, 2020.



RBI notifies extension of timelines (upto 30 days) for submission of regulatory returns- In order to mitigate the difficulties in timely submission of various regulatory returns, in view of disruptions on account of COVID-19 pandemic, Reserve Bank of India (RBI) has decided to extend the timelines for their submission. Accordingly, all regulatory returns required to be submitted by all Scheduled Commercial Banks (including RRBs and Small Finance Banks), Payments Banks and Local Area Banks, all India Financial Institutions, all Co-operative Banks, to the Department of Regulation can be submitted with a delay of upto 30 days from the due date. The extension will be applicable to regulatory returns required to be submitted upto June 30, 2020. Those entities that are in a position to submit the returns earlier may continue to do so.

Trade

Hon'ble Union Commerce and Industry Minister calls upon the Indian Missions abroad to play an important role in making India a preferred destination; India is open to mutually benefitting collaborations with interested countries as far as the reciprocity in the deal is maintained- Hon'ble Union Minister of Commerce and Industry & Railways, Shri Piyush Goyal has called upon the Indian Missions abroad to play an important role in identification of opportunities for Indian business and export, existing in their countries, and making India a preferred destination, a reliable destination for investment. He has said that all should work to convert this COVID-19 situation into an opportunity by coming up with new reforms to improve our industries. He said that we should aim for an economic growth higher by 3x. Further, he added that India is open to mutually benefitting collaborations with interested countries as far as the reciprocity in the deal is maintained. He has welcomed the interested countries who are planning to do business with India.

DPIIT Control Room playing a pivotal role in monitoring the issues of trade and industry and solving the difficulties faced by various stakeholders during the lockdown period-

Department for Promotion of Industry and Internal Trade (DPIIT), under the Ministry of Commerce and Industry, had set-up a Control Room w.e.f 26.3.2020 to monitor the issues of Industry and Trade and take up such matters with the concerned State Government, District and Police Authorities and other concerned agencies. Out of the total number of 1962 queries registered till 28th April 2020, 1739 have been resolved/settled while 223 are currently under resolution. Out of 1962 queries registered, more than 1000 queries were received from five States/UTs viz., Delhi, Maharashtra, Uttar Pradesh, Haryana and Gujarat. The control room has been receiving queries regarding ground level difficulties as well as the procedural and policy issues being faced by the manufacturers, transporters, distributors, wholesalers and e-commerce companies. The contact details of the control room are: Telephone: + 91 11 23062487 (functional from 8 AM to 6 PM) and Email: controlroom-dpiit@gov.in

Ten-point plan to bolster global transport, ease trade during pandemic COVID-19: UNCTAD-

The UNCTAD has proposed 10 policy measures to facilitate transport and trade while protecting people from the ongoing pandemic COVID-19. The plan calls for policies that ensure uninterrupted shipping, keep ports open, protect international trade of critical goods and speed up customs clearance and trade facilitation, facilitate cross-border transport, ensure the right of transit, safeguard transparency and up-to-date information, promote paperless systems, address early-on legal implications for commercial parties, protect shippers and transport service providers alike and prioritize technical assistance. UNCTAD has called on Governments to ensure that health measures are implemented in ports and border crossings in ways that minimize interference with international trade.

Our Voice

PHD Chamber welcome Government's decision to provide relaxation of select economic activities in all zones, Red (hotspot), Green and Orange Zones: PHD Chamber- We appreciate the decision of Hon'ble Prime Minister, Shri Narendra Modi Ji to exit the Nationwide lockdown in a graded manner by giving equal importance to lives and livelihood of Indian citizens,



and allowing selected economic activities in all zones, Red (hotspots), orange and green, based on the intensity of the spread of Covid -19. PHD Chamber of Commerce and Industry welcome Ministry of Home Affairs decision to further extend the lockdown period till 17th May 2020. We appeal to all our member organisations to fully support the extended lockdown period till 17th May, 2020 to eradicate the pandemic covid-19 from the country. The lock down 3.0 will restart economic activities in a staggered, yet planned, way by granting permission for activities even in the Red Zones (hotspot), like construction activities limited to in-situ construction (where workers are available on site), private offices can operate with upto 33% of strength, food processing units, all agriculture activities, all plantation activities, among others, will go a longway in uplifting the sentiments of the stricken Indian Industry, helping the daily wagers, poor and the needy earn their livelihood and also revive India's economic growth trajectory. We support the Government in its initiative of directing the local authorities to ensure 100% coverage of the Aarogyasetu app among the residents of containment zones, especially in the Red zones.

The Chamber, through its member organisations, pledges to enlighten, educate and motivate each citizen to diligently and extensively use the Aarogya Setu app, to safeguard themselves and their families against the Covid- 19 virus. We 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. A significant stimulus of 7% of GDP would help the economy to grow at around 4% in the current financial year 2020-21, rejuvenate the businesses and refuel the economic growth trajectory of the country.

India resilient in fighting pandemic COVID-19, significant stimulus package along with opening of all economic activities in green zones with 50% strength of workers will support trade and industry and maintain economic growth: PHD Chamber- India is significantly resilient in fighting COVID-19 despite one of the densely populated countries. We strongly believe that the significant stimulus package along with opening of all economic activities in green zones with 50% strength of workers will support trade and industry and maintain economic growth around 4%. As corona virus is expected to be totally eradicated sooner than later, there is a need to remove uncertainty from the trade and industry to resume the economic activity in letter and spirit. At this juncture, we urge the Government to provide financial stimulus of Rs 16 lakh crore which is around 7% of GDP to mitigate the daunting impact of Pandemic COVID-19 on economy, trade and Industry through various relief measures and benefits to India's trade and industry. This will not only build confidence in the trade and industry but also refuel the economic growth trajectory and maintain GDP growth at around 4% in the current financial year. This would enable the country to witness a V-shaped recovery in the economic growth trajectory rather than a U-shaped recovery.

The average speed of spread of COVID cases in India is around 7% and the COVID mortality rate of 3% is significantly better among the 20 Covid impacted countries during the last week. COVID mortality rate is significantly high in Belgium at 15%, France, UK and Italy at around 14% each, Netherlands at around 12%. At domestic front among the top 10 most affected states due to pandemic COVID-19 with highest number of cases, the speed of spread of COVID cases during the last week was highest in the state of Maharashtra at 11%, West Bengal (10%), Gujarat (9.7%), Andhra Pradesh (9.1%), Uttar Pradesh (8%). We are happy to know that 85 districts from 25 States and union territories have not reported any new cases since the last 14 days. At this juncture, a calibrated approach should be adopted by the Government that brings about a fine balance between normalizing economic and social activity and containing the spread of pandemic COVID-19. We appreciate the opening up of all kinds of shops in green areas with 50% strength of work force to revive economic and business activities. We suggest that 50% strength of workforce may be allowed in all economic activities including government, economic, business, trade and industry, among others except public gatherings with strict adherence to social distancing and precautionary measures. Accordingly, special guidelines should be made to each State so that no body is harassed for resuming economic activities.



Economy So Far

Covid-19 crisis: Hon'ble Prime Minister reviews aviation, power sectors' performance- Amid the Covid-19 pandemic and the resultant lockdown, Hon'ble Prime Minister, Shri Narendra Modi reviewed the performance of the aviation and power sectors with a focus on reducing costs and making them more efficient. Reviewing the power sector, he underlined its importance in propelling the economy. The need for an effective enforcement of contracts to attract private investment was also discussed. At the review of the civil aviation sector, it was decided that the country's air space should be effectively used in a manner that the flying time for travellers is reduced and airlines save costs. This will be done in close cooperation with the Department of Military Affairs.

District-level clearance norms for MSME scheme relaxed- In a bid to speed up project implementation under the Prime Minister's Employment Generation Programme (PMEGP) when Covid-19 has impacted all sectors, the Ministry of Micro, Small and Medium Enterprises has done away with district-level approval systems and eased procedures to help fund enterprises. Under PMEGP, loans of up to Rs 25 lakh are given for manufacturing projects while as Rs 10 lakh is given for the business and service sector. The Khadi and Village Industries Commission (KVIC), which implements the programme, subsidises 15% to 35% of a project's cost, depending on the classification of the area where the project has been proposed.

Government defers release of April GST collection data amid Covid-19 lockdown- The government on Friday deferred the release of April GST revenue collection data as the ongoing lockdown led to a lower mop-up during the month and extended the deadline for filing returns, sources said. The government had in March extended the deadline to file GST returns for entities with a turnover of over Rs 5 crore by 15 days from the due date without payment of any late fee, interest and penalty. However, a reduced rate of 9 per cent interest will be levied if the return is filed after May 5 till June 30. The government is expecting that more returns will be filed and will wait till May 5 before announcing the collection data, a source said, adding a decision on extension of this date will also be taken.

200 more mandis added to eNAM- The government has connected 200 new mandis across seven states to its national digital agricultural trading platform — eNAM — taking the total tally of eNAM enabled mandis to 785. By the end of the month, 1,000 mandis would be connected with the platform, Hon'ble Agriculture Minister Shri Narendra Singh Tomar has said. Farmers have been immensely benefitted from eNAM during lock down when physical mandis were not fully operational. We provided farmers a market where they traded their produce at competitive prices without visiting mandis. eNAM will fulfill government's objective of "one nation one market," he has said.

Madhya Pradesh amends Mandi Act to provide maximum value of produce to farmers- Madhya Pradesh Hon'ble Chief Minister Shri Shivraj Singh Chouhan has said that the state government has made amendments in the Mandi Act with a view to provide farmers with the maximum value of their crops. He said that with its implementation, farmers will be able to sell their grain, fruits and vegetables to private traders from home. Farmers will continue to have the option to go to the mandi to sell their produce at minimum support price, he said.

Punjab CM Captain Amarinder Singh seeks abundant high quality maize seeds for kharif sowing- In line with his government's decision to double the area under maize cultivation from this Kharif season, Hon'ble Chief Minister of Punjab Captain Amarinder Singh has directed to ensure abundant supply of certified varieties of maize seed, duly approved by the Punjab Agricultural University, Ludhiana, to the farmers. The state government has decided to increase the area under maize cultivation from 3.95 lakh acres last year to 7.41 lakh acres in this season, with the twin objective of shifting towards water resistant alternate crops to conserve the fast depleting ground water and coping with the shortage of labour amid Covid-19.



Government may raise up to Rs 10,000 crore via tax-free bonds- The Government is seeking to raise up to Rs 10,000 crore in its maiden tax-free bond issue to help bridge the fiscal gap, which is set to widen in the aftermath of Covid-19-induced economic disruptions and low tax collections. The finance ministry has begun negotiations with bankers on a likely tax-free bond issue. The money may be raised in multiple instalments. The government plans to raise temporary funds from the central bank through ways and means advances (WMA), a short-term borrowing window.

Supreme Court asks RBI to examine if EMI moratorium is being passed on- The Supreme Court has asked the RBI to examine whether benefits of its policy decision on three-month moratorium on fixed-term loans and EMIs are being passed on to the borrowers. A Bench led by justice NV Ramana said "it appears that whatever benefits are being given by the RBI, they are not being extended to the borrowers. There should be proper guidelines. The RBI may examine it to see the circular issued on March 27 is being implemented by the banks effectively. This is not a PIL issue. However, due to the various issues raised, we request that the RBI may examine whether its policy is being implemented in true letter and spirit.

Farming sector will not be impacted by Coronavirus: Hon'ble Agriculture Minister- The country's farm sector is functioning smoothly despite COVID-19 lockdown and there will not be much impact on its growth in the current fiscal unlike other sectors, Hon'ble Agriculture Minister, Shri Narendra Singh Tomar has said. The impact of lockdown on the overall agriculture GDP will not be much this year on hopes of good rains and the government has exempted farm activities from the lockdown rules, he said. Agriculture GDP was at 3.7 per cent during last year. I am confident that this growth in future will not be impacted much, he added.

EPFO eases compliance burden for companies- The Employees Provident Fund Organisation has allowed establishments to separately file the electronic challan cum return and the payment of statutory contribution, thus easing the compliance burden on establishments. As per EPFO, in the current scenario the businesses and enterprises are not able to function normally and are facing liquidity or cash crunch to pay their statutory dues even though they are retaining the employees on their rolls. With a view to further ease the compliance procedure under EPF & MP Act, 1952, the creation and filing of monthly electronic-challan cum return (ECR) is separated from payment of the statutory contributions reported in the ECR.

Moody's slashes India's growth estimate to 0.2% for 2020 from 2.5% and Fitch slashes GDP estimate to 0.8% - Moody's Investors Service slashed India growth forecast for calendar year 2020 to 0.2 per cent, from 2.5 per cent projected in March. For 2021, the rating agency expects India's growth to rebound to 6.2 per cent. The rating agency had cut its projections from 5.2 per cent to 2.5 per cent after Hon'ble Prime Minister Shri Narendra Modi ji announced a nationwide lockdown on March 24. India lost the tag of the fastest-growing major economy to China in 2019, when it grew 5.3 per cent, against China's 6.1 per cent. Fitch Ratings said that India's sovereign rating of BBB- could come under pressure with a deteriorating fiscal outlook arising from weaker growth due to the Covid-19 outbreak and the lockdown. Fitch also sharply revised its growth expectation for India to 0.8% for the current financial year from 5.6% in December.

Government prepares an action plan to reskill unemployed migrant and informal sector workers post lockdown- The Government is working on an action plan to reskill unemployed migrant and informal sector workers once the lockdown is lifted. The move will not only help rehabilitate those who have lost their jobs because of the coronavirus crisis, but also make workforce readily available once economic activity restarts.

March steel output slumps 23%- India's crude steel production fell 23 per cent to 7.38 million tonne (mt) in March as compared to the previous month, while export and import also took a beating due to the Covid-19 pandemic and the subsequent lockdown, according to an official statement. The spread of coronavirus also impacted the country's consumption of steel which fell



6.6 per cent month-on-month to 0.580 mt in March, the Steel Ministry said in an update on the sector.

Banks cautious about borrowing under RBI's special liquidity facility for MFs- Banks are treading with caution when it comes to borrowing under the Reserve Bank of India's special liquidity facility for mutual funds (SLF-MFs). This is underscored by the fact that they borrowed only ₹2,000 crore under this facility to lend to mutual funds, which are facing liquidity pressure. Banks have been cautious about borrowing from the RBI's special liquidity facilities, which have been opened so that these resources can be invested in the debt instruments issued by non-banking finance companies, housing finance companies and microfinance institutions. This is due to the fear of having to contend with credit risk should these instruments get downgraded at a later stage.

100 US firms may shift base to Uttar Pradesh from China- As many as 100 US companies keen on exiting China after the Covid-19 pandemic are seriously considering Uttar Pradesh as their new destination. Uttar Pradesh's Hon'ble Minister in charge of MSMEs Shri Siddharth Nath Singh engaged with them through a webinar, organised by the United States-India Strategic Partnership Forum. Representatives of these companies showed interest in the fields of agriculture, electronics, medicine, scientific instrumentation, logistics, defence, aviation, food processing MRO, etc. The companies include Lockheed Martin, Adobe, Honeywell, Boston Scientific and Cisco Systems as well as global delivery services providers like UPS and FedEx.

RBI corpus for MFs: Rs 4,000 crore borrowed by banks- Even as the corporate bond markets grapple with illiquidity, banks have so far borrowed Rs 4,000 crore from the Rs 50,000-crore corpus meant for loans to mutual funds (MFs) or purchases of bonds from their portfolios. The Reserve Bank of India (RBI) opened a special liquidity window to loan money to banks that could be used to help MFs tide over redemption pressures.

India maps out post-Covid export plan to take on China- India has begun work on a continuity plan to kick-start exports once country emerges from the shadows of the coronavirus pandemic. The plan includes cutting down import dependence, especially from China by focussing aggressively on substitutions while improving safety compliance and quality goods to gain global market share.

Delhi government freezes DA, DR for 220,000 employees, pensioners till July 2021- The Delhi government has put on hold the hike in inflation-linked allowance for around 220,000 employees and pensioners till July 2021, following a similar step by the Centre. The dearness allowance for employees and dearness relief for pensioners were due from January 2020. The Delhi finance department has issued an order endorsing the central government's order to put on hold hike in DA and DR till July 2021.

Crisil downgrades India growth forecast by half to 1.8 per cent- Domestic rating agency Crisil nearly halved its GDP forecast for India to 1.8 per cent for 2020-21 while projecting total losses of Rs 10 lakh crore or Rs 7,000 per person due to disastrous lockdowns to control COVID-19 pandemic. The agency had a GDP growth estimate of 6 per cent for FY2021, which was last revised to 3.5 per cent in late March.

India-Ratings cuts India's FY21 GDP growth further to 1.9%- India Ratings (Ind-Ra) has further slashed its growth expectations for the economy to 1.9% for the ongoing fiscal, down from 3.6% in March 2020. This will be the lowest GDP growth in the last 29 years and is based on the assumption that the partial lockdown will continue till mid-May 2020. The ratings agency forecast a contraction of 2.1% for FY21 if the lockdown continued beyond mid-May, which would take the economy to a 41-year low and would count as only the sixth instance of negative growth.

States seek GST compensation beyond 2022 to tide over Covid-19 crisis- States including Punjab, Kerala and Delhi pitched for extension of goods and services tax compensation to the



states for two years beyond 2022 to tide over the crunch they may face in the post-Covid-19 scenario. Finance Ministers of States, during a video conference on the previous day, also discussed issues arising out of the lockdown, including the urgent requirement of some form of aid for micro, small and medium enterprises, which have been affected the most, besides relief for the services sectors.

Central Board of Direct Taxes (CBDT) again defers GST, GAAR reporting in I-T audit report till Mar 2021- The Income Tax Department on Monday deferred for the third time the requirement for companies to include in their I-T audit report the details of the Goods and Services Tax (GST) and the General Anti-Avoidance Rules (GAAR). The reporting requirement of these details in income tax audit form has been kept in abeyance till March 31, 2021 -- meaning that all income tax audit reports need not include details on the GST and GAAR till March 2021.

MHA issues Order to States/UTs to allow Opening of Certain Categories of Shops, except those in Single and Multi-brand Malls- 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. Giving relaxation in the category of Commercial and private establishments, MHA has issued an order to all States/UTs, to allow opening of all shops registered under Shops & Establishment Act of respective States/UTs, including shops in residential complexes, neighborhood & standalone shops. Shops in market complexes, except those within the limits of municipal corporations and municipalities, would be allowed to open. Shops in single & multi-brand malls would not be allowed to open anywhere. It would be mandatory for all permitted shops to open only with 50% strength of workers, ensure compulsory wearing of masks and strict adherence to social distancing norms.

India seeks IMF, World Bank help to deal with IIP, CPI data gaps- Faced with the challenge of data inadequacy caused by the Covid-19 pandemic and lockdown, India has approached multilateral agencies including the International Monetary Fund and World Bank to ascertain the practices elsewhere in the world to prepare economic indicators such as industrial production, retail inflation and economic growth. Experts said deficiencies in data collection could affect the accuracy and reliability of the indicators. Data inadequacy has become a global phenomenon in the wake of Covid-19 and the Ministry of Statistics and Programme Implementation (MoSPI) is collaborating with global institutions on data collection practices and to learn from the experiences of other countries facing the same issues.

6-month GST payment freeze for worst-hit sectors, a lower rate for realty among Covid options mulled- India is considering a goods and services tax (GST) relief package to counter the impact of Covid-19 and help prop up the economy. The package being considered could include a six-month suspension of GST payments for the worst-hit sectors such as restaurants, aviation and hospitality as well as a lower rate for the real estate sector. Other proposals include a switch to a cash-based principle of levying tax from the current invoice-based system and providing GST relief on sales for which payment is not received due to the lockdown by treating those as bad debts. These measures are expected to ease the liquidity pressure on businesses that are strapped for cash, said the people cited above. A final decision on the proposals will be taken by the GST Council, which is the apex decision-making body for the tax.

Government dismisses report that proposes to tax the rich, says it is "ill-conceived"- The government has dismissed a report by some officers of the Indian Revenue Services (IRS) that suggested higher taxes on high earners and levy of wealth tax to raise resources to battle Covid-19, as it instituted an inquiry in the matter. According to CBDT statement, it is unequivocally stated that CBDT (Central Board of Direct Taxes) never asked IRS Association or these officers to prepare such a report.

CBIC clears Rs 10,700 crore GST, customs duty refund in 16 days- The Central Board of Indirect Taxes (CBIC) has cleared over Rs 10,700 crore worth refunds in GST and customs duty



between April 8-23, 2020. In the 'Special Refund and Drawback Disposal Drive', the CBIC officers have cleared over 1.07 lakh Goods and Services Tax and IGST refund claims worth Rs 9,818 crore. Over 1.9 lakh customs and duty drawback refund was processed totalling Rs 916 crore.

Reports

- **Analysis of COVID at International and Sub-National Level- Speed of spread, Mortality and Recovery**

Access at: <https://www.phdcci.in/wp-content/uploads/2020/04/Analysis-of-COVID-at-International-and-Sub-National-Level-Speed-of-spread-Mortality-and-Recovery.pdf>

- **Relief measures provided by various countries to mitigate the daunting impact of pandemic COVID-19 on economy, trade and industry**

Access at: <https://www.phdcci.in/wp-content/uploads/2020/04/Relief-measures-provided-by-various-countries-to-mitigate-the-daunting-impact-of-pandemic-COVID-19-on-economy-trade-and-industry.pdf>

Warm Regards,
Dr S P Sharma
Chief Economist
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016, India
Tel: +91 49545454
Fax: +91 11 26855450
Email: spsharma@phdcci.in
Website: www.phdcci.in