

Weekly Compendium of Economic and Business Developments

(Period ending 16th April, 2021)

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 Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021; CPI inflation increased in month of March 2021, Amendment in Export Policy of Injection Remdesivir and Remdesivir API; Government of India approved extension of Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit, among others. The details of disseminated information during the week ending 16th April 2021 are appended.

India and World Economy

- **Insolvency and Bankruptcy Board of India notifies the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021-** The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 promulgated on 4th April, 2021 provides for pre-packaged insolvency resolution process (PPIRP) for corporate debtors classified as micro, small and medium enterprises. The Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021 (PPIRP Regulations) to enable operationalisation of PPIRP.
- **February 2021 IIP growth stands at (-)3.6%-** Growth in industry output, as measured in terms of IIP, for the month of February 2021 declined to (-)3.6% as compared to January 2021 growth of around (-)0.87%. The growth in the three sectors mining, manufacturing and electricity in February 2021 stands at around (-)5.5%, (-)3.7%, 0.1%, respectively over February 2020. Primary goods growth stands at around (-)5.1%, capital goods growth stands at (-)4.2%, intermediate goods growth stands at (-)5.6%, infrastructure/construction goods growth stands at (-)4.7%, consumer durables stands at 6.3% and consumer non-durables growth stands at (-)3.8% during February 2021 as compared to the previous year.
- **CPI inflation rises to 5.5% in March 2021-** According to The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), the CPI inflation has risen to 5.5% in March 2021 as compared to the 5.03% in February 2021.
- **Launch of India Energy Dashboards (Version 2.0) by NITI Aayog-** India Energy Dashboards (IED) is an endeavour to provide single-window access to the energy data for the country. Energy data published/provided by Central Electricity Authority, Coal.
- **Review of the extant Confidentiality Regime as provided in Regulation 35 of the Competition Commission of India (General) Regulations, 2009 and inviting public comments on the proposed regime-**

In light of experience gained and difficulties faced in enforcement of the present Confidentiality Regime as provided in Regulation 35 of the Competition Commission of India (General) Regulations, 2009, the Competition Commission of India (CCI) has decided to review the extant mechanism.

- **WPI inflation rises to 7.4% in March 2021-** The WPI inflation rises to 7.4% in March 2021 as compared to 4.2% in February 2021, 2.0% in January 2021, 2.0% in December 2020, 2.3% in November 2020, 1.3% in October 2020 and 1.3% in September 2020.

Banking & Finance

- **Provisional Net Indirect Tax collections (GST & Non-GST) for the Financial Year 2020-21 show growth of more than 12% compared to actual Revenue Receipts in FY 2019-20-** The provisional figures for indirect tax collections (GST & non-GST) for the Financial Year 2020-21 show that net revenue collections are at Rs 10.71 lakh crore as compared to 9.54 lakh Crore for the Financial Year 2019-20, thereby registering a growth of 12.3%. Net Indirect Tax Collection for the Financial Year 2020-21 shows that 108.2% of the Revised Estimates (RE) of indirect taxes for Financial Year 2020-21 has been achieved.

Trade

- **Amendment in Export Policy of Injection Remdesivir and Remdesivir API-** DGFT has notified that the export of Injection Remdesivir and Remdesivir active pharmaceutical Ingredients (API) falling under the ITCHS codes specified in the notification or falling under any other HS Code has been prohibited, with immediate effect.
- **Government of India approves extension of Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit-** This is in reference to the instructions issued vide DBR.Dir.BC.No.69/04.02.001/2019-20 dated May 13, 2020. In this connection, Government of India has approved the extension of Interest Equalization Scheme for pre and post shipment Rupee export credit, with same scope and coverage, for three more months i.e., upto June 30, 2021. The extension takes effect from April 01, 2021 and ends on June 30, 2021 covering a period of three months.
- **India-Denmark join hands through Atal Innovation Mission for global collaboration towards world class innovative solutions addressing water challenges & SDGs-** As part of Indo-Danish bilateral Green strategic partnership, India is all set to take a giant leap towards building a world class innovation ecosystem as Atal Innovation Mission (AIM) of India's premier policy think tank NITI Aayog and Embassy of Denmark to India officially announced their collaboration.
- **Hon'ble Minister of Commerce & Industry Shri Piyush Goyal launched DGFT 'Trade Facilitation' Mobile App-** Hon'ble Minister of Commerce & Industry, Shri Piyush Goyal has launched DGFT 'Trade Facilitation' Mobile App during the online video conference, for promoting ease of doing business and providing quick access to information to importers/exporters.
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effect from April 01, 2021 and ends on June 30, 2021 covering a period of three months.

- **Hon'ble Minister of Commerce & Industry, Shri Piyush Goyal inaugurates e-SANTA, an electronic marketplace providing a platform to connect aqua farmers and the buyers-** Hon'ble Minister of Commerce & Industry, Shri Piyush Goyal virtually inaugurated e-SANTA, an electronic marketplace providing a platform to connect aqua farmers and the buyers. It will enable the farmers to get a better price and the exporters to directly purchase quality products from the farmers enhancing traceability, a key factor in international trade. The term e-SANTA was coined for the web portal, meaning Electronic Solution for Augmenting NaCSA farmers' Trade in Aquaculture. National Centre for Sustainable Aquaculture (NaCSA) is an extension arm of Marine Products Export Development Authority (MPEDA), Govt. of India, Ministry of Commerce & Industry.
- **India's Foreign Trade: March 2021-** Exports in March 2021 were USD 34.45 Billion, as compared to USD 21.49 Billion in March 2020, exhibiting a positive growth of 60.29 per cent. Imports in March 2021 were USD 48.38 Billion (Rs.3,52,191.21 Crore), which is an increase of 53.74 per cent in Dollar terms and 50.52 per cent in Rupee terms over imports of USD 31.47 Billion (Rs2,33,988.47 Crore) in March 2020.

Our Voice

It is worth an appreciation, the calibrated move to enhance liquidity in the country to help businesses and households in the difficult times of pandemic COVID-19. According to the Monetary Policy Statement of April 7, 2021, the Reserve Bank of India (RBI) has decided to put in place a secondary market G-sec acquisition programme or G-SAP 1.0, wherein it will purchase government securities of Rs 1 lakh crore in Q1 of 2021-22. The policy approach adopted by the RBI will certainly help the interest rates to remain benign along with the rational yields in the bond market. At this juncture, the inflation will also remain in benign conditions vis-à-vis improvement in supply chain and significant growth of agriculture sector in the last many quarters. The cycle of capex will rejuvenate in the coming quarters on the back of supportive fiscal and monetary policies adopted by the Central Government and RBI. Refuelling of demand in the country, quarter after quarter, has become crucial to mitigate the daunting impact of pandemic COVID-19. Rupee will also not be in much pressure going forward as the fundamentals of economy are strong and capital flows are expected to remain intact on the back of anticipated double digit economic growth trajectory for the year 2021-22.

Economy so far

- **Government may hike FDI limit in pension sector to 74%; Bill likely in monsoon session:-** The government may hike foreign direct investment (FDI) limit in the pension sector to 74 per cent and a Bill in this regard is expected to come in the next Parliament session, according to sources.
- **India needs to grow faster to make up for contraction during COVID-19 pandemic: IMF-** India, which is projected to grow at an impressive rate of 12.5 per cent this year, needs to grow at a much faster pace to make up for the unprecedented contraction of eight per cent that it clocked during the COVID-19 pandemic in 2020, according to a senior IMF official.
- **Large CPSEs post record capex of 4.6 lakh crore in FY21-** While revenue constraints led to a sharp decline in capital expenditure by state governments in FY21, the Centre and public sector enterprises (CPSEs) owned by it largely held the fort, retaining the share of public expenditure in the gross domestic product (GDP). The combined capital expenditures by 37 large CPSEs and departmental undertakings – all with

annual capex budgets above Rs 500 crore – were Rs 4.6 lakh crore in FY21. This was 92% of the Rs 5-lakh-crore target for the year and 4.3% higher than the capital spending by these entities in the previous year.

- **India Inc's outward FDI halves to \$1.93 billion in March** - India Inc's outward foreign direct investment in March 2021 nearly halved to USD 1.93 billion (around Rs 14,495 crore), according to the RBI data. Domestic firms had invested USD 3.86 billion as outward foreign direct investment (OFDI) in the year-ago month of March 2020. In the preceding month (February 2021), the OFDI stood nearly the same at USD 1.95 billion. Of the total investment committed by the Indian investors in their foreign joint ventures/wholly owned subsidiaries in March this year, USD 1.15 billion was in the form of issuance of guarantees. Rest of USD 413.25 million was in the form of loan and USD 363.54 million was through equity capital, the data showed.
- **Modi Government Simplifies process for re-issue of OCI Cards**- In a decision which is expected to significantly ease the process for re-issue of Overseas Citizen of India (OCI) cards, the Modi Government has decided to simplify the process. This decision has been taken on the directions of the Hon'ble Union Home Minister Shri Amit Shah. The OCI Card has proved to be very popular amongst foreigners of Indian Origin and spouses of foreign origin of Indian citizens or OCI cardholders, as it helps them in hassle free entry and unlimited stay in India. So far about 37.72 lakh OCI Cards have been issued by the Government of India.

Markets So Far

Indicators	Yearly			Monthly		Daily		
	2018	2019	2020	Feb 2021	March 2021	12th April, 2021	13 th April 2021	15 th April 2021
BSE SENSEX	36068	41253	47751	49099	50100	47883	48544	48803
GOLD (10 GRMS)	30600	34813	46985	47125	44668	46397	46391	46632
CRUDE OIL (1 BBL)	4437	4007.8	2966	4260	4532	4443	4499	4776
EXCHANGE RATE (INR/USD)	68	70.4	74.11	72.78	72.78	74.72	75.3	74.6

Source: PHD Research Bureau, PHDCCI, compiled from BSE, MCX and Bloomberg

Warm Regards,

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