Daily News Monitor: 26 June 2020

1. Sebi relaxes pricing norms for preferential issues of listed companies
Source: Business Standard (Link)

The Securities and Exchange Board of India (Sebi) on 25 June relaxed the pricing norms for preferential issuances to ease the capital-raising process for listed companies. The new pricing formula will enable the issuance of new shares at recent stock prices. A lot of market participants had approached Sebi, saying the discovered price under the earlier formula was too high and was discouraging promoters and other investors from infusing more capital into the firm. Sebi, however, has said the shares issued under the new pricing norms will be locked in for three years and the pricing relaxation will be valid for issuances made until December 2020.

2. One-time loan recast for India Inc may come up at Friday's RBI board meet
Source: Business Standard (Link)

A one-time restructuring of loans for India Inc may figure in discussions at the Reserve Bank of India’s (RBI’s) central board meeting on June 26, the first since the outbreak of the Covid-19 pandemic. While the central bank has not decided its position on the merit of such a scheme in the current situation, the affidavits to be filed in the Supreme Court by the Centre, the RBI, and the Indian Banks’ Association with regard to the loan moratorium scheme may have a bearing. A relaxation in the delinquency period for classification of non-performing assets (NPAs) to 180 days from the current 90 days had found mention in internal meetings of the finance ministry as well, a source said. Finance Minister Nirmala Sitharaman said on 25 June that a one-time loan restructuring facility for non-MSMEs (medium, small and micro enterprises) was under active consideration.

3. Government steps up efforts to cut solar panel imports from China, proposes 20-25% customs duty
Source: Financial Express (Link)

To curb imports of solar panels, the Ministry of New and Renewable Energy (MNRE) has proposed to levy 20-25% basic customs duty, Union power minister RK Singh said. For solar cells, the domestic manufacturing capacity of which is lower, the duty will be 15%, he added. The duty on panels will progressively be increased to 40%. The duties are expected to be levied right after the safeguard duty regime on these products ends on July 31. The levying of the duty is aimed at reducing imports from China, which continues to be the largest supplier of solar equipment to India even after imposition of the safeguard duty in July 2018.

4. India likely to cross record 55 lakh tonnes of sugar exports
Source: Financial Express (Link)

India is likely to export a record 55 lakh tonnes of sugar for the season of 2019-20, according to top industry officials. Sugar millers have signed contracts for 52 lakh tonnes and 48 lakh tonnes has already moved out, Prakash Naiknavare, MD, National Federation of Cooperative Sugar Factories (NFCSF) stated. Exports could hit a high of 55 lakh tonnes, given the fact that millers have time till September 2020 to export sugar, he said. India's highest exports had touched 49 lakh tonnes in 2007-08 of which Maharashtra's share was 29 lakh tonnes. Now we have already crossed 48 lakh tonnes, he pointed out. More export will help control inventory and also improve domestic prices, he said. Exports from India in 2018-29 were 38 lakh tonnes and 6.4 lakh tonnes the year before.

5. Stopping imports from China: 370 items may face scrutiny, get difficult to import
Source: Financial Express (Link)

India plans to impose stringent quality control measures and higher tariffs on imports from China, people with the knowledge of the matter said, as a military standoff between the neighbors threaten economic ties. The state-run Bureau of Indian Standards is finalizing tougher norms for at least 370 products to ensure items that can be locally produced aren't imported, the people said, asking not to be identified citing rules. The products include chemicals, steel, electronics, heavy machinery, furniture, paper, industrial machinery, rubber articles, glass, metal articles, pharma, fertilizer and plastic toys.

6. India plans list of substitute nations for critical imports
Source: The Economic Times (Link)

The government is working on a list of alternative countries that could be suppliers of critical components that cannot currently be manufactured domestically, officials said. "DPIIT (Department for Promotion of Industry and Internal Trade) is working with the industry to line up a list of low-quality imports from China. The next step is to substitute them, internally or externally," a government official told ET. "The engagement looks to firm up tariff and non-tariff measures to curb imports of raw, intermediary and finished products from China." Once DPIIT is ready with the list, the government will reach out to countries and work out ways to incentivise supply to the Indian market, even as it tries to encourage domestic manufacturing of the goods, officials added.

7. 100% physical check of imports: Non-Chinese companies like Apple may be exempt
Source: The Economic Times (Link)

Foreign companies such as Apple that import finished goods or inputs from China to India could be spared the recently imposed 100% physical check of shipments from that country, people familiar with the matter told ET. The heightened scrutiny of Chinese imports, which has led to goods getting stuck at ports and airports, follows border hostilities between the two nations and a move to reduce India's business and trade ties with its neighbour. The Department for Promotion of Industry and Internal Trade (DPIIT) informally flagged the issue to the finance ministry after the US-India Strategic Partnership Forum raised its concern over the matter. The forum, which represents key US companies in India, has also written to the finance ministry on the issue.