



January 12, 2021 – Tuesday

## Key Developments

### Indian banks' bad loans may rise significantly: Financial stability report

Indian banks may see bad loans double despite signs of an improvement in the economic impact of the COVID-19 pandemic, a report from the Financial Stability and Development Council said on Monday. The gross Non-Performing Assets of banks may increase from 7.5% in September 2020 to 14.8% under a severe stress scenario. Even under a baseline scenario it may rise to 13.5% by September 2021, the council said. "It is assessed that the worst is behind us, though the recovery path remains uncertain," the council's Financial Stability Report released by the Reserve Bank of India said. The council is an umbrella group of regulators and releases the FSR report twice yearly to give a detailed overview on the health of the Indian financial system.

RBI Governor Shaktikanta Das said in his foreword to the report that maintaining the financial health of banks remained a priority and that lenders must look at raising capital and altering their business models to sustain future expansion.

[https://www.business-standard.com/article/finance/indian-banks-bad-loans-may-rise-significantly-financial-stability-report-121011101218\\_1.html](https://www.business-standard.com/article/finance/indian-banks-bad-loans-may-rise-significantly-financial-stability-report-121011101218_1.html)

### COVID-19 vaccination drive: States will not bear the cost for first 3 crore beneficiaries, says PM Modi

In an interaction with chief ministers of all states on the current COVID-19 situation, on Monday (January 11, 2021), Prime Minister Narendra Modi said the Central government has decided not to let the state governments bear the cost of vaccines for 3 crore people. These 3 crore people constitute India's healthcare and frontline workers across all states. Free of cost vaccination against the novel Coronavirus will be provided to these workers by the Government of India. The decision comes five days ahead of nationwide COVID vaccine rollout in India on January 16. In the meeting with state CMs, PM Modi talked about the approval of two coronavirus vaccines for restricted emergency use by India's drug regulator. "We (centre and state governments) have discussed the largest vaccination drive that will happen here along with the provision of homegrown Covid vaccines. Everything has been discussed in detail with district level officials also," said Modi. He added that both vaccines that received approval in India for emergency use, are made in India only and there are four more vaccine candidates in testing stages.

<https://www.financialexpress.com/lifestyle/health/covid-19-vaccination-drive-states-will-not-bear-the-cost-for-first-3-crore-beneficiaries-says-pm-modi/2168861/>

### Serum Institute gets 'Covishield' purchase order from Centre

The Serum Institute on India on Monday said it has received the purchase order from the Centre for the Oxford-AstraZeneca COVID-19 vaccine. "We have received the (purchase) order from the Government of India on Monday afternoon," a senior SII official told PTI. The government has already announced that the process of administering the vaccine will start on January 16. The SII vaccine developed by Oxford-AstraZeneca was cleared for emergency use along with Bharat Biotech's indigenous "Covaxin" earlier this month.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/serum-institute-gets-covishield-purchase-order-from-centre/articleshow/80215247.cms>

### FinMin releases Rs 6,000 cr to states, UTs to meet GST compensation shortfall

The Finance Ministry on Monday released the 11th instalment of Rs 6,000 crore to states and UTs to meet the GST compensation shortfall, taking the total amount provided so far under this window to Rs 66,000 crore. The Centre had set up a special borrowing window in October 2020 to meet the estimated shortfall of Rs 1.10 lakh crore in revenue arising on account of implementation of GST. The Ministry of Finance in a statement said it has released the 11th weekly instalment of Rs 6,000 crore to states/Union Territories to meet the GST compensation shortfall. Out of this, Rs 5,516.60 crore has been released to 23 states and Rs 483.40 crore to the three Union Territories (UTs) with Legislative Assembly (Delhi, Jammu & Kashmir and Puducherry), who are members of the GST Council.

<https://www.financialexpress.com/economy/finmin-releases-rs-6000-cr-to-states-uts-to-meet-gst-compensation-shortfall/2168948/>

## Economy

### SC 'intends' to stay farm laws; slams Govt on impasse

The Supreme Court on Monday said it intends to stay the implementation of the controversial agricultural laws while proposing to form an independent committee chaired by a former Chief Justice of India to "amicably resolve" the stand-off between the protesting farmers and the government. A three-judge Bench, led by Chief Justice Sharad A. Bobde, underlined its "disappointment" at the Centre's handling of the farmers' protest, including the string of failed talks, States "up in rebellion", suicides among protesters and the sight of aged farmers, women and children suffering in the biting cold amid the pandemic even as the Republic Day looms.

<https://www.thehindubusinessline.com/news/national/sc-extremely-disappointed-over-centre-farmers-negotiation-process/article33548347.ece?homepage=true>

### CBDT rejects all representations for further extension of ITR due date

The Central Board of Direct Taxes (CBDT) has said it will not grant further extensions for filing return for cases where audit reports need to be filed. The last date for filing the audit report is January 15 and for filing returns is February 15, for such cases. "All representations for further extension of the due date are hereby rejected," the Board said in an order dated January 11.

<https://economictimes.indiatimes.com/news/economy/policy/cbd-t-rejects-all-representations-for-further-extension-of-itr-due-date/articleshow/80219698.cms>

### Icra sees GDP up by 10.1% YoY in FY22, but value just a tad ahead of FY20

Icra has projected the economy to grow by double digits year-on-year, at 10.1 per cent in the next financial year, but cautions that the value of gross domestic product (GDP) will only mildly surpass the 2019-20 level. India's economy is expected to contract by 7.7 per cent this financial year as per official advance estimates, but Icra pegged the GDP fall at 7.8 per cent. The rating agency expects the stance of the monetary policy to change to neutral from accommodative in the August 2021 policy review or later, after there is greater certainty on the durability of the awaited economic revival. Aditi Nayar, principal economist at Icra, said, "The seemingly sharp expansion will be led by the continued normalisation in economic activities as the rollout of Covid-19 vaccines gathers traction, as well as the low base."

[https://www.business-standard.com/article/economy-policy/icra-sees-gdp-up-by-10-1-yoy-in-fy22-but-value-just-a-tad-ahead-of-fy20-121011101029\\_1.html](https://www.business-standard.com/article/economy-policy/icra-sees-gdp-up-by-10-1-yoy-in-fy22-but-value-just-a-tad-ahead-of-fy20-121011101029_1.html)

### Recovery tracker: Power generation, pollution levels retreat from highs

Gains in power generation and pollution levels took a breather for the latest week as the economy continues its trudge to normalcy. Other weekly indicators such as traffic and mobility held steady. Business Standard tracks these and other metrics such as goods carried by Indian railways as a measure of how the economy is faring. Analysts across the globe have been tracking similar high frequency indicators to get a current sense of the economy as official data is often released with a lag, and nations the world over have gone into lockdown to deal with the Covid-19 pandemic.

[https://www.business-standard.com/article/economy-policy/recovery-tracker-power-generation-pollution-levels-retreat-from-highs-121011100928\\_1.html](https://www.business-standard.com/article/economy-policy/recovery-tracker-power-generation-pollution-levels-retreat-from-highs-121011100928_1.html)

### Indian economy to contract but will do better than earlier forecast: Fitch

Fitch Ratings expects India's economy to contract by a record 9.4 per cent in the current fiscal year ending March 2021 (FY21) amid the shock from coronavirus pandemic but this represents a 1.1 percentage point improvement from its our previous forecast, reflecting a stronger-than-anticipated rebound in 3Q 2020. Risks to the growth outlook appear to have eased in recent weeks as vaccine rollouts began in other parts of the world. Fitch said forward-looking indicators suggest gathering momentum in the domestic economy, supporting its forecast that output will grow by 11 per cent in FY22. "Base effects after a record 9.4 per cent contraction in FY21 should underpin a return to growth of 11 per cent in India's economy over FY22, supported by the rollout of vaccines," said Senior Director Duncan Innes-Ker.

[https://www.business-standard.com/article/economy-policy/indian-economy-to-contract-but-will-do-better-than-earlier-forecast-fitch-121011100354\\_1.html](https://www.business-standard.com/article/economy-policy/indian-economy-to-contract-but-will-do-better-than-earlier-forecast-fitch-121011100354_1.html)

#### **India to see quickest growth rebound in Asia in FY'22: UBS**

With number of active COVID-10 cases falling sharply, India's economy is expected to clock the fastest growth among Asian peers with higher than 11.5 per cent growth in FY'22, according to a report by UBS global research. " The COVID situation in India has stabilized for now. We expect India's real GDP growth to rebound to +11.5% y-o-y in FY'22 (consensus +9.2% year-on-year or y-o-y)" said Tanvee Gupta Jain, Economist, UBS Securities India in the report. " While economic growth in FY'22 could be at a multi-decade high, this largely reflects the rebound from deeper contraction in FY' 21 GDP (-7.5% y-o-y).

<https://economictimes.indiatimes.com/news/economy/indicators/india-to-see-quickest-growth-rebound-in-asia-in-fy22-ubs/articleshow/80215927.cms>

#### **Budget 2021: First time in India! Modi Govt not to print Budget documents this year**

Union Budget 2021-22 Expectations for Budget documents: The voluminous Budget documents will not be printed this year following the COVID-19 protocol and will instead be distributed electronically to the Members of Parliament (MPs). This will be the first time since the presentation of independent India's first budget on November 26, 1947, that the documents containing income and expenditure statement of the Union government along with finance bill, detailing new tax and other measures for the new financial year, will not be physically printed. Due to COVID-19, it has been decided not to print documents related to the Union Budget for the fiscal beginning April (FY 2021-22), sources said. All MPs will get soft copies of the budget and Economic Survey that contains an account of the state of the economy.

<https://www.financialexpress.com/budget/budget-2021-first-time-in-india-modi-govt-not-to-print-budget-documents-this-year/2168933/>

#### **Taxed by the pandemic, Centre may go for a coronavirus cess in Budget 2021**

The government has discussed a coronavirus cess or surcharge ahead of the budget to fund additional spending due to the pandemic, including that on vaccines, sources aware of the matter told ET. Some preliminary talks on revenue-raising measures have been held, but a final decision on whether to impose a new levy in the form of a cess or surcharge will be taken closer to the budget, which is scheduled to be announced on February 1. The industry has asked that no new taxes be levied as the economy is under stress in its budget recommendations. Experts also opposed the idea, saying the timing wasn't right.

<https://economictimes.indiatimes.com/news/economy/finance/taxed-by-covid-govt-mulls-covid-cess/articleshow/80205285.cms>

#### **ISRO to adopt 100 Atal Tinkering Labs to promote scientific temperament among students**

ISRO will adopt 100 Atal Tinkering Labs across the country to promote scientific temperament among students and encourage them for space education and space technology related innovations. This decision was taken by ISRO and Atal Innovation Mission, NITI Aayog at a virtual meeting on Monday. Through this collaboration, the Indian Space Research Organisation will facilitate coaching and mentoring of students in advanced 21st century cutting-edge technologies, including those related to space, an official statement said. The students will not only gain theoretical, but also practical and application-based knowledge of STEM and Space Education related concepts such as Electronics, Physics, Optics, Space Technology, Material sciences and many more, it said.

<https://www.financialexpress.com/education-2/isro-to-adopt-100-atal-tinkering-labs-to-promote-scientific-temperament-among-students/2168888/>

## Banking and Finance

### MF inflow more than doubles in H1 of this fiscal

The net inflow into mutual fund schemes more than doubled in the first half of this fiscal to ₹1.5-lakh crore against ₹60,000 crore garnered in the same period last year, according to the Financial Stability report released by the RBI on Monday. Inflows into income and debt-oriented schemes attracted the major inflow of ₹1.2-lakh crore, while growth and equity-oriented schemes accounted for a relatively meagre amount of ₹2,496 crore. All other schemes together recorded inflow of just ₹30,000 crore. The mutual fund industry's assets under management increased by 11 per cent as of November-end to ₹30-lakh crore against ₹27-lakh crore logged in the same period in the previous year.

<https://www.thehindubusinessline.com/money-and-banking/mf-inflow-more-than-doubles-in-h1-of-this-fiscal/article33551335.ece?homepage=true>

### Sharp decline in CIRP cases in Q1 and Q2 due to temporary suspension

Only 161 cases were admitted for Corporate Insolvency Resolution Process in the first half of this fiscal year due to the temporary suspension of the process after the Covid-19 pandemic broke out. The Reserve Bank of India's Financial Stability Report, January 2021, which was released on Monday, revealed that 81 cases were admitted for CIRP in the first quarter of the fiscal, resolution plans were approved for 20 cases, and liquidation started for another 25. In the second quarter, 80 cases were admitted, 22 saw the approval of the resolution plan, and liquidation started in 68 cases.

<https://www.thehindubusinessline.com/money-and-banking/sharp-decline-in-cirp-cases-in-q1-and-q2-due-to-temporary-suspension/article33550907.ece?homepage=true>

## Industry

### Cement demand expected to rise by up to 20% in fiscal 2022: Icra

Cement demand is expected to increase by up to 20 per cent in the next fiscal year with volume touching FY19-FY20 levels, rating agency ICRA said on Monday. The growth would be supported by rural demand, including affordable housing, and recovery in infrastructure segment. "ICRA expects cement demand to increase by 18-20 per cent in FY2022 over FY2021 with the volumes reaching back to around FY2019-FY2020 levels," the rating agency said in a statement. The volume growth is also likely to support operating margins in FY22 at around 20 to 21 per cent, notwithstanding some cost-side pressures, it added.

[https://www.business-standard.com/article/economy-policy/cement-demand-expected-to-rise-by-up-to-20-in-fiscal-2022-icra-121011101102\\_1.html](https://www.business-standard.com/article/economy-policy/cement-demand-expected-to-rise-by-up-to-20-in-fiscal-2022-icra-121011101102_1.html)

### Passenger vehicle retail sales up 24% in December on back of pent up demand: FADA

Automobile retail in India registered year-on-year growth for the first time during December on the back of spill-over demand from the festive period and pre-buying due to planned price hikes across the industry in January. Vehicle registrations with regional transport offices (RTOs) – which is a proxy for retail – grew by 11% during December over the same month last year. Passenger vehicles (PV), or cars, and tractors continued their momentum with growth of 24% and 35%, respectively. Meanwhile, two-wheeler registrations moved into the positive territory for the first time since the pandemic struck, growing by 12% year-on-year.

<https://economictimes.indiatimes.com/industry/auto/cars-uvs/passenger-vehicle-retail-sales-increase-24-in-december->

[fada/articleshow/80211977.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/industry/auto/cars-uvs/passenger-vehicle-retail-sales-increase-24-in-december-fada/articleshow/80211977.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

### KVIC to launch eco-friendly, non-toxic wall paint on Tuesday

Khadi and Village Industries Commission will launch an eco-friendly and non-toxic paint with anti-bacterial properties on Tuesday. The "Khadi Prakritik Paint" is a first-of-its-kind product based on cow dung as its main ingredient. It is cost-effective as well as odourless and has been certified by the Bureau of Indian Standards. The paint will be launched by Minister for Road Transport and Highways and Micro, Small and Medium Enterprises Nitin Gadkari. "Khadi Prakritik Paint is available in two forms - distemper paint and plastic emulsion paint. Production of Khadi

Prakritik Paint is aligned with the Prime Minister's vision of increasing farmers' income," an official statement said on Monday.

<https://economictimes.indiatimes.com/industry/cons-products/paints/kvic-to-launch-eco-friendly-non-toxic-wall-paint-on-tuesday/articleshow/80214559.cms>

### **IASB issues discussion paper on business combinations**

You, as an investor, can get better insights and clarity on business combinations (mergers and acquisitions transactions) within the same corporate group soon if International Accounting Standards Board (IASB) has its way. IASB has issued a paper that discusses a range of issues that would need to be addressed to set up reporting requirements for business combinations under a common control (M&A transactions between companies in same group). This discussion paper seeks to reduce the diversity in practice and provide users of the receiving company's financial statements with better information about these combinations. Currently, International Financial Reporting Standards (IFRS) — which is now globally recognised — does not specify how to report transactions that involve transfers of businesses between companies with the same group, informed sources said.

<https://www.thehindubusinessline.com/economy/iasb-issues-discussion-paper-on-business-combinations/article33552435.ece>

## **Agriculture**

### **Dairy companies increase milk procurement prices**

Dairy farmers are receiving up to 12% more price for milk since the past one week, which can increase in the next four weeks as supplies from them are low, top dairy executives said. However, this increase will not affect retail prices, they added. The incentive is to help farmers take better care of cattle for higher milk production that dropped by 3-4% since the lockdown last year, said RS Sodhi, managing director of Gujarat Cooperative Milk Marketing Federation, which owns the Amul brand. "We have increased the cow and buffalo milk procurement price by Rs 3 per kg from this month. There is scope to increase farmers' prices by Rs 3-4 a kg. However, it will not affect consumer prices," he said.

<https://economictimes.indiatimes.com/industry/cons-products/food/dairy-companies-increase-milk-procurement-prices/articleshow/80217531.cms>

### **Poultry sector in a flap as bird flu spreads**

The poultry sector is on tenterhooks as more States report avian flu in migratory birds and curb movement of poultry products as consumers stay away from chicken and eggs. Avian flu has been reported in 10 States so far as Maharashtra, Uttarakhand and Delhi joined Kerala, Rajasthan, Himachal Pradesh, Gujarat, Haryana, Uttar Pradesh, Madhya Pradesh in confirming cases on Monday. Prime Minister Narendra Modi also discussed the spread of bird flu and asked the States to remain alert. He said the Ministry of Fisheries, Animal Husbandry and Dairying has put in place a plan to tackle the problem, in which District Magistrates will have a key role.

<https://www.thehindubusinessline.com/news/poultry-sector-in-a-flap-as-bird-flu-spreads/article33552428.ece?homepage=true>

### **No scientific report of bird flu transmission to humans; states shouldn't curb poultry sales: Giriraj**

With bird flu being confirmed in 10 states so far, the Centre on Monday urged state governments, including Delhi, not to shut poultry markets and restrict sales based on "public perception", asserting that there are no scientific reports of transmission of bird flu to humans. Currently, bird flu or avian influenza has been confirmed in 10 states — Delhi, Kerala, Himachal Pradesh, Uttar Pradesh, Madhya Pradesh, Rajasthan, Haryana, Gujarat, Maharashtra and Uttarakhand. Culling operations are on, Union Minister of Fisheries, Animal Husbandry and Dairying Giriraj Singh told reporters. A preventive vaccine for bird flu is available in the country, he added. According to the ministry, the sale of poultry products has so far been restricted in five states — Delhi, Himachal Pradesh, Haryana, Uttar Pradesh and Uttarakhand. "An unnecessary panic has been created across the country which is not only affecting the poultry farmers but also consumers," Singh said.

<https://www.financialexpress.com/lifestyle/health/no-scientific-report-of-bird-flu-transmission-to-humans-states-shouldnt-curb-poultry-sales-giriraj/2168988/>

### **Yellow peas prices touch 100/kg on firm demand, shrinking supply**

Retail prices of yellow peas have surged to a record Rs 100 per kg owing to firm demand and dwindling supply. This happened as wholesale prices increased 15-20% in two months and fourfold in two years to about Rs 80 per kg after India banned import of the commodity. Traditionally, consumption of yellow peas has been restricted mainly to Bihar and West Bengal while cultivated happens in Uttar Pradesh and Madhya Pradesh. However, it is an irreplaceable part of street food such as puchkas and chaat. "Street food vendors from Delhi to West Bengal, who use a very big quantity of matar, are back to business. Even though chana prices are ruling lower than yellow pea prices, the former cannot be replaced in chaat with the latter, keeping the demand for yellow peas strong," said Mohit Upadhyay, managing partner, HMV Agro.

<https://economictimes.indiatimes.com/news/economy/agriculture/yellow-peas-prices-touch-100/kg-on-firm-demand-shrinking-supply/articleshow/80208862.cms>

### **To rein in price, 50% more onions may be procured**

The government plans to procure 50% more onions from farmers in 2021-22 to prevent the price hike to about 100 per kg usually seen in the festive season. For the current fiscal, the government had doubled the stock size to 100,000 tonnes but could not control prices, which touched more than 100 a kg during October, when there was a shortage of bulbs. Now it plans to create a buffer stock of 150,000 tonnes. "Onion harvest hits markets twice, once in April and then in November. There is a need for more buffer quantity to contain price hike," said a senior food ministry official, who did not wish to be identified.

<https://economictimes.indiatimes.com/news/economy/agriculture/to-rein-in-price-50-more-onions-may-be-procured/articleshow/80208908.cms>

## **Infrastructure**

### **Housing ministry to soon approach cabinet for approval of model tenancy law, says secretary**

The housing and urban affairs ministry will take the draft model tenancy law to the cabinet for approval, housing and urban development secretary Durga Shanker Mishra said on Monday. The ministry also said that Central Vista project has been approved by the heritage conservation committee. "We have received no comment from some of the states, while some have responded, which we are analysing. We are in the process and in a month or so, we should be taking it to union cabinet for approval. By March, it should be through," Mishra said during the annual press conference of the ministry. Union Minister Hardeep Singh Puri said that situation in real estate sector has improved vastly. "Situation is much better in the real estate sector and the two associations -NAREDCO and CREDAI-associated with us have said they had the best Diwali in 20 years," Puri said.

[https://economictimes.indiatimes.com/industry/services/property/-/cstruction/housing-ministry-to-soon-approach-cabinet-for-approval-of-model-tenancy-law-says-secretary/articleshow/80215056.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/industry/services/property/-/cstruction/housing-ministry-to-soon-approach-cabinet-for-approval-of-model-tenancy-law-says-secretary/articleshow/80215056.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

### **Unsold housing stocks down 9pc in 2020 at 7.18 lakh units; builders may take 4 years to exhaust**

Unsold housing inventories fell 9 per cent across eight cities in 2020 at 7.18 lakh units on sharp decline in new launches, but builders will now take nearly four years to clear these stocks at current low sales velocity, according to PropTiger. The housing brokerage firm, which is a part of News Corp and REA backed Elara Technologies, on Monday released its report 'Real Insight Q4 2020', a quarterly analysis of India's eight prime residential markets. "Unsold housing inventory in the eight cities was at over 7.18 lakh units as of December 31, 2020, as compared with the unsold inventory of nearly 7.92 lakh units in December 2019. However, because of a lower sales velocity in 2020 as compared to 2019, the average inventory overhang has increased to 47 months as of December 2020, as compared to 27 months in December 2019," the report said.

<https://www.financialexpress.com/industry/unsold-housing-stocks-down-9pc-in-2020-at-7-18-lakh-units-builders-may-take-4-years-to-exhaust/2168824/>

### **After 2/3 wheeler EV push, focus should be on public transport: Kant**

India has given incentives for buying electric 2 and 3 wheelers till now, and should shift focus on making it possible for public transport to move on eco-friendly fuels, Niti Aayog chief executive Amitabh Kant said on Monday. he CEO

of the government think-tank said the Centre has rolled out incentives of USD 1.3 billion for purchase of 20 lakh electric two- wheelers and three-wheelers till now. The focus should be on moving towards EVs, but also on moving people and not moving vehicles which can be achieved through public transportation and its electrification, Kant said, speaking at a virtual event organized by Repos Energy and Tata Motors.

[https://www.business-standard.com/article/economy-policy/after-2-3-wheeler-ev-push-focus-should-be-on-public-transport-kant-121011101007\\_1.html](https://www.business-standard.com/article/economy-policy/after-2-3-wheeler-ev-push-focus-should-be-on-public-transport-kant-121011101007_1.html)

#### **Industry mulls premium on freight rates into China**

Talks of a premium on freight for shipping dry bulk cargo into China is gaining ground after ships were held up for months at the anchorage of Chinese ports waiting to berth due to a trade spat with Australia. The wait to discharge cargo, some stretching as much as seven months after Chinese customs delayed import clearance, has spoilt their chances to get new contracts and extended the already delayed crew change on ships. The global dry bulk shipping industry is looking into the “possibility” of levying a premium on freight rates into China, a shipping industry executive said. “Shipping has become the collateral damage of a trade war between China and Australia,” he said.

<https://www.thehindubusinessline.com/economy/logistics/industry-mulls-premium-on-freight-rates-into-china/article33552322.ece>

#### **‘Domestic airlines’ capacity up at 67% in Dec’**

Indian airlines have remained conservative in deploying aircraft capacity in December. Despite a cap of allowing 80 per cent of capacity, Indian aviation players have deployed only 67 per cent of the capacity. Domestic passenger traffic declined by 45 per cent on a YoY basis, according to ICRA. The Ministry of Civil Aviation (MoCA) permitted increasing the capacity to 60 per cent with effect from September 02, 2020, to 70 per cent with effect from November 11, 2020 and further to 80 per cent with effect from December 03, 2020.

<https://www.thehindubusinessline.com/economy/domestic-airlines-capacity-up-at-67-in-dec/article33552357.ece>

### **Telecom**

#### **BSNL, MTNL turn EBITDA positive in H1 of FY21: DoT**

The government on Monday said, State-owned undertakings Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) have turned EBITDA positive in first six months of the current financial year. While BSNL’s Earnings before interest, taxes, depreciation, and amortisation (EBITDA) rose from losses of ₹3,596 crore for half-year ended September 2019 to profit of ₹602 crore (positive) in September 2020, for MTNL the figures rose to ₹276 crore (positive) in September 2020, from losses of ₹549 crore in September 2019.

<https://www.thehindubusinessline.com/economy/bsnl-mtnl-turn-ebidta-positive-in-h1-of-fy21-dot/article33552088.ece>

### **Energy**

#### **Next tranche of commercial mining auction to be launched this month**

Coal Minister Pralhad Joshi on Monday said the next tranche of commercial mines auction will be launched this month and stressed that further rounds will continue thereafter. Speaking at the agreement signing ceremony for commercial coal mining and launch of single-window clearance system, he said commercial coal mining has been made a part of the system now. “The next tranche of commercial mining auction would be launched in January 2021, and further tranches will continue thereafter,” the minister said. Speaking at the function, Home Minister Amit Shah said the country has reached a position where the coal sector can be the biggest contributor towards the target of India becoming a USD 5 trillion economy by 2025. He said despite having the world’s fourth-largest coal reserves, India is importing coal and this is not right for the country.

[https://www.business-standard.com/article/economy-policy/next-tranche-of-commercial-mining-auction-to-be-launched-this-month-121011100624\\_1.html](https://www.business-standard.com/article/economy-policy/next-tranche-of-commercial-mining-auction-to-be-launched-this-month-121011100624_1.html)

#### **Need for more indigenisation of India’s oil and gas sector: Petroleum secy**

Petroleum Secretary Tarun Kapoor believes that a large number of products, which are used in the oil and gas sector, and are imported at present, should be manufactured in India. “We are looking at a large number of products which

are currently being imported. We want them to be made in India. We have asked Engineers India Ltd (EIL) to work on vendor development. The government sector alone in the oil industry has a capital expenditure of over Rs 1 trillion a year, there is operating expenditure also and the private sector is spending too. In all around Rs 1.5 trillion to Rs 2 trillion is spent by this sector annually,” Kapoor said while addressing the Energy Startup Summit 2021 organised by Tata Motors and Repos Energy. Kapoor gave the example of gas meters and said that presently there is not enough capacity in the country to manufacture them.

[https://www.business-standard.com/article/economy-policy/need-for-more-indigenisation-of-india-s-oil-and-gas-sector-petroleum-secy-121011100876\\_1.html](https://www.business-standard.com/article/economy-policy/need-for-more-indigenisation-of-india-s-oil-and-gas-sector-petroleum-secy-121011100876_1.html)

#### **Covid impact: India's annual fuel demand falls for first time in 21 years**

India's overall petroleum demand in 2020 fell for the first time in more than two decades as the Covid-19 pandemic shuttered businesses and factories, crimping the appetite of one of the world's biggest consumers. Demand for total petroleum products -- including diesel, fuel and jet fuel -- slid 10.8% from a year earlier, the first annual contraction in data going back to 1999, according to Bloomberg calculations of provisional figures published by the oil ministry's Petroleum Planning & Analysis Cell. Consumption was also at a five-year low of 193.4 million tons. Fuel demand from Asia's second-biggest oil importer collapsed by as much as 70% after it embarked on one of the world's most stringent lockdowns in March. The drop resulted in a sharp cutback in crude processing and operations at petrochemical plants.

[https://www.business-standard.com/article/economy-policy/covid-impact-india-s-annual-fuel-demand-falls-for-first-time-in-21-years-121011100365\\_1.html](https://www.business-standard.com/article/economy-policy/covid-impact-india-s-annual-fuel-demand-falls-for-first-time-in-21-years-121011100365_1.html)

#### **States should set energy conservation targets, reduce their emissions: RK Singh**

States should set targets for energy conservation and reducing their emissions much like international treaties, said union power and renewable energy minister RK Singh. Singh said that a public ranking of the states and their targets should be published, with targets coming from the states themselves. This mechanism follows the path of the Paris Agreement, which had countries list their own stated targets to achieve by 2030. "We can take a leaf out of the international construct, and have a system of states designating their own targets. Just like we had NDCs (Nationally Determined Targets), you can have state designated targets for reducing the overall emissions," Singh said while speaking at the Bureau of Energy Efficiency's (BEE) annual energy conservation awards.

<https://economictimes.indiatimes.com/industry/energy/power/states-should-set-energy-conservation-targets-reduce-their-emissions-rk-singh/articleshow/80216278.cms>

#### **Every hydroelectric project under obligation to release minimum water downstream: NGT**

The National Green Tribunal has directed state pollution control boards to ensure the release of minimum water downstream by hydroelectric projects, saying business or commercial interests cannot override the requirement of maintaining riverine ecology. A bench headed by NGT Chairperson Justice Adarsh Kumar Goel said every hydroelectric project (HEP) irrespective of the date of its commission is under an obligation to release minimum water downstream. "This is a mandate of 'Sustainable Development' which is part of the right to life. Accordingly, the tribunal directed compliance by all the Hydro-Electric Projects (HEPs), including in States of Uttarakhand, Sikkim, Arunachal Pradesh, West Bengal (North Region), Assam and Jammu & Kashmir," the bench said.

<https://economictimes.indiatimes.com/industry/energy/power/every-hydroelectric-project-under-obligation-to-release-minimum-water-downstream-ngt/articleshow/80213804.cms>

#### **Hybrid renewable tariffs likely to continue at premium, says Ind-Ra**

The upcoming wind-solar hybrid auctions will spark cautious optimism among independent power producers, India Ratings and Research (Ind-Ra) said on Monday. The Ministry of New and Renewable Energy issued tariff-based competitive bidding guidelines for power procurement from grid-connected solar-wind hybrid projects during October 2020. The move is aimed at promoting large grid-connected wind-solar hybrid systems for optimal and efficient utilisation of transmission infrastructure and land, and thus reduce the variability in renewable power generation and achieve better grid stability. However, said Ind-Ra, technical complexities related to grid integration and inclusion of floor capacity proportion of wind projects (at least 33 per cent of the total contracted capacity) in hybrid mix could weigh on project economics and tariff assumptions.

[https://www.business-standard.com/article/economy-policy/hybrid-renewable-tariffs-likely-to-continue-at-premium-says-ind-ra-121011101071\\_1.html](https://www.business-standard.com/article/economy-policy/hybrid-renewable-tariffs-likely-to-continue-at-premium-says-ind-ra-121011101071_1.html)

## States

### **Businesses hail Karnataka's 24x7 move, but infra and other concerns remain**

The Karnataka government's decision to allow all shops and commercial establishments that employ 10 or more people to operate 24x7 has been welcomed by industry players, especially by those in Bengaluru. The state announced the move to help businesses recover revenue lost because of Covid-19. Industry players said it was inevitable that Bengaluru's nightlife became one of the key drivers of its economic growth. "The city has a lot of young migrants coming here for work opportunities and any world-class city also boasts of a thriving nightlife economy.

[https://www.business-standard.com/article/economy-policy/businesses-hail-karnataka-s-24x7-move-but-infra-and-other-concerns-remain-121011100720\\_1.html](https://www.business-standard.com/article/economy-policy/businesses-hail-karnataka-s-24x7-move-but-infra-and-other-concerns-remain-121011100720_1.html)

## Healthcare

### **COVID-19: IMA requests its 3.5 lakh members to voluntarily get vaccinated**

The Indian Medical Association (IMA) on Monday requested its 3.5 lakh members to voluntarily get the COVID-19 vaccine to show to the world that these shots are safe and efficacious. In a statement, the doctors' body said after an extensive review of scientific data, indexed articles, expert panel reports and discussion with ICMR and WHO experts, it has decided to actively take part in the COVID-19 vaccination programme rolled out by the government. "The Indian Medical Association has requested all its 3.5 lakh members in 1,800 local branches to voluntarily come out to get vaccinated first to show the world that these vaccines are safe and efficacious," it said. The IMA appreciates and congratulates the hard work of Indian scientists, modern medicine doctors and the Government of India for bringing out two vaccines against SARS-CoV 2. These vaccines are easy to store and use in Indian condition, according to the statement.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/covid-19-ima-requests-its-3-5-lakh-members-to-voluntarily-get-vaccinated/articleshow/80214686.cms>

## External

### **Commerce ministry should amend SEZ rules for sourcing from EOUs: Expert**

We are an EOU. We have an order to supply our finished goods to a SEZ unit. Rule 36(14) of SEZ Rules, 2006 says that we must follow the procedures prescribed in Rule 36(12) of the said Rules that apply to clearance from bonded warehouses to SEZ. Rule 36(12) requires us to clear the goods under an ex-bond shipping bill duly passed by the bond officer. When we are not under bonding procedure, how can we comply with the same?

EOUs were de-licensed as bonded warehouses with effect from August 13, 2016, through notification 44/2016-Cus dated July 29, 2016. CBEC Circular no. 35/2016-Cus dated July 29, 2016, explains the changes consequent to issue of that notification. It appears the Commerce Ministry is unaware of the changes. So, you may draw its attention to the changes and ask for amendment in the Rule 30(14) of the SEZ Rules, 2006.

[https://www.business-standard.com/article/economy-policy/commerce-ministry-should-amend-sez-rules-for-sourcing-from-eous-expert-121011100679\\_1.html](https://www.business-standard.com/article/economy-policy/commerce-ministry-should-amend-sez-rules-for-sourcing-from-eous-expert-121011100679_1.html)

### **Engineering exporters seek government intervention to check steel prices**

Engineering exporters have sought intervention of the government to check the spiralling prices of steel in the domestic market which is hampering exports. "With a whopping 55 per cent rise in prices of steel, the mother raw material for manufacturing, the path to Atmanirbhar Bharat has become very tough and arduous," the Engineering Export Promotion Council said in a release on Monday. Wholesale price of Hot Rolled Coil (HRC) has gone up to ₹58,000 a tonne - an increase of 55 per cent between January 2020 and 2021--which was hard to absorb by the industry, the release said. This was a double whammy for exporters of engineering products as they have anyway been battling the unprecedented impact of Covid-19 on global trade.

<https://www.thehindubusinessline.com/economy/engineering-exporters-seek-government-intervention-to-check-steel-prices/article33549181.ece>

#### **India Inc's overseas borrowings back on track**

Overseas fund-raising by India Inc is gathering momentum from the lows during the lockdown period. According to RBI data, corporates external commercial borrowings (ECBs) touched \$36 billion till November 2020. This is the second highest inflow of offshore loans in a calendar year. Indian corporates raised a record \$51 billion during CY2019. Of the total ECBs raised between January and November 2020, over 50 per cent came during the first three months. The monthly borrowing dropped to a multi-year low of \$0.9 billion in April when the pandemic-led lockdown brought both economic and lending activities to a standstill. It then improved to reach \$2.14 billion in July and touched \$5.22 billion in September, primarily driven by a slew of fund-raising by Reliance Industries.

<https://www.thehindubusinessline.com/economy/india-incs-overseas-borrowings-back-on-track/article33552598.ece?homepage=true>

#### **India not just commercial partner, but also rival to post-Brexit UK: Report**

India being one of the key targets of the UK's post-Brexit Global Britain strategy should be viewed not just as an important commercial interest but also a rival, reflects a new influential report released on Monday on the UK's future as a non-member of the European Union (EU). 'Global Britain, global broker: A blueprint for the UK's future international role', compiled by the think-tank Chatham House - the Royal Institute of International Affairs, calls on Britain to focus its energies on investing in becoming a global broker to link together liberal democracies of the world and a continued alignment with the EU and its member-states as well as the US.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-not-just-commercial-partner-but-also-rival-to-post-brexit-uk-report/articleshow/80217981.cms>

#### **India, US negotiating on wide range of trade concerns: Congressional report**

India and the US are negotiating on a wide range of trade concerns, including greater access to the Indian market for American agricultural products, potentially in exchange for America restoring New Delhi's status under the Generalised System of Preferences (GSP), according to a Congressional report. President Donald Trump in 2019 terminated India's designation as a beneficiary developing nation under the key GSP trade programme after determining that it has not assured the US that it will provide equitable and reasonable access to its markets.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-negotiating-on-wide-range-of-trade-concerns-congressional-report/articleshow/80210876.cms>

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