



March 08, 2021 – Monday

Key Developments

India Inc's business confidence highest in decade: FICCI Survey

FICCI's Overall Business Confidence Index has witnessed a decadal high of 74.2 in the current round on account of improvement in present conditions as well as expectations, the industry body said on Sunday. The Index had stood at 70.9 in the previous survey and 59 a year ago, noted the survey. It revealed recovery of demand conditions, improved capacity utilisation and a promising outlook on various operational parameters.

With regard to the constraining factors for business, the demand situation has improved on back of the release of the pent-up demand build up during the lockdown. However, rising raw material costs is emerging as a bothersome factor for members of India Inc. The rise in fuel and other commodity prices is beginning to exert pressure on the input costs of companies, FICCI stated on the survey.

https://www.business-standard.com/article/economy-policy/india-inc-s-business-confidence-highest-in-decade-ficci-survey-121030700550_1.html

India records highest new Covid cases in a day in nearly 2 months; Six states showing steep rise in daily new Covid-19 cases: Govt

The Union Health Ministry on Sunday said that the six states of Punjab, Karnataka, Gujarat, Tamil Nadu, Kerala and Maharashtra were reported a high number of new single-day Covid-19 cases. While Covid-19 situation has turned worrisome in Punjab, Karnataka, Gujarat and Tamil Nadu, it continues to remain alarming in Kerala and Maharashtra. In the last 24 hours, the states collectively accounted for 84.7 per cent of the 18,711 fresh cases, the Ministry informed. "Maharashtra continues to report the highest daily new cases at 10,187, followed by Kerala with 2,791 while Punjab reported 1,159 new cases," it said. The Ministry added that it was continuously engaging with the states and UTs reporting a higher caseload of active cases, and also with those registering new infections. It has deputed high-level teams to Maharashtra and Punjab, which are showing a steep increase in the daily new cases.

https://www.business-standard.com/article/current-affairs/six-states-showing-steep-rise-in-daily-new-covid-19-cases-govt-121030700315_1.html

PMMY: PM Modi's Mudra loan scheme disbursed 94% of sanctioned amount to micro, small businesses

Prime Minister Narendra Modi's Pradhan Mantri Mudra Yojana (PMMY) scheme to promote entrepreneurship and self-employment has disbursed 94 per cent of the loan amount sanctioned to micro and small enterprises (MSEs) as of February 26 in the current financial year. Out of the Rs 2.38-lakh-crore amount involved in 3.68 crore loans, Rs 2.24 crore was disbursed during the 11-month period of FY21, according to the scheme's provisional data available on its portal. The disbursement rate for the previous financial years 2019-20 and 2018-19 stood at 97.6 per cent and 97 per cent respectively. Lending institutions including banks, non-banking financial companies, microfinance institutions, and others had disbursed Rs 329684.63 crore in FY20 and Rs 311811.38 crore in FY19. The scheme was launched by PM Modi in 2015.

<https://www.financialexpress.com/industry/sme/msme-fin-pmmy-pm-modis-mudra-loan-scheme-disbursed-94-of-sanctioned-amount-to-mses/2208042/>

Economy

Second part of Parliament's Budget session to start from Monday

The month-long second part of the Budget session of Parliament begins on Monday in the middle of a high octane campaign for assembly elections in four states and one UT. The main focus of the government in the second part of the session is to get the various demands for grants for the year 2021-22 passed along with the Finance Bill which carries various tax proposals. Besides these mandatory agendas, the government has listed various bills for passage in the session which concludes on April 8.

Some of the bills listed by the government include the Pension Fund Regulatory and Development Authority (Amendment) Bill, National Bank for Financing Infrastructure and Development Bill, Electricity (Amendment) Bill, Crypto currency and Regulation of Official Digital Currency Bill.

https://www.business-standard.com/article/current-affairs/second-part-of-parliament-s-budget-session-to-start-from-monday-121030700343_1.html

GST evasion: CBIC asks field offices to exercise max caution, prudence in property attachment

The CBIC has directed its field offices to exercise utmost prudence and maximum caution in attachment of property of a taxpayer and said that such a remedy can be considered in cases involving GST evasion, fake invoicing and delay of more than three months in depositing tax collected.

The Central Board of Indirect Taxes and Customs (CBIC) has come out with guidelines for provisional attachment of property under GST Act which tasks the Commissioner to exercise due diligence and carefully examine all the facts of the case, including the nature of offence and amount of revenue involved, and also record on file the basis on which he/she has formed such an opinion to attach property of the taxpayer.

<https://www.financialexpress.com/economy/gst-evasion-cbic-asks-field-offices-to-exercise-max-caution-prudence-in-property-attachment/2207836/>

Banking and Finance

Govt proposes to hike LIC's authorised capital to Rs 25,000 cr

The government has proposed to significantly increase the authorised capital of Life Insurance Corporation of India (LIC) to Rs 25,000 crore to facilitate its listing slated for the next fiscal. Currently, the paid-up capital of the life insurance company with over 29 crore policies is Rs 100 crore. Starting with an initial capital of Rs 5 crore in 1956, LIC has an asset base of Rs 31,96,214.81 crore. The authorised share capital of LIC shall be Rs 25,000 crore divided into 2,500 crore shares of Rs 10 each, as per the amendments proposed in the Life Insurance Corporation Act, 1956. The amendments proposed as part of Finance Bill 2021 will lead to the setting up of a board with independent directors in line with listing obligations. According to one of the 27 proposed amendments, the central government will hold at least 75 per cent in LIC for the first five years post the IPO, and subsequently hold at least 51 per cent at all times after five years of the listing.

https://www.business-standard.com/article/companies/govt-proposes-to-hike-in-lic-s-authorized-capital-to-rs-25-000-cr-121030700345_1.html

Amalgamation has led to all-round gains for merged entity: Indian Bank MD

Despite the pandemic and other challenges, Allahabad Bank's amalgamation with Indian Bank concluded smoothly, with the final technical merger (software integration) last month, says Padmaja Chundru, managing director and CEO, Indian Bank. Chundru spoke to T E Narasimhan about how the bank addressed the pandemic and the way forward for the combined entity.

https://www.business-standard.com/article/companies/amalgamation-has-led-to-all-round-gains-for-merged-entity-indian-bank-md-121030700391_1.html

Flushed with liquidity, banks slash home loan rates to decadal low

Flushed with excess liquidity as general credit demand still way below the desired levels, leading home loan players State Bank of India, HDFC, ICICI Bank and Kotak Mahindra Bank have slashed their rates to a decadal low, leaving consumers spoilt for choices. The interest rate war comes as banks are sitting on huge excess liquidity which as of last week was over Rs 6.5 lakh crore, according to Care Ratings. Excess liquidity is a drag on the banks bottomlines as they have to pay interest to depositors which is as low as 2.5 per cent now, though.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/flushed-with-liquidity-banks-slash-home-loan-rates-to-decadal-low/articleshow/81376838.cms>

India Inc's overseas direct investment declines 31% to \$1.85 bn in February

India Inc's overseas direct investment fell by 31 per cent to USD 1.85 billion in February this year, the RBI data showed. Domestic companies made investments of USD 2.66 billion in their overseas subsidiaries and joint-ventures in the year-ago month, February 2020. Of the total investment made by Indian companies in foreign markets, USD 1.36 billion was in the form of loan; USD 297.37 million comprised as equity investment and the rest of USD 183.82 million was by way of issuance of guarantee, according to the RBI data on outward foreign direct investment (OFDI) - February 2021. However, total OFDI by domestic firms in February was higher than that of USD 1.19 billion in January 2021.

https://www.business-standard.com/article/economy-policy/india-inc-s-overseas-direct-investment-declines-31-to-1-85-bn-in-february-121030700463_1.html

Data sharing, cybersecurity top concerns for banks, customers: Deloitte

Data sharing, cybersecurity and data protection have emerged as the top concern areas for the banks as well as customers, according to a Deloitte's report on open banking. "About 70 per cent survey respondents feel that greater emphasis should be made towards data protection by institutions," said the report 'Open banking: Unleashing the power of data and seizing new opportunities'.

Deloitte said the insights in the paper are supported by extensive research, past work, and credentials, complemented by a survey to understand customer needs with 400 plus respondents across age groups and population codes.

https://www.business-standard.com/article/finance/data-sharing-cybersecurity-top-concerns-for-banks-customers-deloitte-121030700509_1.html

MFs withdraw Rs 16,306 cr from equities in February on profit booking

Mutual funds pulled out Rs 16,306 crore from equities in February, making it the ninth consecutive monthly outflow as small investors booked profit amid a rally in stock markets. Gopal Kavalireddi, head of research at FYERS, said this trend of redemptions could continue till the time stock market rally slows down and consolidates, giving investors the opportunity to deploy their profits into longer time frame instruments like mutual funds. Overall, mutual funds withdrew a net amount of over Rs 56,400 crore in 2020, data available with Securities and Exchange Board of India (Sebi) showed.

"Whenever the markets surge after a big fall, investors pull out. Investors -- who had seen losses in the last two years before COVID -- had seen profits in the last few months and have booked their profits, resulting in the mutual funds to pull out from equities," Divam Sharma, co-founder of Green Portfolio, said.

https://www.business-standard.com/article/markets/mfs-withdraw-16-306-cr-from-equities-in-february-on-profit-booking-121030700247_1.html

Banks to see 15% plus credit growth in FY22-25 period: ICICI Securities

India Inc, after undergoing a phase of deleveraging over the past few years, is now better positioned and confident to embark on the path of re-leveraging, according to ICICI Securities.

<https://www.thehindubusinessline.com/news/banks-to-see-15-plus-credit-growth-in-fy22-25-period-icici-securities/article34013660.ece>

Industry

'Deep learning among top in-demand skills of 2020 in India'

Deep learning and data engineering are top nanodegree programmes showing the country's growing interest towards artificial intelligence (AI) and data, says a new report. According to a report by silicon-valley-based Udacity, Karnataka holds the lion's share for maximum nanodegree programmes in 2020. As much as 24 per cent demand for deep learning and 34 per cent of the total demand for data engineering nanodegree programmes comes from Karnataka, the company said in a statement. The demand for AI product manager (38 per cent) and product manager

(60 per cent) is also the highest in the state. Data science and deep learning are the most popular nanodegree programmes in Maharashtra. More than 40 per cent of the enrollments come from this state.

https://www.business-standard.com/article/economy-policy/deep-learning-among-top-in-demand-skills-of-2020-in-india-121030700631_1.html

India to become Aatmanirbhar in silk production in 2 years: Smriti Irani

Union minister Smriti Irani on Sunday expressed confidence that India will become self-reliant or Aatmanirbhar in silk production in the next two years. The Minister for Textiles and Women and Child Development said the government aims to provide employment to over one crore people exclusively in the silk segment through the Krishi Vigyan Kendra programme. She said that India's raw silk production increased 35 per cent in the last six years. Six years ago, 70 lakh people in India were employed in this sector whereas 90 lakh people are currently employed in the segment, she said.

<https://economictimes.indiatimes.com/industry/cons-products/garments/-/textiles/india-to-become-aatmanirbhar-in-silk-production-in-2-years-smriti-irani/articleshow/81379871.cms>

Copper end-users urge Tamil Nadu govt to work out solution to restart Tuticorin plant

Copper end-user industry bodies have urged the Tamil Nadu government to “work out a solution” to restart operations at Sterlite Copper plant in Tuticorin, which catered to around 40 per cent of India's total requirement of the metal. The industry bodies, whose members constitute SME and MSME units, told PTI that the closure of the plant has caused supply disruptions, leading to a rise in imports and increased cost of production. In May 2018, the state government had ordered the pollution control board to seal and “permanently” close the plant, following violent protests over pollution concerns. Sterlite Copper later moved the Supreme Court to resolve the issue, where the matter is pending.

<https://www.financialexpress.com/industry/copper-end-users-urge-tamil-nadu-govt-to-work-out-solution-to-restart-tuticorin-plant/2207944/>

Jewellery demand picks up as gold prices witness a fall

Jewellery demand has picked up as gold prices have fallen to about Rs 44,000 per 10 gm, but investment demand has dried up as investors are parking funds in equity markets in hope of better returns, said, industry executives. Jewellers are buying gold to meet the upcoming wedding and Akshaya Tritiya demand, they said. This has prompted bullion dealers in the spot market to charge a higher premium from jewellers. “The demand is good and has gone up further as the prices have come down. Jewellers are stocking gold at this price which is why the premium has gone up from \$4 per ounce to \$5 per ounce,” said Prithviraj Kothari, national president of India Bullion & Jewellers Association.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/jewellery-demand-picks-up-as-gold-prices-witness-a-fall/articleshow/81378312.cms>

COVID-19 is pushing Indians to rely on ‘immunity-boosting’ brands and home remedies

Indians are swallowing immunity boosters in the wake of the pandemic in whichever form, homemade concoctions or readymade products, boosting FMCG immunity portfolio unit sales by 13.5% in 2020 from just 3.9% in 2019. Data from market researcher Kantar showed. Consumption of turmeric powder surged more than five times to 14.4%, besides milk food drinks that doubled growth to 6%, honey and chyawanprash, as per Kantar. Chyawanprash market had declined over 5% in 2019 from the previous year, but bounced back a whopping 132% in 2020, the researcher said. Companies said the growth of immunity categories is continuing in this quarter as well unlike hygiene and sanitiser where the growth rate has significantly moderated of late.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/covid-19-is-pushing-indians-to-rely-on-immunity-boosting-brands-and-home-remedies/articleshow/81378428.cms>

Agriculture

Area under paddy, oilseeds up as summer acreage gains 22%

Paddy, oilseeds and coarse cereals continue to gain acreage as farmers plant more area under these crops for the ongoing summer cropping season across the country. So far, the summer acreages are higher by 7.94 lakh hectares or 22 per cent per cent at 39.58 lakh ha as on March 5 over the same period last year's 32.34 lakh ha.

<https://www.thehindubusinessline.com/news/national/area-under-paddy-oilseeds-up-as-summer-acreage-gains-22/article34013241.ece>

Infrastructure

Developers ready to pay land dues at reduced interest rate: NAREDCO

The National Real Estate Development Council (NAREDCO) has urged the Uttar Pradesh government to calculate land dues using SBI-MCLR and allow builders to pay per flat to resume the registry of flats in Noida and Ghaziabad. In a meeting with Rajendra Kumar Tiwari, Chief Secretary, UP and Additional Chief Secretary, Industry, Arvind Kumar real estate developers put up various suggestions to complete construction and give delivery of maximum housing units to allottees. According to R K Arora, President NAREDCO-UP, the developers said that they should get the benefit of zero period for NGT ban on construction due to Okhla Bird Sanctuary dispute.

<https://economictimes.indiatimes.com/industry/services/property/-construction/developers-ready-to-pay-land-dues-at-reduced-interest-rate-naredco/articleshow/81367230.cms>

Embassy REIT receives regulatory approval for simplifying the holding structure of Embassy Manyata

Embassy Office Parks REIT, India's first listed REIT and the largest office REIT in Asia by area, has received approval from the National Company Law Tribunal ('NCLT') to restructures and simplifies the ownership of key portfolio assets, including Embassy Manyata and Embassy TechZone. Embassy REIT had initiated the scheme to simplify its holding structure by reducing the shareholding tiers and to increase the dividend component of its Unitholders. Michael Holland, Chief Executive Officer of Embassy REIT commented, "We are pleased to deliver on our commitment to complete this key restructuring exercise within the targeted timeframe of March'2021. This milestone enables us to significantly increase the dividend component as a proportion of our overall quarterly distributions. Given REIT dividends are tax-free, this restructuring is expected to positively impact distributions to the benefit of our Unitholders.

<https://economictimes.indiatimes.com/industry/services/property/-construction/embassy-reit-receives-regulatory-approval-for-simplifying-the-holding-structure-of-embassy-manyata/articleshow/81363166.cms>

Telecom

DoT to issue demand notes to telcos on upfront payment for spectrum bought in auctions

The Department of Telecommunications (DoT) will issue demand notes to telcos next week on an upfront payment for spectrum acquired in the just-concluded auctions, sources said. The demand note follows auctions raking-in winning bids of over Rs 77,800 crore, for 855.6 MHz of spectrum. Billionaire Mukesh Ambani's Reliance Jio spent the most in the auction, picking up 488.35 MHz spectrum in bands such as 800 MHz, 1800 MHz and 2300 MHz for Rs 57,122.65 crore. Bharti Airtel bid about Rs 18,699 crore to acquire 355.45 megahertz (MHz) out of the total 855.60 MHz of radiofrequency acquired by all telcos, while Vodafone Idea, bought 11.80 MHz of spectrum worth Rs 1,993.40 crore.

<https://www.financialexpress.com/industry/dot-to-issue-demand-notes-to-telcos-on-upfront-payment-for-spectrum-bought-in-auctions/2207885/>

Energy

Petrol prices unchanged across metros for 8th day

Oil marketing companies (OMC) kept fuel prices unchanged for the eighth consecutive day across the four metros on Sunday. In the national capital, petrol was sold for Rs 91.17 per litre on Sunday. Similarly, in Mumbai, Chennai and Kolkata, the fuel was priced at Rs 97.57, Rs 93.11 and Rs 91.35 per litre, respectively, all unchanged from the previous levels. The surge in the retail prices comes despite a surge in crude oil prices. Brent crude futures are currently over \$69 per barrel.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/petrol-prices-unchanged-across-metros-for-8th-day/articleshow/81374798.cms>

States

Karnataka CM Yediyurappa to present state Budget on Monday

Amid the Covid pandemic and its year-long fallout, Karnataka Chief Minister B.S. Yediyurappa is set to present the state Budget for ensuing fiscal year 2021-22 in the Assembly on Monday, an official said on Sunday. "Yediyurappa will present the Budget for 2021-22 on Monday afternoon as he also holds the finance portfolio. It will be the 8th time he presents the Budget and third during his present term as chief minister since July 2019," a state finance department official told IANS.

Since Yediyurappa took over the reins of the southern state as Chief Minister for the fourth time on July 26, 2019, he tabled in the House the state Budget then JD-S chief minister H.D Kumaraswamy presented on February 8, 2019 for fiscal 2019-20 and got it passed by voice-vote on July 29, 2019 to ensure continuity.

https://www.business-standard.com/article/economy-policy/karnataka-cm-yediyurappa-to-present-state-budget-on-monday-121030700643_1.html

Delhi Budget may have allocation for free vaccine shots at govt hospitals

The Delhi Budget 2021-22, to be presented in the Assembly session starting Monday, is expected to have a special allocation for free COVID-19 vaccination at Delhi government hospitals, sources said. The budget is also likely to have proposals to open 'Sainik Schools' in Delhi and promote yoga at a widescale in the city, they said.

Vaccination is currently underway in Delhi at 192 hospitals, including 56 run by the Delhi government, for people aged 60 years and above and those in the age group of 45-59 years having comorbidities. "The government is expected to allocate funds for free vaccines to all people in the third phase of vaccination at its hospitals in Delhi," said a government source.

https://www.business-standard.com/article/current-affairs/delhi-budget-may-have-allocation-for-free-vaccine-shots-at-govt-hospitals-121030700694_1.html

Healthcare

We are in the endgame of Covid-19 pandemic in India: Vardhan

"We are in the end game of the COVID-19 pandemic in India" and to succeed at this stage, Union Health Minister Harsh Vardhan on Sunday said, politics should be kept out the COVID-19 vaccination drive. He said people should trust the science behind vaccines and ensure that their near and dear ones get vaccinated on time.

Speaking at the Delhi Medical Association's (DMA's) 62nd Annual Delhi State Medical Conference (MEDICON 2021) in collaboration with Dharamshila Narayana Hospital on Sunday, Vardhan said over 2 crore COVID-19 vaccine shots have been administered so far and the vaccination rate has been increased to 15 lakhs per day.

https://www.business-standard.com/article/current-affairs/we-are-in-the-endgame-of-covid-19-pandemic-in-india-wardhan-121030700609_1.html

Janaushadhi Kendras rendered essential services in COVID-19 pandemic: Union Health Minister

Janaushadhi Kendras rendered essential services amid the COVID-19 pandemic, maintained regular operations and made medicines available to people, Union Health Minister Harsh Vardhan said on Sunday and highlighted that sale at these stores increased during the nationwide lockdown. Vardhan's comments came on a day Prime Minister Narendra Modi dedicated the 7,500th Janaushadhi Kendra, which provides quality generic medicines at an affordable price, at the NEIGRIHMS in Shillong. The health minister stated that on March 7, 2019, Prime Minister Modi had declared that henceforth March 7 every year would be celebrated as Janaushadhi Diwas for promoting and increasing the outreach of generic medicines, the health ministry said in a statement.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/janaushadhi-kendras-rendered-essential-services-in-covid-19-pandemic-union-health-minister/articleshow/81378255.cms>

External

China & India should not "undercut" each other; must create 'enabling conditions' to resolve border issue: Chinese FM

China and India should stop "undercutting" each other, shed mutual "suspicion" and create "enabling conditions" by expanding bilateral cooperation to resolve the border issue, Chinese Foreign Minister Wang Yi said on Sunday. Calling the boundary dispute as not the "whole story" of the China-India relationship, Wang said that both countries were friends and partners but they should shed suspicion at each other. Answering a question at his annual press conference on the current state of India-China relations following the tense standoff in eastern Ladakh since May last year and how Beijing viewed the relationship going forward, he said it is important that both countries manage their disputes properly and expand bilateral cooperation.

https://economictimes.indiatimes.com/news/defence/china-india-should-not-undercut-each-other-must-create-enabling-conditions-to-resolve-border-issue-chinese-fm/articleshow/81378411.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

FDI in computer software, hardware jumps 4-folds to \$24.4 billion during Apr-Dec 2020

Foreign direct investments (FDI) in the computer software and hardware sector jumped nearly four-times to USD 24.4 billion during April-December 2020-21, according to the latest data of DPIIT. While in the year-ago period the sector received USD 6.4 billion FDI, the entire 2019-20 saw overseas investment of USD 7.7 billion, the Department for Promotion of Industry and Internal Trade (DPIIT) data showed. According to experts, the accelerated digitalisation and increased use of artificial intelligence due to the pandemic led work-from-home scenario have all resulted in a huge opportunity for the computer software and hardware sector. "There has been extensive unlocking of value, and we have seen huge FDI into this sector," Arvind Sharma, Partner, Shardul Amarchand Mangaldas & Co said.

<https://economictimes.indiatimes.com/news/economy/indicators/fdi-in-computer-software-hardware-jumps-4-folds-to-24-4-billion-during-apr-dec-2020/articleshow/81374240.cms>

Cairn wants India to honour its word and pay \$1.4 billion, shareholders to seek enforcement

British oil firm Cairn Energy said its shareholders, including top financial institutions of the world, expect the use of the company's "strong powers of enforcement" to recover \$1.4 billion from the Indian government should it not keep its word of honouring international arbitration tribunal awards on retrospective taxes. Cairn has already moved courts in the US, UK, Netherlands, Canada, France, Singapore, Japan, UAE and Cayman Islands to get the December 21 international arbitration tribunal award registered and recognised - the first step before it can seek seizure of the Indian government assets such as bank accounts, payments to state-owned entities, aeroplanes and ships in those jurisdictions, in case New Delhi does not return the value of the shares seized and sold, dividend confiscated and tax refund stopped to adjust a Rs 10,247 crore tax demand raised using retrospective legislation.

<https://economictimes.indiatimes.com/markets/stocks/news/cairn-wants-india-to-honour-its-word-and-pay-1-4-billion-shareholders-to-seek-enforcement/articleshow/81374165.cms>



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