



July 08, 2021 – Thursday

Key Developments

Cabinet Reshuffle: Meet the faces from PM Modi's new team

As many as 43 ministers took oath in a major cabinet expansion-cum-reshuffle drive today, after several Union ministers including Harsh Vardhan and Ramesh Pokhriyal Nishank resigned. This was the first reshuffle in his Council of Ministers by Modi since he assumed charge for a second term in May 2019. Nisith Pramanik (35), the Lok Sabha MP from West Bengal's Cooch Behar, is the youngest minister to be sworn in, while the oldest member in the council of ministers is 72-year-old Som Parkash.

<https://economictimes.indiatimes.com/news/politics-and-nation/cabinet-reshuffle-meet-some-of-the-faces-from-pm-modis-new-team/articleshow/84203141.cms>

Control measures to be strengthened in 9 states reporting Covid surge: Govt

Ramping up testing and vaccination, healthcare infrastructure planning and effective clinical management are among the measures to be focussed upon in nine states reporting a surge in COVID-19 cases, the health ministry said on Wednesday. In a letter to the states -- Arunachal Pradesh, Assam, Manipur, Kerala, Meghalaya, Nagaland, Odisha, Tripura and Sikkim -- the ministry has highlighted the areas of concern.

Stressing that there is a need to strengthen the collective efforts to curb the spread of the virus, Union Health Secretary Rajesh Bhushan said ramping up testing and vaccination, healthcare infrastructure planning, following Covid-appropriate behaviour and effective clinical management are among the measures to be taken by these states.

https://www.business-standard.com/article/current-affairs/control-measures-to-be-strengthened-in-9-states-reporting-covid-surge-govt-121070700936_1.html

IT rules: Delhi HC refuses to grant interim protection to digital media

The Delhi High Court on Wednesday refused to grant protection from coercive action to digital media portals as it adjourned their challenge to the new IT Rules after being informed that a plea has been moved by the Centre to transfer them to the Supreme Court. Transfer petition has been preferred?, a Bench of Chief Justice D N Patel and Justice Jyoti Singh asked Additional Solicitor General Vikramjit Banerjee who replied, Yes. The court then proceeded to adjourn the pleas by The Wire, Quint Digital Media Ltd and Pravda Media Foundation till August 20.

According to amended Information Technology Rules, social media and streaming companies will be required to take down contentious content quicker, appoint grievance redressal officers and assist in investigations.

https://www.business-standard.com/article/economy-policy/it-rules-delhi-hc-refuses-to-grant-interim-protection-to-digital-media-121070700516_1.html

Economy

FinMin gets bigger: Dept of Public Enterprises now part of Finance Ministry

The government has merged the Department of Public Enterprises (DPE) with the Finance Ministry to give it a better control over state-owned firms and facilitate its ambitious privatisation programme. Finance Ministry will now have six departments while DPE's hereto parent ministry, the Ministry of Heavy Industries and Public Enterprises will now be called the Ministry of Heavy Industries. Previously, the Disinvestment Ministry - created under the Atal Bihari

Vajpayee government - was merged with the Finance Ministry and is now a department under it. Also, Foreign Investment Promotion Board (FIPB) was abolished and administration of foreign investments was given to the Finance Ministry (FinMin).

The shift of DPE to the Finance Ministry will help in efficient monitoring of the capital expenditure, asset monetisation and financial health of the Central Public Sector Enterprises (CPSEs).

https://www.business-standard.com/article/economy-policy/finmin-gets-bigger-dept-of-public-enterprises-now-part-of-finance-ministry-121070700615_1.html

New Co-op Ministry might boost growth of multi-state co-op societies

The Centre's decision to carve out a separate ministry of cooperation from the agriculture ministry might not only boost creation of multi-state cooperatives in the country, but also bring much-needed transparency and fairness in the functioning of the cooperatives, which so far have been riddled with allegations of political interference and mismanagement, experts and sector watchers said. India at present has a vast network of around 800,000 registered cooperative societies with whom around 400 million people are directly associated.

https://www.business-standard.com/article/economy-policy/new-co-op-ministry-might-boost-growth-of-multi-state-co-op-societies-121070701116_1.html

Fitch cuts India growth forecast to 10%, says vaccination to help revival

Fitch Ratings on Wednesday cut India's growth forecast to 10 per cent for the current fiscal, from 12.8 per cent estimated earlier, due to slowing recovery post second wave of COVID-19, and said rapid vaccination could support a sustainable revival in business and consumer confidence. In a report, the global rating agency said the challenges for banking sector posed by the coronavirus pandemic have increased due to a virulent second wave in the first quarter of the financial year ending March 2022 (FY22).

"Fitch Ratings revised down India's real GDP for FY22 by 280bp to 10 per cent, underlining our belief that renewed restrictions have slowed recovery efforts and left banks with a moderately worse outlook for business and revenue generation in FY22," it said. Fitch believes that rapid vaccination could support a sustainable revival in business and consumer confidence; however, without it, economic recovery would remain vulnerable to further waves and lockdowns.

https://www.business-standard.com/article/economy-policy/fitch-cuts-india-growth-forecast-to-10-says-vaccination-to-help-revival-121070700694_1.html

One-Nation-One-Ration-Card suffers from exclusion issues, say experts

The Supreme Court of India came down heavily on the Centre's handling of the migrant problem during the ongoing Covid crisis and, in a landmark decision last month, directed it to complete the work on ration card portability, called the One-Nation-One-Ration-Card (ONORC) scheme by July end along with preparing a national database of all migrants. It also directed the state governments to introduce a scheme to supply dry rations and set up community kitchens to ensure migrant workers without ration cards do not go hungry during the Covid-19 pandemic.

https://www.business-standard.com/article/economy-policy/one-nation-one-ration-card-suffers-from-exclusion-issues-say-experts-121070601382_1.html

Banking and Finance

RBI imposes penalty of up to Rs 2 cr on 14 banks for non-compliance

The Reserve Bank of India (RBI) on Wednesday imposed a monetary penalty on 14 banks, including State Bank of India (SBI), Bandhan Bank, IndusInd Bank, Bank of Baroda (BoB), Central Bank for non-compliance with certain provisions of directions issued by them. The penalty ranges from Rs 50 lakh to Rs 2 crore, with SBI being charged Rs 50 lakh and BoB Rs 2 crore. "This action is based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the banks with their customers," the RBI said in a statement.

https://www.business-standard.com/article/finance/rbi-imposes-penalty-of-up-to-rs-2-cr-on-14-banks-for-non-compliance-121070800003_1.html

Mobile wallets, digital gift cards, rewards have made shopping easier, says report

More people are now using digital wallets for making purchases and this has eventually resulted in an ease when it comes to shopping. Many Indian are now turning to digital and contactless payments, and this has reshaped the shopping experience for people, said a survey by Blackhawk Network. The survey – Global Digital Payments, conducted by the company, analysed how payment preferences have changed among consumers across nine geographies, including India in the last one year. Taking responses from more 13,000 shoppers, the study said that 94 per cent people believe that digital payments have made shopping easier for them.

There is no doubt that online shopping has become a trend that keeps on growing every year. According to the survey, 93 per cent of Indian respondents now prefer using digital wallets regularly when compared to their global counterparts. The Covid-19 pandemic has surely given an impetus to adoption of digital wallets in India as people adopt more ways for making transactions from their mobile devices. Not only for online shopping, it has been observed that people prefer buying products from retailers that allow them to make digital purchases. “The survey finds 69 per cent of respondents will shop more frequently at retailers that accept digital payments,” read the press note.

<https://www.financialexpress.com/industry/banking-finance/mobile-wallets-digital-gift-cards-rewards-have-made-shopping-easier-says-report/2285817/>

GNPAs of banks to improve in FY22 on higher recoveries : Report

The banking system’s gross non-performing assets are set to decline to at least 7.1 per cent by March 2022, as against 7.6 per cent at FY21-end, a domestic rating agency said on Wednesday. The NPAs will go lower on higher recoveries and upgrades, and also faster credit growth, Icra said, adding that the fresh accretion to the NPAs will be higher in FY22 due to the absence of any regulatory dispensations like moratoriums. “The GNPAs and NNPAAs (net NPAs) are expected to decline to 6.9-7.1 per cent and 1.9-2.0 per cent respectively by March 31, 2022,” it said. The Reserve Bank’s financial stability report had said the GNPAs at March 2021 had come at 7.6 per cent and estimated it to rise to 9.8 per cent in FY22-end under its base-case assumptions.

<https://www.financialexpress.com/industry/banking-finance/gnpas-of-banks-to-improve-in-fy22-on-higher-recoveries-report/2285684/>

Banks aim to raise up to \$2 billion via perpetual bonds offshore

Five top lenders in the country, including HDFC Bank, Axis Bank and State Bank of India, are seeking to collectively raise up to \$2 billion overseas in the next few months through Additional Tier I (AT1) bonds, bolstering their capital bases ahead of an anticipated increase in credit demand. Mutual funds, once major buyers of such AT1 bonds, are lukewarm about this quasi-equity asset class after the banking regulator last year ordered that these instruments be written off in Yes Bank’s state-sponsored bailout.

<https://economictimes.indiatimes.com/markets/bonds/banks-aim-to-raise-up-to-2-billion-via-perpetual-bonds-offshore/articleshow/84207712.cms>

Payment operators to share intel on fraudsters and blacklist scammers

With the rise in cyber frauds over the last 18 months, payment operators are coming together to share intel on fraudsters, in an effort to blacklist them. The operators are planning to set up a countrywide negative database that can be used across payments platforms and will serve as a repository of all fraudsters, types of frauds and fraud heat map across India.

<https://economictimes.indiatimes.com/industry/banking/finance/payment-operators-to-share-intel-on-fraudsters-and-blacklist-scammers/articleshow/84201597.cms>

Industry

IT industry to post strong recovery with 11% revenue growth in FY22: Crisil

The Indian IT industry will stage a strong recovery in 2021-22 with a revenue growth of up to 11 per cent, ratings agency Crisil said on Wednesday. The recovery will be led by increasing outsourcing and accelerating digital transformation services mainly in sectors such as banking, financial services and insurance (BFSI), healthcare, retail and manufacturing, it said. As per Nasscom, the IT services industry grew 2.7 per cent to USD 99 billion in 2020-21. The wider industry including e-commerce, business process management and global back offices had grown 2.3 per

cent to USD 194 billion in last fiscal year, as per the industry lobby. Industry stalwart Azim Premji, the founder chairman of Wipro, also expected a double-digit growth on Tuesday.

https://www.business-standard.com/article/economy-policy/it-industry-to-post-strong-recovery-with-11-revenue-growth-in-fy22-crisil-121070700690_1.html

Hit by second COVID wave, FMCG sales in rural markets to slow down this fiscal: Wipro Consumer Care

Wipro Consumer Care & Lighting on Wednesday said the second COVID wave is expected to slow down growth in the rural FMCG market in the current fiscal and that the situation was challenging for the business in the June quarter. Now, the company expects growth to be almost equal in both rural and urban markets for FMCG products this fiscal unlike last financial year when the rural markets recorded higher growth.

A leading player in the FMCG space, Wipro Consumer Care & Lighting is not anticipating any further increase in the price of Santoor soaps, one of its popular products, as prices of palm oil have cooled down a little. Palm oil is a key ingredient for making soaps. In March and June, the company had increased the price of the soap and the total hike was around eight per cent.

<https://www.financialexpress.com/industry/hit-by-second-covid-wave-fmCG-sales-in-rural-markets-to-slow-down-this-fiscal-wipro-consumer-care/2285887/>

Indian IT industry revenues will see double-digit growth in FY22: Azim Premji

Wipro founder-chairman Azim Premji believes the Indian IT industry revenues will grow in double digits in the current financial year.

<https://www.thehindubusinessline.com/info-tech/indian-it-industry-revenues-will-see-double-digit-growth-in-fy22-azim-premji/article35184839.ece?homepage=true>

Digital adoption by MSMEs see twofold rise

Digital adoption by MSMEs has seen a twofold rise, driven by first-time digital adoption from small businesses in tier-2 and 3 towns. Fintech companies say there has been a significant demand for various digital business management services like e-invoices, cloud-based bookkeeping, integrated interface to file GST returns, creating payment vouchers for vendors and salary slips for employees since March 2021. It is primarily driven by traders, retailers, wholesalers and other small businesses.

<https://economictimes.indiatimes.com/small-biz/sme-sector/digital-adoption-by-msmes-see-twofold-rise/articleshow/84194503.cms>

Agriculture

Traders miffed with govt order to impose stock limit on pulses; urges Piyush Goyal for its withdrawal

Traders' body Confederation of All India Traders (CAIT) on Wednesday sent a memorandum to Commerce Minister Piyush Goyal urging him to withdraw the recent government notification prescribing stock limit of pulses to 200 metric tonne for wholesalers and 5 metric tonne for retailers. According to CAIT, foodgrain traders are "up in arms" against the notification which they believe is arbitrary, unjustified, and contravenes the government's own policy as it stands "against the normal business practices of pulses trade in the country." Traders "regretted" that no consultation was held by the government with them before issuing the notification "which is a contravention of the advice of Prime Minister Narendra Modi for taking stakeholders in confidence before taking any policy issue." Industry body India Pulses and Grains Association's spokesperson wasn't immediately available for comments.

<https://www.financialexpress.com/industry/sme/msme-eodb-traders-miffed-with-govt-order-to-impose-stock-limit-on-pulses-urges-piyush-goyal-for-its-withdrawal/2285913/>

Infrastructure

India's domestic traffic was 71% lower in May 2021 compared to May 2019: IATA

India's domestic traffic was 71 percent lower in May this year compared to the corresponding period in 2019 amid the emergence of more contagious Delta variant of coronavirus, global airlines body IATA said on Wednesday. "India's domestic traffic fell 71.0% in May compared to May 2019 amid the emergence of the new and more

contagious "Delta" variant. This compared to a 42% decline registered in April versus the same month two years ago," the International Air Transport Association (IATA) said in a statement.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/indias-domestic-traffic-was-71-lower-in-may-2021-compared-to-may-2019-iata/articleshow/84207543.cms>

Unsold inventory overhang in Mumbai reduces on higher home sales: Report

The spurt in home sales between the two waves of the pandemic has resulted in the unsold inventory overhang in the Mumbai Metropolitan Region for realty players dipping to 43 months as of June 2021, a report said on Wednesday. The inventory overhang had shot up to 55 months in 2020 but has come down on the back of the sale of over 58,000 units during the pandemic period, the report by Anarock Property Consultants said.

<https://economictimes.indiatimes.com/industry/services/property/-construction/unsold-inventory-overhang-in-mumbai-reduces-on-higher-home-sales-report/articleshow/84203971.cms>

Telecom

37 telecom gear companies apply for Rs 12,195 crore production-linked incentive scheme

About 37 telecom gear vendors and contract manufacturers, including Nokia, Cisco, Flex, Foxconn and Jabil, have applied under the Rs 12,195 crore production-linked incentive (PLI) scheme for telecom and networking equipment manufacturing. Local companies such as Tejas Networks, Coral Telecom, HFCL, VVDN and Dixon Technologies have also applied under the scheme.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/37-telecom-gear-companies-apply-for-rs-12195-crore-production-linked-incentive-scheme/articleshow/84192886.cms>

Energy

Power demand met crosses 200 GW

All India peak electricity demand met crossed 200 GW at noon on Wednesday, Minister of State (Independent Charge) RK Singh said on Twitter.

<https://www.thehindubusinessline.com/economy/power-demand-met-crosses-200-gw/article35186702.ece>

States

Bengal Budget FY 22: Govt grants road tax waiver, stamp duty rebate

The West Bengal government on Wednesday waived road tax on passenger transport vehicles and offered a rebate on stamp duty as it tabled a Rs 3.08- lakh- crore Budget in the assembly for fiscal 2021-2022. Presenting the Budget, state industry minister Partha Chatterjee, who had placed the vote-on-account in the House on February, said the government has decided to extend the one-time exemption of motor vehicle tax for the period starting July 1, 2021 to December 31, 2021. The government has also proposed to reduce stamp duty by two per cent for registration of deeds, while circle rate was slashed by ten per cent. Chatterjee presented the budget as finance minister Amit Mitra is indisposed due to ill health.

https://www.business-standard.com/article/economy-policy/bengal-budget-fy-22-govt-grants-road-tax-waiver-stamp-duty-rebate-121070700855_1.html

Healthcare

India expects 3 mn-4 mn Pfizer, Moderna vaccine doses by August: Report

India expects to receive 3 million to 4 million doses of the Pfizer and Moderna COVID-19 shots through the COVAX facility by August, two sources said, as it tries to expand inoculations to prevent another surge in infections. COVAX, led by the GAVI vaccine alliance and the World Health Organization (WHO), could ship the U.S.-made doses to India as early as this month, one of the sources aware of the discussions told Reuters.

"It's a donation through COVAX," said the source. Both sources declined to be named as the discussions are private. Pfizer and Moderna did not immediately reply to Reuters' e-mails seeking comment. GAVI and India's foreign ministry also did not reply to queries. India is the world's biggest producer of vaccines overall. It donated or sold more than

66 million doses of COVID-19 shots before a huge rise in infections forced it to divert all domestic output to inoculate its own people from April.

https://www.business-standard.com/article/current-affairs/india-expects-3-mn-4-mn-pfizer-moderna-vaccine-doses-by-august-report-121070701029_1.html

Over 2.19 Cr Covid vaccine doses sent to states from July's supply: Govt

Till Wednesday morning, over 2.19 crore Covid vaccine doses were sent to all the states from July's supply, the Union health ministry said. It said some media reports alleged that there was 32 per cent less vaccination in the last one week as compared to the week preceding it. In a statement, the ministry clarified that all the states and Union territories were informed well in advance about the doses that will be available in July, including the supply to private hospitals.

<https://economictimes.indiatimes.com/news/india/over-2-19-cr-covid-vaccine-doses-sent-to-states-from-julys-supply-govt/articleshow/84206593.cms>

COVID-19: Variants of Concern found in 174 districts

Variants of Concern of SARS-CoV2 have been found in 174 districts in 35 states and union territories in the country with the highest numbers in Maharashtra, Delhi, Punjab, Telangana, West Bengal and Gujarat, the Union health ministry said on Wednesday. The Variants of Concern (VOC) detected by the Indian SARS-CoV-2 Genomics Consortium (INSACOG) in community samples are Alpha, Beta, Gamma and Delta. B.1.617.2.1 (AY.1) or commonly known as Delta Plus variant which signifies Delta variant with an additional mutation.

<https://economictimes.indiatimes.com/news/india/covid-19-variants-of-concern-found-in-174-districts/articleshow/84205133.cms>

Lambda variant of COVID-19 not reported in India so far: Sources

The lambda variant of COVID-19 has not been reported in India so far, sources said on Wednesday. Speaking to ANI, Dr Pragya Yadav, head of the National Institute of Virology's Maximum Containment Facility, "Lambda variant has been detected in 30 countries. Lambda variant was first reported from Peru, in December 2020. The number of cases reported from this variant is increasing in different countries, indicating it to be highly transmissible. A recent study revealed that the lambda variant is susceptible to mRNA vaccine-elicited antibodies and convalescent serum was able to neutralize the lambda variant." Notably, the lambda variant has been designated as a 'Variant of Interest' by the World Health Organisation (WHO).

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/lambda-variant-of-covid-19-not-reported-in-india-so-far-sources/articleshow/84203867.cms>

External

Piyush Goyal pitches for Indo-Pacific wide services trade agreement

Commerce and Industry Minister Piyush Goyal on Wednesday called for a services trade agreement among friendly nations of the Indo-Pacific region as it can help liberalise domestic regulations and build capacity in sectors like e-commerce and IT.

Speaking at special plenary with the trade ministers of the Indo-Pacific region, Goyal said India's trade with select Indo-Pacific economies increased to USD 262 billion in 2020 from USD 33 billion in 2001. However, he said, non-tariff measures act as major trade barriers in the region.

"Given the prospects of services trade, an Indo-Pacific wide services trade agreement should also be considered amongst friendly nations. It can help liberalise domestic regulations and build capacity on e-commerce and IT-enabled services and other areas such as Artificial Intelligence," he said.

https://www.business-standard.com/article/economy-policy/piyush-goyal-pitches-for-indo-pacific-wide-services-trade-agreement-121070701002_1.html

Inflation, Covid-19 and debt top central bank worries: UBS survey

Inflation has emerged as one of the top concerns for central bank reserve managers, alongside a failure to end the COVID-19 crisis and soaring debt levels, showed the results of a UBS survey released on Wednesday. Fears about inflation and uncontrolled rises in long-term yields, a risk not flagged by participants at all in last year's Annual

Reserve Manager Survey, were raised by 57% of respondents this year as a main risk to the global economy. Failure to end the pandemic was cited as a worry by 79% of respondents, with 71% flagging government debt levels. Reflecting angst about the gravity of COVID-19, half of participants in the survey believe the virus will be over only after 2022. Reserve managers from close to 30 global central banks responded to the survey, conducted during April and June.

https://www.business-standard.com/article/economy-policy/inflation-covid-19-and-debt-top-central-bank-worries-ubs-survey-121070700441_1.html

Cheaper wheat begins replacing corn as feed in India, S-E Asia

With corn (maize) prices ruling higher than wheat for the first time in a decade, demand for the latter has increased in the domestic and export markets, according to trade and industry experts.

<https://www.thehindubusinessline.com/economy/agri-business/cheaper-wheat-begins-replacing-corn-as-feed-in-india-s-e-asia/article35187279.ece>

GI certified Bhalia wheat from Gujarat shipped to Kenya, Lanka

The first shipment of Geographical Indication (GI) certified Bhalia variety of wheat was exported on Wednesday to Kenya and Sri Lanka from Gujarat.

<https://www.thehindubusinessline.com/markets/commodities/gi-certified-bhalia-wheat-from-gujarat-shipped-to-kenya-lanka/article35196175.ece>

Global vaccine alliance GAVI hopes India will resume exports in July quarter

The GAVI vaccine alliance hopes the Serum Institute of India (SII) will resume exports of the AstraZeneca COVID-19 vaccine from this quarter, it told Reuters, which would be earlier than an "end of this year" forecast by the Indian company. GAVI co-leads the COVAX facility for equitable distribution of COVID-19 shots around the world. COVAX suffered a big jolt in April when big vaccine producer India stopped all overseas shipments to meet local demand as infections rose dramatically.

<https://economictimes.indiatimes.com/news/india/global-vaccine-alliance-gavi-hopes-india-will-resume-exports-in-july-quarter/articleshow/84196443.cms>

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