



October 11, 2021 – Monday

Key Developments

Air India sale: Govt to issue LoI to Tata Group on Monday; purchase pact likely soon

The government will issue a letter of intent by Monday to the Tata Group that successfully bid for Air India, and a share purchase agreement (SPA) is likely to be signed next week, Department of Investment and Public Asset Management (DIPAM) secretary Tuhin Kanta Pandey told ET, swiftly moving the sale process forward. Furthermore, financial bids for Pawan Hans, Bharat Petroleum, BEML, Shipping Corporation of India and Neelachal Ispat Nigam Ltd will be invited soon, he said.

<https://economictimes.indiatimes.com/news/economy/policy/air-india-sale-govt-to-issue-loi-to-tata-group-on-monday-purchase-pact-likely-soon/articleshow/86905440.cms>

Govt initiates process for filling posts of independent directors in PSBs, FIs

The government has initiated the process of filling about 100 vacancies of independent directors in public sector banks and financial institutions to meet regulatory norms of corporate governance. There have been vacancies at the independent director level across the public sector space leading to regulatory non-compliance, sources said. As per the Companies Act 2013, every listed public company shall have at least one-third of the total number of directors as independent directors. Since many listed public sector banks (PSBs) and some financial institutions (FIs) are short of mandated number of directors, it is in violation of Companies Act as well as listing norms of market regulator Securities and Exchange Board of India, sources said.

<https://economictimes.indiatimes.com/news/economy/policy/govt-initiates-process-for-filling-posts-of-independent-directors-in-psbs-fis/articleshow/86909778.cms>

Economy

Work to monetise Alliance Air, 3 other Air India subsidiaries to start now: DIPAM Secretary

After the historic Air India privatisation, the government will now start work on monetising its four other subsidiaries, including Alliance Air, and over Rs 14,700 crore worth non-core assets like land and building, DIPAM Secretary Tuhin Kanta Pandey said. The government on October 8 had announced that salt-to-software conglomerate Tatas have won the bid to acquire debt-laden national carrier Air India for Rs 18,000 crore. This includes a cash payment of Rs 2,700 crore and taking over Rs 15,300 crore debt. The deal, which is expected to be completed by December-end, also includes sale of Air India Express and ground handling arm AISATS.

<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/work-to-monetise-alliance-air-3-other-air-india-subsidiaries-to-start-now-dipam-secretary/articleshow/86909752.cms>

Banking and Finance

FY22 credit growth turns positive first-time ever

Credit growth turned positive year-to-date (YTD) at 0.1 per cent in September for the first time in 2021-22 (FY22), reflecting gradual pick-up in demand. According to the Reserve Bank of India (RBI) data, bank lending rose Rs 7,283 crore till September 24, against a contraction of 1 per cent (or Rs 99,280 crore) on a YTD basis in the same period last fiscal year (2020-21). Outstanding bank credit stood at Rs 109.56 trillion as on September 24. What stands out this time around is that positive growth happened despite a more debilitating impact of the second wave of the Covid-19 pandemic. In a normal year, YTD growth in bank credit turns positive in August-September, ahead of the busy season in the second half which starts in October. In 2019, YTD growth had moved into positive territory in early October.

https://www.business-standard.com/article/finance/fy22-credit-growth-turns-positive-first-time-ever-121101000853_1.html

RBI Survey: CCI for September clocks 57.7, up from 48.6 in July

The consumer confidence index (CCI), based on current perception compared with one year ago, for September 2021 improved to 57.7 vis-a-vis 48.6 in July 2021, as per Reserve Bank of India's Consumer Confidence Survey. This reflects lower pessimism of consumers on the prevailing general economic situation, employment scenario as well as household income and expenditure, RBI said.

<https://www.thehindubusinessline.com/economy/rbi-survey-cci-for-september-clocks-577-up-from-486-in-july/article36927233.ece?homepage=true>

Borrowers hasten plans to raise bonds after RBI's steps to cut easy money

Companies are rushing to raise bond funds after the Reserve Bank of India took steps to cut easy money in its bi-monthly policy last week, resulting in an uptick in rates. Companies including Indian Railways Finance Corporation, State Bank of India, Punjab National Bank and IndusInd Bank are likely to raise about Rs 15,000 crore in one or two weeks, market sources told ET. Indian Railways Finance is aiming to raise about Rs 5,000 crore. It is already in talks with the Employees' Provident Fund Organisation (EPFO) and is also set to hold discussions with potential investors this week.

<https://economictimes.indiatimes.com/news/economy/policy/borrowers-hasten-plans-to-raise-bonds-after-rbis-steps-to-cut-easy-money/articleshow/86915554.cms>

RBI's decision to supersede boards of Srei group cos will prevent domino effect: Experts

Reserve Bank's decision to supersede the boards of the crisis-ridden financial outfits of the SREI Group will safeguard the interest of stakeholders and prevent a domino effect on the system, said experts. RBI had last week superseded the boards of Srei Infrastructure Finance Limited (SIFL) and Srei Equipment Finance Limited (SEFL) for their failure to repay debts. The National Company Law Tribunal (NCLT) on Friday admitted the insolvency pleas moved by banking sector regulator RBI against the two Srei Group firms and appointed an administrator to run the companies. "Lenders want a DHFL kind of resolution where there will be an opportunity for strategic global investors or domestic investors to buy the assets at a good price," said Deepak Jasani, Head of Retail Research, HDFC Securities.

<https://economictimes.indiatimes.com/industry/banking/finance/rbis-decision-to-supersede-boards-of-seri-group-cos-will-prevent-domino-effect-experts/articleshow/86910403.cms>

IPO rush: Indian companies garner \$9.7 bn via IPOs in Jan-Sep; proceeds highest for 9-month period in 20 years

Bolstered by bullish investor sentiments, India witnessed companies mopping up a whopping USD 9.7 billion through initial share sales in the first nine months of 2021, the highest amount for the nine-month period in two decades, says a report. As many as 72 initial public offerings (IPOs) hit the stock market during the January-September period this year in India and strong sentiments were visible in the global markets as well, according to leading consultancy EY. EY, in its latest report, said the global IPO market continued to boom through Q3 2021 resulting in the most active third quarter by deal numbers and proceeds in the last 20 years. "In India, total proceeds in YTD 2021 are USD 9.7 billion via 72 IPOs also being the highest first nine months proceeds in the last 20 years," it said. For the nine-month period, India saw the highest number of 130 IPOs in 2018.

<https://www.financialexpress.com/market/indian-cos-garner-usd-9-7-bln-via-ipos-in-jan-sep-proceeds-highest-for-9-mth-period-in-20-yrs/2347321/>

Industry

Rural consumption takes pole position in second quarter

Small towns and villages outpaced cities and drove demand for consumer goods - from daily groceries to electronics - during the quarter gone by, helped by reverse migration and limited supply chain disruptions in the hinterland. In the fast moving consumer goods market, rural consumption expanded 58% year on year, twice the rate of urban consumption, which grew 28% during the quarter ended September, according to the latest report by Bizom, a sales automation firm that transacts with 7.5 million retail stores. To be fair, the overall market has recovered sharply with the quarter seeing a 46% growth in total sales by value.

https://economictimes.indiatimes.com/industry/cons-products/fmcg/rural-consumption-takes-pole-position-in-second-quarter/articleshow/86926701.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

India Inc's revenue likely grew 18-20% on-year to Rs 8.2 trn in 2nd quarter

Higher commodity prices and continued revival in demand for consumer discretionary products likely lifted corporate revenue 18-20 per cent on-year to Rs 8.2 lakh crore in the second quarter of this fiscal, indicates a CRISIL Research study of 300 companies (excluding from the financial services and oil sectors) that account for 55-60 per cent of the market capitalisation of the National Stock Exchange. Revenue from consumer discretionary products such as automobiles likely spurted 19-21 per cent on-year, aided by higher realisations and volume. Construction-linked sectors are estimated to have grown 22-25 per cent on-year, benefiting from the low-base effect of last fiscal. Overall revenue growth would be primarily supported by price hikes driven by costlier commodities. On-year volume growth would be mostly in single digit across key segments except commercial vehicles. To be sure, growth momentum would have slowed compared with the 47 per cent on-year increase seen in the first quarter.

https://www.business-standard.com/article/companies/india-inc-s-revenue-likely-grew-18-20-on-year-to-rs-8-2-trn-in-2nd-quarter-121101000352_1.html

Luxury hotels lead industry's faster than expected recovery post Covid

The hotel industry demand has recovered at a sharper pace post Covid 2.0 than it did after last year's lockdown. Occupancies and average room rates (ARRs) have seen a substantial jump, especially in luxury hotels and resort destinations, where they have breached pre-Covid levels. An ICRA report has pointed out that the recovery was hastened by the easing of restrictions in Q2 FY2022. The ratings agency, though, did not change its negative outlook on the industry because it remains to be seen if the demand pickup can be sustained. A potential third wave and its impact on travel and hotel occupancies cannot be ruled out, according to the report. The partial lockdown as well as travel restrictions in a number of states in April-May 2021 post the onset of Covid 2.0 resulted in the ICRA sample of companies reporting a 56 per cent decline in revenues on a QoQ basis, in line with the ratings agency's estimates. The revenues of these companies, though, are likely to improve by 85-90 per cent sequentially in Q2 FY2022, the ICRA report said.

https://www.business-standard.com/article/economy-policy/luxury-hotels-lead-industry-s-faster-than-expected-recovery-post-covid-121101000438_1.html

Agriculture

Soyabean output may rise 14% to 11.9 mn tn this year: SOPA

Soyabean production is estimated to rise by 14 per cent to nearly 119 lakh tonnes this year on higher sowing area and likely improvement in productivity, according to industry body SOPA. In its estimate released on Sunday, Indore-based Soyabean Processors Association of India (SOPA) said that the total area under soybean for the year 2021 is 119.984 lakh hectares. The government's area estimate is 123.677 lakh hectares. In last year's Kharif (summer sow) season, total soyabean acreage stood at 118.383 lakh hectare. "Estimated total production of soybean crop for all India for the year 2021 is 118.889 lakh tons, which is higher by 14.337 lakh tons (13.71 per cent) as compared to last year," SOPA said. The production stood at 104.55 lakh tonnes last year. "The average yield for the year 2021 is estimated as 991 kg per hectare as against 883 kg per hectare during the year 2020," the association said.

https://www.business-standard.com/article/economy-policy/soyabean-output-may-rise-14-to-11-9-mn-tn-this-year-sopa-121101000770_1.html

APEDA launches initiatives to popularise agricultural produce from Jammu, Kashmir and Ladakh

The Agricultural and Processed Food Products Export Development Authority (APEDA) has begun a few initiatives to popularise some of the exclusive agricultural products from the union territories of Jammu, Kashmir and Lakadh such as the fragrant rice variety *Mushkbudji*, Acacia honey and Kashmir valley apples. Already, commercial shipments of Ladakh Halman apricots from Leh to Dubai have begun for the first time during August-September, with the exports being handled by local entrepreneurs from Kargil.

<https://www.thehindubusinessline.com/economy/agri-business/apeda-launches-initiatives-to-popularise-agricultural-produce-from-jammu-kashmir-and-ladakh/article36915769.ece>

Infrastructure

PM Modi will launch National Infrastructure Masterplan on Wednesday

Prime Minister Narendra Modi will on Wednesday launch the digital platform for the first ever National Infrastructure Masterplan, through which the entire network of projects - from roads and railways to telecom networks and gas pipelines - until 2020, with plans up to 2024-25, will be laid out. The Centre has also approached state governments, inviting them to join the platform by providing information and data on projects to improve synergy. States have also been invited to the launch and workshops planned after the event to explain the way the platform will work.

<https://economictimes.indiatimes.com/news/economy/infrastructure/pm-modi-to-launch-national-infrastructure-masterplan-on-wednesday/articleshow/86905299.cms>

CIDCO extends COVID-19 warriors special housing scheme's deadline for second time

Maharashtra's town planning authority, the City and Industrial Development Corporation (CIDCO), has granted an extension for its recently announced special housing scheme for Covid-19 warriors and uniformed personnel. The extension accorded to the scheme up to October 21, based on the requests of the applicants, is expected to offer more time to prospective applicants to complete the financing process. The move is also aimed at providing the applicants more time to collect and submit all the necessary documents that are required for the application process.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/cidco-extends-covid-19-warriors-special-housing-schemes-deadline-for-second-time/articleshow/86915774.cms>

South Central Railway runs two long haul freight trains to save time, costs, congestion

Indian Railways successfully operated two long haul freight trains, Trishul and Garuda, for the first time over South Central Railway (SCR) comprising empty open wagons for loading of coal meant for predominantly thermal power stations.

<https://www.thehindubusinessline.com/economy/logistics/south-central-railway-runs-two-long-haul-freight-trains-to-save-time-costs-congestion/article36928222.ece?homepage=true>

Telecom

Telecom secretary asks C-DoT to work on 6G, launches Quantum Communication Lab

Telecom Secretary K Rajaraman has asked state-owned telecom research and development organisation C-DoT to start working on 6G and other futuristic technologies in order to catch up with the global market in time, a statement said on Sunday. Samsung, Huawei, LG and some other companies have started working on 6G technologies which is said to be 50 times faster than 5G and is expected to be commercially launched between 2028-2030.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telecom-secretary-asks-c-dot-to-work-on-6g-launches-quantum-communication-lab/articleshow/86910729.cms>

Discoms' outstanding dues to genscos rise 3.3% to Rs 1,16,127 crore in October

Total outstanding dues owed by electricity distribution companies (discoms) to power producers rose 3.3 per cent year-on-year to Rs 1,16,127 crore in October. Discoms owed a total of Rs 1,12,384 crore to power generation firms in October 2020, according to portal PRAAPTI (Payment Ratification And Analysis in Power procurement for bringing Transparency in Invoicing of generators). Total dues in October 2021 also increased sequentially compared to Rs

1,12,815 crore in September this year. The PRAAPTI portal was launched in May 2018 to bring in transparency in power purchase transactions between generators and discoms.

https://economictimes.indiatimes.com/industry/energy/power/discoms-outstanding-dues-to-gencos-rise-3-3-to-rs-116127-crore-in-october/articleshow/86908017.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

Energy

Daily coal supply to power plants improves

Daily despatch of coal to power plants has exceeded consumption, which will result in gradual improvement in stock position, power and renewable minister R K Singh said on Sunday. Coal minister Pralhad Joshi said any fear of disruption in power supply due to coal shortage is entirely misplaced. Singh reviewed the coal stock position in all thermal power plants including those plants which are supplying power to distribution companies of Delhi. On Saturday, the total despatch of coal from all sources (Coal India Limited, Singareni Collieries Company, Captive Coal Mines and imported coal) was 1.92 million tonnes while the total consumption was 1.87 million tonnes, an official statement issued by the power ministry said.

<https://economictimes.indiatimes.com/industry/energy/power/daily-coal-supply-to-power-plants-improves/articleshow/86911455.cms>

Power consumption moderates by 72 million unit on Saturday amid coal shortage

Power consumption dipped by nearly 2 per cent or by 72 million units (MU) to 3,828 MU on Saturday compared to 3,900 MU on Friday, showing slight improvement in the supply situation across the country amid the coal shortage crisis, according to the power ministry data. According to the data, the power consumption of 3,900 MU on Friday or October 8 was the highest this month so far (from October 1 to 9), which also became a cause of concern among the ongoing coal shortage crisis in the country.

<https://economictimes.indiatimes.com/industry/energy/power/coal-crisis-power-consumption-moderates-by-72-million-units-on-saturday/articleshow/86911279.cms>

EV charging stations, CNG outlet at petrol pumps before petrol sales: Govt

India's new liberalised petrol pump licensing norms allow setting up of EV charging stations and CNG outlets even before the start of petrol and diesel sales, the government has stated. The Ministry of Petroleum and Natural Gas in a clarification to its November 8, 2019 order that eased norms for setting up of petrol pumps by new entities, said the order provides for petrol pumps selling one new generation alternate fuels like CNG, LNG or electric vehicle charging points alongside retailing petrol and diesel, but does not prescribe an order of them being set up. "While an authorised entity is required to set up its retail outlets for petrol and diesel... the said entity is required to install facilities for at least one new generation alternate fuels like CNG, biofuels, LNG, electric vehicle charging points etc at the proposed retail outlets," the ministry said in an October 5 notice.

<https://economictimes.indiatimes.com/industry/renewables/ev-charging-stations-cng-outlet-at-petrol-pumps-before-petrol-sales-govt/articleshow/86910195.cms>

Need to boost biofuel production to reduce dependence on import of crude oil and fuel gases: Nitin Gadkari

Union minister Nitin Gadkari on Sunday stressed the need to enhance the production of biofuel in the country by using the stubble of certain crops to reduce the dependence on the import of crude oil and fuel gases and said he had converted his tractor into a CNG vehicle. Gadkari virtually addressed the International Soy Conclave organised by the Soyabean Processors Association of India (SOPA) in Madhya Pradesh. "I have converted my (diesel-run) tractor into a CNG-powered vehicle. We should encourage the production of bio CNG and bio LNG using the stubble of crops like soybean, wheat, paddy, cotton etc. to reduce the dependence on imports of crude oil and fuel gases. This will generate additional income for farmers," the Road Transport and Highways Minister said.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/need-to-boost-biofuel-production-to-reduce-dependence-on-import-of-crude-oil-and-fuel-gases-nitin-gadkari/articleshow/86915001.cms>

States

Power cuts in Punjab to remain till Oct 13, plants operate at 50% capacity

Power supply situation continued to remain grim in Punjab with the state-owned utility PSPCL on Sunday saying up to three-hour daily power cut will remain in the state till October 13. Severe coal shortage has forced the Punjab State Power Corporation Limited to cut down power generation and impose load shedding. Because of depleted coal stock, the coal-fired power plants are operating at less than 50 per cent of their generation capacity, said officials. While the private power thermal plants have coal stock of up to 1.5 day and the state-owned units have coal for up to four days, said officials on Sunday. PSPCL Chairman and Managing Director A Venuprasad said the power utility was facing acute coal shortage in all of the coal-based plants situated across the state.

https://www.business-standard.com/article/current-affairs/power-cuts-in-punjab-to-remain-till-oct-13-plants-operate-at-50-capacity-121101000835_1.html

TN constitutes IT/ITeS advisory council

The Tamil Nadu government has constituted an Advisory Council comprising of eminent personalities in the IT/ITeS sector to improve State's readiness to adopt new technologies in IT/ITeS sector such as Future – IT, Emerging and Deep Technologies and to advise the Tamil Nadu's IT Department and the State leadership, said a tweet by Elcot.

<https://www.thehindubusinessline.com/news/tn-constitutes-itites-advisory-council/article36925317.ece>

Kerala government revamps incentive scheme for coastal shipping

The Kerala government has approved a revised coastal shipping incentive scheme on loaded containers moving between Kochi and non-major ports in the State. The incentive on freight will now be disbursed according to a rate chart fixed for various routes. It was originally fixed at 10 per cent above the road transportation costs. The scheme will be applicable to loaded containers shipped between the International Container Transhipment Terminal (ICTT) at Vallarpadam in Cochin Port Trust and non-major ports in the State such as Kollam, Beypore and Azhikkal.

<https://www.thehindubusinessline.com/economy/logistics/kerala-government-revamps-incentive-scheme-for-coastal-shipping/article36928992.ece>

Healthcare

Cumulative COVID-19 vaccine doses given in India surpass 95 crore mark

The cumulative COVID-19 vaccine doses administered in the country surpassed the 95-crore mark on Sunday, the Union Health Ministry said. More than 44 lakh vaccine doses have been administered till 7 pm, according to the data from the Co-WIN portal. The daily vaccination tally is expected to increase with the compilation of the final reports for the day by late night. The countrywide vaccination drive was rolled out on January 16 with healthcare workers (HCWs) getting inoculated in the first phase. The vaccination of frontline workers (FLWs) started from February 2.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/cumulative-covid-19-vaccine-doses-given-in-india-surpass-95-crore-mark/articleshow/86914679.cms>

External

Centre imposes stock limits on edible oils to soften prices in domestic market

The Centre on Sunday imposed stock limits on traders of edible oils and oilseeds, barring importers and exporters, till March 31, in a bid to check rising domestic prices and give relief to consumers. Already, futures trading in mustard oil on NCDEX platform has been suspended from October 8, it said. Edible oil prices in the domestic retail markets have shot up sharply by up to 46.15 per cent in the last one year due to global factors and local tight supply situation, as per government data.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/centre-imposes-stock-limits-on-edible-oils-to-soften-prices-in-domestic-market/articleshow/86911072.cms>

Aggressive marketing, timely roll out of FTAs to help exports touch \$500 billion: Exporters

Aggressive marketing of products, timely implementation of free trade agreements that are under negotiations and affordable credit to MSME players would help in taking the country's merchandise exports to USD 500 billion in the next financial year, according to exporters. Commerce and Industry Minister Piyush Goyal in a meeting with export promotion councils stated that the country's exports are growing at a healthy rate and now exporters can aim for USD 450-500 billion of outbound shipments during the next fiscal year. Exporters also suggested exploiting the potential of e-commerce for inclusive exports and increasing its base by bringing new start ups, artisans, weavers in exports. "The target of USD 450-500 billion for merchandise exports is quite pragmatic. Since the base of exports will now be sizable, we have no scope to be less than aggressive," Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/aggressive-marketing-timely-roll-out-of-ftas-to-help-exports-touch-500-billion-exporters/articleshow/86911390.cms>

Government may defer duty on solar gear imports, extend project deadlines

The government is mulling delaying the imposition of customs duty on imported solar equipment or allowing extension of deadline for completion of domestic solar projects which are facing supply uncertainties from vendors in China, power and renewable energy minister RK Singh told ET. "We have received a demand saying there is this problem (Chinese companies delaying supplies by invoking force majeure). Of course, my orientation is 'buy Indian'. But there are no sufficient stocks to buy Indian," Singh told ET in an exclusive interview. "So we are mulling over either timeline extension or duty extension. We haven't taken any view."

https://economictimes.indiatimes.com/news/economy/policy/government-may-defer-duty-on-solar-gear-imports-extend-project-deadlines/articleshow/86920848.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

India resumes 2018 agreement permitting visa-free travel for Maldivians

Maldives Foreign Minister Abdulla Shahid on Sunday said he is delighted that India has agreed to resume the 2018 Dec Visa Exemption Agreement between the two countries, under which no visa will be required for Maldivians travelling to India. The 2018 Dec Visa Exemption Agreement between the Maldives and India was temporarily suspended due to the COVID-19 border closure. Taking to Twitter, Shahid informed that from mid-October the Maldivian nationals will be exempt from visa requirements for tourists, medical and business purposes. "Delighted that India has agreed to resume the 2018 Dec Visa Exemption Agreement between the Maldives & India, which was temporarily suspended due to COVID-19 border closure. From 15 Oct 2021, Maldivian Nationals will be exempt of visa requirements for tourists, medical & business purposes," Shahid tweeted.

https://www.business-standard.com/article/international/india-resumes-2018-agreement-permitting-visa-free-travel-for-maldivians-121101000623_1.html



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