



February 14, 2022 – Monday

Key Developments

Govt files draft papers with Sebi for LIC IPO, says DIPAM secretary

Setting the stage for the country's biggest ever public offering, Life Insurance Corporation on Sunday filed draft papers with capital market regulator Sebi for the sale of 5 per cent stake by the government for an estimated Rs 63,000 crore. The initial public offering of over 31.6 crore shares or 5 per cent government stake is likely to hit the D-street in March and employees and policy holders of the insurance behemoth would get a discount over the floor price. According to the draft red herring prospectus, LIC's embedded value, which is a measure of the consolidated shareholders value in an insurance company, has been pegged at about Rs 5.4 lakh crore as of September 30, 2021, by international actuarial firm Milliman Advisors.

https://www.business-standard.com/article/markets/govt-files-draft-papers-with-sebi-for-lic-ipo-says-dipam-secretary-122021300744_1.html

Economy

Government to tighten MGNREGA scheme to plug 'tremendous leakages'

The government is working to tighten the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme as "tremendous leakages" have been noticed in the flagship rural jobs programme for the past two years, a top official said. The Centre has allocated Rs 73,000 crore for 2022-23, which is 25 per cent lower than the Rs 98,000 crore provided in the revised estimate (RE) for the current fiscal. The allocation for the next fiscal is same as was budget estimate (BE) for the current fiscal, which will end in March 2022. The official said in the last two years, the RE has been higher than the BE significantly and it has been noticed that tremendous leakages are going on and middlemen are taking money for enrolling names of beneficiaries under the scheme.

https://www.business-standard.com/article/economy-policy/government-to-tighten-mgnrega-scheme-to-plug-tremendous-leakages-122021300376_1.html

Supply of fortified rice through fair price shops across country by 2023: Ashwini Kumar Choubey

As part of its efforts to ensure nutrient-rich food, the government would start distribution of fortified rice through fair price shops all over the country by 2023, Minister of State for Consumer Affairs, Food and Public Distribution Ashwini Kumar Choubey said here on Sunday. The Minister said the fortified rice is already being distributed through Integrated Child Development Services and Mid-Day Meal scheme and that such rice would be made available at all ration shops.

<https://www.financialexpress.com/economy/supply-of-fortified-rice-through-fair-price-shops-across-country-by-2023-ashwini-kumar-choubey/2432756/>

Indians are again spending on electronic goods

In what industry executives consider a sign of buoyant recovery in discretionary consumer spending post Covid-19 outbreak, the country's overall consumer electronics and appliances market from smartphones to washing machines to wearable accessories grew 9% in calendar 2021 against pre-pandemic 2019. The growth is driven by consumers

increasingly opting for premium products despite the overall inflationary environment, price increase in all categories, and work from home due to restrictions for almost two quarters last year, industry executives said. https://economictimes.indiatimes.com/industry/cons-products/electronics/indians-are-again-spending-on-electronic-goods/articleshow/89555062.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

India's blueprint to be a \$40 trn powerhouse by 2047 will be ready this week

The sectoral groups of secretaries on Vision India @2047 will present their plans to the cabinet secretary later this week and share their strategies to make India a leading player across products and services by the country's 100th year of Independence. The government has already held industry consultations to set goals for 2024, 2030 and 2047 and identify focal points in technology, sunrise and futuristic areas. "The groups will present their plans to the cabinet secretary this week. One group has suggested ways of making India a \$40 trillion economy by 2047," said a government official.

<https://economictimes.indiatimes.com/news/economy/policy/indias-blueprint-to-be-a-40-trn-powerhouse-by-2047-will-be-ready-this-week/articleshow/89554835.cms>

EPFO to take call on interest rate for 2021-22 in March meeting

EPFO's apex decision-making body Central Board of Trustee will take a call on interest rate on employees' provident fund deposits for 2021-22 in its meeting next month. "The Employees' Provident Fund Organisation (EPFO) CBT meeting will be held in Guwahati in March where proposal for interest rate for 2021-22 would be listed as it is end of the fiscal year," Union Labour Minister Bhupender Yadav told PTI when asked about EPF interest rate for 2021-22. Asked whether EPFO would maintain the 8.5 per cent interest rate for 2021-22 as decided for 2020-21, Yadav, who also heads the CBT, said the decision would be taken on the basis of income projection for the financial year. The 8.5 per cent interest rate on EPF deposits for 2020-21 was decided by the Central Board of Trustees (CBT) in March 2021.

https://www.business-standard.com/article/pf/epfo-to-take-call-on-interest-rate-for-2021-22-in-march-meeting-122021300238_1.html

Banking and Finance

Govt to soon appoint three independent directors on NaBFID board

The government is in the process of appointment of three independent directors on the board of newly-incorporated Rs 20,000 crore National Bank for Financing Infrastructure and Development (NaBFID), a move that will clear the decks for commencing of operation of the Development Finance Institution critical for infra financing. With the appointment of three independent directors, sources said, the formation of full board would be completed. In October last year, the government had appointed veteran banker K V Kamath as the Chairperson of the NaBFID for three years. It also appointed two government nominee directors on the board. The Development Finance Institution (DFI) has been set up with a view to support the development of long-term non-recourse infrastructure financing in India, including development of the bonds and derivatives markets necessary for infrastructure financing and to carry on the business of financing infrastructure.

https://www.business-standard.com/article/finance/govt-to-soon-appoint-three-independent-directors-on-nabfid-board-122021300285_1.html

Non-financial debt jumps 11.9% to Rs 371 trillion in Sept quarter: Report

Led by the general government debt, the country's non-financial sector debt grew 11.9 per cent year-on-year to Rs 371 lakh crore (Rs 371 trillion), or 170.2 per cent of GDP, in the September 2021 quarter, even as the indebtedness of the households declined marginally, according to a report.

However, this is lower than the previous fiscal, when it had touched 180.2 per cent of GDP after a three per cent contraction in the nominal GDP during FY21, according to the report by Motilal Oswal Financial Services.

At 180.2 per cent of GDP in FY21, this was the peak as against 155 per cent in FY20. Also, the debt-to-gross domestic product (GDP) ratio contracted to 170.2 per cent of GDP in the June 2021 quarter, with the normalisation of nominal GDP, which grew at 14.7 per cent.

https://www.business-standard.com/article/economy-policy/non-financial-debt-jumps-11-9-to-rs-371-trillion-in-sept-quarter-report-122021300316_1.html

Industry

Only 17% of 70 lakh MSMEs registered on Udyam portal owned by women: Govt data

Only 17 per cent of nearly 70 lakh MSME registrations on the new Udyam portal were of women-led micro, small and medium enterprises (MSMEs) in the country, according to the official data. As of February 2, 2022, 69,46,895 MSMEs had registered on the Udyam portal that was launched on July 1, 2020, after the government revised the MSME definition, as per the data shared by the MSME Minister Narayan Rane in Lok Sabha on Thursday. The number of women-led MSMEs registered on the Udyam portal stood at 11,99,989 as of February 2.

<https://www.financialexpress.com/industry/sme/msme-eodb-only-17-of-70-lakh-msmes-registered-on-udyam-portal-owned-by-women-govt-data/2432604/>

Business hotels start seeing signs of recovery after protracted lull

Encouraged by a steady recovery seen in the first two weeks of February, hospitality firms expect the business hotels in metros including Mumbai, Bengaluru, Chennai, Kolkata and Hyderabad that have been lagging the leisure hotels in terms of revenue per available room (RevPar) to catch up in the coming months. Huge pent-up demand for MICE (meetings, incentives, conference and exhibitions) as companies slowly return to hosting physical events coupled with easing of the recently announced restrictions on international travel, will also help in getting closer to pre-Covid levels of revenue, they said. The Omicron wave that peaked in January had derailed the strong month-on-month recovery seen by the hotels since August. "We are seeing a promising and sharp recovery trend in hotel occupancy and business travel," said Sanjay Sethi, managing director and chief executive at Chalet Hotels. The K Raheja Group's hospitality arm is the asset owner of Marriott International brands in Mumbai Metropolitan Region, Pune Bengaluru and Hyderabad.

https://www.business-standard.com/article/companies/business-hotels-start-seeing-signs-of-recovery-after-protracted-lull-122021300548_1.html

Infrastructure

Centre sanctions over Rs 24 crore for dredging in Gomati river to boost Indo-Bangla waterway project: Official

The Centre has sanctioned over Rs 24 crore for dredging in Gomati, a transboundary river between India and Bangladesh, and setting up 10 jetties for a waterway project, an official said here on Sunday. Of the total 93-km proposed waterway from Sonamura in Tripura's Sepahijala district to Daudkandi in the neighbouring country, around 15.5-km stretch needs dredging to operationalise the route, he said. "The Ministry of Shipping has sanctioned Rs 24.53 crore to undertake dredging works in Gomati and construction of 10 floating jetties from Udaipur in Gomati district to Sonamura," state transport department principal secretary L Darlong said. Only 1.5-km stretch in India and 14-km in the neighbouring country are proposed to be dredged to improve navigability in the transboundary river, he said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/centre-sanctions-over-rs-24-crore-for-dredging-in-gomati-river-to-boost-indo-bangla-waterway-project-official/articleshow/89544399.cms>

New plan: Nagpur to Mumbai via bullet train in just 3.5 hours

The Indian Railways have proposed bullet train services between Nagpur and Mumbai, which will cover the approximately 766km distance in just three and a half hours, along the soon-to-be-ready Samruddhi Expressway. The train is expected to travel at the highest speed of 350km per hour. Currently, it takes a minimum of 12 hours to travel the same distance. Union minister of state for railways Raosaheb Danve on Saturday said the development project report (DPR) of the high-speed connectivity project would be ready by February-end. It will be prepared by the National High-Speed Rail Corporation Limited (NHSRCL).

<https://economictimes.indiatimes.com/industry/transportation/railways/new-plan-nagpur-to-mumbai-via-bullet-train-in-just-3-5-hours/articleshow/89546026.cms>

Telecom

Long-awaited 5G spectrum auction expected in April-May 2022: Official

The long-awaited 5G spectrum auction is expected to be held in May this year if the Telecom Regulatory Authority of India (Trai) submits by March its recommendations on the rules regarding the sale process, according to a senior official of the telecom department. Telecom Minister Ashwini Vaishnaw earlier this month said the Trai has informed that it will submit its recommendations for the 5G auction by March and the Department of Telecommunications (DoT) is simultaneously firming up other processes to hold the auction at the earliest. "Trai has indicated that they will send it (recommendations) by March. Thereafter, it will take us a month to make a decision around it," Telecom Secretary K Rajaraman told PTI.

https://www.business-standard.com/article/economy-policy/long-awaited-5g-spectrum-auction-expected-in-april-may-2022-official-122021300436_1.html

Energy

Coal crunch has been 'catastrophic' to non-power sector: Industry groups

Industry associations have written to Prime Minister Narendra Modi on deteriorating coal supply to the non-power sector, stating that curtailment in fuel supply by rail as well as road and road cum rail (RcR) modes over the last few weeks has pushed the sector towards a "catastrophic" situation. Moreover, fertiliser being part of the regulated sector is also suffering immensely due to supply crunch from the indigenous sources, they said in a joint representation. The associations include the Aluminium Association of India, Coal Consumers' Association of India, Confederation of Indian Textile Industry, Indian Captive Power Producers Association, Sponge Iron Manufacturers Association, and Fertiliser Association of India.

https://www.business-standard.com/article/economy-policy/coal-crunch-has-been-catastrophic-to-non-power-sector-industry-groups-122021300198_1.html

Healthcare

Healthcare service aggregators need greater supervision: Medical associations

Tele-consultations may have been a boon during the pandemic, but online aggregator platforms of healthcare services including Practo, Pristyn Care, MedFin, have come in for flak from some medical associations like the Bangalore Ophthalmic Society. The Society has cautioned doctor-members against associating with such platforms. It alleged that such platforms adopted unethical methods to gain patients by charging commissions, for example, which was in violation of The Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations Act, 2002. Many doctors, whom BusinessLine had spoken with, now call for greater regulatory supervision of this segment.

<https://www.thehindubusinessline.com/news/healthcare-service-aggregators-need-greater-supervision-medical-associations/article65045645.ece>

Over 70% children in 15-18 age group administered first dose of Covid vaccine: Union Health Minister Mansukh Mandaviya

Over 70 per cent of India's adolescents in the 15-18 age group have received the first dose of COVID-19 vaccine so far, Union Health Minister Mansukh Mandaviya said on Sunday. He also appealed to all those in this age group who are eligible for vaccination to get inoculated at the earliest. "Young India further strengthening the world's largest vaccination drive. Over 70% of our youngsters between 15-18 age group have received their 1st dose of COVID19 vaccine," Mandaviya said. "I appeal to all eligible young friends to get vaccinated at the earliest," he added.

<https://economictimes.indiatimes.com/news/india/over-70-children-in-15-18-age-group-administered-first-dose-of-covid-vaccine-union-health-minister-mansukh-mandaviya/articleshow/89544370.cms>

External

India cuts tax on crude palm oil imports to help consumers, refiner

India has cut its tax on crude palm oil (CPO) imports to 5% from 7.5%, the government said in a notification, as the world's biggest edible oil importer tries to rein in local prices of the commodity and help domestic refiners and consumers. The reduction in the tax, known as the Agriculture Infrastructure and Development Cess (AIDC), will widen the gap between the CPO and refined palm oil import duties, effectively making it cheaper for Indian refiners to import CPO, industry officials told Reuters.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-cuts-tax-on-crude-palm-oil-imports-to-help-consumers-refiner/articleshow/89556220.cms>

Centre restricts import of moong beans

The Centre has amended the import policy for moong beans, by moving it from 'free' to 'restricted' category with immediate effect. A notification issued by the Department of Commerce, dated February 11, said the import policy for moong is revised from 'Free' to 'Restricted' with immediate effect. Previously, the import of moong beans was allowed under the "free" category subject to the bill of lading being issued by 31st March 2022 and customs clearance by 30th June 2022.

<https://www.thehindubusinessline.com/economy/agri-business/centre-restricts-import-of-moong-beans/article65045313.ece>

India, Australia all set to open window to counter Chinese attempt to 'misuse' cyberspace

In a veiled reference to China and North Korea's alleged attempts to misuse cyberspace including hacking exercises, India and Australia have condemned attempts to use cyberspace and cyber-enabled technologies to undermine international peace and stability as they reaffirmed their commitment to an open, secure, free, peaceful and interoperable cyberspace and technologies that adhere to international law.

<https://economictimes.indiatimes.com/news/india/india-australia-all-set-to-open-window-to-counter-chinese-attempt-to-misuse-cyberspace/articleshow/89551589.cms>