



September 13, 2021 – Monday

Key Developments

Retro tax settlement: Government may issue rules this week

The government is likely to issue rules on settling retrospective tax cases this week after evaluating feedback from companies on the draft norms, a senior official said. The Centre is hopeful of a quick settlement of cases as the companies have indicated a willingness to indemnify the government against any future claims.

<https://economictimes.indiatimes.com/news/economy/policy/retro-tax-settlement-govt-may-issue-rules-this-week/articleshow/86153883.cms>

Govt exempts TDS and TCS on transfer of assets by Air India to SPV

The government has exempted taxes on transfer of assets by Air India to SPV Air India Assets Holding Ltd, a move aimed at facilitating strategic disinvestment of the national carrier. As a precursor to Air India sale, the government in 2019 had set up a special purpose vehicle Air India Assets Holding Ltd (AIAHL) for transfer of debt and non-core assets of the Air India group. In a set of notifications, the Central Board of Direct Taxes (CBDT) has said that no TDS shall be deducted under section 194Q in case of transfer of goods by Air India Ltd to AIAHL. Also, no TDS shall be deducted under section 194-IA of I-T Act on payments made to Air India for transfer of immovable property to AIAHL. The CBDT also said that Air India would not be considered as 'seller' for the purposes of deduction of TCS for with regard to transfer of goods by it to AIAHL. It said that transfer of capital asset under a plan approved by central government from Air India Ltd to AIAHL would not be regarded as transfer for the purpose of income tax.

https://www.business-standard.com/article/pti-stories/govt-exempts-tds-tcs-on-transfer-of-assets-by-air-india-to-spv-121091200393_1.html

Sebi notifies certification requirements for distributors, staff of PMS

Capital markets regulator Sebi has put in place certification requirements for associated persons engaged by portfolio managers as distributors or employees having decision-making authority related to fund management. These persons need to obtain certification from the National Institute of Securities Markets (NISM), the regulator said in two separate notifications dated September 7. The associated persons, engaged by a portfolio manager as a distributor of the PMS, and associated persons functioning as principal officers of a portfolio manager or an employee having decision-making authority related to fund management, will have to obtain certification from the NISM by passing the certification examination. The portfolio managers will have to ensure that that all associated persons who are distributors of the portfolio management services (PMS) and who are principal officers having decision-making authority related to fund management, as of September 7, 2021, obtain the certification within two years, Sebi said.

https://www.business-standard.com/article/markets/sebi-notifies-certification-requirements-for-distributors-staff-of-pms-121091200198_1.html

India's Covid-19 vaccination coverage crosses 740 million mark: Govt

India's COVID-19 vaccination coverage has crossed the 74 crore mark, the Union Ministry of Health said on Sunday. Taking to Twitter, the ministry shared a picture and said, "India marches ahead with another achievement in its fight against COVID-19. 74 crore Covid vaccine doses administered." The ministry shared this update after the 7 AM

provisional report stated that India's cumulative COVID-19 vaccination coverage has surpassed 73.82 crores, (73,82,07,378). With the administration of 72,86,883 vaccine doses in the last 24 hours, the country's COVID-19 vaccination coverage surpassed the cumulative figure of 73.82 Cr (73,82,07,378) as per provisional reports till 7 am today. This has been achieved through 75,25,766 sessions, the ministry informed in a press statement.

https://www.business-standard.com/article/current-affairs/india-s-covid-19-vaccination-coverage-crosses-740-million-mark-govt-121091200524_1.html

Economy

Q2 manufacturing outlook seen improving, cost of biz a worry: Ficci Survey

Even as cost of business remains a concern, the outlook for increased manufacturing activities in the July-September quarter of the current fiscal is expected to improve significantly, according to a survey by industry lobby group Federation of Indian Chambers of Commerce and Industry (Ficci).

"The percentage of respondents reporting higher production in the second quarter of 2021-22 (July-September) was much above the 50 per cent mark--around 61 per cent. This was significantly higher than the similar percentage of last year's Q2 quarter (around 24 per cent). The percentage of respondents expecting low or same production is 39 per cent in Q2 of 2021-22," the survey said. The outlook was subdued in the first quarter owing to the disruption caused by the second wave.

https://www.business-standard.com/article/economy-policy/q2-manufacturing-outlook-seen-improving-cost-of-biz-a-worry-ficci-survey-121091200617_1.html

Input tax credit in inverted tax structure: SC verdict may settle issue of refund

All eyes are on the Supreme Court as it is expected to pronounce judgment on Monday in the case of 14 petitions related to allowing Input Tax Credit (ITC) on input service in inverted tax structure under the Goods & Services Tax while computing refund. This ruling is critical for the industry, especially e-commerce companies, which are facing problems of blocked credit.

<https://www.thehindubusinessline.com/economy/sc-verdict-may-settle-issue-of-refund/article36420244.ece>

India expected to grow 10% during current fiscal: NCAER Director General

The Indian economy is expected to grow around 10 per cent during the current financial year on the likelihood of fewer COVID-19-linked supply disruptions and buoyancy in the global economy, said Poonam Gupta, director general of economic think-tank NCAER. The real challenge, however, would be to sustain a growth rate of 7-8 per cent in years to come, she said. "We could see annual growth in the ballpark range of about 10 per cent. The reasons for this perceived optimism are: fewer supply disruptions; increased pent-up demand in the traditional and contact-intensive services; and a buoyant global economy. "Even so, if two pandemic years are taken together, there would be a very small net growth. In other words, the economy at the end of 2021-22 would be only slightly larger than at the end of 2019-20," Gupta said.

https://www.business-standard.com/article/economy-policy/india-expected-to-grow-10-during-current-fiscal-ncaer-director-general-121091200297_1.html

Formal sector, administration raises tax kitty 29% in Apr-July from FY20

Direct and indirect tax collections are one of the rare parameters of the economy that have shown growth over the pre-Covid levels in the first four months of the current financial year. Total tax collections of the Centre before devolution to the states rose almost 29 per cent during April-July of 2021-22 over the corresponding period of 2019-20 (pre-Covid period).

Year-on-year, the collections grew by 83 per cent. This growth was misleading since it comes on a 30 per cent drop in tax mop-up a year earlier. The growth over even the pre-Covid period was attributed by experts to economic recovery, better performance of the organised sector at the expense of the unorganised sector in these Covid-hit times and improved tax administration and compliance rules.

https://www.business-standard.com/article/economy-policy/formal-sector-administration-raises-tax-kitty-29-in-apr-july-from-fy20-121091200462_1.html

Income Tax refunds worth Rs 70,120 crore issued till September 6

The Income Tax Department on Sunday said it has issued refunds of over Rs 70,120 crore till September 6 this year. Of this personal income tax refunds of Rs 16,753 crore have been issued in over 24.70 lakh cases and corporate tax refund of Rs 53,367 crore have been issued in 1.38 lakh cases.

"CBDT (Central Board of Direct Taxes) issues refunds of over Rs 70,120 crore to more than 26.09 lakh taxpayers between 1st April, 2021 to 6th September, 2021, the Income Tax Department tweeted.

https://www.business-standard.com/article/economy-policy/income-tax-refunds-worth-rs-70-120-crore-issued-till-september-6-121091200413_1.html

Sitharaman urges full vaccination for economy, industry to work normally

Finance minister Nirmala Sitharaman on Sunday batted for complete vaccination to bring the economy back on track and for the industry to work normally. The minister also urged more private sector participation in extending the reach of government schemes to rural India. Inaugurating the centenary celebrations of Tamilnad Mercantile Bank (TMB), the finance minister said, "Out of the 130 crore (1.3 billion) people, we have already given at least one dose of vaccine to around 73 crore (730 million). We have to wear masks even now. Once two doses are over, we believe that it will not be needed. For the economy, industry to work normally, vaccines are needed."

Sitharaman said it is because of the Emergency Credit Line Guarantee Scheme (ECGS) launched by the Centre that MSMEs were able to tide over the crisis and run their businesses. Under ECGS, loans of around Rs 2.73 trillion have been sanctioned out of the enhanced Rs 4.5 trillion limit so far. Of this, banks have so far disbursed around Rs 2.14 trillion.

https://www.business-standard.com/article/economy-policy/sitharaman-urges-full-vaccination-for-economy-industry-to-work-normally-121091200432_1.html

Govt to ensure tap water connection for every household by 2024: Shekhawat

Union minister for Jal Shakti Gajendra Singh Shekhawat said under the Jal Jeevan Mission, the Prime Minister Narendra Modi-led government is working to ensure that every household in the country has a piped water connection by 2024. Shekhawat was speaking to reporters here late on Saturday night as he arrived on a day-long visit to the district. When PM Modi announced the Jal Jeevan Mission on August 15, 2019, only 3,29,00,000 households out of 19 crore had tap water connections. Mothers and sisters in 83 per cent of the households had to fetch water, the minister said. Five crore tap water connections have been provided to households across states since the mission commenced in December 2019. The figure will soon cross 8 crore, he said.

As many as 1,10,000 villages have achieved 100 per cent success in providing tap connections to households, Shekhawat said.

https://www.business-standard.com/article/current-affairs/govt-to-ensure-tap-water-connection-for-every-household-by-2024-shekhawat-121091200604_1.html

Banking and Finance

Cabinet may take up amendments to PFRDA Act soon; Bill in Winter session

The Union Cabinet is likely to consider amendments to Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013 soon and a Bill in this respect may be introduced in the upcoming session of Parliament, sources said. The amendment Bill may contain provisions on separation of NPS Trust from PFRDA, hike in foreign direct investment (FDI) limit for the pension sector to 74 per cent from the existing 49 per cent, among others, sources said.

In March, Parliament approved a Bill to increase FDI limit in the insurance sector from 49 per cent to 74 per cent. The Insurance Act, 1938 was last amended in 2015 which raised FDI limit to 49 per cent, resulting in foreign capital inflow of Rs 26,000 crore in the last 5 years. With the amendment, sources said, powers, functions and duties of NPS Trust, which are currently laid down under PFRDA (National Pension System Trust) Regulations 2015, may come under a charitable Trust or the Companies Act.

https://www.business-standard.com/article/economy-policy/cabinet-may-take-up-amendments-to-pfrda-act-soon-bill-in-winter-session-121091200289_1.html

Relief for account holders at banks under moratorium

About Rs 10,000 crore of depositors' money in banks under Reserve Bank of India (RBI) moratorium — such as the Punjab and Maharashtra Cooperative (PMC) Bank and Guru Raghavendra Sahakara Bank — will be payable to eligible

customers by November end, under the recently-notified Deposit Insurance and Credit Guarantee Corporation (Amendment) Act.

"While banks are yet to finalise the eligible account holders, initial estimates suggest the total amount to be around Rs 10,000 crore," said a bank executive aware of the developments.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/relief-for-account-holders-at-banks-under-moratorium/articleshow/86153886.cms>

Exchanges plan ad blitz for festival crypto gold rush

In this festive season, crypto exchanges will woo users to invest in bitcoin as an alternative to gold. To tap into the festive season that began with Ganesh Chaturthi on Friday, Indian crypto exchanges are ramping up hiring, and planning product launches and large-scale advertising campaigns to add new retail investors. "Indian market is all about saving and spending and gifting during the festive season. Approached right, bitcoin and gift vouchers can be an interesting option for users to consider as more awareness activity is expected across the industry," said Sathvik Vishwanath, cofounder of Unocoin. "We are making our platform technically and operationally prepared for the festive season."

<https://economictimes.indiatimes.com/tech/technology/exchanges-plan-ad-blitz-for-festival-crypto-gold-rush/articleshow>

Maharashtra: Over 7 lakh farmers call insurance firms to inform about crop damages due to excessive rain

More than seven lakh farmers in Maharashtra have called up insurance companies during the current monsoon season to inform about crop damage due to excessive rainfall, officials said.

Representatives of crop insurance companies need to personally visit the farms and assess the damages, and based on their report, the farmers will get the insurance amount, they said. "A total of 2,56,985 were received till August 1 from farmers across Maharashtra intimating about extremely heavy rains that led to damage of crops. The number of such calls increased to 4,15,747 by September 1 and reached 5,53,491 on September 9. In last two days, the number of such calls reached over seven lakh," state agricultural commissioner's chief statistical officer Vinaykumar Awate told PTI.

<https://economictimes.indiatimes.com/news/economy/agriculture/maharashtra-over-7-lakh-farmers-call-insurance-firms-to-inform-about-crop-damages-due-to-excessive-rain/articleshow/86133700.cms>

Industry

Will follow challenge method to select states under MITRA: Official

The Textiles Ministry will follow a "challenge method" to select states for the proposed Mega Investment Textiles Parks (MITRA) scheme, under which seven parks will be set up in the country, a top government official has said. The scheme, which was announced in the Union Budget 2021-22, is at advanced stages of approval, Textiles Secretary U P Singh said. "We are expecting that in the next 15 days, we will get (cabinet) approval on the MITRA scheme," he told PTI. He said that there are more takers for the scheme as some states want two or three such parks and because of that "we will follow a challenge method to select states". Apart from 1,000 acre land for one such park, the ministry will look at some important things like nearby availability of raw material, all kinds of infrastructure including port, road and rail connectivity, water and power availability, and incentives of states among others.

States will have to apply for the scheme and "we will float expression of interest (EoI) kind of thing. We will seek documents as per a format and then we will do evaluation," Singh said. He added that a portal will also be developed for that. Textiles Minister Piyush Goyal had recently stated: "We need competition among states to capture business opportunities and we will see that competition in the MITRA scheme. We have to finalize 6-7 textile parks. States will have to commit for land, labour laws, infrastructure and power at attractive rates."

<https://www.financialexpress.com/economy/will-follow-challenge-method-to-select-states-under-mitra-official/2328590/>

Tractor exports hit historic high in August, but domestic volumes decline

The Indian tractor industry witnessed a mixed trend in August 2021. While exports hit a historic high and the total production stayed in over one lakh for the second consecutive month, domestic sales declined during the month.

<https://www.thehindubusinessline.com/companies/tractor-exports-hit-historic-high-in-august-but-domestic-volumes-decline/article36412965.ece?homepage=true>

India Inc is doling out higher increments, some even offering bigger hikes than in 2019

India Inc employers who have their appraisal cycle payouts in the June-August period have given out significantly higher increments to employees in 2021, compared to what they did last year during the first Covid-19 wave. For most such companies, including the RPG Group, Aditya Birla Group and Raymond, increments have gone back to pre-pandemic levels as the overall economy gathers steam. Some others have given even bigger hikes than in 2019 to make up for missed-out or negligible hikes in 2020.

<https://economictimes.indiatimes.com/news/company/corporate-trends/india-inc-is-doling-out-higher-increments/articleshow/86150486.cms>

Agriculture

Paddy continues to gain area as kharif sowing enters last phase

Paddy continues to gain area as farmers bring more zone under the main cereal crop as sowing enters the last leg of the kharif season 2021.

<https://www.thehindubusinessline.com/economy/agri-business/paddy-continues-to-gain-area-as-kharif-sowing-enters-last-phase/article36418076.ece>

Energy

Venkaiah Naidu urges Centre, state govts to go for solar power in buildings

Vice President M Venkaiah Naidu on Sunday urged the central and state governments and administrations of union territories to patronise and adopt rooftop solar power facilities and it could also be made mandatory. "Every central, state government and union territory governments building should have rooftop solar power plant. Public sector undertakings should also have the rooftop solar power plant," he said. He was speaking after inaugurating a 1.5 mw rooftop solar power plant installed at a cost of Rs 7.67 crore in the centrally administered JIPMER medical college here. Naidu said that installation of rooftop solar power plants could also be made mandatory.

"Buildings and premises should have sunlight and also natural air which were part of the architectural features in ancient days. Now we are living in congested places and therefore there should be adoption of rooftop solar power plant. Building laws could also be modified to make such facilities of rooftop solar power plant and rain water harvesting mandatory," the Vice President said.

https://www.business-standard.com/article/pti-stories/venkaiah-naidu-urges-central-state-govts-to-opt-for-solar-power-for-buildings-121091200399_1.html

CIL might hike coal prices by 10-11 pc to tide over cost push, wage revision

Mining major Coal India Ltd might raise prices of the dry fuel by at least 10-11 per cent to mitigate the impact of increased costs and an impending wage revision, sources close to the development said. The Kolkata-headquartered company had last hiked coal prices in 2018. Its current average regulated price realisation is Rs 1,394 per tonne. "There has been no price rise of fuel supply agreement coal since the last few years. Costs have jumped on all fronts and a wage revision is due. A minimum 10-11 per cent increase is necessary to avoid bottomline erosion. "Coal India has informally discussed the matter with board members and most of them have acknowledged the need to hike prices of coal. The miner is awaiting the government's nod following which it will take the final call," they told PTI.

<https://www.financialexpress.com/industry/cil-might-hike-coal-prices-by-10-11-pc-to-tide-over-cost-push-wage-revision/2328781/>

States

Assam to set up 400 new Van Dhan Vikas Kendras within March, 2022

Assam chief minister Himanta Biswa Sarma has said his government will set up 400 new Van Dhan Vikas Kendras (VDVK) within March next year. Sarma, along-with Union Minister of Tribal Affairs Arjun Munda, reviewed the

ongoing Tribal Livelihood Development Programme and other projects to be taken up for welfare and development of the tribal people in the state.

<https://economictimes.indiatimes.com/news/india/assam-to-set-up-400-new-van-dhan-vikas-kendras-within-march-2022/articleshow/86145434.cms>

Darjeeling tea estates opening their properties for tourism

Darjeeling's famous tea estates are opening their gates to visitors for another sensorial stimulation—a bungalow stay with a view of the lofty Kanchenjunga to make the morning cuppa more enjoyable. In a bid to revive the fortunes of struggling tea plantation owners and their workers, a clutch of estate owners are opening their properties for tourism after the West Bengal government allowed use of 15% of the tea land for tourism purpose.

<https://economictimes.indiatimes.com/news/india/tea-with-a-view-of-kanchenjunga/articleshow/86148501.cms>

Healthcare

Covid testing: MSME Ministry to help commercialise, license this new technology for faster RT-PCR results

The standard operating procedure and know-how of the indigenously developed saline gargle-based technique for testing of Covid samples has been transferred to the MSME Ministry to help commercialise and license it, the government said on Sunday. Developed in May this year by scientists at Nagpur-based National Environmental Engineering Research Institute (NEERI) under Council of Scientific and Industrial Research (CSIR) for RT-PCR testing, the non-invasive innovation includes a collection tube filled with saline solution. The patient has to gargle the solution and rinse it inside the tube instead of using a nasopharyngeal swab and oropharyngeal swab. As the country prepares itself for a possible third wave of the pandemic, the institute claimed results are generated within three hours of sample collection through this new technique while collection doesn't require technical expertise.

<https://www.financialexpress.com/industry/sme/msme-tech-covid-testing-msme-ministry-to-help-commercialise-licence-this-new-technology-for-faster-rt-pcr-results/2328748/>

India reports 28,591 new coronavirus infections, 338 deaths

India saw a single-day rise of 28,591 coronavirus infections, taking the overall tally to 3,32,36,921, even as active cases declined by nearly 6,600 in a day to stand at 3,84,921, according to Union Health Ministry data updated Sunday. The death toll climbed to 4,42,655 with 338 daily fatalities reported Sunday, the data released at 8 am showed. The number of active cases declined by 6,595 in a span of 24 hours to stand at 3,84,921, constituting 1.16 per cent of the total infections, while the COVID-19 recovery rate was recorded at 97.51 per cent, the health ministry said.

<https://economictimes.indiatimes.com/news/india/india-reports-28591-new-coronavirus-infections-338-deaths/articleshow/86134188.cms>

External

Iranian foreign minister likely to visit India soon for Afghan talks

Iranian foreign minister Hossein Amir Abdollahian is planning to visit India amid the formation of an exclusive Taliban government in Afghanistan. While the Afghan theatre is expected to top the agenda, the Chabahar Port Project is also likely to be discussed, ET has learnt. This would be the first high-profile visit from Iran since President Ebrahim Raisi came to power last month.

<https://economictimes.indiatimes.com/news/india/iranian-foreign-minister-likely-to-visit-india-soon-for-afghan-talks/articleshow/86148544.cms>

Government cuts import duty on palm, soyabean and sunflower oils

For the second time within a month, the Centre cut the import duty on edible oils — mainly palm group of oils, soyabean oil and sunflower oil — as part of its plans to control surging cooking oil prices and inflation. It is also a precautionary measure since kharif oilseeds acreage has been affected, while standing crops have been hit by vagaries of the weather.

<https://www.thehindubusinessline.com/economy/agri-business/government-cuts-import-duty-on-palm-soyabean-and-sunflower-oils/article36398070.ece>

Steelmakers step up exports as domestic demand takes a hit

India's primary steelmakers are witnessing sluggish demand in the domestic market due to a slowdown in construction activity and production cut in the automotive industry due to an acute chip shortage, prompting top steelmakers to increase exports to keep their inventories low. "Domestic market is our primary focus, but we increased our exports in August to keep our inventories low," a senior official at one of the top steelmakers told ET on condition of anonymity. "Export markets are not very attractive as well, as of now."

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/steelmakers-step-up-exports-as-domestic-demand-takes-a-hit/articleshow/86148492.cms>



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