



October 26, 2021 – Tuesday

Key Developments

PM launches Ayushman Bharat Health Infrastructure Mission in Varanasi

Prime Minister Narendra Modi on Monday launched the Ayushman Bharat Health Infrastructure Mission in his parliamentary constituency Varanasi, Uttar Pradesh, to address gaps and strengthen the critical healthcare network from village and block to the district and national level in the next four to five years.

“Those whose governments remained in the country for a long time, instead of the all-around development of the country's healthcare system, kept it deprived of facilities. The PM Ayushman Bharat Health Infrastructure Mission aims to tackle this deficiency,” Modi said. He also inaugurated various development projects worth around Rs 5,200 crore for Varanasi. Elaborate facilities for diagnostics and treatment including health and wellness centers are being opened in villages as well as cities as part of this Mission, PM said. These centres, he said, would enable early detection of diseases, provide free medical consultation, tests, and medicines.

https://www.business-standard.com/article/current-affairs/pm-launches-ayushman-bharat-health-infrastructure-mission-in-varanasi-121102500923_1.html

Existing PPP operators at major ports will be allowed to charge market rates under new port law

The clean-up of the Centre-run major ports through a new law is set to give a big bonanza to private firms running cargo terminals at these ports by allowing them to migrate to a market pricing regime for their services, potentially ending years of turmoil, marked by prolonged court battles and viability concerns.

The Major Port Authorities Act, passed by Parliament and notified in the gazette on February 18, seeks to give freedom to the 11 ports it covers, and new cargo handling terminals to be set up by private firms at these ports, to levy market-determined rates, by scrapping the Tariff Authority for Major Ports or TAMP, the rate regulator.

<https://www.thehindubusinessline.com/economy/logistics/existing-ppp-operators-at-major-ports-will-be-allowed-to-charge-market-rates-under-new-port-law/article37163704.ece?homepage=true>

Govt approves pilot project on skilling personnel for use of geotextiles in infra projects

The textiles ministry on Monday said it has approved a pilot project on skilling of design or commissioning technical personnel associated with application of geo-textiles in infrastructure projects including roads, highways, railways and water resources. The project will be conducted concurrently by the Indian Institute of Sciences, Bangalore; Indian Institute of Technology, Madras; and Indian Institute of Technology, Roorkee. "The coordinating faculty of the respective fields of Engineering will look after the implementation of the special courses in consultation with the other concerned centres/ offices of the respective Institute," an official statement said. During the pilot phase, two batches are scheduled for each of the three institutes, with a single batch consisting of minimum 75 to maximum 100 candidates.

<https://economictimes.indiatimes.com/industry/cons-products/garments/-textiles/govt-approves-pilot-project-on-skilling-personnel-for-use-of-geotextiles-in-infra-projects/articleshow/87259553.cms>

Economy

Commodity price rise can bump up inflation by 1%, warns Nomura

Global commodity prices, especially crude oil, natural gas and coal, have become a sore point for the markets and India Inc that is still grappling with the likely impact it will have on their bottom-line over the next few quarters. Consumers, on their part, are dealing rising fuel costs which is also fueling inflation concerns. A recent note by Nomura suggests that if global prices of crude oil, natural gas, coal & electricity were to stay at current levels till December 2021 and rise by a modest 5 per cent till March 2022, the total potential impact on the consumer price inflation (CPI) back home will be around 1 percentage point (pp).

“Domestic coal shortages will likely be resolved in a few months, but may lower industrial activity, while rising energy costs could accentuate inflationary pressures. The adverse terms of trade shock from higher energy prices are a headwind to medium-term growth,” wrote Sonal Varma, chief economist for India and Asia ex-Japan, Nomura in a recent co-authored note with Aurodeep Nandi.

https://www.business-standard.com/article/economy-policy/commodity-price-rise-can-bump-up-inflation-by-1-warns-nomura-121102500466_1.html

Economy likely to register 9.5 pc growth this fiscal: Report

The economy is likely to register a 9.5 per cent growth this fiscal over 7.3 per cent contraction last year, as the ongoing recovery is faster and more credible than earlier foreseen, according to a foreign brokerage report.

It will gather more momentum in the second half of the current fiscal, but will slow down to 7.7 per cent next financial year, it added. The government has budgeted for a 10.5 per cent growth this fiscal, but the Reserve Bank has scaled it down to 9.5 per cent. Ravaged by the pandemic, the economy tanked 7.3 per cent last fiscal, the worst and the third contraction on record. Swiss brokerage UBS Securities India expects the economy to gain momentum in the second half on cyclical tailwinds, including pent-up demand and favourable external demand.

We expect real GDP to grow at 9.5 per cent in FY22, but to lose the momentum to 7.7 per cent next fiscal. We expect growth to gain momentum in the second half on cyclical tailwinds including pent-up demand, especially after more people are vaccinated, favourable external demand as exports are over 25 per cent the pre-pandemic level) and higher government spending and the likely resultant spike in Capex, Tanvee Gupta Jain, chief economist at UBS Securities India said in a report on Monday.

<https://www.financialexpress.com/economy/economy-likely-to-register-9-5-pc-growth-this-fiscal-report/2356669/>

1.46 million net subscribers added to EPFO in August

Formal job creation strengthened further in August with 1.48 million formal jobs created under the Employees' Provident Fund Organisation compared to 1.31 million created in July, a growth of 12.9%. Year-on-year jump in net new subscribers under EPFO was 48% compared to August 2020 when it stood at one million. Payroll data by the Ministry of Statistics and Programme Implementation, released on Monday, shows 1.32 million new subscribers added under the Employees State Insurance Corporation compared to 1.33 million in July while the addition under the National Pension Scheme stood at 56,827 as against 50,118 in July 2021.

https://economictimes.indiatimes.com/news/economy/indicators/1-46-million-net-subscribers-added-to-epfo-in-august/articleshow/87254730.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

Banking and Finance

BPCL disinvestment delayed as suitors strive for partners: Report

India's plan to privatize Bharat Petroleum Corp. has run into rough weather with bidders struggling to find partners and spread their financial risks, according to people familiar with the matter. The three suitors -- the Vedanta group, Apollo Global Management and I Squared Capital -- are talking to global energy giants and sovereign and pension funds, but haven't been able to finalize partners, the people said, asking not to be identified as the deliberations are private. Some bidders are finding it difficult to invest due to sustainability rules that make it tougher for them to buy a stake in an oil refiner, some of the people said.

The fresh hurdle to sell the government's entire stake could temper some of the euphoria generated by the recent sale of Air India Ltd. to the Tata Group and slow down the nation's biggest privatization drive. The sale of the state-run refiner-cum-fuel retailer would have fetched about \$13 billion for the exchequer and other shareholders. BPCL shares fell 3.5% to 431.7 rupees at the close in Mumbai, the most in more than a month, following the Bloomberg News report.

https://www.business-standard.com/article/companies/bpcl-disinvestment-delayed-as-suitors-strive-for-partners-report-121102501005_1.html

Govt signs share purchase agreement with Tatas for Air India sale

The Centre has signed the share purchase agreement (SPA) with Tata Sons for the privatisation of national carrier Air India. The wholly-owned subsidiary of Tata Sons, Talace Pvt Ltd, earlier this month had emerged as the successful bidder to buyout government's shareholding in Air India. The share purchase agreement (SPA) with Tata Sons was signed today, Department of Investment and Public Asset Management (DIPAM) Secretary Tuhin Kanta Pandey said in a tweet.

Talace had placed a bid to acquire Air India for Rs 18,000 crore, which involved retaining debt of Rs 15,300 crore of the national carrier, and a cash component of Rs 2,700 crore. Only two bids were placed to acquire the national carrier, with another one by Spicejet Chairman Ajay Singh in his personal capacity.

https://www.business-standard.com/article/companies/govt-signs-share-purchase-agreement-with-tatas-for-air-india-sale-121102500973_1.html

RBI governor asks auditors to watch out for related party transactions

Close on the heels of the Reserve Bank of India (RBI) banning auditing firm Haribhakti & Co for two years from conducting audits on its regulated entities from next financial year, the central bank's governor said auditors must be careful about the rise in innovative accounting and related-party transactions and must flag them to the regulator promptly. Without naming any firm, RBI Governor Shaktikanta Das said the auditors, in some cases, have failed to catch manipulation and misstatements in accounts, and clever accounting should be dealt with more strictly. It is also the job of the auditor to report immediately to the regulator about accounting manipulation, but in some cases those have not been done.

The RBI banned Haribhakti & Co, auditor of SREI Infrastructure Finance under section 45MA of the RBI Act. The section says an auditor would be penalised would be duty-bound to inquire whether the firm being audited has furnished all the details on its deposits, assets, and liabilities, profit-and-loss account, etc. to the RBI that would form the basis of disclosure related instructions, or even special audit on the firm.

https://www.business-standard.com/article/economy-policy/related-party-transactions-on-the-rise-auditors-must-be-alert-rbi-guv-121102500569_1.html

Industry

Empowered group of secretaries to address stakeholders' concern on PLI scheme for specialty steel, says minister

A meeting of empowered group of secretaries (EGS) will be called to address the issues of the companies looking to invest under the PLI scheme for specialty steel, Union Steel Minister Ram Chandra Prasad Singh said on Monday. Singh made the remarks while speaking at a seminar on 'PLI Scheme for Specialty Steel' organised by industry body FICCI here. The applications from companies looking to avail benefits of the scheme will be invited from second week of November, he said. If a stakeholder has any concern, it will be taken up at the meeting of the EGS, Singh said without giving any timeline for the meeting. On July 22, the Union Cabinet chaired by Prime Minister Narendra Modi had approved a Rs 6,322-crore PLI scheme to boost production of specialty steel in India, attract additional investment of about Rs 40,000 crore and generate fresh 5.25 lakh job opportunities. Last week, Ministry of Steel issued guidelines of the PLI scheme for specialty steel.

<https://www.financialexpress.com/industry/empowered-group-of-secretaries-to-address-stakeholders-concern-on-pli-scheme-for-specialty-steel-says-minister/2356559/>

Restaurant industry contracts 53% due to pandemic: NRAI report

The restaurant industry, which was one of the hardest-hit by the two consecutive waves of the pandemic, contracted severely. According to a report by the National Restaurant Association of India (NRAI), the Indian food services industry has contracted by nearly 53 per cent and more than a quarter of the restaurants have been permanently closed. But the industry is now pinning hopes on positive consumer sentiment and ramped-up pace of vaccination to see recovery to get to about 85 per cent of pre-pandemic levels in FY22. As per the report, in FY21, the restaurant industry declined by 53 per cent and was estimated to be worth ₹2,00,762 crore compared to ₹4,23,624 crore in

FY20. However, the industry body expects that in FY22, the sector will see significant resurgence and is expected to reach a size of ₹4,72,285 crore.

<https://www.thehindubusinessline.com/news/restaurant-industry-contracts-53-due-to-pandemic-nrai-report/article37164765.ece>

IT firms poaching talents to meet 5G service demand

As Indian information technology companies gear up for 5G technology to provide backup support to the telecom service providers (TSPs), some of the mid-tier firms are in poaching mode and even looking at talented workers from smaller companies.

According to sources, even large IT companies such as Tata Consultancy Services is looking for hiring such talents and poaching from smaller firms. Tata Sons arm Panatone Finvest Limited has already acquired Tejas Networks, the telecom gears maker, in July this year.

<https://www.thehindubusinessline.com/info-tech/it-firms-poaching-talents-to-meet-5g-service-demand/article37163480.ece>

Government to make safety harness mandatory for child passenger on motorcycles

The government wants to introduce safety measures for child passengers riding pillion on motorcycles and in this regard, it has come up with a draft notification that has mandated safety harness for carrying a child between the age of 0 and four years.

“The driver of a motorcycle shall ensure the following safety measures while carrying a child between the age of 0 and 4 years, on the vehicle as a pillion, namely – for children below four years, safety harness shall be used for attaching the child to the driver of the motorcycle,” the Ministry of Road Transport and Highways said in the notification.

<https://www.thehindubusinessline.com/news/government-to-make-safety-harness-mandatory-for-child-passenger-on-motorcycles/article37163989.ece>

Agriculture

India's rubber output dented by heavy rains in Kerala, to lift imports

India's natural rubber production is likely to fall sharply in October and November, as heavy rains have been disrupting tapping activity in the country's top producing southern state of Kerala, industry officials said on Monday. Lower production could force India, the world's second-biggest consumer of natural rubber, to increase imports in the coming months from Indonesia, Malaysia and Thailand, supporting global prices.

<https://economictimes.indiatimes.com/news/economy/agriculture/indias-rubber-output-dented-by-heavy-rains-in-kerala-to-lift-imports/articleshow/87252900.cms>

Infrastructure

Online searches for housing properties at record high in Sep: Housing.com

Realty portal Housing.com on Monday said online searches on its platform for renting and buying of residential properties touched an all-time high in September, signalling revival in demand. Housing.com, which is owned by Australia-based REA, has launched the Indian residential index for online search (IRIS) to track potential buyers activity on its platform on a monthly basis across 42 cities. The index is a weighted average of these cities limited to buying interest alone and is calculated on the basis of high-intent homebuyer activity observed on the Housing.com platform. The portal attributed the rise in online searches during September 2021 to low home loan interest rates, flexible payment plans being offered by realtors and fall in COVID-19 infections.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/online-searches-for-housing-properties-at-record-high-in-sep-housing-com/articleshow/87259816.cms>

Telecom

Telcos seek 1-year extension for 5G trials

Telecom operators have sought a year's extension to conduct 5G trials, as their permits draw to an end on November 26, industry executives said. If the telecom department agrees to this, it would push the auction of 5G spectrum to the second half of 2022. "All three telcos want to extend their trials by another year," an industry executive told ET. While Reliance Jio Infocomm and Bharti Airtel had begun their trials in June this year, Vodafone Idea

https://economictimes.indiatimes.com/industry/telecom/telecom-policy/telcos-seek-1-year-extension-for-5g-trials/articleshow/87260083.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

TRAI releases consultation paper, seeks views on issues of market dominance in cable TV sector

The Telecom Regulatory Authority of India (TRAI) on Monday released a consultation paper to look into issues of monopoly and market dominance in the cable TV sector. The broadcasting and telecom regulator said this was being done in response to a reference received from the Information & Broadcasting Ministry asking the regulator to issue a fresh set of recommendations on this matter, since the media and entertainment landscape has changed with the advent of new digital technologies.

<https://www.thehindubusinessline.com/info-tech/trai-releases-consultation-paper-seeks-views-on-issues-of-market-dominance-in-cable-tv-sector/article37160254.ece>

Bharti Airtel accepts 4-year moratorium on spectrum, AGR payments

Bharti Airtel has informed the government that it will opt for the four-year moratorium on payment of AGR and spectrum dues, a source said. The option of dues moratorium was offered by the government to telcos as part of a recently-announced relief package for the telecom sector. Airtel communicated its decision to the telecom department on Friday, the source added. Airtel told the government that it will take the four-year moratorium on AGR and spectrum dues "with the option of prepaying as per NIA (notice inviting application) norms". A mail sent to Airtel did not elicit a response.

In line with the bold reforms unveiled for the telecom sector, the government recently wrote to telcos including Bharti Airtel, Vodafone Idea and Reliance Jio asking them to convey by October 29 if they would be opting for the four-year dues moratorium.

https://www.business-standard.com/article/companies/bharti-airtel-accepts-4-year-moratorium-on-spectrum-agr-payments-121102500965_1.html

Energy

India to kick start GDAM, Escerts trade from Tuesday

India will kick start green day-ahead market (GDAM) and trading of energy saving certificates on power exchanges from Tuesday. The launch of the green day-ahead market will deepen the green market and will provide competitive price signals, besides offering an opportunity to the market participants to trade in green energy, in the most transparent, flexible, competitive, and efficient manner, power and renewable energy minister R K Singh said on Monday.

https://economictimes.indiatimes.com/industry/renewables/india-to-kick-start-gdam-escerts-trade-from-tuesday/articleshow/87261182.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

Solar power tariffs may rise next fiscal on increased taxes, says report

Following the recent hike in taxes on critical components and the proposed customs duty on modules, solar power tariffs may rise to Rs 2.6-2.7 per unit from an all-time low of Rs 2 per unit, next fiscal, warns a report. The government recently increased GST on critical components of a solar project such as photovoltaic cells and modules from 5 per cent to 12 per cent with effect from the beginning of this month. This has increased the total taxation on a solar project from 8-9 per cent to 12-13 per cent and will more than double to 30 per cent when customs duty of 40 per cent on imported solar modules kicks in from April 2022, Crisil said in a report on Monday.

Additionally, module prices rose to 23-24 cents per watt in the first half of the current fiscal from an average 21 cents per watt (for a mono-crystalline module) last fiscal. This was primarily due to significant increase in the polysilicon prices, a key component used in solar cells, because of disruptions at the manufacturing units in China.

https://www.business-standard.com/article/economy-policy/solar-power-tariffs-may-rise-next-fiscal-on-increased-taxes-says-report-121102501062_1.html

No shortage of power in country, says R K Singh

Power Minister R K Singh on Monday exuded confidence that there will be no power shortage in the country amid the ongoing low coal stocks at power plants and stressed on timely payments by distribution companies to the plants for electricity supplied to them. The statement assumes significance in view of coal shortage faced by thermal power plants across the country. After the virtual launch of the green day market for sale of renewable energy on exchanges, Singh assured, "There won't be any back down...There was no (power) outage yesterday. There was no (power shortage) and it did not happen even before. If there is some outage, then that is because of our own (states') constraints." The minister informed that power plants in the country have more than 8 million tonnes of coal at present.

According to the latest report of the Central Electricity Authority (CEA) which monitors 135 plants with over 165GW capacity, thermal projects had 8.1 million tonnes of coal on October 23, 2021, which is sufficient for four days (for these 135 plants).

<https://www.financialexpress.com/economy/no-shortage-of-power-in-country-says-r-k-singh/2356643/>

Healthcare

NPPA fixes price caps for 12 anti-diabetic medicines

Drug price regulator National Pharmaceutical Pricing Authority (NPPA) on Monday said it has fixed the ceiling prices for 12 anti-diabetic generic medicines, including glimepiride tablets, glucose injection and intermediate acting insulin solution. In a tweet, the drug price regulator said, "To make it possible for every Indian to afford medical treatment against diseases like diabetes, NPPA has initiated a successful step by fixing the ceiling prices of 12 anti-diabetic generic medicines." These include glimepiride tablet of strength 1 mg, with ceiling price at Rs 3.6 per tablet, while that for 2 mg is Rs 5.72 per tablet. The ceiling price of 1 ml glucose injection of 25 per cent strength has been fixed at 17 paise, while that of 1ml of insulin (soluble) injection of strength 40IU/ml is Rs 15.09.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/nppa-fixes-price-caps-for-12-anti-diabetic-medicines/articleshow/87258088.cms>

External

India to begin exports of Covid vaccines by year-end: Report

India is committed to supplying COVID-19 vaccines to other nations and such supplies are likely to begin by the end of this year, as the abundant production will not just meet domestic needs but also generate surplus for exports. a top government official said on Monday. The official, however, added that the supply of vaccines to other nations will have to be balanced against the country's vaccination program.

"India's commitment to provide vaccines to other nations stands. It has been reiterated by the Indian leadership... However, major supplies to other nations will have to be balanced against India's own needs of vaccines for the country's vaccination program," the official told PTI on condition of anonymity. India, the world's largest producer of vaccines overall, had suspended exports of COVID-19 vaccines in April to focus on inoculating its own population following a sudden spike in infections. "We do foresee that there will be spare supplies, and in fact going into late 2021 and beyond, there will be generous vaccine supplies, which would then become available for exports, so the situation is being watched carefully, it is a dynamic situation," he said.

https://www.business-standard.com/article/current-affairs/india-to-begin-exports-of-covid-vaccines-by-year-end-report-121102500582_1.html

India asks BIMSTEC nations to work on strategy for financing master plan for transport connectivity

India has called on other BIMSTEC (Bay of Bengal Initiative for Multi-Sector Technical & Economic Cooperation) countries including Bangladesh, Bhutan, Nepal, Sri Lanka, Myanmar and Thailand, to collectively develop a strategy for financing and implementing the \$126-billion BIMSTEC Master Plan for Transport Connectivity. The plan seeks to create a seamless multimodal transport system across the region to enhance mobility of goods and people.

“We need to now collectively develop a strategy for financing and implementing the Transport Connectivity Master Plan. I am happy to note that work in this direction has already begun with ADB conducting the first consultative workshop on financing of the Master Plan last month,” Foreign Secretary Harsh Vardhan Shringla pointed out at the international symposium on BIMSTEC organised by ISCS Kolkata on Monday.

<https://www.thehindubusinessline.com/news/india-asks-bimstec-nations-to-work-on-strategy-for-financing-master-plan-for-transport-connectivity/article37162331.ece>

‘China using pandemic as an excuse to block Indian imports’

India has accused China of using the excuse of Covid-19 contamination as a pretext to block many Indian exports, particularly seafood, and has sought engagement with Chinese authorities on finding ways to bridge the huge trade balance in Beijing’s favour.

In its comments at China’s Trade Policy Review (TPR), a periodic exercise at the WTO to weigh the trade policies of member countries, New Delhi also complained about problems being faced by drug companies in obtaining registration for their formulations in China, according to a Geneva-based trade official. China’s last TPR was in 2018.

<https://www.thehindubusinessline.com/economy/china-using-pandemic-as-an-excuse-to-block-indian-imports/article37153621.ece>

CAG, Auditor General of Maldives ink MoU to strengthen public finance audit

Comptroller General of India and Auditor General of Maldives have signed a memorandum of understanding to strengthen the audit process of public finance. The MoU was signed by Girish Chandra Murmu, CAG of India and Hussain Niyazy, Auditor General of Maldives in Male on Sunday. CAG of India and Auditor General of Maldives have decided to develop and strengthen respective institution's professional capacity and improve methodologies in the field of audit of public finance, an official release said on Monday. The MoU also aims at exchanging information in the field of public sector audit between the two countries. Both parties also agreed to conduct training programmes in their respective countries for their staff on a need basis and explore other means of capacity development support, and cooperate on mutually beneficial areas. Sustainable development is at the forefront of the partnership between the two SAIs (Supreme Audit Institutions), Murmu said.

<https://economictimes.indiatimes.com/news/india/cag-auditor-general-of-maldives-ink-mou-to-strengthen-public-finance-audit/articleshow/87260903.cms>



COUNTRY'S FIRST & ONE OF ITS KIND ANNUAL VIRTUAL EXPO on MANUFACTURING & SERVICES SECTOR

ANNUALEXPO 2020
11 December 2020 to 11 December 2021

EXHIBITION | WEBINARS | B2B Meetings | LISTING IN DIGITAL DIRECTORY | OPEN FOR 365 days

FREE ENTRY FOR BUSINESS VISITORS. REGISTER NOW!
<http://registrations.ficci.com/annualexpo2020/attendee-registration.asp>