



November 18, 2021 – Thursday

Key Developments

Grants, non-philanthropic donations to attract 18% GST, says AAR

Charitable trusts are liable to pay 18 per cent GST on grants and non-philanthropic donations received by them, the Maharashtra AAR has ruled. Jayshankar Gramin Va Adivasi Vikas Sanstha Sangamner, a Charitable trust registered under Maharashtra Public Charitable Trust Act 1950, had approached the Maharashtra bench of the Authority for Advance Ruling (AAR), seeking clarity on whether it is liable to pay GST on the amounts received in the form of donations/grants from various entities, including the central and state governments. The trust is also registered under the I-T Act as a charitable trust. It undertakes supply of services to 50 orphans and homeless children by way of shelter, education, guidance, clothing, food, and health for the women and child welfare.

https://www.business-standard.com/article/economy-policy/grants-non-philanthropic-donations-to-attract-18-gst-says-aar-121111700495_1.html

No income tax NOC/NDC required for voluntary liquidations, says IBBI

In a move that will ease some compliance burden, insolvency professionals would not be required to obtain any non-objection or no dues certificate from the Income Tax Department while handling the voluntary liquidation process, the Insolvency and Bankruptcy Board of India (IBBI) has clarified. "The process of applying and obtaining of such NOC/NDC from the Income Tax Department consumes substantial time and thus militates against the express provisions of the Code, and also defeats the objective of time-bound completion of process under the Code," IBBI said. Section 178 of the Income-tax Act, 1961 obligates a liquidator to fulfil certain income tax related requirements. The section explicitly also states that its provisions "shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force" except the provisions of the Code.

https://www.business-standard.com/article/economy-policy/no-income-tax-noc-ndc-required-for-voluntary-liquidations-says-ibbi-121111700534_1.html

Sebi comes out with investor charter

Market regulator Sebi on Wednesday came out with investor charter for investors in securities market which aims at protecting investors' interest. The charter includes rights and responsibilities of investors and dos and don'ts of investing in securities market, as per a public notice. The vision of the investor charter is "to protect the interests of investors by enabling them to understand the risks involved and invest in a fair, transparent, secure market, and to get services in a timely and efficient manner."

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-comes-out-with-investor-charter/articleshow/87760375.cms>

Economy

92% registered informal workers' income at Rs 10K or below; 72% belong to SC, ST, OBC

Over 92 per cent of the eight crore informal sector workers registered on the e-Shram portal have a monthly income of Rs 10,000 or below and 72 per cent of the enrolled workforce belong to Scheduled Caste (SC), Scheduled Tribe

(SC) and Other Backward Class (OBC), according to the latest data. According to the latest data, as many as 8.01 crore informal sector workers are registered on the portal and show that this unorganised workforce is living under extreme poverty and a majority of those belong to socially backward communities.

<https://www.financialexpress.com/economy/92-registered-informal-workers-income-at-rs-10k-or-below-72%belong-to-sc-st-obc/2371254/>

UBS revises India's GDP growth forecast to 9.5% from 8.9% for FY22

Citing faster-than-expected recovery, rising consumer confidence and the resultant spending spike, Swiss brokerage UBS Securities has revised upwards its growth forecast for the current fiscal to 9.5 per cent from 8.9 per cent in September. The brokerage also sees the economy clipping at 7.7 per cent in FY23 but moderating to 6 per cent in FY24, as it expects the benefit of the low-interest rate regime to end by the end of FY23, and it sees the central bank hiking policy rates by 50 bps in the second half of the next fiscal.

The Reserve Bank also forecasts 9.5 per cent GDP growth this fiscal while the average projection ranges from 8.5 to 10 per cent. The government projection is around 10 per cent.

https://www.business-standard.com/article/economy-policy/ubs-revises-india-s-gdp-growth-forecast-to-9-5-from-8-9-for-fy22-121111700793_1.html

Banking and Finance

Bank credit grows at 7.14%, deposits at 11.42%, shows RBI data

Bank credit grew by 7.14 per cent to Rs 111.64 lakh crore and deposits increased by 11.42 per cent to Rs 160.49 lakh crore in the fortnight ended November 15, 2021, RBI data showed. In the fortnight ended November 6, 2020, bank loans stood at Rs 104.19 lakh crore and deposits at Rs 144.03 lakh crore, according to the RBI's Scheduled Banks' Statement of Position in India as on November 5, 2021, data released on Wednesday. In the previous fortnight ended October 22, 2021, bank credit had grown by 6.84 per cent and deposits by 9.94 per cent.

https://www.business-standard.com/article/finance/bank-credit-grows-at-7-14-deposits-at-11-42-shows-rbi-data-121111700954_1.html

UPI mandate creation for IPOs drops 62% in October with fewer public offers

Mandate creation through Unified Payments Interface (UPI) for initial public offerings (IPO) fell sharply in October as fewer companies launched their public floats. Data released by the National Payments Corporation of India (NPCI) shows 1.14 million mandates were created through UPI for IPOs in October, down 62.3 per cent compared to last month. In volume terms, this is the lowest the platform has seen since NPCI started making the data public.

https://www.business-standard.com/article/economy-policy/upi-mandate-creation-for-ipos-drops-62-in-october-with-fewer-public-offers-121111700992_1.html

Jewellers to be able to choose gold suppliers through IIBX in GIFT City once operational

Jewellers and bullion dealers with a net worth of Rs 25 crore will be able to choose their own suppliers of gold and buy the precious metal from them through the India International Bullion Exchange (IIBX) in GIFT City once it becomes operational sometime in January. This will help reduce their dependence on banks and nominated agencies from whom they source gold now. A meeting was held recently between the leading gold trade bodies and the government where this issue came up for discussion. A senior member of a trade body, who was present at the meeting, told ET on condition of anonymity that the government has given indication the IIBX will go live in January. It is already holding mock trading sessions to avoid any glitches once it becomes operational.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/jewellers-to-be-able-to-choose-gold-suppliers-through-iibx-in-gift-city-once-operational/articleshow/87760879.cms>

India extends lead in fintech investments: S&P Global

India continued to lead fintech investments in the Asia-Pacific region with \$1.93 billion raised across 66 deals in the July-September quarter, S&P Global Market Intelligence said in a note. "We expect Southeast Asia-based fintechs to attract more capital as venture capitalists raise new money to double down on technology investments in the region," said Celeste Goh, fintech analyst at S&P Global Market Intelligence. Newly-listed APAC-based fintechs have so far seen positive reactions from public markets, which may encourage more fintech investments in the region.

<https://economictimes.indiatimes.com/news/economy/finance/india-extends-lead-in-fintech-investments-sp-global/articleshow/87761528.cms>

Industry

Sluggish exports may cap pharma YoY revenue growth in FY22, says Crisil

Revenue growth of India's pharmaceutical sector is expected to "moderate" to 9 per cent in FY22, as compared with a healthy rise of 12.5 per cent during the previous fiscal, Crisil said. The agency attributed slower growth in exports, weak support from Covid-19 vaccine opportunities, and a slow pick-up in demand in the domestic formulations market as some of the reasons behind the possible degrowth. "Operating profitability will shrink, too, by as much as 300 basis points this fiscal, due to a sharp increase in input and other costs. Well-managed balance sheets and prudent capital spends will, however, help keep credit quality 'stable'." "Exports have been sluggish because of intense competition among generic players amid intensifying pricing pressure in the US market and lower visibility of new product launches due to delay in closure of regulatory actions on manufacturing plants by the US Food and Drug Administration (US FDA)."

https://www.business-standard.com/article/economy-policy/sluggish-exports-may-cap-pharma-yoy-revenue-growth-in-fy22-says-crisil-121111601561_1.html

Gold demand fizzles out as jewellers put off buying amid rising prices

After a blockbuster Dhanteras and Diwali, gold demand has fizzled out in the country due to a surge in gold prices to the highest in the past five months as international prices increased amid concerns over global inflation. India depends on imports to meet domestic demand for gold. Jewellers said consumers are waiting for prices to stabilise before they start buying. If prices stay high, sales volume may be hit in the upcoming wedding season, they said.

https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/gold-demand-fizzles-out-as-jewellers-put-off-buying-amid-rising-rising-prices/articleshow/87753897.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

Agriculture

Department of Animal Husbandry & Dairying signs MoU with Ministry of Food Processing Industries

Department of Animal Husbandry & Dairying has signed a memorandum of understanding (MoU) with Ministry of Food Processing Industries on Wednesday for extending the benefits of various schemes to the beneficiaries by providing them credit support in establishing dairy processing, meat processing and animal feed plant. Dovetailing and synergizing efforts of both the departments especially in the context of the common objective of helping the farmers and double their income through the livestock sector is the need of the hour, said Union Fisheries, Animal Husbandry & Dairying Minister, Parshottam Rupala.

<https://www.thehindubusinessline.com/economy/agri-business/department-of-animal-husbandry-dairying-signs-mou-with-ministry-of-food-processing-industries/article37544551.ece>

Sugar output up 24% at 21 lakh ton till Nov 15 this season; export contract

India's sugar production rose 24 per cent to 20.9 lakh tonnes during October 1-November 15 on higher output in Maharashtra and Karnataka, while mills have entered into contracts to export 25 lakh tonnes of sweetener so far, according to industry body ISMA. Sugar marketing year runs from October to September. "Sugar production till November 15, 2021, in the current 2021-22 season is 20.90 lakh tonnes as against 16.82 lakh tonnes produced last year on 15th November 2020," Indian Sugar Mills Association (ISMA) said in a statement. Several sugar mills in the south and west, started their operations earlier this season, because of which the sugar production is higher, it added. In Uttar Pradesh, the crushing season in the current season got delayed by a few days due to unseasonal rains in the third week of October.

https://www.business-standard.com/article/economy-policy/sugar-output-up-24-at-21-lakh-ton-till-nov-15-this-season-export-contract-121111700984_1.html

Infrastructure

Cabinet approves continuation of Pradhan Mantri Gram Sadak Yojana

The Cabinet Committee on Economic Affairs, under PM Narendra Modi, approved the the continuation of Pradhan Mantri Gram Sadak Yojana-I and II for completion of balance road and bridge works up to September 2022 and continuation of road connectivity project for left wing extremism affected areas (RCPLWEA) upto March, 2023. The move is expected to enable completion of works in the north-east and hilly area, which are often stalled because of unfavorable weather conditions and Covid-induced lockdown. This includes construction of 32,152 km of roads in far-flung areas of the country at a cost of Rs 33,822 crore. The areas hit by Left-Wing Extremism and the tribal areas are going to be benefitted from this, the government said.

<https://economictimes.indiatimes.com/news/economy/infrastructure/cabinet-approves-continuation-of-pradhan-mantri-gram-sadak-yojana/articleshow/87760014.cms>

Telecom

Cabinet clears proposal for mobile services in 7,287 uncovered villages

The Union Cabinet, chaired by Prime Minister Narendra Modi, on Wednesday has given its approval for provisioning of mobile services in uncovered villages of 44 aspirational districts across five states of Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra and Odisha. The Cabinet cleared utilisation of the Universal Service Obligation Fund (USOF) for provision of mobile connectivity in 7,287 uncovered villages across five states at an estimated cost of Rs 6,466 crore. Briefing media on the Cabinet decisions, Information and Broadcasting Minister Anurag Thakur said these uncovered villages of 44 aspirational districts across five states of Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra and Odisha will get 4G-based mobile services."So, a total 7,287 uncovered villages will get telecom towers and services, and lakhs of people will get connectivity," Thakur said.

https://www.business-standard.com/article/economy-policy/cabinet-clears-proposal-for-mobile-services-in-7-287-uncovered-villages-121111700790_1.html

States

Delhi air pollution: Schools, colleges to remain shut till further orders

In view of high pollution levels in Delhi, the city's Environment Minister Gopal Rai on Wednesday said his government has decided to shut schools, colleges and other educational institutions till further orders and extend the ban on construction and demolition activities till November 21. The Delhi government has also decided to extend work-from-home for its employees till Sunday. At a press conference after a high-level meet with officials of the departments concerned, Rai said, "1,000 private CNG buses will be hired to strengthen the public transport system. The process will start on Thursday." "Schools, colleges, libraries, training centres will remain shut till further orders. We have banned the entry of trucks carrying non-essential items," he said. Rai said the Delhi Metro and the Delhi Transport Corporation have written to the Delhi Disaster Management Authority to allow people to travel in metro trains and public vehicles standing.

https://www.business-standard.com/article/current-affairs/delhi-air-pollution-schools-colleges-to-remain-shut-till-further-orders-121111700561_1.html

Maharashtra spinning mills seek extension of power rebates

The rebate given by the state government to spinning mills on purchase of power will expire by the end of December this year, top officials of the Maharashtra State Cooperative Textile Federation (MSCTF) said. The state government had granted a three-year subsidy of Rs 3 per unit to the mills until December 31, 2021. The mills are expected to set up solar power plants at their premises in these three years in lieu of the subsidy. MSCTF, along with the representatives of cooperative spinning mills, met the Maharashtra state textiles commissioner in Nagpur last week to seek a further extension on the power rebate, Ashok Swami, chairman, MSCTF, said. "The mills are currently finding it difficult to purchase cotton for their requirements because of the high prices of the commodity. The high electricity rates will only add to their problems," he said. None of the mills have set up solar power plants because permission has been granted only for 1-megawatt (MW) capacity power plants, which generate electricity for barely

two hours, Swami pointed out. It is not viable for mills to set up these plants unless the government relaxes this condition and grants permission for 10-MW to 12-MW power plants, he said.

<https://www.financialexpress.com/industry/maharashtra-spinning-mills-seek-extension-of-power-rebates/2370696/>

MP govt slashes VAT on aviation turbine fuel to 4% at Bhopal, Indore airports

In a bid to enhance air connectivity, the Madhya Pradesh government has decided to reduce the Value Added Tax (VAT) on aviation turbine fuel (ATF) to 4 per cent at Bhopal and Indore airports, a move it hopes will bring down airfares, an official said on Wednesday. Currently, VAT on ATF was 25 per cent at Bhopal and Indore airports, and with the decision to slash it taken by the state cabinet on Tuesday, it will come down to 4 per cent, the official from the public relations department said.

https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/mp-govt-slashes-vat-on-aviation-turbine-fuel-to-4-at-bhopal-indore-airports/articleshow/87756415.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

TN to announce fintech policy at investment conclave

Tamil Nadu will release a FinTech policy at the Tamil Nadu Investment Conclave 2021 to be held in Coimbatore on November 23, according to sources in the know.

This is the first major investment conclave outside Chennai as the State government wants to broaden investments. The conclave will be presided over by Chief Minister MK Stalin where many MoUs will be signed, apart from foundation stone laying and inauguration of projects and roundtable sessions planned during the one-day event.

<https://www.thehindubusinessline.com/news/tn-to-announce-fintech-policy-at-investment-conclave/article37542185.ece>

Healthcare

Indian pharma eyes affordable antiviral medicines to treat Covid-19

A myriad of domestic pharma companies are eyeing antivirals as the focus shifts to treating Covid-19 through oral pills. The coronavirus is headed to the endemic stage in certain countries, giving these new drugs a potentially huge market, along with the ability to be a game changer for mild to moderate infections. With plans to manufacture the antivirals in the country, they will be available at a fraction of the global price. Recently, Pfizer announced positive results for its COVID-19 oral antiviral candidate, Paxlovid, which significantly reduces hospitalization and death.

https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/indian-pharma-eyes-affordable-antiviral-medicines-to-treat-covid-19/articleshow/87761109.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

External

India seeks duty free market access for leather goods under FTAs

India is seeking duty free market access for its leather goods in countries, including UAE, UK and Australia, with which it is negotiating Free Trade Agreements (FTAs) to boost manufacturing and exports, Commerce and Industry Minister Piyush Goyal said on Wednesday. He also expressed hope that talks for a similar agreement with the GCC (Gulf Cooperation Council) group will be launched sometime in January or February next year. Member countries of GCC are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (UAE). "We are trying to get market access duty free for our leather industry and that is one of our prime asks when we are talking to the UAE, UK and Australia... I do hope that Israel can also open their doors for our leather products.

https://www.business-standard.com/article/economy-policy/india-seeks-duty-free-market-access-for-leather-goods-under-ftas-121111700886_1.html

India locks horns with rich nations in WTO 'green room'

India is grappling with the challenge of steering the on-going agriculture negotiations at the WTO for a fair deal for developing nations as it is one of just eight members in the 'green room' working on narrowing differences on key issues such as public stock holding and special safeguards against imports prior to the 12th Ministerial Conference this month-end, a source has said.

"The other seven countries involved in the 'green room' discussions on farm issues, that also include disciplining domestic support and export restrictions, are the US, the EU, Australia, South Africa, Canada, Indonesia and China," the source close to the development told *BusinessLine*.

<https://www.thehindubusinessline.com/economy/india-locks-horns-with-rich-nations-in-wto-green-room/article37527795.ece>

UAE free trade talks with India and Indonesia going well, minister says

Free trade talks between the United Arab Emirates and India and Indonesia, are making good progress, the Gulf state's trade minister said on Wednesday, a day after starting similar talks with Israel. The UAE said in September it would seek economic agreements with eight countries - India, Britain, South Korea, Ethiopia, Indonesia, Israel, Kenya and Turkey as part of a push to recover from the pandemic and in the face of increasing economic competition from Gulf neighbour Saudi Arabia.

https://economictimes.indiatimes.com/news/international/uae/uae-free-trade-talks-with-india-and-indonesia-going-well-minister-says/articleshow/87754304.cms?utm_source=ETTopNews&utm_medium=HP&utm_campaign=TN&utm_content=23

Indian sugar enters Egyptian market to fill Brazil's void

Indian sugar has found its way into the Egyptian market, filling the space left empty by Brazil, according to traders. The transcontinental nation is probably buying sugar for the first time in decades from India after having sourced it from the Latin American country till now.

"Egypt is getting Indian sugar through international trading firms. They are buying in small quantities and this is done either on the high seas or sometimes it is redirected after reaching a particular destination (ports) in the region," said a trading source, without wishing to identify.

<https://www.thehindubusinessline.com/economy/agri-business/indian-sugar-enters-egyptian-market-to-fill-brazils-void/article37534429.ece?homepage=true>



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