



February 15, 2021 – Monday

Key Developments

Govt finalises rules under 4 labour codes, reform to be a reality soon

The Ministry of Labour and Employment has finalised rules under the four labour codes paving the way for making reforms a reality by notifying those for implementation soon.

The four broad codes on wages, industrial relations, social security and occupational safety, health & working conditions (OSH) have already been notified after getting the President's assent. But for implementing these four codes, the rules need to be notified.

Now the ministry has completed the process of consultation on draft rules on the four codes and firmed up those for notification.

https://www.business-standard.com/article/pti-stories/labour-min-finalises-rules-under-4-codes-reform-to-be-a-reality-soon-121021400208_1.html

Registration of taxpayers to be suspended for anomalies in GST sales return

GST officers will immediately suspend registration of taxpayers whose sales return or GSTR-1 forms show "significant differences or anomalies" from the return filed by their suppliers, a move aimed at curbing tax evasion and safeguarding revenues.

The Central Board of Indirect Taxes and Customs (CBIC) has issued a Standard Operating Procedure (SOP) for suspension of registration of a person on observance of such discrepancies /anomalies which indicate violation of the GST Act.

As per the SOP, the registration of specified taxpayers shall be suspended and system generated intimation for suspension and notice for cancellation of registration in form GST REG-31, containing the reasons of suspension, shall be sent to such taxpayers on their registered e-mail address.

https://www.business-standard.com/article/pti-stories/gst-officers-to-immediately-suspend-taxpayer-s-registration-for-significant-anomalies-in-sales-return-121021400382_1.html

Sebi mulls cybersecurity fusion centre for securities market

The commerce and industry ministry is organising as many as 45 sector-specific webinars to promote quality and productivity in the Indian industry. The Department for Promotion of Industry and Internal Trade's (DPIITs) initiative, Udyog Manthan, began on January 4 and will continue till March 2 this year. The department has said the webinar series, comprising 45 sessions, is covering various major sectors in manufacturing and services including pharmaceuticals, textiles, toys, tourism, furniture, renewable energy, automobiles and set-top box. Udyog Manthan is identifying challenges and opportunities; draw upon solutions and best practices, it added. The exercise is enabling learning across industries and sectors for enhancing quality and productivity to promote 'Vocal for Local' and realising the vision of 'Aatmanirbhar Bharat', it said.

<https://economictimes.indiatimes.com/news/economy/policy/dpiits-marathon-webinar-series-focuses-on-promoting-quality-productivity/articleshow/80907104.cms>

Economy

IBC set to resume; relief for key worst-affected sectors on the cards

The central government is contemplating lifting the blanket suspension of the Insolvency and Bankruptcy Code (IBC) to accelerate resolving stressed assets. It may also consider giving relief to some of the worst-affected sectors. Fresh proceedings under the IBC are suspended till March 24. “We are exploring two options — one, removing the suspension and allowing the resolution process in view of the rise in the number of fresh cases of default this fiscal year; second, bringing in some provisions to the IBC to exclusively deal with distressed sectors,” said a senior government official privy to the matter. To discuss the options, officials of the Ministry of Finance, Ministry of Corporate Affairs, and Insolvency and Bankruptcy Board of India (IBBI), along with other stakeholders, will meet this week.

https://www.business-standard.com/article/companies/ibc-set-to-resume-relief-for-key-worst-affected-sectors-on-the-cards-121021400962_1.html

Nirmala Sitharaman to address post-Budget RBI board meet on Tuesday

Finance Minister Nirmala Sitharaman is scheduled to address the post-Budget meeting of the RBI’s central board on Tuesday and highlight key points of Union Budget 2021-22, including the fiscal consolidation roadmap. Fiscal deficit — the excess of government expenditure over its revenues — is estimated to hit a record high of 9.5 per cent of the gross domestic product (GDP) in the current fiscal ending March 31 due to the COVID-19 pandemic.

For the next 2021-22 fiscal, the deficit has been pegged at 6.8 per cent of GDP, which will be further lowered to 4.5 per cent by the fiscal ending March 31, 2026.

The meeting will be held virtually for the first time due to COVID-19 protocol, sources said. Earlier this month, Reserve Bank of India (RBI) Governor Shaktikanta Das said the central bank will be able to manage the high quantum of government borrowings at Rs 12 lakh crore for the next fiscal in a “non-disruptive” manner.

<https://www.financialexpress.com/economy/nirmala-sitharaman-to-address-post-budget-rbi-board-meet-on-tuesday/2194543/>

Banking and Finance

FinMin extends Rs 3,000 cr capital for general insurers this quarter

The Finance Ministry will infuse Rs 3,000 crore capital into state-owned general insurance companies during the current quarter in a bid to improve their financial health.

Last year, the Union Cabinet headed by Prime Minister Narendra Modi cleared proposal to provide capital support to National Insurance, Oriental Insurance and United India Insurance.

The cabinet had also decided to increase the authorised share capital of National Insurance Company Limited (NICL) to Rs 7,500 crore and that of United India Insurance Company Limited (UIICL) and Oriental Insurance Company Limited (OICL) to Rs 5,000 crore each to give effect to the capital infusion decision.

https://www.business-standard.com/article/pti-stories/finmin-to-infuse-rs-3-000-cr-in-general-insurance-companies-this-quarter-121021400528_1.html

Irdai asks insurers to issue Digilocker to policyholders to preserve documents

Insurance sector regulator Irdai has asked insurers to issue digital policies to their policyholders and also tell them how to use these documents. The regulator has reasoned that the step will not only bring down the cost but also help speed up claim settlement process. In its circular issued to all insurers excluding GIC Re, Lloyd's (India) and FRBs (foreign re-insurance branches), Irdai said that Digilocker will drive reduction in costs, elimination of customer complaints relating to non-delivery of policy copy, improved turnaround time of insurance services, faster claims processing and settlement, reduction in disputes, reduction in fraud and improvement in customer contactability.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-asks-insurers-to-issue-digilocker-to-policyholders-to-preserve-documents/articleshow/80910020.cms>

Non-life insurers direct premium rises by 6.7% in January

Non-life insurance companies registered a 6.7 per cent increase in their gross direct premium collection in January at Rs 18,488.06 crore, according to the Irdai data. All non-life insurance companies had underwritten direct premium of Rs 17,333.70 crore in the same month last year. Among these, 25 general insurance companies witnessed 10.8

per cent increase in their collective premium in the first month of 2021 at Rs 16,247.24 crore as against Rs 14,663.40 crore in January 2020, according to Insurance Regulatory and Development Authority of India (Irdai) data.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/non-life-insurers-direct-premium-rises-by-6-7-in-january/articleshow/80906579.cms>

Global trends to guide domestic markets, see consolidation: Analysts

Stock markets are expected to be driven by global trends this week which may also see consolidation as the earnings season is largely over, analysts said. The movement in the rupee and FII investment would also influence the investor sentiment, they suggested.

"The recent consolidation in the index is in-line with expectations but there's no sign of exhaustion yet. With earnings season largely behind us, global cues will dictate the market trend ahead," said Ajit Mishra, VP - Research, Religare Broking Ltd. "Markets seems to have factored in all the crucial events and the coming week may witness consolidation or short-term healthy dips in prices," Nirali Shah, Head- Equity Research, Samco Securities said.

https://www.business-standard.com/article/markets/global-trends-to-guide-domestic-markets-see-consolidation-analysts-121021400160_1.html

Industry

MSME insolvency: Only debtors may get to start bankruptcy process

Only debtors can trigger their own bankruptcy process under the special insolvency resolution framework for micro, small and medium enterprises (MSMEs), which the government and the regulator are working on, sources told FE. However, to be able to do so, a stressed MSME will require the approval of unrelated financial creditors who account for at least 25% of outstanding claims. If creditors want to initiate bankruptcy proceedings against MSMEs, they would need to go through the usual Corporate Insolvency Resolution Process (CIRP) under the extant rules, the sources said. As part of its measures to soften the Covid-19 blow, the government had last year proposed to bring in a special framework for these small businesses. It will form a part of the Insolvency and Bankruptcy Code (IBC).

<https://www.financialexpress.com/industry/sme/msme-insolvency-only-debtors-may-get-to-start-bankruptcy-process/2194673/>

Soaring steel prices: Road Ministry takes steps to widen steel supplier base

The Ministry of Road Transport and Highways has issued orders that all steel — whether produced from ore, billets, pellets or melting of scrap — will be allowed to be used for National Highway construction, as long as it meets the standards required for specific grades of steel. This is aimed at increasing the steel supplier base in the backdrop of rising steel prices.

<https://www.thehindubusinessline.com/economy/soaring-steel-prices-road-ministry-takes-steps-to-widen-steel-supplier-base/article33835236.ece>

ET Survey of economists estimates a median of 0.32% growth in Q3 of FY21

The Indian economy is likely to post modest growth in the December quarter, reversing the technical recession caused by Covid-19, following a strong recovery towards the end of calendar 2020. An ET survey of economists estimated a median of 0.32% growth in the third quarter of FY21, marking a bounceback from the previous two quarters of contraction in gross domestic product (GDP). The National Statistical Office will release official GDP estimates for the third quarter of FY21 at the end of the month. India's GDP contracted 23.9% in the June quarter following what was regarded as the strictest lockdown in the world that was imposed on March 25 to contain the coronavirus spread. In the September quarter, GDP shrank 7.5%. "In our view, the recession has ended in the last quarter," said Aditi Nayar, principal economist at ICRA, pegging December quarter growth at 0.5-0.8%.

<https://economictimes.indiatimes.com/news/economy/indicators/et-survey-of-economists-estimates-a-median-of-0-32-growth-in-q3-of-fy21/articleshow/80914448.cms>

E-comm players work on strategies to woo the next 200 million

Having won close to 300 million customers, e-commerce companies are now reaching out to the next 200 million potential e-shoppers. Experts say getting to the first 300 million, who live in the country's top 30 cities and towns, hasn't been easy. As for the potential universe of the next 200 million, experts believe it's somewhat different; the

consumers are less well-off, less trusting of online transactions and not as familiar with latest trends. But they're as aspiring as anyone else. That means retailers will need to carefully curate the merchandise and price products to match the purchasing power, says Ankur Pahwa, partner, EY. Buyers would need a lot more hand-holding and this would call for a lot more interaction across multi-level touch points, perhaps even micro sites with a simple user interface within the main platform. In sum, Pahwa believes there will be a far greater use of the 4Vs – voice, vernacular, visual and video.

<https://www.financialexpress.com/industry/e-comm-players-work-on-strategies-to-woo-the-next-200-million/2194721/>

Infrastructure

PM launches several crores worth projects in TN

Prime Minister Narendra Modi on Sunday handed over to the Army, the home-made Arjun Main Battle Tank (MK-1A) and launched various projects and laid the foundation for several others in different sectors, including Railways, in Tamil Nadu, describing them as symbols of innovation and indigenous development. The Rs 3,770 crore Chennai Metro Rail Phase-I extension was among the completed projects launched by Modi, who also said the decade was going to belong to India, adding the entire world was looking at it with positivity. This year's central budget, presented by Finance Minister Nirmala Sitharaman on February 1, "once again showcased the reforms commitment of the government," Modi said in his address on the occasion.

<https://economictimes.indiatimes.com/industry/transportation/railways/pm-launches-several-crores-worth-projects-in-tn/articleshow/80906926.cms>

Delhi govt to soon start registration of e-autos: State transport minister

The Delhi government will soon start facilitating registration of e-autos that can save up to Rs 29,000 as compared to their CNG equivalents, Delhi Transport Minister Kailash Gahlot said on Sunday.

Under its 'Switch Delhi' campaign, the Delhi government will now focus on adoption of electric three-wheelers, including e-autos, e-rickshaws, and e-carts

"The Delhi government has led the way in promoting e-rickshaws for the last few years by giving subsidy of Rs 30,000. After the EV policy, the same subsidy has been extended to e-carts and e-autos. Scrapping incentives of up to Rs 7,500 are also available on it," Gahlot said.

https://www.business-standard.com/article/economy-policy/delhi-govt-to-soon-start-registration-of-e-autos-state-transport-minister-121021400623_1.html

No FASTag? Pay twice the amount on highway toll plazas after Feb 15

Any vehicle that passes through national highway toll plazas after February 15 must pay twice the charges if it does not have a FASTag, the ministry of road transport and highways said in an order on Sunday. "Vehicles not fitted with FASTag or vehicles without valid, functional FASTag entering the FASTag lane of the fee plaza shall pay a fee equivalent to two times of the fee applicable to that category," the ministry said.

The ministry has decided that all lanes in the toll plazas on national highways shall be declared as "FASTag lane of the fee plaza" with effect from midnight of February 15-16. The ministry in a statement issued Sunday has also clarified that this has been done to further promote fee payment through digital mode, reduce waiting time and fuel consumption, and provide for a seamless passage through the fee plazas.

https://www.business-standard.com/article/economy-policy/no-fastag-pay-twice-the-amount-on-highway-toll-plazas-after-feb-15-121021400606_1.html

Draft Metro bill: Law in works for all rapid transit systems

The Centre has drafted a new legislation to govern all Metro systems and addresses key issues, including land acquisition for construction of new lines and formation of a tariff regulatory authority. The draft Metro Bill, which will be put in the public domain for suggestions in March, would replace the Metro Railways (Operations and Maintenance) Act 2002. The ministry of housing and urban affairs has finalised the draft bill and is likely to send it to law ministry for vetting. According to highly-placed sources, the draft legislation has streamlined the land acquisition process for construction of Metro lines.

<https://economictimes.indiatimes.com/industry/transportation/railways/law-in-works-for-all-rapid-transit-systems/articleshow/80913347.cms>

Energy

Put Electricity Amendment Bill in public domain: AIPEF

The All India Power Engineers Federation (AIPEF) has demanded that the draft Electricity (Amendment) Bill, 2021 must be put in the public domain before starting a discussion on the same. The AIPEF shot off a letter to the Prime Minister on Friday last week and pushed for placing the bill in public domain for stakeholders' comments. The draft bill is not available on the power ministry website, AIPEF Spokesperson V K Gupta said in a statement.

According to the statement, the Electricity (Amendment) Bill, 2021 is included in the list of 20 new bills to be placed in the current budget session of Parliament. The union power minister is to hold a video conference on February 17 with power secretaries of states and CMDs (chairman and managing directors) of discoms to discuss the proposed amendments to the Electricity Act 2003, it said.

<https://www.financialexpress.com/industry/put-electricity-amendment-bill-in-public-domain-aipenf/2194687/>

Prime Minister Modi dedicates to nation Bharat Petroleum's petrochemical complex in Kerala

Prime Minister Narendra Modi on Sunday dedicated to the nation a Rs 6,000 crore petrochemical complex of oil major Bharat Petroleum here and Ro-Ro vessels of Inland Waterways at Willingdon Islands, asserting these projects would energise India's growth trajectory. On a brief visit to Kerala, the Prime Minister also inaugurated the Cochin Port Trust's International Cruise Terminal and Cochin Shipyard's Vigyana Sagar, a campus for Marine Engineering Training Institute. At a function here, he also laid the foundation stone of Cochin Port Trust's South Coal Berth and said these projects covered a wide range of sectors and will energise India's growth trajectory.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/prime-minister-modi-dedicates-to-nation-bharat-petroleums-petrochemical-complex-in-kerala/articleshow/80908979.cms>

Privatisation of UT discoms in the slow lane

Plans to privatise loss-making state-run electricity entities (discoms) are being hamstrung by political and legal hurdles, even as they continue to be a drain on the exchequer and a burden on the taxpayer. Although the Centre announced a plan to privatise discoms by putting on the block all the six discoms in union territories (UTs) in May last year as part of the Atmanirbhar package, only two of them have called for bids so far – Chandigarh and Dadra and Nagar Haveli & Daman and Diu (DNHDD). And the sale of the Chandigarh discom is impeded by a stay order by the Punjab and Haryana High Court. The target was to privatise all UT discoms by January 2021. Of course, unless the state governments pitch in, privatisation of the discoms owned and governed by them will remain an unfulfilled task. The two UT discoms that have floated the tenders are seen to be the "lowest hanging fruit" among all the UTs, thanks to their low levels of aggregate technical and commercial (AT&C) losses, against the national average of 26%. While Chandigarh consumes around 1,600 million units (MUs) in a year, DNHDD uses around 9,000 MUs.

<https://www.financialexpress.com/industry/privatisation-of-ut-discoms-in-the-slow-lane/2194694/>

States

NOC list pruned for new businesses as J&K tweaks rules to woo investors

To revive the business sector and boost investor confidence with a business-friendly environment, the Jammu and Kashmir administration has approved a series of measures for simplifying business establishment process, an official spokesman said on Sunday. As per the decision taken by the Administrative Council (AC), which met under the chairmanship of Lieutenant Governor Manoj Sinha here on Saturday, the pre-requisite 'no objection certificates' (NoCs) or approvals have been relaxed for setting up of a business unit, the spokesman said.

He said the Udyog Aadhaar memorandum as per the condition of the Government of India would be the only requirement for a business unit to be set up. Earlier, as many as 15 NoCs or clearances were required for a business unit to be established, which have now been reduced to a bare minimum.

https://www.business-standard.com/article/economy-policy/j-k-govt-simplifies-business-establishment-process-opens-door-for-investors-121021400447_1.html

Puducherry launches a campaign to become Covid-free by February 28

A campaign has been launched to ensure there were no COVID-19 cases by this month end in the union territory, where the daily count has fallen to single digits, a Health department official said on Sunday. Under the "Zero Covid by Feb28" campaign, all those who had come into contact with people infected with coronavirus would be identified and provided treatment, so that the further spread of the pathogen could be prevented, Health and Family Welfare Director S Mohan Kumar said. A coordinated effort to achieve the goal had been geared up and the campaign was launched on Saturday to free Puducherry of COVID-19, he told PTI. Kumar said only eight new cases of infection were reported in the last 24 hours ending 10 a.m. on Sunday after testing 1,930 samples.

https://www.business-standard.com/article/current-affairs/puducherry-launches-a-campaign-to-become-covid-free-by-february-28-121021400471_1.html

Healthcare

At 97.3%, India's recovery rate is among highest in the world: Govt

India has been recording a steady decline in the number of daily new deaths since October 1, 2020, while the national recovery rate is amongst the highest in the world, the Union Health Ministry said on Sunday.

"Since 1st October 2020, the nation has seen an unabated decline in Case Fatality Rate. The Case Fatality Rate today stands below 1.5 (1.43%). India's Case Fatality Rate is one of the lowest in the world," it said. The recoveries have surged to 1,06,11,731 with 11,016 patients getting discharged in a span of 24 hours.

"India's COVID-19 recovery rate of 97.31 per cent is amongst the highest in the world. The difference between the recovered and active cases has grown to 1,04,74,164 as on date," the ministry highlighted. Till date, the cumulative number of healthcare and frontline workers vaccinated against COVID-19 in the country has surpassed 82 lakhs.

https://www.business-standard.com/article/pti-stories/india-s-national-recovery-rate-among-highest-in-the-world-health-ministry-121021400465_1.html

Anti-viral coating on face masks may kill coronavirus, UK study finds

Scientists at the University of Cambridge working with an anti-viral coating technology called DioX believe that it could protect facemask users by killing the deadly coronavirus in as little as an hour. According to 'The Daily Telegraph', the invisible coating on facemasks attacks the virus by rupturing its outer layer, effectively eliminating all new mutant variants, including the UK's so-called Kent variant and the South African variant. "The antiviral agent within the coating of the mask kills the virus by breaching its protective outer membrane, which is known as its envelope. Unlike other parts of the virus, the membrane remains the same regardless of any type of mutation. Hence this way of attacking the pathogen will work on any new variant of coronavirus, Dr Graham Christie, senior lecturer at the Department of Chemical Engineering and Biotechnology at the University of Cambridge, told the newspaper.

https://www.business-standard.com/article/pti-stories/anti-viral-coating-on-face-masks-may-kill-coronavirus-uk-study-finds-121021400655_1.html

Virus may never go away but could change into mild annoyance: Experts

What if COVID-19 never goes away? Experts say it's likely that some version of the disease will linger for years. But what it will look like in the future is less clear.

Will the coronavirus, which has already killed more than 2 million people worldwide, eventually be eliminated by a global vaccination campaign, like smallpox? Will dangerous new variants evade vaccines? Or will the virus stick around for a long time, transforming into a mild annoyance, like the common cold?

Eventually, the virus known as SARS-CoV-2 will become yet another animal in the zoo, joining the many other infectious diseases that humanity has learned to live with, predicted Dr T Jacob John, who studies viruses and was at the helm of India's efforts to tackle polio and HIV/AIDS.

https://www.business-standard.com/article/pti-stories/virus-may-never-go-away-but-could-change-into-mild-annoyance-121021400670_1.html

External

Passenger vehicle exports recover marginally in January

Passenger vehicle shipments from India rose last month for the first time post COVID-19 pandemic, pointing towards demand recovery in some of the major export markets for Indian automakers. According to the Society of Indian Automobile Manufacturers (SIAM) data, passenger vehicle exports rose by 1.15 per cent to 37,187 units in January compared to 36,765 units in January 2020. In April-January, passenger vehicle shipments were still down by 43.1 per cent at 3,28,360 units as against 5,77,036 units in the same period of 2019-20 financial year. "While exports of passenger vehicles for the April-January 2021 period is down by 43.1 per cent, the growth of 1.15 per cent in January 2021 over the previous year, makes it the first month of growth in passenger vehicle exports, post the pandemic," SIAM Director General Rajesh Menon told .

<https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-exports-recover-marginally-in-january/articleshow/80906144.cms>

Digital push: Five-year FTP likely to include guidelines to promote e-comm among exporters

The five-year Foreign Trade Policy (FTP), to be announced on April 1, 2021, is likely to come up with guidelines on e-commerce for exporters to remove regulatory bottlenecks and encourage exporters to use the online platform for increasing business, an official has said. "Through e-commerce, not only can existing exporters reach out to more buyers but producers selling in the domestic market too could explore the option of going global.

<https://www.thehindubusinessline.com/economy/digital-push-five-year-ftp-likely-to-include-guidelines-to-promote-e-comm-among-exporters/article33835578.ece>

<https://www.thehindubusinessline.com/economy/digital-push-five-year-ftp-likely-to-include-guidelines-to-promote-e-comm-among-exporters/article33835578.ece>

India keen on government-to-government pact to develop Colombo terminal

India is looking to strike a hard bargain with Sri Lanka and would want a government-to-government agreement for a terminal presence in Colombo port for strategic and security considerations. The port is a regional transshipment hub through which a large portion of India's export-import cargo containers are transhipped. On February 1, the Sri Lankan cabinet scrapped a tripartite memorandum of cooperation (MoC) signed in May 2019 with Japan and India to jointly develop the East Container Terminal (ECT) at Colombo Port in the wake of strong protests from port unions.

<https://www.thehindubusinessline.com/economy/logistics/india-keen-on-government-to-government-pact-to-develop-colombo-terminal/article33835526.ece>

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