



August 16, 2021 – Monday

### Key Developments

#### **Rs 100 trn infra plan to create jobs for 'hundreds of thousands': PM Narendra Modi in Independence Day Speech**

The government will launch a Rs 100-trillion infrastructure plan that will beef up roads, ports, airports while providing jobs, said Prime Minister Narendra Modi on Sunday as he asked Indians to join the post-Covid reconstruction of India and put the horrors of the pandemic behind them. Pradhan Mantri Gatishakti Bharat Master Plan will help boost productivity of industries and it "will create job opportunities for hundreds of thousands", he said at the Independence Day celebrations in Delhi.

Modi announced a Mission Circular Economy that will replace petroleum with other forms of energy to make India energy independent by 2047. A National Hydrogen Mission; new systems to ensure last-mile delivery of government services and more support to the socially backward were among other new measures he announced.

Glossing over the crisis in the public health system, especially during the second wave of Covid-19, Modi said the world had praised India for its management of the infection. India had a huge population presented but it was forging ahead in vaccinating people.

[https://www.business-standard.com/article/economy-policy/modi-promises-infra-boost-jobs-reforms-in-independence-day-speech-121081500250\\_1.html](https://www.business-standard.com/article/economy-policy/modi-promises-infra-boost-jobs-reforms-in-independence-day-speech-121081500250_1.html)

#### **FM to meet CEOs of PSBs on August 25 to review financial performance**

Finance Minister Nirmala is scheduled to meet heads of public sector banks (PSBs) on August 25 to review financial performance of the lenders and progress made by them to support the economy battered by COVID-19 pandemic. Given the importance of the banking sector in generating demand and boosting consumption, sources said the meeting with the MD and CEOs of PSBs is considered important. Recently, the Finance Minister said the government is ready to do everything required to revive and support economic growth hit by the COVID-19 pandemic. "Growth will be given its importance. Growth will be pushed both by the Reserve Bank and by us...", she had said.

Interestingly, this would be the first physical review meeting since the outbreak of the pandemic in March last year. The meeting is expected to take stock of the banking sector, progress on restructuring 2.0 scheme announced by Reserve Bank of India (RBI), sources said, adding that banks may be nudged to push loan growth in productive sectors. The revamped Rs 4.5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) would also be reviewed during the meeting likely to be held in Mumbai, sources said.

[https://www.business-standard.com/article/finance/fm-to-meet-ceos-of-psbs-on-august-25-to-review-financial-performance-121081500195\\_1.html](https://www.business-standard.com/article/finance/fm-to-meet-ceos-of-psbs-on-august-25-to-review-financial-performance-121081500195_1.html)

### Economy

#### **Inflation pressure may build up again after Oct as economy revives: Experts**

India's retail price inflation falling in July to a three-month low of 5.9 per cent may not last beyond October-November as consumer demand rises, supplies crimp and the low-base effect of 2020 wanes, experts have said. The consumer price index (CPI)-based inflation rate moderated to come with the central bank's monetary policy committee's (MPC) tolerance limit due to a decline in the rate of price rise in food items, particularly sharpening deflation in vegetables.

[https://www.business-standard.com/article/economy-policy/inflation-pressure-may-build-up-again-after-oct-as-economy-revives-experts-121081500434\\_1.html](https://www.business-standard.com/article/economy-policy/inflation-pressure-may-build-up-again-after-oct-as-economy-revives-experts-121081500434_1.html)

### **Retro tax scrapping revived foreign interest in India's privatisation plan**

The government's decision to nullify retrospective taxation provisions has brought fresh lease of life to its strategic disinvestment plan with growing overseas investor interest in picking up management control of public sector undertakings put on the block for privatisation.

Government sources said that they have received enquiries from foreign multinational corporations about participation on its strategic disinvestment plan and the pace has increased post the Centre's decision to amend retrospective taxation provisions in the Income tax Act, bringing about certainty on taxation regulations and improving country's ranking several notches on ease of doing business index.

Accordingly, the strategic disinvestment proposals of companies Ferro Scrap Nigam Limited (FSNL), Rashtriya Ispat Nigam Ltd, Container Corporation, IDBI Bank Ltd., Neelanchal Ispat Nigam Ltd may get extensions if more time is required to bring larger number of overseas investor participation. Also, government is seeing increased interest of foreign investors in the proposed initial public offer of Life Insurance Corporation (LIC) that is like later this year.

[https://www.business-standard.com/article/economy-policy/retro-tax-scrapping-revived-foreign-interest-in-india-s-privatisation-plan-121081500207\\_1.html](https://www.business-standard.com/article/economy-policy/retro-tax-scrapping-revived-foreign-interest-in-india-s-privatisation-plan-121081500207_1.html)

### **Rural India back with a bang, leaves cities behind in consumption**

Consumption of daily groceries and essentials in villages outpaced cities in July, reversing the trend of June. Urban growth was higher than in rural areas for the first time in nearly two years in June. With the Covid situation improving and good monsoon rain, rural growth is expected to bounce back and be in line with urban growth going forward. Last month, sales grew 24% in rural markets while urban sales expanded 14% from June, according to the latest numbers from Bizom, which tracks the sales of 7.5 million retail stores across the country. Rural has been growing faster in the past two years, underpinned by higher farm income, minimal retail disruption during the 2020 lockdown and migrant workers returning home.

<https://economictimes.indiatimes.com/news/economy/indicators/rural-india-gets-its-appetite-back/articleshow/85356880.cms>

### **Pandemic hits India's prospects to become \$5 trn economy by FY25: Economist**

It is highly unlikely that India will become a USD 5 trillion economy by 2024-25 due to the slowdown caused by the COVID-19 pandemic, University of Massachusetts professor Vamsi Vakulabharanam has said. Moreover, Indian economy will be smaller for a considerable period of next year compared to its size in 2019, Vakulabharanam told PTI in an interview. Vakulabharanam said while Covid-19 is certainly the most important factor for economic slowdown, what is notable is that India's decline is much steeper than what other developing countries and the global economy witnessed over the last year. "As of now, the current Indian GDP is less than USD 3 trillion. If this has to jump to USD 5 trillion in four years, the economy has to grow higher than 13 per cent per annum, on the average," he said. In 2019, Prime Minister Narendra Modi envisioned to make India a USD 5 trillion economy and global power house by 2024-25.

[https://www.business-standard.com/article/economy-policy/pandemic-hits-india-s-prospects-to-become-5-trn-economy-by-fy25-economist-121081500292\\_1.html](https://www.business-standard.com/article/economy-policy/pandemic-hits-india-s-prospects-to-become-5-trn-economy-by-fy25-economist-121081500292_1.html)

### **India's real GDP growth in first quarter seen at 14.2-23.3%**

The Indian economy likely grew 19-20% in the first quarter this fiscal year, aided by the strong base effect from a year ago, when it contracted by almost a quarter, offsetting the effects of the second Covid wave, an ET poll of economists said. The median estimate was 19.5% for Q1, in a 14.2-23.3% range. The full-year gross domestic product (GDP) is expected to grow 7.9-9.6%. The Reserve Bank of India (RBI) expects 21.4% GDP growth in the first quarter and 9.5% in the entire fiscal. India's GDP grew 1.6% in the preceding quarter but contracted a record 7.3% in FY21. While year-on-year growth picked up in the first quarter and was entirely weak-base driven, economists said GDP could fall by around 5% from the preceding quarter.

<https://economictimes.indiatimes.com/news/economy/indicators/real-gdp-growth-in-first-qtr-seen-at-14-2-23-3/articleshow/85356874.cms>

## Banking and Finance

### BoM tops PSU banks chart in terms of loan, saving deposit growth in Q1

State-owned Bank of Maharashtra (BoM) has emerged as the top performer among public sector lenders in terms of loan and savings deposit growth during the first quarter of the current financial year. The Pune-headquartered lender recorded 14.46 per cent increase in gross advances at Rs 1,10,592 lakh crore in April-June period of 2021-22, as per the published data of BoM. It was followed by Punjab & Sind Bank which posted 10.13 per cent growth in advances with aggregate loans at Rs 67,933 crore at the end of June 2021.

When it came to deposit mobilisation, BoM with nearly 14 per cent growth was a notch behind Punjab and Sind Bank, while the country's largest lender State Bank of India recorded 8.82 per cent rise. However, in absolute terms SBI's deposit base was 21 times higher at Rs 37.20 lakh crore as against Rs 1.74 lakh crore of BoM.

[https://www.business-standard.com/article/finance/bom-tops-psu-banks-chart-in-terms-of-loan-saving-deposit-growth-in-q1-121081500329\\_1.html](https://www.business-standard.com/article/finance/bom-tops-psu-banks-chart-in-terms-of-loan-saving-deposit-growth-in-q1-121081500329_1.html)

### Over 50 lakh new investors registered since April 2021: NSE's Limaye

New Delhi, Leading stock exchange NSE, which helped transform country's deep-rooted savings tradition into equity culture, has witnessed over 50 lakh new investor registrations in the current fiscal, its chief Vikram Limaye said on Sunday. This is equal to 62.5 per cent of the total number of new investor registrations, at around 80 lakh, that were added last fiscal (2020-2021), he added. The NSE, which has been at the forefront of supporting the small organisations and retail investors, has witnessed over 50 lakh new investor registrations since April this year, Limaye said. Direct retail participation has strengthened significantly during the last few years which has been reflected in a sharp rise in new investors and an increase in individual investors' share in the overall market turnover.

<https://economictimes.indiatimes.com/markets/stocks/news/over-50-lakh-new-investors-registered-since-april-2021-nse-limaye/articleshow/85347272.cms>

### FPIs invest Rs 2,085 crore in Indian equities so far in August

Foreign portfolio investors (FPI) have made a net investment of Rs 2,085 crore so far in August in Indian equities, according to data from NSDL. The FPIs have made a comeback after a net outflow of Rs 11,308 crore in July.

With the investments in August, the net FPI investment in the equities segment in 2021 now stands at Rs 51,121 crore. The week-ended Friday witnessed surge in the Indian equity market with both the BSE Sensex and the Nifty50 on the National Stock Exchange touching new highs. The Sensex crossed the landmark 55,000 mark for the first in its history during the week. On Friday, Sensex hit its all-time high of 55,487.79 points. During the week, improving macroeconomic data boosted the investor sentiments.

[https://www.business-standard.com/article/markets/fpis-invest-rs-2-085-crore-in-indian-equities-so-far-in-august-121081500554\\_1.html](https://www.business-standard.com/article/markets/fpis-invest-rs-2-085-crore-in-indian-equities-so-far-in-august-121081500554_1.html)

## Industry

### Corporate India comes up with stellar performance, ends Q1 on a high note

Companies posted stellar growth in revenue and profit in the June quarter at the aggregate level, springing back from the low base of the year-ago quarter, which was marred by a strict lockdown amid the first wave of the pandemic. However, profitability was under pressure due to rising input costs. In addition, the sequential performance in the June quarter was affected by regional lockdowns due to the second wave. Analysts expect the demand scenario to improve in the coming quarters amid the festive season and rising economic activity as the nationwide vaccination drive gains momentum. Net sales of a sample of 2,328 companies grew by 40.9% while net profit rose three-and-a-half times on-year in April-June. Sales and profit fell by 25.5% and 59.4% in the year-ago quarter. "June quarter aggregate earnings have been in line with expectations, benefitting from the lower year-ago base and less stringent, localised lockdowns," said Gautam Duggad, institutional research head, Motilal Oswal Financial Services.

<https://economictimes.indiatimes.com/news/company/corporate-trends/corporate-india-posts-stellar-numbers-ends-q1-on-a-high-note/articleshow/85356864.cms>

### Vehicle recalls by automakers continue amid supplier woes

The Indian auto industry voluntarily recalled 376,536 vehicles till August 11 this year, compared with 380,615 units in the entire 2020, as it was plagued with both manufacturing and supplier issues. The number was more than double that in 2019, when the industry saw 159,992 recalls, as per data collated by the Society of Indian Automobile Manufacturers (SIAM), the body representing vehicle and engine manufacturers in the country. Experts attributed the increase to manufacturers getting proactive towards consumer safety, aiming to meet government safety norms. Leading manufacturers such as Hyundai Motor India, Mahindra & Mahindra and Toyota Kirloskar Motor saw recalls this year primarily due to malfunctioning fuel pumps, airbags and quality checks that may have escaped at vendors, incorrect fitment of parts and critical braking issues.

<https://economictimes.indiatimes.com/industry/auto/auto-components/vehicle-recalls-by-automakers-continue-amid-supplier-woes/articleshow/85353815.cms>

#### **Auto sector fears higher GST rate on certain parts after Supreme Court ruling**

Several automobile and auto component companies have approached the government after the indirect tax department initiated enquiries to tax certain components at a higher rate under the goods and services tax framework (GST). Their concern is that the indirect tax department could now slap 28% GST on these components instead of 18%, following a Supreme Court ruling. The ruling, in an entirely different matter, said that GST rates can differ based on “sole and principal” use test.

<https://economictimes.indiatimes.com/industry/auto/auto-news/auto-sector-fears-higher-gst-rate-on-certain-parts-after-supreme-court-ruling/articleshow/85355297.cms>

#### **Hiring finally pays a visit to travel industry**

India’s travel and tourism industry is seeing a revival of hiring by some firms after millions of job losses and huge revenue erosion over the past 15 months amid the Covid-19 pandemic. Following a pickup in leisure as well as business travel in the past six to eight weeks, travel platforms such as Makemytrip, Cleartrip, EaseMyTrip and ixigo are recruiting talent across functions, said industry executives. The development comes in the wake of a sharper demand recovery after the second wave of the pandemic than after the first wave, as a result of the vaccination drive and the fact that travellers today are more used to the new ways of travelling. Travel trends such as staycations and workations, coupled with massive pent-up demand and revenge travel in the luxury segment, are also driving the need for more talent.

<https://economictimes.indiatimes.com/industry/services/travel/hiring-finally-pays-a-visit-to-travel-industry/articleshow/85353823.cms>

### **Agriculture**

#### **Indian poultry industry poised for growth**

By the end of this decade, globally, poultry meat is expected to represent 41 per cent of all the protein from meat sources, according to the OECD-FAO Agricultural Outlook 2030.

<https://www.thehindubusinessline.com/markets/commodities/indian-poultry-industry-poised-for-growth/article35928040.ece>

### **Infrastructure**

#### **Agartala-Akhaura rail line to be completed by December: Official**

The Rs 980 crore railway line project between Agartala in Tripura and Akhaura in Bangladesh will be completed by December, a senior official said on Sunday. The 15.6-km-long railway link will connect Gangasagar in Bangladesh to Nischintapur in India, and from Nischintapur to Agartala railway station.

“Work on the Indian side has already been completed. The work on the Bangladesh side was stopped due to the COVID-related lockdown, but it will resume from Monday,” Raman Singla, Deputy Chief Engineer of IRCON International Ltd, told PTI. “The entire project would be completed by December this year,” he said. The Ministry of Development of the North Eastern Region (DoNER) is bearing the cost for laying the track on the 5.46 km link on the Indian side, and the cost of laying the 10.6-km-long track on the Bangladesh side is being borne by the Ministry of External Affairs, the official said.

<https://www.financialexpress.com/infrastructure/agartala-akhaura-rail-line-to-be-completed-by-december-official/2311303/>

## Telecom

### Govt right to intercept for authorised causes will always be there: MoS IT

The government's right to intercept for duly authorised legal causes like security and terrorism will always exist with checks and balances in any democracy, Minister of State for Electronics and IT Rajeesh Chandrasekhar said on Sunday. The minister, while speaking at Times Now India at 75: The Freedom Summit, said the right to free speech is a fundamental right that any elected government cannot contravene easily.

"As far as the government's right to intercept for duly authorised, legal causes like security, terrorism, etc (is concerned), that right will always be there with every sovereign government in any democracy, but those are accompanied with checks and balances. "We must understand that there is no utopian world or where George Orwell's sort of a situation is addressed completely," Chandrasekhar said.

He said that to remain confident, ignore the conspiracy theorists who will waive a fig leaf of truth and create a whole conspiracy around it.

[https://www.business-standard.com/article/current-affairs/govt-right-to-intercept-for-authorized-causes-will-always-be-there-mos-it-121081500537\\_1.html](https://www.business-standard.com/article/current-affairs/govt-right-to-intercept-for-authorized-causes-will-always-be-there-mos-it-121081500537_1.html)

### Telecom tariffs zoomed 25 % in last 3 years

Indian telecom consumers are paying about 25 per cent more for voice and data services than what they were paying in 2018-19. While this is good news for telecom operators, it also indicates that subscribers are willing to pay more for better quality services.

<https://www.thehindubusinessline.com/news/national/telecom-tariffs-zoomed-25-in-last-3-years/article35927561.ece>

## Energy

### DGH overhauls approval processes for oil, gas fields

A self-certified declaration of a commercial oil or gas discovery is all that is now needed by a company to get statutory recognition for a hydrocarbon find after the upstream regulator DGH overhauled approval processes. Following up on its announcement of last month, Directorate General of Hydrocarbons (DGH) released 'Guidance Document' for online submission of various documents. "This document is prepared to guide the E&P (oil and gas exploration and production) contractors for submission of Production Sharing Contract (PSC)," DGH said.

It allows self-certified documents for requirements like bank guarantee to the appointment of auditor and relinquishing an area or a commercial oil and gas discovery is made.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/dgh-overhauls-approval-processes-for-oil-gas-fields/articleshow/85346970.cms>

## States

### Covid Curfew in Andhra Pradesh extended till 21

With at least half of the districts in the state reporting a good number of new cases daily, the Andhra Pradesh government on Sunday further extended the Covid curfew till August 21. Principal Secretary (Health) Anil Kumar Singhal said the 10 pm to 6 am curfew has been extended after a thorough review of the Covid-19 situation and keeping in view the number of positive cases. Prohibitory orders under Section 144 CrPC would continue to be in force even during non-curfew hours, he said. Gatherings at marriages, functions and religious events should not exceed 150 persons.

<https://economictimes.indiatimes.com/news/india/covid-curfew-in-andhra-pradesh-extended-till-21/articleshow/85349230.cms>

### UP attracted investment worth Rs 4 lakh crore, communal riots checked: CM Yogi Adityanath

Celebrating the 75th Independence Day on Sunday, Uttar Pradesh CM Yogi Adityanath said the state attracted investment worth Rs 4 lakh crore while no communal riot took place under his tenure. "The state, which was the sixth biggest economy in the country, has become the second biggest. Once associated with anarchy and known as a state of riots, UP today has become a role model in terms of law and order," he said after unfurling the Tricolour outside the UP Vidhan Bhavan. "A new era of investment has started in the state and in the past four years, there has been an investment of Rs 4 lakh crore," he said, adding that UP has come out of the BIMARU state tag.

<https://economictimes.indiatimes.com/news/india/up-attracted-investment-worth-rs-4-lakh-crore-communal-riots-checked-cm-yogi-adityanath/articleshow/85348556.cms>

## Healthcare

### India has done better than any country across world in vaccination: Bharat Biotech CMD

India has done better than any country in the world as regards to affordability and the reach to the people of COVID-19 vaccines, Bharat Biotech Chairman and Managing Director Krishna Ella said on Sunday. In his Independence Day speech from the ramparts of the Red Fort, Prime Minister Narendra Modi said India takes pride in having the world's largest vaccination programme, and over 54 crore people have already taken the COVID-19 vaccines. The prime minister also lauded those involved in vaccine manufacturing in the country and said India did not have to depend on the outside world for vaccines against the coronavirus.

Highlighting the enormity of the task of vaccination, Ella said, "When you have 1.3 billion people to be given a vaccine in a certain period of time, it is challenging." The US has more vaccines than India, but only 16 crore people there are vaccinated. "In India, I'm proud to say that we have done a great job," he added.

<https://www.financialexpress.com/lifestyle/health/india-has-done-better-than-any-country-across-world-in-vaccination-bharat-biotech-cmd/2311232/>

## External

### We have contingency plans: Govt on evacuation of embassy staff in Kabul

India has put in place contingency plans to evacuate hundreds of its officials and citizens from Kabul that has been gripped by fear and panic following reports of Taliban fighters entering the outskirts of the Afghan capital city on Sunday. People familiar with the development said the government will not put the lives of its staffers at the Indian embassy and Indian citizens in Kabul at any risk and plans have already been finalised in case they require emergency evacuation. "The government is closely monitoring the fast-paced developments in Afghanistan. We will not put the lives of our staff at the Indian embassy in Kabul at any risk," said one of the persons cited above. Specifically asked when the Indian staffers and citizens in Kabul will be evacuated, they said decisions will depend on the ground situation. It is learnt that a fleet of the C-17 Globemaster military transport aircraft of the Indian Air Force is kept on standby to undertake evacuation missions.

[https://www.business-standard.com/article/current-affairs/we-have-contingency-plans-govt-on-evacuation-of-embassy-staff-in-kabul-121081500624\\_1.html](https://www.business-standard.com/article/current-affairs/we-have-contingency-plans-govt-on-evacuation-of-embassy-staff-in-kabul-121081500624_1.html)

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

**ANNUAL EXPO 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>