



December 20, 2021 – Monday

Key Developments

4 labour codes likely to be implemented by FY23 as states ready draft rules

The four labour codes on wages, social security, industrial relations and occupation safety, health and working conditions are likely to be implemented by the next fiscal year as at least 13 states have pre-published draft rules on these laws, a senior official said. The Centre has already finalised the rules under these codes and now states are required to frame regulations on their part as labour is a concurrent subject. A senior official said that the four labour codes are likely to be implemented by the next fiscal year.

"The four labour codes are likely to be implemented in the next financial year of 2022-23 as a large number of states have finalised draft rules on these. The Centre has completed the process of finalising the draft rules on these codes in February 2021. But since labour is a concurrent subject, the Centre wants the states to implement these as well in one go," the official said.

https://www.business-standard.com/article/economy-policy/4-labour-codes-likely-to-be-implemented-by-fy23-as-states-ready-draft-rules-121121900177_1.html

Listing fee dues cannot be recovered under operational debt: NCLAT

Dues on the listing fees against a company are 'regulatory dues' in nature and cannot be recovered under 'operational debt' through insolvency proceedings, said the National Company Law Appellate Tribunal (NCLAT) while dismissing an appeal by stock exchange BSE. Listing fees comes under the ambit of 'regulatory dues', which markets regulator Sebi is entitled to recover, and the defaulting company being an entity registered under Sebi is under an obligation to follow the regulations prescribed by the regulator for the recovery of its dues, observed the NCLAT.

"The dues so said are not 'operational dues' but 'regulatory dues'. The Insolvency Law Committee suggests that regulatory dues are not to be recovered under 'operational debt'," observed a two-member NCLAT bench comprising Justice Anant Bijay Singh and Shreesh Merla. The NCLAT also upheld the order passed by the National Company Law Tribunal (NCLT) on December 31, 2020, which had dismissed the plea of the BSE to initiate insolvency proceedings against KCCL Plastic Ltd.

https://www.business-standard.com/article/markets/listing-fee-dues-cannot-be-recovered-under-operational-debt-nclat-121121900545_1.html

Centre lines up six new bills for last four days of Winter session

The Centre has lined up six new bills - including one to increase the minimum age of marriage for women from 18 to 21 - for the last four days of Parliament's winter session, which wraps up on Thursday. The government is determined to push through the bills although opposition protests have forced adjournments in both the Houses on several days.

"We hope to get the six bills passed over the next four sittings," a government insider told ET.

On top of the agenda is introduction and passing of Prohibition of Child Marriage (Amendment) Bill to raise the minimum age of marriage for women to 21. The amendment bill was cleared by the Cabinet last Wednesday. People aware of the development said the government will introduce the bill in the Lok Sabha first and then take it to the Upper House.

<https://economictimes.indiatimes.com/news/politics-and-nation/centre-lines-up-six-new-bills-for-last-four-days-of-session/articleshow/88381141.cms>

Economy

Rawa Idli Mix to attract GST at 18 per cent, rules Karnataka AAR

Now, the Karnataka AAR (KAAR) has stated that Rawa Idli Mix will attract Goods & Services Tax (GST) at the rate of 18 per cent. This is the second ruling in recent time on food mixes and the third one on food items that are part of the main course. Earlier in June, the Tamil Nadu AAR ruled that there will be 18 per cent GST on branded mixes for dosa, idli, tiffin, health and porridge. In June, the Gujarat AAR held that preserved paratha will attract GST at the rate of 18 per cent.

<https://www.thehindubusinessline.com/economy/policy/rawa-idli-mix-to-attract-gst-at-18-per-cent-rules-karnataka-aar/article37990033.ece>

Withdraw plan to hike GST rate on textile, apparel items: Telangana Minister to Centre

Telangana Industries Minister KT Rama Rao on Sunday urged the Centre to withdraw its proposed plan to increase GST rates from 5 per cent to 12 per cent on garments and fabrics from January 1, 2022. In a letter to Union Textiles Minister Piyush Goyal, Rama Rao said for the past two years, the handlooms sector has been going through a difficult phase due to coronavirus pandemic, an official release said here. "At this juncture, revising the GST (rates) from the current 5 per cent to 12 per cent would serve a death blow to the industry," said Rama Rao.

<https://economictimes.indiatimes.com/news/economy/policy/withdraw-plan-to-hike-gst-rate-on-textile-apparel-items-telangana-minister-to-centre/articleshow/88377240.cms>

Banking and Finance

MFIN to launch natural catastrophe insurance cover for micro borrowers

With India becoming one of the most climate risk-prone countries and the frequency and severity of natural catastrophe (NatCat) events increasing every year, which is impacting repayment capabilities of borrowers of microloans, and the micro lenders' asset quality, the MicroFinance Institutions' Network (MFIN) is planning to introduce an insurance product for borrowers to protect them against such natural catastrophe events.

https://www.business-standard.com/article/finance/mfin-to-launch-natural-catastrophe-insurance-cover-for-micro-borrowers-121121900378_1.html

LIC IPO unlikely to take place this fiscal due to delay in valuation

The government is unlikely to come up with the IPO of Life Insurance Corporation (LIC) in the current financial year ending March 2022, as the valuation of the state-owned behemoth is taking more than anticipated time, and preparatory work is still far from complete.

There are still some issues that need to be addressed with regard to the valuation of LIC, a senior official of one of the merchant bankers said.

<https://www.thehindubusinessline.com/markets/stock-markets/lic-ipo-unlikely-to-take-place-this-fiscal-due-to-delay-in-valuation/article37990156.ece?homepage=true>

Fintech funding soars 65% to \$8.02 b in 2021

Fintechs in India have raked in the moolah in 2021, with at least 11 new unicorns, and late-stage funding deals happening at 2 to 5X valuations. Fintech funding has soared 64.71 per cent in 2021 vis-a-vis 2020. As of December 8, according to data from Tracxn, the current calendar year saw \$8.02 billion in fintech funding across 363 rounds as compared to \$2.83 billion over 296 rounds in 2020.

<https://www.thehindubusinessline.com/info-tech/fintech-funding-soars-65-to-802-b-in-2021/article37992249.ece>

Indian corporates have more headroom to borrow: Study

Indian corporates have a lot of headroom to raise resources through debt to help stimulate investments and growth. It is estimated that corporate leverage drags growth beyond debt equity ratio levels of around 60 per cent and debt to assets ratio of 28 per cent. But current reading for India are at 48 per cent and 19 per cent respectively, gives them huge space for debt borrowing says a research paper by RBI economists. An analysis of Indian corporate data over a

39 year period from 1980-81 to 2018-19, found that financial variables are assuming a greater role in determining the investment dynamics of the Indian corporate sector along with business expectations and policy uncertainties. <https://economictimes.indiatimes.com/industry/banking/finance/indian-corporates-have-more-headroom-to-borrow-study/articleshow/88373863.cms>

Industry

Industry wants govt to speed up activation of space sector regulator

If not at rocket speed, the government should speed up considerably the measures to activate the Indian National Space Promotion and Authorization Centre (IN-SPACe) -- the regulator for private players in the space sector -- and man it with people from outside ISRO, said space sector officials in the private and government sectors. They said the government should come out with various sectoral policies so that there is clarity for the private players.

As a part of opening up the space sector, the Indian government has constituted IN-SPACe as an autonomous agency in the Department of Space (DOS). The government has also announced Pawan Kumar Goenka, former Managing Director, Mahindra & Mahindra, as the Chairman of IN-SPACe. The IN-SPACe will be the regulator for private players in the space sector. It will also enable usage of Indian Space Research Organisation's (ISRO) facilities by them.

https://www.business-standard.com/article/economy-policy/industry-wants-govt-to-speed-up-activation-of-space-sector-regulator-121121900130_1.html

Jute industry suffers Rs 1,500cr loss amid raw material crisis: Sources

The jute sector has suffered a notional loss of Rs 1,500 crore due to dilution of 4.81 lakh bales of hessian bag orders in favour of plastic materials for foodgrain packaging during the ongoing season, industry sources said on Sunday.

The dilution was witnessed despite the support of the Centre and the Mamata Banerjee government in West Bengal, a major jute producing state, they said. "In November and December, there was a dilution of 4.8 lakh bales of jute bags as millers were not able to supply that quantity of packaging material. This resulted in an estimated loss of Rs 1,500 crore," an industry source told PTI. The Narendra Modi government had, in November, approved reservation norms for mandatory use of hessian sacks in packaging for the jute year 2021-22. The norms provide for 100 per cent reservation of foodgrains and 20 per cent of sugar to be compulsorily packed in jute bags.

<https://www.financialexpress.com/industry/jute-industry-suffers-rs-1500cr-loss-amid-raw-material-crisis-sources/2383679/>

MSMEs supported under NSIC's raw material procurement scheme decline: Govt data

Even as prices for different raw materials have increased multifold since Covid struck last year, the number of MSMEs supported under the government's Raw Material Assistance (RMA) scheme had dropped in financial year (FY) 2020-21 from the preceding FY20, showed official data. From 2,842 units offered credit support worth Rs 5,244 crore in FY21, the number declined to 2,699 units along with the drop in credit support of Rs 4,398 crore, according to the data shared by MSME Minister Narayan Rane in Rajya Sabha recently. Covid-induced lockdown last year had led to a halt in manufacturing and production activities, putting MSMEs and other manufacturers out of business for months.

<https://www.financialexpress.com/industry/sme/msme-eodb-msmes-supported-under-nsics-raw-material-procurement-scheme-decline-govt-data/2383573/>

Shrugging off Omicron, retailers to go ahead with expansion plans

Despite the emergence of the Omicron threat in recent days, several retailers and brands said they are not altering plans and for now, are going ahead with their planned expansion.

This is not only being fuelled by established brands but also some of the new-age D2C brands that want to ensure their products are available across channels.

<https://www.thehindubusinessline.com/economy/shrugging-off-omicron-retailers-to-go-ahead-with-expansion-plans/article37992191.ece>

Majority of consumers have strong intent to buy vehicle in next 12 months, finds survey

There is a strong intent to purchase a vehicle among a majority of consumers in the next 12 months, in what would be a good news for the auto industry, according to a survey by Mobility Outlook.

As many as 83 per cent of respondents confirmed the intent to purchase a vehicle in the next 12 months, while another 13 per cent indicated they may buy and just 4 per cent said no to buying a vehicle, as per the survey by Mobility Outlook -- a brand of CarTrade Tech -- which sought responses from nearly 2.7 lakh customers across India. <https://economictimes.indiatimes.com/industry/auto/auto-news/majority-of-consumers-have-strong-intent-to-buy-vehicle-in-next-12-months-survey/articleshow/88369918.cms>

Agriculture

Globally valid certification for organic farmers soon: Amit Shah

Union Home and Cooperation Minister Amit Shah on Sunday said that the government is planning to issue globally valid certification to organic farmers so that they can take their products abroad.

He also announced that the government will soon set up a national university for cooperative management courses. Shah was speaking at the convocation ceremony of Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) in Pune.

<https://www.thehindubusinessline.com/economy/agri-business/globally-valid-certification-for-organic-farmers-soon-amit-shah/article37991957.ece>

Infrastructure

Railways starts new train, Vistadome Express, between Assam and Arunachal Pradesh

Railways have started a new train named Vistadome Express between Tinsukia in Assam and Naharlagun in Arunachal Pradesh. Union Minister of State for Railways Darshana Jardosh and Assam Chief Minister Himanta Biswa Sarma joined the ceremony virtually from Guwahati. To add to the momentous occasion, another train - the Vistadome attached Naharlagun-Guwahati Shatabdi Express - was flagged off by the MoS from Guwahati.

<https://economictimes.indiatimes.com/industry/transportation/railways/railways-starts-new-train-vistadome-express-between-assam-and-arunachal-pradesh/articleshow/88377029.cms>

Energy

Power CPSEs register 45% growth in capex investment: Power ministry

Central public sector enterprises (CPSEs) have registered 45 per cent growth in investment on capital expenditure over the previous year, the power ministry has said. For FY2021-22, the capital expenditure (capex) target of the CPSEs, under the Ministry of Power, is Rs 50,690.52 crore, a power ministry statement said. Power sector CPSEs incurred a capex of Rs 22,127 crore till November 2020, which was 49.3 per cent of the total expenditure for the fiscal. However, it stated that during 2021-22, the CPSEs have so far invested capex of Rs 32,137 crore, which is 63.4 per cent of the annual capex target. Thus, the capex performance of the ministry in absolute as well as relative terms is better compared to the previous year. In absolute terms, it has shown a growth of 45 per cent over last year's performance, it stated.

https://www.business-standard.com/article/companies/power-cpses-register-45-growth-in-capex-investment-power-ministry-121121900522_1.html

States

Tamil Nadu seeks mandatory Covid-19 tests for all int'l passengers

The Tamil Nadu health department has written a letter to the Union health ministry requesting mandatory Covid-19 tests for all the international travellers arriving at the four airports in the state -- Chennai, Coimbatore, Madurai, and Tiruchi. After the outbreak of the Omicron variant of Covid in various countries, the Union health department had said that tests for passengers arriving from 'at-risk' countries were mandatory. For those coming from the 'not-at-risk' countries, only two per cent random tests were to be conducted. However, after the passengers from not-at-risk countries were also tested Omicron positive, the state health department in a high-level meeting of doctors and officials decided that tests be conducted on all international passengers arriving in the state. The Directorate of Public Health (DPH) and Preventive medicine has requested the Union Ministry of Health and Family Welfare to issue

guidelines regarding the mandatory tests for all international passengers and a seven-day compulsory quarantine for all passengers who test Covid-19 negative and a re-test on the eighth-day of arrival.

https://www.business-standard.com/article/current-affairs/tamil-nadu-seeks-mandatory-covid-19-tests-for-all-int-l-passengers-121121900492_1.html

UP aiming to become semiconductor hub as India expects massive investment

With India estimated to receive Rs 76,000 crore investment in the semiconductor sector under the Production Linked Incentive (PLI) scheme, the Uttar Pradesh government is aiming to emerge as a semiconductor hub in the country. Armed with the new UP Electronics Manufacturing Policy 2020, which envisages a total investment of Rs 40,000 crore in the electronics/IT sector and creating 400,000 job opportunities, the state has started wooing the private sector players to set up semiconductor units in UP.

The Yogi Adityanath government has promised to offer a slew of incentives and support to the companies and technology startups for setting up semiconductor units in the state. The concessions pertain to speedier land allotment, capital subsidy, plug and play model etc. Semiconductors are used in the manufacture of electronic devices, including diodes, transistors and integrated circuits, which in turn run consumer electronics such as smartphones, modern cars, TV, computers etc.

https://www.business-standard.com/article/economy-policy/up-aiming-to-become-semiconductor-hub-as-india-expects-massive-investment-121121900593_1.html

Delhi govt allows transfer of excess ration at fair price shops to other FPS

The Delhi government has asked officials to transfer excess ration at fair price shops (FPS) in different zones of the city to those nearby FPS where the ration is required or can be accommodated, department officials said on Sunday. They said a circular in this connection has also been issued by the Food and Civil Supplies Department.

In the circular issued on Friday, the department said that several requests are being received in distribution branch regarding storage issues being faced by FPS owners due to the closing balance of previous month's left unadjusted in future allocations.

<https://www.financialexpress.com/india-news/delhi-govt-allows-transfer-of-excess-ration-at-fair-price-shops-to-other-fps/2383589/>

Healthcare

India's Omicron count rises to 145 after 45-year-old NRI tests positive

India's Omicron COVID count rose to 145 on Sunday after a 45-year-old NRI and a teenage boy, who recently arrived in Gujarat from the United Kingdom, tested positive for the variant. According to central and state officials, omicron cases have been detected in 11 states and union territories -- Maharashtra (48), Delhi (22), Rajasthan (17) and Karnataka (14), Telangana (20), Gujarat (9), Kerala (11), Andhra Pradesh (1), Chandigarh (1), Tamil Nadu (1) and West Bengal (1). Maharashtra had reported eight more cases, Telangana's tally jumped from eight to 20, while Karnataka and Kerala reported six and four cases respectively. In Gujarat, the non-resident Indian tested positive for the coronavirus infection in the RT-PCR test carried out at the Ahmedabad international airport soon after he arrived from the UK on December 15, a health department official said on Sunday.

https://www.business-standard.com/article/current-affairs/india-s-omicron-count-rises-to-145-after-45-year-old-nri-tests-positive-121121900515_1.html

Covid-19: Booster 80% effective against severe Omicron, says report

A team of UK researchers has analysed the likely impact that a Covid booster shot will have on Omicron and says it could provide around 85 per cent protection against severe illness. According to the BBC, the protection is a bit less than vaccines given against earlier versions of Covid. But it means the top-up dose should still keep many people out of the hospital. The modelling, from the team at Imperial College London, is based on limited information on Omicron. The researchers said there is a high degree of uncertainty until more real-world information is gathered about this new variant that is spreading quickly. Experts are still trying to figure out how mild or severe Omicron will turn out to be, the report said. Vaccines help teach the body how to fight Covid. But the current ones in use were not designed to combat the heavily-mutated Omicron variant, meaning they are not a perfect match.

https://www.business-standard.com/article/current-affairs/covid-19-booster-80-effective-against-severe-omicron-says-report-121121900569_1.html

Centre is considering providing financial support for drug innovations: Health Minister Mansukh Mandaviya

The Government of India is exploring ways to offer financial support to pharmaceutical players engaged in the areas of research and innovation for new drugs, Union Health Minister Mansukh Mandaviya said while pitching for investments at a pre-Vibrant Gujarat Global Summit in Ahmedabad on Saturday.

This comment from the Union Minister comes after the industry stressed on the need for financial support on several occasions previously.

<https://www.thehindubusinessline.com/economy/policy/centre-is-considering-providing-financial-support-for-drug-innovations-health-minister-mansukh-mandaviya/article37984694.ece>

External

IP, tariffs, data protection to dominate UK-India FTA negotiations

Intellectual Property (IP) protection and enforcement, standards, tariffs on several products, and data protection are among the key issues that would dominate the Free Trade Agreement (FTA) talks between India and the United Kingdom (UK), which are set to begin early next year. Talking to ANI, Managing Director of UK India Business Council Kevin McCole said there is a strong political will and desire from the two countries to conclude a comprehensive free trade agreement as soon as possible.

McCole said UK India Business Council has identified key areas of concern of the business community that needs to be addressed during the talks. "During the last summer, we conducted a round table. We engaged with around 200 business leaders. A number of priority areas came up," McCole said in a virtual interview from London.

https://www.business-standard.com/article/current-affairs/ip-tariffs-data-protection-to-dominate-uk-india-fta-negotiations-121121900645_1.html

India, Taiwan holding talks on free-trade agreement, looking at setting up semiconductor hub

India and Taiwan have started negotiations for a free-trade agreement and the setting up of a semiconductor manufacturing facility by a Taiwanese firm in India, in a significant step signalling their resolve to broad-base the overall bilateral economic engagement. If the move to set up the semiconductor manufacturing plant succeeds, then it will be the second such facility to be set up by a Taiwanese company in a foreign country after a similar hub in the United States, people familiar with the development said. The Indian government has already proposed a number of sites for the facility and one of Taiwan's leading semiconductor producers, including the Taiwan Semiconductor Manufacturing Company (TSMC) and the United Microelectronics Corporation (UMC), may implement the mega project, they said.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-taiwan-holding-talks-on-free-trade-agreement-looking-at-setting-up-semiconductor-hub/articleshow/88375076.cms>

TRIPS waiver: India, South Africa, US, EU try for breakthrough

Even the looming threat of the Omicron variant has not broken the deadlock in the World Trade Organisation (WTO) on relaxing certain intellectual property (IP) rules for Covid-19 vaccines and medical products. The TRIPS Council met this week to see if an agreement could be reached on the India-South Africa proposal for an IP waiver or any other appropriate pandemic response, but differences couldn't be bridged. This is largely because powerful players have refused to yield on the vexed issue.

<https://www.thehindubusinessline.com/economy/trips-waiver-india-south-africa-us-eu-try-for-breakthrough/article37990734.ece?homepage=true>

India's coal import declines 27% to 16 mn tonnes in October

India's coal import registered a decline of 26.8 per cent to 15.75 million tonnes (MT) in October over the same month a year ago. The country had imported 21.50 MT of coal in October 2020, according to data compiled by mjunction services.

"India's coal and coke imports in October 2021 through the major and non-major ports are estimated to have decreased by 26.8 per cent over October 2020," it said. mjunction -- a joint venture between Tata Steel and SAIL -- is

a B2B e-commerce company and also publishes research reports on coal and steel verticals. However, coal import in October was up 6 per cent as compared to 14.85 MT imported during September 2021, the data show. Of the total import in October 2021, non-coking coal was at 9.47 MT, against 14.46 MT imported in October last year. Coking coal import was at 4.05 MT, lower than 4.92 MT imported in October 2020.

https://www.business-standard.com/article/economy-policy/india-s-coal-import-declines-27-to-16-mn-tonnes-in-october-121121900245_1.html

India exports likely to fly high in New Year on global demand recovery

After staging a strong recovery from COVID-induced slowdown in 2021, India's exports are likely to extend the growth story to the New Year also on increased demand in the global markets, boost in domestic manufacturing due to production-linked incentive schemes and implementation of some interim trade pacts. Expectations of positive growth in the country's exports are also backed up by the outlook of the World Trade Organisation (WTO) which predicts a 4.7 per cent expansion in the global merchandise trade volume in 2022. Exporters believe that the outbound shipments would cross USD 400 billion mark in this fiscal going by the current momentum and may reach USD 475 billion in 2022-23.

However, the growth and global demand will also depend on whether the countries would be able to contain Covid-19 and the new variant Omicron through massive vaccination worldwide, they suggest. According to a Reserve Bank of India survey, released in September, exports of software services, including services delivered by foreign affiliates of Indian companies, stood at USD 148.3 billion in the fiscal year to March 31, 2021. This is more than USD 145.3 billion the world's top oil exporter, Saudi Arabia expects from oil sales in 2021.

https://www.business-standard.com/article/economy-policy/with-pli-schemes-global-demand-recovery-india-exports-likely-to-fly-high-in-new-year-121121900219_1.html

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

FICCI 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>