

Daily News Monitor: 1 April 2021

1. Trade policy extended by six months to September 30

Source: Financial Express ([Link](#))

The government on 31 March further extended the validity of the current foreign trade policy (FTP), which provides a road map for boosting external commerce in goods and services, by six months through September 30. The latest move will enable exporters to continue to get incentives under a clutch of extant programmes — including the Remission of Duties and Taxes on Exported Products (which replaced the flagship Merchandise Exports From India Scheme, or MEIS, from January 1), interest equalisation scheme and transport subsidy scheme (for farm exports) — without any hiccups.

2. Cabinet approves Rs 11,000-crore PLI scheme to promote food processing

Source: Financial Express ([Link](#))

The Cabinet on 31 March cleared a production-linked incentive (PLI) scheme to promote processed food manufacturing, with an estimated cost of Rs 10,900 crore to the exchequer over the next six years. The scheme would help expand the domestic capacity for food processing and potentially generate additional Rs 33,500 crore worth of processed foods with a potential to create 2.5 lakh employment, according to an official estimate. The eligibility criteria — in terms of investment and turnover — for firms to avail of the incentives will be decided later in consultation with the industry.

3. Monetary Policy Committee to meet 6 times during 2021-22, says RBI

Source: Financial Express ([Link](#))

The Monetary Policy Committee (MPC), which decides on key interest rates, will meet six times during the next financial year, the Reserve Bank of India (RBI) said on 31 March. The first meeting of the six-member MPC to decide on the first bi-monthly monetary policy statement for 2021-22 will be held from April 5 to 7. The policy will be announced on April 7. Half of the committee, which is headed by RBI Governor Shaktikanta Das, is made up of external independent members. According to the schedule provided by the RBI, the second meeting of the MPC in the next fiscal will be held on June 2, 3 and 4; third meeting (August 4-6); fourth meeting (October 6-8); fifth meeting (December 6-8) and sixth meeting (February 7-9, 2022).

4. Pay structure of employees won't change as Centre defers new wage code

Source: Business Standard ([Link](#))

In a major relaxation for salaried employees, the Centre on 31 March announced that the new wage code affecting take-home salary, which was expected to reduce from April 1, will remain the same until a further decision is taken in the matter. The government has deferred the decision due to pending changes in the labour codes of some states. Senior government officials attributed the decision to the ongoing elections in the four states, as well as states not coming out with their own rules on the codes. Should states delay, the Centre may notify its own rules by June. Labour is a concurrent subject and in case of clash between the central laws and state laws, it is the former which prevails, clarified the official. The draft rules on wage code talk about keeping the basic pay at 50 per cent or more of an employee's total pay. A worker's take-home salary may be reduced as the safety net contribution towards an employee's provident fund will increase.

5. SBI inks \$1-bn loan agreement with Japan Bank for International Cooperation

Source: Business Standard ([Link](#))

Country's largest lender, State Bank of India, has raised \$1 billion from Japan Bank for International Cooperation (JBIC) to extend loans to supply chain of Japanese automobile industry in India. SBI signed a loan agreement with JBIC, taking the total facility to \$2 billion. It has inked similar agreement for \$1 billion in October 2020, SBI said in a statement. Bank did not disclose terms of agreement including tenure and interest charged for loan facility. The virtual signing ceremony event was held in the presence of Dinesh Khara, Chairman, SBI along with senior executives of SBI, Hayashi Nobumitsu, Deputy Governor (JBIC) and Ayukawa Kenichi, CEO & MD of Maruti Suzuki. The loan is in the form of refinance against the funding support provided to the manufacturers, suppliers and dealers of Japanese automobiles in India. These businesses are recovering from reduced sales of automobiles due to the COVID-19 pandemic. The financing will assist the Government of India's 'Make in India' initiative.

6. Govt asks pharma companies to expand clinical trials

Source: Business Standard ([Link](#))

India's drug regulator DCGI has extended the shelf life of Covishield, the Oxford-AstraZeneca COVID-19 vaccine, from six to nine months from its manufacturing date. In a letter to the Serum Institute of India (SII), Drugs Controller General of India V G Somani said the SII is permitted to apply the vaccine's shelf life of nine months to unlabelled vials available on hand. Shelf life is the length of time for which an item remains fit for use. The

Drugs Controller General of India (DCGI) said it has no objection in respect of 'Extension of Shelf Life of Covishield Vaccine' in multi-dose glass vial (10 dose-5ml) from six months to nine months. "You are permitted to apply the shelf life of nine months to unlabelled vials available on hand, subject to the condition that the details of such stock, batch-wise, shall be submitted to this office and Central Drugs Laboratory, Kasauli," Somani said in the letter. According to an update by UK drug regulator dated February 22, the shelf-life of the AstraZeneca COVID-19 vaccine is six months.

7. Big breather for India Inc as government defers implementation of labour codes

Source: The Economic Times ([Link](#))

The government has deferred implementation of labour codes beyond April 1, citing delay on the part of states to finalise Rules. The move is expected to give more time and bandwidth to companies to retweak their salary structures and other human resource (HR) policies as certain provisions of the Code would have led to increase in employee cost for the companies. A senior labour ministry official confirmed to ET that implementation of labour codes has been deferred for some time. "Implementation of labour codes looks unlikely from April 1. The government wants at least some industrial states to notify rules across four labour codes along with the Centre to avoid any legal void," the official said.