

Industry Matters

Weekly Updates

August 13, 2021

Economy, Industry and Policy

India's economy showing positive indicators of high growth rate - PM Modi: Modi urged the industry and exporters to take advantage of opportunities created in the post-Covid world, explore new destinations and expand India's export basket to achieve the \$400 billion target. *(Economic Times)*

PLI scheme for specialty steel a game changer, to boost domestic output - Govt: The production-linked incentive (PLI) scheme for specialty steel will prove to be a "game changer" for the industry as the move is expected to increase the output of value-added steel and see introduction of new age technologies in the sector, Union minister Faggan Singh Kulaste has said. *(Economic Times)*

States step up capital expenditure as tax revenues rise: State governments have stepped up capital expenditure in the first quarter of the current financial year, reversing a declining trend witnessed in the corresponding period in the previous year due to the Covid pandemic, which dented revenues and necessitated elevated revenue spending. *(Financial Express)*

India Inc loosens purse strings as economy looks up: As consumer demand improves, India Inc is getting bullish on the domestic economy and manufacturers have drawn up extensive capital expenditure plans to invest in products and capacity to be ready for future demand. *(Economic Times)*

Govt nets Rs 53,684 cr from Vivad Se Vishwas scheme so far: The scheme provides for settlement of disputed tax, disputed interests, disputed penalty or disputed fees. The government has received Rs 53,684 crore so far from the direct tax dispute resolution scheme Vivad Se Vishwas, the Finance Ministry said on Monday. *(Financial Express)*

Rs 6 trillion asset monetisation plan in the offing, says DIPAM secretary: The government is working on a Rs 6-trillion monetisation plan that will include a range of assets, disinvestment secretary Tuhin Kanta Pandey said on Wednesday, more than double the target announced by the prime minister earlier this year. *(Business Standard)*

India's power consumption up 9.3% to 28.08 billion units in 1st week of August: India's power consumption grew 9.3 per cent in the first week of August to 28.08 billion units (BU) due to improved economic activities after easing of lockdown curbs by states, according to power ministry data. *(Economic Times)*

Foreign Investments

Forex reserves surge by \$9.42 billion to all-time high of \$620.57 billion: The country's foreign exchange reserves surged by USD 9.427 billion to record high of USD 620.576 billion in the week ended July 30, according to the latest RBI data. In the previous week ended July 23, the reserves had declined by USD 1.581 billion to USD 611.149 billion. *(Financial Express)*

FPIs invest Rs 1,210 cr in Indian markets in first 5 trading sessions of Aug: Overseas investors were net buyers to the tune of Rs 1,210 crore in Indian markets in the first five trading sessions of August on the back of domestic factors. In equities, they invested Rs 975 crore during August 2-6, as per depositories data. *(Economic Times)*

Retrospective tax - India eyes entry into global bond indices in a year: Central government officials are now hopeful the erasure of retrospective tax law will allow entry into the global bond indices within this calendar year. An entry into some of these indices is expected to generate an additional \$20 billion of foreign investment into the economy. *(Business Standard)*

Dixon to form JV with Japan's Rexam to manufacture Printed Circuit Boards: Dixon Technologies, a contract manufacturer in electronic goods, on Tuesday announced a joint venture with Japan-based Rexam Co for manufacturing Printed Circuit Boards (PCBs) for Air-Conditioners for the domestic and international market. *(Economic Times)*

India needs \$100 billion FDI annually to become \$5 trillion economy - Mukesh Aghi: India needs at least USD100 billion of foreign direct investment every year to reach its target of a USD5 trillion economy from the current USD2.7, the head of a top India-centric American business advocacy group has said. *(Financial Express)*

Bharti-backed OneWeb raises \$330mn from South Korea's Hanwha Systems: Bharti Enterprises-backed OneWeb, the Low Earth Orbit (LEO) satellite communications company, received an investment of \$330 million from Hanwha, the South Korean Fortune 500, global technology and manufacturing company. *(Business Standard)*

Augment Infra invests Rs 1.650 cr in Cleanmax for majority stake: Augment Infrastructure, a US-based investor, on Thursday announced a Rs 1,650 crore investment to buy a majority stake in rooftop solar solutions provider Cleanmax. *(Economic Times)*

Trade Policy and Competitiveness

PM steps in to launch national mission to meet \$400 billion export target: Prime Minister Narendra Modi on Friday will launch a national effort to achieve the target of \$400 billion worth merchandise exports in the current fiscal. India has met nearly a third of its annual target in the first four months of 2021-22. *(Business Standard)*

Plans to cultivate the 700 districts in India to become export hubs - Commerce Secretary: The MOCI plans to cultivate the 700 districts in India to become export hubs. Districts will be evaluated based on a graded rating scheme to identify the first 100 districts that will be financially supported to develop export infrastructure. *(CII Media Releases)*

Exports up over 50% to \$7.41 bn during August 1-7: The country's exports rose by 50.45 per cent to USD 7.41 billion during August 1-7, on account of healthy growth in the shipments of engineering goods, gems and jewellery as well as petroleum products, according to provisional commerce ministry data. *(Economic Times)*

Govt looking at 3-5 years extension for interest relief scheme for exporters: The Centre is examining the option of extending the interest equalisation scheme for exporters by three-five years, instead of doing so on a piece-meal basis of a few months at a time, to provide stability to exporters and help them in judicious pricing of their products. *(The Hindu BusinessLine)*

Piyush Goyal calls for increasing handloom exports to Rs 10,000 cr in three years: Textiles Minister Piyush Goyal on Saturday called for increasing handloom exports to Rs 10,000 crore and doubling the production to Rs 1.25 lakh crore in the next three years with a view to promoting the growth of the sector. *(Economic Times)*

Addressing container shortage, high shipping freights to help exports hit USD 400 bn this fiscal: Addressing acute shortage of containers, controlling high shipping freights and ensuring timely refund of pending dues are crucial to take the country's overall exports to USD 400 billion by the end of this fiscal, according to exporters. *(Economic Times)*

Ease of doing business - Maadhyam portal in works for swift nod to proposals: The Department for Promotion of Industry and Internal Trade's (DPIIT's) had planned to launch the portal on 15 August, but it is currently in a testing phase, with the one of the biggest challenges being coordination with multiple stakeholders involved. *(Business Standard)*

India exports 8 lakh tonnes of coal to neighbouring countries in FY'21: India exported 8 lakh tonnes of coal to its neighbouring nations, including Nepal, in the fiscal year ended March 2021. *(Economic Times)*

Corporate Sector

Air India, BPCL disinvestment to be completed this year - DIPAM Secretary: The government plans to complete privatisation of Air India and Bharat Petroleum Corporation Ltd (BPCL) this year, Tuhin Kant Pandey, Secretary at the Department of Investment and Public Asset Management (DIPAM) said on Wednesday. *(Business Standard)*

Ending retro tax to boost \$5-trn economy dream - FM Nirmala Sitharaman: The Finance Ministry on Monday said a Bill to end retrospective taxes imposed on indirect transfer of Indian assets will encourage companies to invest in India and help the country become a \$5-trillion economy. *(Business Standard)*

ITC to invest \$2 bn to expand capacity in FMCG, paper, packaging, agri-biz: ITC Ltd will invest \$2-billion (around Rs 15,000 crore) in the mid-term to expand capacity in FMCG, paper, packaging, agri-business and update technology, chairman and managing director Sanjiv Puri said. *(Economic Times)*

[Stellar Value Chain launches warehousing facility in Tamil Nadu, Punjab:](#) Supply chain company Stellar Value Chain Solutions has launched 1 million square feet of warehousing facilities in Hosur, Tamil Nadu, and Banur in Punjab. Spread across 500,000 sq. ft each, these facilities will offer fulfilment and distribution solutions to companies in sectors such as e-commerce, automotive, and consumer durables. *(Mint)*

[Govt will refund Rs 8000 crore to four companies once new taxation laws come into effect - CBDT Chairperson:](#) Once the Taxation Laws (Amendment) Bill, 2021 becomes law by early next week, the Government will have to pay Rs 8000 crore to four companies including Cairn Energy, Vodafone, WNS Capital and one more, said Central Board of Direct Taxes (CBDT) Chairperson JB Mohapatra after Taxation Laws (Amendment) Bill, 2021 was passed in Rajya Sabha. *(Economic Times)*

[L&T to sell 99 MW hydropower project in Uttarakhand to ReNew for Rs 985 cr:](#) In a major move in the renewable energy space, Larsen & Toubro announced its 99 MW power plant in Rudrapur in Uttarakhand to ReNew Power, marking the entry of Sumant Sinha-led company into hydropower space. The two companies announced signing of binding agreements for the acquisition. *(Business Standard)*

[Premji Invest invests \\$25 million in SB Packagings for significant stake:](#) Premji Invest, the family office of Wipro's chairman emeritus Azim Premji, has invested \$25 million (about Rs 180 crore) in SB Packagings Pvt. Ltd. for a significant stake. *(Economic Times)*

MSMEs and Start-ups

[Udyam Registration - Service sector MSMEs lead registration count in first year of Modi govt's new portal:](#) The Narendra Modi government's new MSME registration portal Udyam Registration, which was launched last year following the revision in the MSME definition, had registered 38,20,598 enterprises between July 1, 2020, and July 26, 2021, the majority of which operated in the service sector. *(Financial Express)*

['Startup' definition incorporated in govt's procurement process:](#) On February 19, 2019, the DPIIT amended the definition, as per which an entity will be considered a 'start-up' up to a period of 10 years from the date of incorporation/registration and if its turnover for any of the financial years since incorporation/registration does not exceed Rs 100 crore. *(Economic Times)*

[Govt taking steps to deal with impact of big online retailers on small biz - Piyush Goyal:](#) Union minister Piyush Goyal on Tuesday flagged concerns about the influence of big online retailers that is adversely impacting small players and asserted that the government is taking steps to ensure that in the long run, consumers get good quality products at affordable prices. *(Economic Times)*

[Will handhold startups, artisans to facilitate their entry into field of exports - FIEO:](#) Apex trade promotion body FIEO on Saturday said it will handhold startups, artisans and farmers to facilitate their entry into the field of exports and engage with Indian diaspora to boost the country's outbound shipments. *(Financial Express)*

[Sidbi launches various MSME cluster development focussed initiatives:](#) SIDBI has been supporting MSMEs through its focused cluster development initiatives such as support for technology upgradation/modernisation, skilling/re-skilling/upskilling and market linkages. *(Business Standard)*

[Edtech startup BlueLearn raises \\$450,000 from Lightspeed India, others:](#) BlueLearn started as a community on Telegram where students shared doubts with experts. That's now expanded to 42,000 members from 14 countries—including the US, the UK, Singapore and others. *(Economic Times)*

Employment and Industrial Relations

[July hiring activity at all-time high crossing pre-Covid levels - Report:](#) Hiring activity in the country touched an all-time high in July, witnessing a 11 per cent sequential increase, indicating a strong revival of economic growth and a recovery of business from the impact of COVID-19, a report said on Friday. *(Business Standard)*

[Tourism has highest job creating potential across sectors - G Kishan Reddy:](#) Union Minister of Culture, Tourism and Development of North Eastern Region (DoNER), G Kishan Reddy on Friday said tourism has one of the highest job-creating potentials across all sectors. *(Business Standard)*

[Depict real picture of job loss, reconcile data of credible agencies - Parliamentary panel to Labour Ministry:](#) A Parliamentary panel has asked the Ministry of Labour and Employment to use and reconcile the data and studies conducted

by credible agencies with that of retirement fund body EPFO for depicting real picture of job loss in the country especially in the situation like COVID-19 pandemic. *(Financial Express)*

India sees addition of 16 million jobs in July – CMIE: India saw an addition of 16 million jobs in July 2021 but salaried jobs fell by 3.2 million compared to June while they were less by 10 million compared to pre-Covid levels, the Centre for Monitoring Indian Economy said. *(Economic Times)*

PwC India to increase campus hiring by 5 times, to create 10000 more jobs: Announcing a major change, PwC India on Wednesday unveiled its new business strategy 'The New Equation'. The company also said that it is planning to invest up to ₹1,600 and create 10,000 jobs in the next five years. *(Mint)*

Eyewear brand Lenskart to hire over 2,000 employees by 2022: Omnichannel eyewear brand Lenskart on Wednesday said it plans to expand its workforce and add over 2,000 employees across the country by March 2022. *(Business Standard)*

Google employees who WFH could lose money: FB, Twitter also cut pay: Google employees based in the same office before the pandemic could see different changes in pay if they switch to working from home permanently, with long commuters hit harder, according to a company pay calculator seen by Reuters. *(Business Standard)*

Industrial Finance

Timeline for IBC resolution needs to be shortened - Shaktikanta Das: Reserve Bank of India (RBI) governor Shaktikanta Das has acknowledged that the timeline for resolution of default cases under the Insolvency and Bankruptcy Code (IBC) needs to be shortened, while adding recovery under the new regime is higher than the previous ones. *(Economic Times)*

Vedanta aims to invest up to \$20 bn across biz: Vedanta Chairman Anil Agarwal on Tuesday said that the company is committed to bringing in future investments of up to 20 billion dollars across its businesses. *(Mint)*

YIAPL achieves Rs 3,725-cr financial close for Noida International Airport: Yamuna International Airport (YIAPL), a 100% subsidiary of Zurich Airport International incorporated as a special purpose vehicle to develop the greenfield Noida International Airport, on Tuesday signed financing agreements with the State Bank of India (SBI) and Noida International Airport (NIAL), the Uttar Pradesh government's nodal agency for the project, to achieve financial closure of the project. *(Financial Express)*

Technology and Innovation

RBI could come out with model on India's digital currency by end of the year: The Reserve Bank of India may come out with a model on initial implementation of India's sovereign digital currency aka Central Bank Digital Currency (CBDC) as early as "by the end of this year," RBI deputy governor T Rabi Sankar said on Friday. *(Economic Times)*

Centre mulls changes in draft e-commerce rules, give clarity on flash sales: The Centre is considering changes to the consumer protection rules on e-commerce that may include redrafting related party sales and clarity on flash sales, after consultation with industry and e-commerce players. *(Business Standard)*

Billion-dollar online gaming industry seeks clarity on valuation, taxation: India is the fifth largest market for online gaming, a billion-dollar industry that could double to \$2 billion in the country by 2023. However, perception of online gaming hasn't always been favourable and policies, too, have at times worked against the sector. *(Business Standard)*

Industrial Infrastructure, Clusters and SEZs

Brookfield buys 30 acre land near Mumbai for Rs 600 cr to build data centre: In one of the biggest land deals in the country in the last couple of years, Canada's Brookfield has bought a 30 acre land parcel in Navi Mumbai, a satellite town of Mumbai, for Rs 600 crore from K Raheja Corp, sources said. *(Business Standard)*

Gadkari pitches for using RBI's rising forex reserves for infra development: Union Road Transport and Highways minister Nitin Gadkari on Wednesday pitched for formulating a policy for using the Reserve Bank of India's rising foreign exchange reserves for funding road projects, saying the country needs low cost finance for such infrastructure projects. *(Business Standard)*

Sustainable Industrialisation

[Tata Steel BSL sets up UV oxidation plant in Odisha to treat cyanide in wastewater:](#) Tata Steel BSL Ltd has set up the "world's first" ultraviolet oxidation plant in the industry at its facility in Odisha's Dhenkanal district to treat cyanide in coke oven wastewater, a deadly pollutant, the company said. (*Economic Times*)

[More electric vehicles hit the road in 7 months than all of last year:](#) Electric vehicle (EV) adoption is gaining traction in the country with more vehicles sold in the first seven months than the whole of 2020. (*Economic Times*)

[Reliance Industries, Bill Gates, others invest \\$144 million in US energy storage company Ambri Inc:](#) Reliance Industries, along with other strategic investors like Paulson & Co Inc and tech mogul Bill Gates, has invested \$ 144 million in US-based energy storage company Ambri Inc, the former announced late Monday in a statement. (*Economic Times*)

[Manufacturing firms list green goals; environmentalists say more needed:](#) Manufacturing companies in India, particularly the ones that are energy intensive and score poorly on overall sensitivity to the environment, will need to have a much more explicit, calibrated and well-planned strategy to achieve carbon neutrality and cut greenhouse gas emissions, environmentalists say. (*Business Standard*)

[India to require refiners, fertiliser plants to use some green hydrogen:](#) Governments and energy companies around the world are betting on clean hydrogen playing a leading role in efforts to lower greenhouse gas emissions, though its future uses and costs remain uncertain. (*Economic Times*)

[MNRE launches interest subvention scheme for waste to energy biomethanation projects:](#) The Ministry of New and Renewable Energy (MNRE) on Tuesday said it has launched a loan interest subvention scheme in association with UNIDI and GEF to provide financial assistance for innovative waste to energy biomethanation projects. (*Economic Times*)

Sectoral News

[India takes diplomatic route to drive Motown out of the chip mess:](#) The Ministry of External Affairs (MEA) stepped in to address the crisis, after a representation from the country's leading vehicle and engine manufacturers through the Society of Indian Automobile Manufacturers (SIAM). (*Economic Times*)

[Govt's stricter emissions rules will hit car sales - Maruti's RC Bhargava:](#) Automakers last week urged the government to defer tougher emissions standards, which are due to be implemented in two stages in April 2022 and then in 2023. (*Mint*)

[RBI's decision to hold key rate unchanged should support engineering goods sector growth - EEPC:](#) "Given that the engineering goods sector could significantly generate jobs there is a need to give further push to it by broadening credit coverage and facilitating exports," EEPC India chairman Mr Mahesh Desai said. (*Economic Times*)

[Passenger vehicle retail sales improve sequentially in July as restrictions ease:](#) Showroom sales of passenger vehicles jumped by 42.14% month-on-month to 261,744 units compared to 184,134 units in June, as per sales data released by the Federation of Automobile Dealers Associations (FADA) on Monday. (*Mint*)

[Semiconductor crunch throws auto sector out of gear, cos staring at 100,000 units of production loss in July-Sept quarter:](#) The impact of the second wave of the pandemic on the automobile industry may have disappeared, but that of the semiconductor shortage lingers. (*Economic Times*)