

Industry Matters

Weekly Updates

September 10, 2021

Economy, Industry and Policy

Spending push - Finance ministry asks depts to step up capex & create durable assets: With capital expenditure having dropped in three of the five months through July from a year before, the Centre is set to augment the pace of productive spending, a key growth enabler, across important departments. The finance ministry has already asked various infrastructure ministries and departments to step up capex and create durable assets. *(Financial Express)*

National Monetisation Pipeline (NMP) - Sound execution a must for success of initiative: The NMP's key aim is to 'recycle' infrastructure asset inventory. Asset monetisation is one of the key ways in which value vested in brownfield assets can be unlocked via long term concessions (with ownership still resting with the government), raising not only capital for fresh infrastructure investments but also maximising the value of assets by introducing private sector efficiencies. *(Financial Express)*

Centre plans PSU land sale worth more than Rs 600 crore via e-bidding: The Centre is planning to sell land parcels worth more than Rs 600 crore of some public sector undertakings (PSUs) through its new online bidding platform as it looks to push the sale of idle assets. *(Business Standard)*

Cabinet nod to Rs 10,683 cr PLI scheme for textiles: The Union Cabinet on Wednesday approved the Rs 10,683 crore production linked incentive (PLI) scheme for textiles for man-made fibre segment (MMF) apparel, MMF fabrics and ten products of technical textiles for five years aimed to boost domestic manufacturing and exports from the sector. *(The Economic Times)*

PLI scheme - Voltas, Blue Star among AC biggies planning to invest ₹3,000 crore: Voltas, Blue Star, Dixon, China's GMCC, Amber Enterprises, Panasonic, Lloyd and Hindalco are set to apply for the government's production-linked incentive (PLI) scheme for air-conditioner components, bringing immediate investments of more than ₹3,000 crore, multiple industry executives said. *(The Economic Times)*

Traders' body CAIT to campaign against 'malpractices' of e-commerce firms Amazon, Flipkart, others: Traders' body Confederation of All India Traders (CAIT) will hold a nationwide campaign beginning September 15 against "the malpractices of foreign-funded e-commerce companies" such as Amazon, Flipkart, others in India. *(Financial Express)*

Foreign Investments

India's inclusion in global bond may attract \$170 to \$250 bn in inflows: Morgan Stanley said on Thursday it expects India to be included in global bond indices in early 2022 and the index inclusion will attract USD170 to 250 billion in bond inflows in the next decade in base/bull scenario. *(Business Standard)*

Nitin Gadkari seeks US funds for India's road sector: Union road transport and highways minister Nitin Gadkari on Thursday reached out to US insurance and pension funds asking them to invest in the country's road sector. *(The Economic Times)*

Brookfield close to buying 2 NCR assets of Bharti Realty near Delhi airport and Gurgaon for about \$1 billion: Canada's Brookfield, one of the world's largest alternative asset managers and investors with \$600 billion of assets under management, is close to buying Bharti Realty's upscale commercial properties near Delhi airport and Gurgaon for around \$1 billion, said people aware of the matter. *(The Economic Times)*

Trade Policy and Competitiveness

Trade deficit may continue to widen in 2nd half of FY22: India's trade deficit is likely to continue widening during the second half of the current financial year. *(The Economic Times)*

UK, India in 'sweet spot' as trade negotiations begin, says Britain's trade minister: The UK and India are in a "sweet spot" of global trade dynamics as negotiations for a free trade agreement (FTA) begin in the coming weeks, according to Britain's trade minister in charge of the bilateral talks. *(Financial Express)*

Indian exporters allege global shipping companies are forming cartels: A crisis is staring exporters in the face with high freight rates and few ships and containers. These two factors are expected to spoil the upcoming Christmas season. *(Business Standard)*

Boosting Exports - Govt mulls sops to soften shipping cost blow; TMA scheme to be reintroduced: Worried about an over 300% jump in shipping costs in August from a year before, the government is exploring a range of options—including incentivising the setting up of domestic shipping lines and temporary fiscal support — to soften the blow to exporters. *(Financial Express)*

Commerce min notifies procedure for imports under India-Mauritius FTA: The commerce ministry on Tuesday notified tariff rate quota (TRQ) for certain items including pineapples, tunas, beer made from malt, rum and procedure for imports of those goods under India-Mauritius free trade agreement. *(Business Standard)*

Export body seeks SEZ inclusion in duty remission scheme: The Export Promotion Council for EOUs and SEZs (EPCES) on Tuesday sought the benefits of the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme to be extended to special economic zones and also urged the government to allow them to sell goods in the domestic tariff area. *(The Economic Times)*

Corporate Sector

Amazon ties up with Kuvera, set to offer wealth management service for the first time: One of the world's largest e-commerce giants, Amazon, is set to offer wealth management services in India. *(The Economic Times)*

JSPL hopeful of concluding deal to sell 96.42% stake in Jindal Power by December: Jindal Steel and Power Ltd (JSPL) expects to conclude the deal to sell its 96.42 per cent stake in its arm Jindal Power for Rs 7,401 crore to a promoters-owned firm Worldone by this year end. *(The Economic Times)*

ICICI Lombard gets final IRDAI approval for Bharti Axa acquisition: India's largest private sector general insurer ICICI Lombard late Friday said that it has received the final nod from the Insurance Regulatory and Development Authority of India (IRDAI) for its acquisition of Bharti Axa General Insurance. *(The Economic Times)*

Corporations want to retain large office spaces, data shows: Many occupants and tenants of large office complexes across the country including big corporations are renewing their lease agreements, despite the much-talked about emergence of the work-from-home option following the Covid-19 pandemic. *(The Economic Times)*

Volkswagen CEO says smart cars, not electric cars, are 'gamechanger': Volkswagen head Herbert Diess on Sunday said autonomous cars, not electric vehicles, were the "real gamechanger" for the auto industry, which is facing the end of combustion engines in Europe by 2035. *(Business Standard)*

Fitch says BPCL privatisation may get delayed: The government is selling its entire 52.98 per cent stake in BPCL for which three expressions of interest (EOIs) including one from billionaire Anil Agarwal-led Vedanta Group have been received. *(The Economic Times)*

MSMEs and Start-ups

India added 26 unicorns this year, ranks highest in daily startups addition - Invest India CEO Deepak Bagla: Invest India CEO Deepak Bagla on Friday said that India is number three in the world in terms of number of unicorns, second in number of startups and stands first in the number of startups added everyday. *(The Economic Times)*

GJEPC suggests introduction of repair policy, cut in import duty: The Gems and Jewellery Export Promotion Council (GJEPC) has suggested for introduction of a repair policy; cut in import duty on gold and silver; and the abolition of equalisation levy of 2 per cent for purchase of rough diamonds with a view to promoting the growth of the sector. *(The Economic Times)*

Amazon signs pact with Gujarat to boost state MSMEs' e-commerce exports: Amazon India has signed a Memorandum of Understanding (MoU) with the Industries and Mines Department, Government of Gujarat, to help drive e-commerce exports from the state. *(Business Standard)*

Mobile e-commerce company, Bikayi raises \$10.8 million in Series-A funding: Founded in 2019 by IITians Sonakshi Nathani and Ashutosh Singla, Bikayi enables Small and Medium-sized Businesses (SMBs) to scale up on digital platforms thereby enabling them to reach out to a wider audience base. *(The Economic Times)*

Employment and Industrial Relations

Employers may have to mandatorily enroll unorganised workers on e-Shram: The government is likely to issue an advisory mandating employers to enrol all unorganised workers employed with them on the e-Shram portal. *(The Economic Times)*

Government plans to make social security scheme for informal workers more attractive: The government is looking to make its flagship social security scheme for informal workers more attractive by offering a free accident cover or slashing the monthly contribution amount as new enrolments have slumped to an all-time low. *(The Economic Times)*

Huge spike in EPF payrolls throws up debate on formalisation of the economy: There was a net addition of 960,000 subscribers to the Employees' Provident Fund (EPF) in April, 770,000 in May and 1.28 million in June in the current financial year. *(Business Standard)*

Half the payroll in Q1 was new jobs - SBI's Ecowrap: The ratio of first jobs/new payroll to total payroll in the first quarter of FY22 indicates that one out of two jobs was a new addition, according to State Bank of India's economic research report Ecowrap. *(The Hindu BusinessLine)*

Hesitancy to turn up for MGNREGS work on the decline as Covid scare subsides: Around 82% of the individuals who were 'offered' work under the rural employment guarantee scheme (MGNREGS) turned up for it till September 3 in the current financial year as against around 84% in the last two years and 69% till June 1 this year. *(Financial Express)*

Industrial Finance

Equity markets alone can't sustain growth, stronger debt markets needed - Sanjeev Sanyal: At a time when stock indices are scaling record highs and companies making handsome debuts, a senior policymaker on Wednesday said India needs strong support from debt capital like bank loans for long-term economic growth. *(Financial Express)*

Tie-ups like Equitas-Google Pay can significantly disrupt payments sector: The Indian financial sector went into a tizzy last week when Equitas Small Finance Bank announced that its fixed deposit offerings can be availed of by users of Google Pay. *(Business Standard)*

Govt plans to bring a bill, cryptocurrencies to be treated as commodity: The government is planning to define cryptocurrencies in the new draft bill that also proposes to compartmentalise virtual currencies on the basis of their use cases, three people aware of the development told ET. *(The Economic Times)*

Crypto not currency; needs to be regulated as asset: ex-RBI DG Gandhi: Former RBI deputy governor R Gandhi on Tuesday made a case for treating and regulating crypto as a separate asset class with a view to enabling governments around the world to effectively deal with illegal activities associated with virtual currencies. *(The Economic Times)*

At FSDC meet, regulators told to keep a watch on financial sector: The apex body also emphasised the need for strengthening institutional mechanism for financial stability analysis and framework for resolution of financial institutions and issues related to insolvency and bankruptcy code. *(Business Standard)*

IBC- 47 pc closed cases in liquidation till Jun; many cos saw eco value erosion before insolvency process, says IBBI: Nearly 47 per cent or 1,349 cases closed under the insolvency law ended up in liquidation till the end of June this year but economic value in majority of the cases had eroded even before commencement of the corporate insolvency resolution process, according to IBBI. *(The Economic Times)*

Google says firmly sees itself as partner to India's financial ecosystem: Internet major Google on Friday said it firmly sees itself as a partner to the existing financial ecosystem in India and that instances of partnerships being described as Google Pay's offerings fuel misinterpretation. *(The Economic Times)*

Take advantage of Rs 50,000-crore loan guarantee scheme - MoS Finance Karad to healthcare sector: Minister of State for Finance Bhagwat K Karad has asked the medical fraternity to take advantage of the Rs 50,000-crore Loan Guarantee Scheme for Covid-Affected Sectors (LGSCAS), to upgrade healthcare infrastructure for dealing with any possible third wave of the coronavirus pandemic. *(Financial Express)*

[Govt appoints 10 merchant bankers for managing LIC IPO:](#) The Department of Investment and Public Asset Management said in a notice on Wednesday that it has appointed Goldman Sachs, JP Morgan, Citigroup, Nomura, Bank of America Securities, JM Financial, SBI Caps, Kotak Mahindra Capital, ICICI Securities and Axis Capital to manage the IPO. *(The Economic Times)*

Technology and Innovation

[India's fintech market to triple to Rs 6.2 lakh cr by 2025 - MoS Finance Karad:](#) India provides a great ecosystem for Fintech development like access to bank accounts under the PM Jandhan Yojana, digilockers and scalable platforms including UPI. *(The Economic Times)*

[Indians embrace digital - Over 300 mn smartphone users use digital payments:](#) The Pulse Report, released last week by PhonePe, a leading Indian fintech platform with over 300 million registered users, is a study on the evolution of digital payments in India over the past five years. *(Business Standard)*

Industrial Infrastructure, Clusters and SEZs

[Build smart infrastructure to improve ease of access - DEA Secy Ajay Seth:](#) Economic Affairs Secretary Ajay Seth on Thursday underlined the need for building smart infrastructure to improve ease of access. *(Business Standard)*

[Ladakh admin signs 'historic' MoU with BRO for upgradation of road network:](#) The Ladakh administration and the Border Roads Organisation signed an MoU for upgradation and improvement of road network in the Union territory, officials said on Saturday. *(Financial Express)*

[Jio-BP tie up with BluSmart to set up electric charging stations:](#) JIO-BP, the joint venture between Reliance Industries and UK's energy giant BP, has tied up with BluSmart, an all-electric ride-hailing platform, to set up a network of electric vehicle charging stations, the companies said in a statement. *(The Economic Times)*

[Government gives final approval to privatise 13 airports:](#) The government aims to generate Rs 3,660 crore of private investment into the airports by FY 24. *(Business Standard)*

Sustainable Industrialisation

[Niti Aayog VC calls for mitigation strategies to deal with climate change:](#) Niti Aayog Vice Chairman Rajiv Kumar on Tuesday said the very real threat of climate change necessitates the development of mitigation strategies. *(Business Standard)*

[India among top 3 destinations for renewable energy - Mukesh Ambani:](#) India ranks among top three most attractive destinations for renewable energy in the world, said Reliance Industries Ltd (RIL) Chairman and Managing Director Mukesh Ambani Friday, adding that the target of 175 gigawatts of renewable energy capacity in the country by December 2022 is well within sight. *(The Economic Times)*

[Godrej & Boyce joins India Plastics Pact as founding member:](#) Godrej Group flagship firm, Godrej & Boyce on Friday said it has joined as a founding member of the 'India Plastics Pact' -- a joint initiative by CII and WWF India. The pact has been established with the goal of envisioning a world where plastic is valued and does not pollute the environment, the company said in a statement. *(The Economic Times)*

[India, UK agree investment boost at Economic and Financial Dialogue:](#) Sitharaman and Sunak, who met virtually for the annual summit, signed off a USD 1.2-billion package of public and private investment in green projects and renewable energy to boost India's green growth ambitions. *(The Economic Times)*

[Green hydrogen central to fight against climate change:](#) Green hydrogen, together renewable energy, is central to India's energy transition and the global effort to tackle climate change. *(The Economic Times)*

[Climate Change - India may see loss of \\$6 trillion by 2050; top 5 sectors to be most hit account for over 80% of GDP:](#) With the impact of climate change getting visible through erratic weather patterns, analysts have pointed out that unmitigated global warming can cause monetary losses to the tune of a massive \$6 trillion by 2050 to India. *(Financial Express)*

[Danfoss inaugurates Green Refrigerants testing centre at India campus:](#) Danfoss Industries on Wednesday launched a new center of excellence for green refrigerants at its facility in Chennai, to encourage the sustainable development and use of low-GWP refrigerants. *(The Economic Times)*

India Inc set to raise \$3 bn through green, ESG issuances by December: After a brief hiatus in 2020 due to the Coronavirus (Covid-19) pandemic, Indian companies are hitting bond street to raise funds via green and environment, social, governance (ESG) issuances, raising over \$6 billion so far in 2021, with another \$3 billion in the pipeline by the end of the year, bankers involved with such transactions said. *(Business Standard)*

Sectoral News

'Made in India' iPhones make Apple's 70% domestic market sales: In a major push towards 'Make in India', Apple Inc is manufacturing 70 per cent of the mobile phones, in value terms, that it sells in the domestic market, in India, according to sources aware of the development. *(Business Standard)*

Coal India supply exceeds pre-COVID levels even as utilities face fuel shortage: The world's largest coal miner supplied about 206 million tonnes of coal to utilities from April to August, 27% higher compared with the same period last year and up 8% compared with April-August 2019, it said on Thursday. *(The Economic Times)*

Indian steel industry's borrowings at lowest levels since 2012 – ICRA: Indian steel industry's consolidated borrowings are at their lowest levels since March 2012, rating agency said, revising the steel sector's outlook to positive from stable on account of better-than-expected quarterly performance reported by India's top steelmakers in Q1 of FY2022. *(The Economic Times)*

Govt likely to extend incentive scheme IFLADP for leather, footwear industry till 2025-26: The government is likely to extend an incentive scheme for leather and footwear industries, IFLADP, till 2025-26 with an outlay of Rs 1,700 crore, to further boost manufacturing, exports and job creation, an official said. *(Financial Express)*

Unnecessary coal plants could waste India's Rs 247,421 cr, says report: A total of 27 GW of pre-permit and permitted new coal power plant proposals in India are now superfluous to its electricity requirements. *(Business Standard)*

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