

Industry Matters

Weekly Updates

July 30, 2021

Economy, Industry and Policy

India's growth to start hitting 6.5-7 per cent from FY23 onwards - CEA Krishnamurthy Subramanian: Subramanian said the supply-side reforms undertaken by the government in sectors such as agriculture, labour, export PLI scheme, change in MSME definition, creation of the bad bank, privatisation of public sector banks among others, are going to push growth in the future. (*Economic Times*)

Govt clears amendments to LLP Act; to decriminalise 12 offences under law: Continuing efforts to foster ease of doing business as well as encourage startups ecosystem, the government on Wednesday approved amendments to the Limited Liability Partnership (LLP) Act, including decriminalising 12 offences under the law. Besides, a new definition for small LLPs will be introduced under the amended Act, which is being implemented by the corporate affairs ministry. (*Business Standard*)

Union Cabinet approves Rs 6,322 crore PLI scheme for speciality steel: The five categories of speciality steel which have been chosen in the PLI Scheme are: coated/plated steel products, high strength/wear resistant steel, speciality rails, alloy steel products and steel wires, electrical steel. (*Business Standard*)

Govt says 16,527 companies struck off during April 2020-June 2021 period: Minister of State for Corporate Affairs Rao Inderjit Singh on Monday informed the Lok Sabha that pursuant to provisions of Section 248 of the Companies Act, 2013, "during April 2020 to June 2021, name of total 16,527 number of companies were struck off from the register of companies". (*Economic Times*)

NCAER's business confidence index dips by 27.5 per cent in Q1: The Business Confidence Index (BCI) prepared by the Delhi-based think tank NCAER declined by 27.5 per cent in the first quarter of the current financial year over the previous quarter. The BCI on a quarter-on-quarter basis decreased by 35.3 per cent for the services sector, 32.9 per cent for the consumer durables sector, 32.3 per cent for the capital goods sector, 17 per cent for the intermediate goods sector and 14.3 per cent for the the consumer non-durables sector. (*Economic Times*)

Union Cabinet paves the way for privatisation of govt-owned insurers: The Union Cabinet has approved amendments to the General Insurance Business (Nationalisation) Act, paving the way for privatisation of government-owned insurers. The amendments, approved by Cabinet, will remove the clause for the Centre to hold at least 51 per cent in public sector insurance companies at any given time. It will also have an enabling provision for the transfer of management control from the government to the potential buyer of the public sector insurance company. (*Business Standard*)

Govt releases national guidelines for data quality in surveys: The Union government on Wednesday released 'National Guidelines for Data Quality in Surveys' to provide comprehensive guiding principles and best practices for mitigating errors and biases that may occur during survey design, data collection and analysis, thereby ensuring data quality in surveys, specifically for demographic, health and nutrition surveys. (*Mint*)

Arvind Panagariya underlines the reforms that India needs most urgently: Recent expansion and reconfiguration of the council of ministers offers a fresh opportunity to accelerate and deepen structural reforms. The government must seize this opportunity. (*Economic Times*)

Foreign Investments

Union Cabinet approves 100% FDI in PSU refiners to aid BPCL sale: The Union Cabinet on Thursday approved a proposal to allow 100 per cent foreign direct investment (FDI) in public sector refiners, expanding the scope for FDI in the privatisation of Bharat Petroleum Corporation Ltd (BPCL). (*Business Standard*)

India will continue to attract high foreign investments - Piyush Goyal: He said India has received highest ever FDI in the Covid-impacted 2020, in contrast with a shrinkage in investment inflows globally. In 2020-21, FDI into the country grew by 19 per cent to USD 59.63 billion. Total FDI, including equity, re-invested earnings and capital, rose 10 per cent to USD 81.72 billion during 2020-21 as against USD 74.39 billion in 2019-20. (*Economic Times*)

Foreign FIs halt plans to set up investment firms within IFSCs: Several foreign financial institutions looking to set up investment entities in Indian International Financial Services Centres (IFSCs) have hit the pause button pending negotiations of India's terminated bilateral trade agreements with 58 countries even as Indian funds are exploring opportunities in these centres. *(Economic Times)*

3one4 Capital to fully tie up commitments for over \$100 million fund this quarter: 3one4 Capital -- an early stage venture capital firm that primarily invests in technology companies -- expects to fully tie up commitments for its latest fund of over \$100 million corpus during the current quarter. Anurag Ramdasan, Principal - Investments at 3one4 Capital said that there has been "overwhelming interest" from global institutions into investing in India as the pandemic underscored the true potential of technology and digital firms. *(Economic Times)*

Torrent Gas plans Rs 10,000 crore capex in 5 years; sets up 25 CNG stations in Chennai: Torrent Gas, part of the USD 3 billion Torrent Group, has drawn up a Rs 10,000 crore capital expenditure plan spread over the next five years including Rs 5,000 crore investment in Tamil Nadu, a top company official said on Tuesday. The company earlier in the day launched 25 CNG stations in Chennai and Tiruvallur districts which was formally inaugurated by Chief Minister M K Stalin through the virtual mode. *(Economic Times)*

Trade Policy and Competitiveness

Exports rise 45 per cent during July 1-21, Commerce Ministry: The country's exports grew 45.13 per cent to USD 22.48 billion during July 1-21 on account of healthy growth in sectors such as gems and jewellery, petroleum and engineering, according to the provisional commerce ministry data. Imports also rose 64.82 per cent to USD 31.77 billion in the said period, leaving a trade deficit of USD 9.29 billion. *(Economic Times)*

India sees significant improvement in UNESCAP score on trade facilitation: India has seen a "significant improvement" in the UNESCAP's Global Survey on Digital & Sustainable Trade Facilitation with a 90.32 per cent score. After evaluation of 143 economies, the Survey 2021 has highlighted India's significant improvement in the scores on all five key indicators — transparency, formalities, institutional arrangement and cooperation, paperless trade and cross-border paperless trade. *(Financial Express)*

Engineering goods exports to China, Singapore & Malaysia fall sharply in June – EEPC: While engineering goods exports from India to most key nations recorded high double-digit growth in June mirroring global trade recovery, shipments to China, Singapore and Malaysia fell sharply during this period, said a medi. *(Economic Times)*

Tea Industry urges Centre to work out a preferential trade agreement with Bangladesh in order to boost tea exports: The tea industry has urged the Centre to work out a preferential trade agreement with neighbouring Bangladesh in order to boost the dwindling tea exports from the country. *(Economic Times)*

Govt seeks stakeholder inputs on IPR issues in trade pact with UK: The government on Wednesday sought suggestions from stakeholders and industry bodies on intellectual property rights (IPR) issues in the proposed India-UK Enhanced Trade Partnership. *(Economic Times)*

Renegotiating FTAs - India and the European Union: After limited economic gains from its FTAs with Asian partners, India is reassessing its FTA options. While a good beginning has been made with the UK, India must also renegotiate with the EU—the bloc is very important for India as far as trade relations are concerned, and an FTA with the EU is, thus, based on sound reasoning. *(Financial Express)*

Corporate Sector

Byju's on an acquisition spree, buys Great Learning for \$600 mn: Byju's on Monday said that it has acquired Singapore-headquartered Great Learning, a leading global player in the professional and higher education segment in a transaction valued at \$600 million comprising cash, stock and earnout. Byju's has earmarked a further \$400 million of investment into this segment towards accelerating Great Learning's growth. *(Business Standard)*

Life Insurance Corporation of India IPO only after 3 other PSU selloffs: The government is looking to complete at least three public sector disinvestment transactions before rolling out the mega initial public offer (IPO) of Life Insurance Corporation of India early next year, a finance ministry official said. At least three firms – National Fertilisers Ltd, Mishra Dhatu Nigam Ltd and Rashtriya Chemical & Fertilizers Ltd – will be divested through offer on sale, or OFS, route within the next quarter, the official said. *(Economic Times)*

Tata Sons subsidiary to buy 43.3% stake in Tejas Networks for Rs 1,850 cr: Panatone Finvest Limited, a subsidiary of Tata Sons, will buy a 43.3 per cent stake in Tejas Networks for Rs 1,850 crore. *(Business Standard)*

MSMEs and Start-ups

Factoring Bill gets LS nod, to bolster cash flow to MSMEs: The amendments to the factoring law approved by the Lok Sabha on Monday will bolster cash flow to micro, small and medium businesses (MSMEs), Finance Minister Nirmala Sitharaman said. *(Financial Express)*

How this new law can help small businesses monetize receivables: Micro, small and medium enterprises (MSMEs) persistently face payment delays from large clients, a hurdle somewhat smoothed by factoring businesses. On Monday, the Lok Sabha cleared the Factoring Regulation (Amendment) Bill that aims to support this sector. *(Mint)*

MSE CDP - Projects completed under cluster development programme for MSEs in FY21 lowest in 4 years: According to the government data, the total projects completed in FY21 declined to 20 from 22 in FY20, 28 in FY19, and 24 in FY18. In FY22 so far, only two projects were completed. *(Financial Express)*

Employment and Industrial Relations

Process of creation of unorganised sector database to begin next month: The government on Wednesday said the process of registration for creation of a national database for unorganised workers (NDUW) is expected to begin next month. *(Financial Express)*

Jobs - Economic recovery pushes hiring intent to 15 month high in Q2: Job seekers can hope for better days ahead as India Inc's 'intent to hire' in July-September marks its highest level in the past 15 months, according to a survey of 700 small, medium and large companies across 21 sectors. *(Economic Times)*

MGNREGA has already used up over half of its annual funds this fiscal: More than half of the funds allocated for the Mahatma Gandhi National Rural Employment Guarantee scheme in the current financial year has been utilised in just three-and-a-half months into the fiscal, suggesting the pressure on rural India on generating employment. *(Economic Times)*

Industrial Finance

Cabinet approves multilateral MoU signed by IFSCA: The Cabinet on Wednesday approved a multilateral MoU signed between the International Financial Services Centres Authority (IFSCA), International Organization of Securities Commissions (IOSCO), and International Association of Insurance Supervisors (IAIS). It is one of the biggest multilateral forums with several regulators and has 124 signatories. *(Economic Times)*

Unlawful deals - Claims of Rs 1.6 lakh crore filed at NCLT by resolution professionals of companies gone bankrupt: Resolution professionals (RPs) of 700 bankrupt companies have filed claims for recovery of Rs 1.6 lakh crore at the National Company Law Tribunal (NCLT) alleging 'unlawful' transactions entered into by the companies prior to their admission into Insolvency and Bankruptcy Code (IBC) proceedings, according to a government official. *(Economic Times)*

Technology and Innovation

These businesses reacted to Covid with automation and AI: AI has played a silent role in our lives for many years now—medical research is a key example. However, the applications of AI are now more visible to people mainly because of consumer applications such as e-commerce, ride sharing, app-based food delivery, OTT platforms, etc. that they use in their daily lives. *(Economic Times)*

Creator India's first web portals in 1990s aims to take his tech co public: Tech entrepreneur Rajesh Jain is a pioneer in Asia's dotcom revolution, having created India's first Internet portals in the late 1990s. He then started what is today India's largest marketing technology company, Netcore Cloud. It offers AI-powered marketing automation and analytics solutions. *(Business Standard)*

India R&D team plays a key role in development of OnePlus 5G phone: Premium smartphone maker OnePlus will continue to strengthen its commitment towards the Indian market ranging from manufacturing and R&D capabilities to offline expansion, said Navnit Nakra, vice president, chief strategy officer and head of India sales, OnePlus India. *(Business Standard)*

Data breaches cost Indian companies Rs 165 mn, rising 18% from 2020 – Report: Data breaches cost companies \$4.24 million per incident on average, said an IBM global study on Wednesday, marking the highest such expense in the 17-year history of the report. *(Business Standard)*

Industrial Infrastructure, Clusters and SEZs

1,096 SEZ units register, 336 exit in last three years, says Goyal: As many as 1,096 SEZ units were registered during the last three years in various SEZs across the country, while 336 units exited during the period. *(The Hindu BusinessLine)*

Noida authority allots 34,275 sq metre land to Adani Enterprises Ltd to set up a data centre: The company will invest Rs 2400 crore in the upcoming facility at Sector 62, Noida and the project will generate employment for 1350. *(Economic Times)*

Sustainable Industrialisation

India's top refiner, Indian Oil Corp to fuel expansion with green power: "We have got several expansion plans down the line which are already approved. We will not have a captive power plant and will utilise power from the grid, preferably green power. This will help decarbonise some part of the manufacturing," IOC said. *(Economic Times)*

NTPC REL bags 325 MW solar projects at Shajapur Solar Park in Madhya Pradesh: As per the filing, the NTPC Renewables won a capacity of 105 MW and 220 MW quoting the lowest tariff of Rs 2.35 per kWh (or per unit), and Rs 2.33 per kWh respectively. *(Economic Times)*

Global standards for the carbon market to help in India's sustainable goals - Mahua Acharya, CEO, Convergence Energy Services: As UK is trying to rally nations to standardize carbon markets globally in the upcoming COP 26 UN Climate Change Conference which it is hosting, the success of the endeavour can have multiple ramifications including funding various sustainable development projects currently being implemented in India. *(Financial Express)*

Waaree completes 300-MW solar module production for US project: Waaree Energies on Tuesday said it has completed the production of 300 megawatt (MW) solar modules for Aquamarine, a 250-MW solar project in California, United States, that is part of the first phase of Westlands Solar Park (WSP). *(Economic Times)*

Sectoral News

Construction equipment industry could grow 25% in 2021, regain pre-Covid peak in 2022 - JCB India: The construction equipment industry in India could grow by 20-25% in 2021 on the back of the government's infrastructure spends and could likely regain the past peak sales of 2018 during the following year, JCB India said. *(Economic Times)*

India's gas production jumps 19.5% in June on back of KG-D6: India produced 2.77 billion cubic meters of natural gas in June, up from 2.32 bcm in the same month last year, as per the data released by the Ministry of Petroleum and Natural Gas. *(Economic Times)*

Bajaj Auto takes a different road from Ola in its electric vehicle journey: Tech giant Ola Electric wants to disrupt the two-wheeler market by offering electric scooters for the price of a 125cc ICE-powered model. Its ambitious target is to get half of the 21 million two-wheeler buyers to move from ICE to electric in a few years as it builds the world's largest two-wheeler factory in Tamil Nadu. *(Business Standard)*

Ashok Leyland to transfer complete electric vehicles business to new arm Switch Mobility: Commercial vehicles major Ashok Leyland is consolidating the entire electric vehicles (EV) business of the group, including UK-subsiary Optare into a new company called Switch Mobility. *(Economic Times)*

Tesla seeks lower taxes on sale of imported EVs in India: Tesla is seeking to enter India, one of the world's biggest emerging car markets, where electric vehicles account for less than 1% of new passenger vehicles and two-wheeler sales compared with 5% in China. *(Mint)*

Decommissioning coal power plants older than 25 years can save Rs 37K cr – Study: The findings are based on the performance of 194 GW of Indian coal assets (out of a total capacity of nearly 205 GW) during the 30 months preceding the COVID-19 pandemic. *(Financial Express)*

BDR Pharma inks license agreement with DRDO to produce COVID-19 drug 2-DG: BDR Pharma has inked a pact with the Defence Research and Development Establishment (DRDE) and the Institute of Nuclear Medicine and Allied Sciences (INMAS) of the DRDO for manufacturing, distribution, and marketing of 2-DG in the country. *(Economic Times)*

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