

# Industry Matters

Weekly Updates

September 24, 2021

## Economy, Industry and Policy

**Cautious Push - Finance secretary TV Somanathan tempers stimulus expectations:** The Centre's expenditure commitments have exceeded the budgeted level by about Rs 2 lakh crore only half way through the fiscal, owing to the announcement of a raft of steps, including free grains to the poor, elevated fertiliser subsidy and clearance of dues to exporters, finance secretary TV Somanathan has said. *(Financial Express)*

**India may seek a ratings upgrade from Moody's amid recovery hopes:** The Finance Ministry plans to pitch for a ratings upgrade from Moody's Investors Service during a scheduled meet on September 28, people familiar with the matter told Bloomberg. *(The Economic Times)*

**Upper middle class to revive consumption cycle again soon – Report:** With higher consumer confidence following the rise in vaccination levels and sitting on already-built-up-savings through the pandemic months, the top 20 per cent of upper-income consumers will help recover the near-term consumption demand, as per a report. *(The Economic Times)*

**Near-term risks persist for private investments, says RBI study:** While the economy is on a recovery path, private investments, which have been sluggish for years, will continue to see near-term risks in FY22, according to an RBI study. *(Business Standard)*

**Centre receives investment proposal of Rs 6,000 crore for PLI in white goods:** The government has received 52 proposals to invest a total of Rs 5,866 crore under the production-linked incentive (PLI) scheme for white goods comprising components for air-conditioners and LED lights. *(The Economic Times)*

**Leather exporters urge govt to extend PLI benefits to them:** The Council for Leather Exports (CLE) has urged the government to extend the benefits of the production-linked incentive (PLI) scheme to the sector as it would help in boosting manufacturing, creating jobs and increasing exports. *(The Economic Times)*

**Reliance, Adani, Tata, and Jindal among 14 others applied to Rs 4,500 crore PLI scheme:** Reliance, Adani, Tata, and Jindal are some of the 18 companies that have applied for the Centre's Rs 4,500 crore production-linked incentive (PLI) scheme. *(The Economic Times)*

## Foreign Investments

**'One-stop shop' - Single-window approval system for investors launched:** Commerce and industry minister Piyush Goyal on Wednesday launched a national single-window system, which aims to become a "one-stop shop" for investors to apply for various approvals and make it easier for them to set up units. *(Financial Express)*

**FDI equity inflows up 112% to \$20.42 bln in Apr-July period - Govt data:** Total Foreign Direct Investment (FDI) inflow rose to \$27.37 billion during the first four months of 2021-22. In the year-ago period, the same was at \$16.92 billion. *(Business Standard)*

**Most FDI proposals in 3 depts from nations sharing land border with India:** The government has received maximum foreign direct investment (FDI) proposals in three departments -- electronics and IT, industry and internal trade, and heavy industries -- from countries sharing land border with India, an official said. *(Business Standard)*

## Trade Policy and Competitiveness

**Tamil Nadu eyes \$100 billion exports by 2030, signs MoUs worth Rs 2,120.54 crore:** The Tamil Nadu government on Wednesday signed Memorandum of Understanding for 24 projects worth Rs 2,120.54 crore, while Chief Minister M K Stalin said the government's goal is to increase the state's exports to USD 100 billion by 2030. *(The Economic Times)*

**Exports of software services up 2.1% to \$148.3 bn in 2020-21 - RBI survey:** Exports of software services, including services delivered by foreign affiliates of Indian companies, recorded 2.1 per cent growth during 2020-21 and stood at USD 148.3 billion, as per a Reserve Bank survey released on Monday. *(Business Standard)*

**India's exports are booming, but will it last?:** In a year where the Indian economy is stuttering back to normal, the burgeoning export numbers have been a cause for cheer. August was the fifth straight month when India's goods exports exceeded \$30 billion. *(Mint)*

**Entitlement under SEIS for services exports during 2019-20 capped at Rs 5 crore – DGFT:** The government on Thursday said it has imposed a limit on the total entitlement under services export incentive scheme SEIS for shipments made during 2019-20, at Rs 5 crore per exporter. *(The Economic Times)*

**Temporary reduction in import duties to help build volumes required for manufacturing electric vehicles in India – Audi:** German luxury-car maker Audi said a temporary reduction in import duties will help build volumes required for manufacturing electric vehicles in India, at a time when the government has approved a Rs 25,938 crore production linked-incentive scheme (PLI) to encourage transition to green mobility. *(The Economic Times)*

**Traders list 240 goods for free trade agreement talks with UK:** Whisky, cars, vaccines, basmati rice, wool, and tea pre-mix top a list of 240 odd products the Indian industry has identified for import duty cuts in the United Kingdom under a proposed free trade agreement (FTA) between the two countries. *(The Economic Times)*

**Handicraft export promotion council urges govt to relook remission rates:** The Export Promotion Council for Handicrafts (EPCH) on Monday urged the government to reconsider the rates of tax refunds under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. *(The Economic Times)*

## Corporate Sector

**PE group Advent to buy Eureka Forbes from Shapoor Pallonji Group for Rs 4,400 crore:** Private equity group Advent International has agreed to buy Eureka Forbes, the consumer durables flagship of the diversified Shapoorji Pallonji (SP) Group, for an enterprise value of Rs 4,400 crore. *(The Economic Times)*

**Welspun India to invest Rs 800 crore on capacity enhancement over next two years:** Welspun India has said it is looking to invest around Rs 800 crore on capacity expansion of its home textiles and flooring businesses over the next two years. *(The Economic Times)*

**Anti-profiteering body gets 1-year extension:** The GST Council has decided to extend the tenure of the National Anti-Profiteering Authority (NAA) for one more year while an alternative will be explored in the Competition Commission of India (CCI). *(The Hindu BusinessLine)*

**Oppo, OnePlus merge India R&D operations; to launch integrated OS next year:** Chinese handset makers Oppo and OnePlus are working together to bring an integrated operating system by merging their Oxygen OS and Color OS by early next year. *(The Economic Times)*

**Zee-Sony to create largest entertainment network; Sony Pictures to infuse \$1.58 billion in merged entity:** Zee Entertainment Enterprises (ZEEL) on Wednesday said that its board has approved a merger of the company with rival Sony Pictures Networks India (SPNI), a subsidiary of Japan's Sony Corporation. *(Financial Express)*

## MSMEs and Start-ups

**Unacademy, Udaan, CRED top startups in India, finds LinkedIn survey:** Learning platform Unacademy holds the top position on the startups list in India, followed by B2B e-commerce platform Udaan, and fintech firm simplifying payments for credit card holders, CRED, according to LinkedIn's fourth Top Startups List. *(Business Standard)*

**India requires more tech centres, need to be constructed speedily - MSME minister:** Micro, Small and Medium Enterprises Minister Narayan Rane on Friday said that for a population of 135 crore, the nation needs more technology centres which need to be speedily constructed. *(The Economic Times)*

**Most Indian companies believe revival of MSME sector can boost rural employment – Report:** A majority of Indian companies (57 per cent) believe there is a need to revive the micro, small and medium enterprises (MSMEs) sector, which has been hit due to the COVID-19 pandemic, in order to boost rural employment, according to a report. *(The Economic Times)*

**[Flipkart joins hands with Davinta for credit facilities to MSMEs, kiranas:](#)** Flipkart Wholesale, the digital B2B marketplace of Flipkart Group, has partnered with SME lending platform Davinta to offer credit facility to retailers associated with it. *(Mint)*

## Employment and Industrial Relations

**[Hiring activity witnesses marginal growth sequentially in August – Report:](#)** Hiring activity witnessed a marginal growth of 1 per cent in August sequentially due to decline in job postings in sectors including engineering, logistic, agro-based industries among others, which has shown a slight improvement in the previous month, a report said on Monday. *(The Economic Times)*

**[Over 1 crore informal workers registered on e-Shram portal:](#)** More than 1 crore unorganised workers registered at e-Shram portal, which is India's first national database on unorganised workers, the ministry said in a statement. *(Financial Express)*

**[Amazon India creates more than 1.1 lakh seasonal job opportunities ahead of festive season:](#)** Amazon India on Thursday said it has created more than 1.1 lakh seasonal job opportunities across its operations network, ahead of the festive season. *(The Economic Times)*

**[Need trainers in huge numbers to impart skill to 50 crore people - Skill Development Secretary Ravi Mital:](#)** About 50 crore people need to be skilled in the next few years and for that there is a need of lakhs of trainers, Skill Development and Entrepreneurship Secretary Ravi Mital said in Friday. He said that role of trainers is key in promoting skills. *(The Economic Times)*

## Industrial Finance

**[Demand Seen - Loan guarantee scheme to stay through FY22:](#)** The government will likely extend the validity of its Rs 4.5-lakh-crore guaranteed loan scheme for companies and individuals by six months through March 2022 to enable a wider pool of businesses to take advantage of it. While this scheme was originally meant for only MSMEs, the government has periodically broadened its scope to enable a large number of businesses and professionals to benefit from it. *(Financial Express)*

**[Large corporates no longer borrowing engine for banks as retail borrowing rises:](#)** The dominance of large corporate accounts in banks' loan portfolio that lasted until 2014 has shrunk, giving way for retail borrowing to rise, according to a study by the Reserve Bank of India. *(The Economic Times)*

**[Bad bank likely to spark global interest in India's \\$300 bn distressed assets industry:](#)** Top global investors such as SSG Capital, Deutsche Bank, SC Lowy, Varde Partners and Fiera Capital are likely to raise their stakes in India's \$300-billion distressed assets industry amid prospects of quicker resolutions, after North Block on Thursday announced the formation of a bad bank dedicated to extricating stuck loans. *(The Economic Times)*

**[IIFL Home Finance signs pact with PNB for co-lending:](#)** This is the fourth agreement signed by IIFL Home Finance with banks. Earlier this year, it signed agreements with ICICI Bank, Central Bank of India and Standard Chartered Bank. *(The Economic Times)*

**[Axis Bank commits Rs 30,000 cr till FY26 towards sustainable lending:](#)** The country's third largest private sector lender Axis Bank has committed Rs 30,000 crore lending till fiscal year 2025-26 under its sustainable financing framework, a senior official said. *(The Economic Times)*

## Technology and Innovation

**[India has collaborated with several nations across sectors to become a global leader in innovation - NITI Aayog CEO Amitabh Kant:](#)** India has collaborated with several nations across sectors like electronics and semiconductors, the blue economy, clean energy, health tech, and deep space research as it aims to become a global leader in innovation, NITI Aayog CEO Amitabh Kant said. *(The Economic Times)*

**[India-Israel collaboration can advance Industry 4.0 adoption multifold - ETILC Panel:](#)** The Ministry of Heavy Industries & Public Enterprises has launched Samarth Udyog Bharat 4.0 for the implementation of Industry 4.0 in India by 2025. With the advent of the 5G network, the Indian market awaits global and local investments. *(The Economic Times)*

**[Fly your way to office: India to soon introduce Asia's first hybrid flying cars:](#)** Civil Aviation Minister Jyotiraditya Scindia tweeted on Monday that he was introduced to the concept model of Asia's First Hybrid flying car by the young team of a Chennai-based startup. *(Mint)*

**[India among fastest growing markets for Rackspace Technology:](#)** Rackspace Technology has had a presence in India since the early 2000s and had a 400-member team, which has now grown to 2,000 employees in the country. Bhargava said the company continues to hire and will add about 500 people in the short term. *(The Economic Times)*

## Industrial Infrastructure, Clusters and SEZs

**[Need for increase in mineral exploration activities in eastern States, says Centre:](#)** The Centre has urged Odisha and its neighbouring States to explore untapped mineral resources in order to cater to rising demand and reduce import bills. *(The Hindu)*

**[Charging infrastructure - The roadblock that could stop electric vehicles in their tracks:](#)** Electric mobility has gained traction in India in recent years with a concerted focus towards incentives on vehicle and charging infrastructure, demand creation, and an enabling policy and regulatory framework. *(The Economic Times)*

**[HPCL to build 5,000 EV charging stations in 3 years:](#)** Hindustan Petroleum Corp (HPCL) plans to build 5,000 electric vehicle charging stations in three years in a move that could help boost wider adoption of EVs in the country and secure a significant share of the charging market for the company. *(The Economic Times)*

**[Urban planning committee recommends creation of 500 healthy cities:](#)** "It is a matter of concern that despite huge investment, our cities still face many efficiency-and sustainability-related challenges. None of our cities feature among the top 50 cities in many global rankings," Kumar said in the report. *(The Economic Times)*

## Sustainable Industrialisation

**[Adani group looks to invest \\$20 billion in renewable energy:](#)** Adani Group will invest \$20 billion in clean energy generation, component manufacturing, transmission and distribution over 10 years, chairman Gautam Adani said. *(Mint)*

**[Hybrid vehicles key to India's electric shift, Schaeffler says:](#)** Hybrid vehicles are a better fit than battery-powered electric cars for India in the immediate future, given the nation's shortcomings in EV infrastructure, according to the regional head of auto parts supplier Schaeffler AG. *(The Economic Times)*

**[Adoption of hybrid energy sources key to meet 2050 carbon emission goals - GE South Asia CTO:](#)** Ashok Nanda said climate change is a real concern, and energy transitions being made today must be done keeping needs of future generations in mind. *(The Economic Times)*

## Sectoral News

**[Electrical equipment market may grow at 12% annually to reach \\$72 billion by 2025:](#)** Domestic electrical equipment market is expected to grow at an annual rate of 12 per cent to reach USD 72 billion by 2025, an industry executive said. *(The Economic Times)*

**[Centre plans mechanism to compensate fertiliser firms for higher production costs:](#)** The Union Fertiliser Ministry will work out a mechanism to compensate the industry for the higher cost of production it will incur to produce fertilisers without increasing the subsidy component. *(The Hindu BusinessLine)*

**[Aluminium industry flags coal shortage crisis:](#)** Even as the government has taken several steps to address the issue of coal shortage at numerous power plants across the country, the aluminium industry — which run captive electricity generation units to supply electricity to its factories — have complained about the fuel crisis brewing in the sector. *(Financial Express)*