

# Indian Industry & Economy

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## Special points of interest:

- ◆ 22,000 rural agriculture markets to be linked by 2020
- ◆ Gems & jewellery industry witnesses sharp change in buying behaviour
- ◆ Idea, Vodafone may lose customers, revenues due to delay in merger closure

## Retail inflation for industrial workers remains unchanged at 4% in May 2018

CPI-IW Inflation (Y-o-Y%)

Month	CPI-IW	Food	Fuel & light	Clothing & footwear	Misc.
Dec 17	4.0	4.3	5.6	4.9	3.5
Jan 18	5.1	3.4	5.6	4.8	3.9
Feb 18	4.7	2.4	6.0	5.3	4.8
Mar 18	4.4	1.7	5.6	5.3	4.4
Apr 18	4.0	1.3	5.1	4.8	4.8
May 18	4.0	1.7	4.3	4.8	4.3

Retail inflation for industrial workers, as measured by CPI (IW), remained unchanged at 4 per cent in May 2018 from the preceding month.

Inflation in food group rose to 1.7 per cent in

May 2018 from 1.3 per cent in the preceding month. Inflation in this group had been easing for the past four months. Inflation in the fuel and light group also eased to 4.3 per cent from 5.1 per cent in

April. The miscellaneous group recorded lower inflation of 4.3 per cent in May compared to 4.8 per cent in the preceding month. Inflation in clothing & footwear remained unchanged at 4.8 per cent.

[Click here](#) to read the complete summary.

## GST has boosted direct taxpayer base too: Arun Jaitley

In its first year of implementation, GST witnessed a significant jump in its active taxpayer base. The number of taxpayers registered with the GST system rose to over 11.2 million from an initial 6.4 million. This also led to increase in tax collection. The

gross advance tax deposit during April-June 2018 has risen 44 per cent in the personal income tax category and by 17 per cent in the corporate tax category, according to finance minister Arun Jaitley. As many as 120 million returns have been

filed till date and 3.8 billion invoices have been processed. With the GST system now getting stabilised, the GST network is planning to focus on improving user interface, simplification of filing, improving of error messages and devising tools and methodol-

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## 22,000 rural agriculture markets to be linked by 2020: Agri Minister

Around 22,000 rural agriculture markets will be linked to the electronic national agriculture market (e-NAM) by 2020 as part of government's drive to double the income of farmers, according to minister of state for agriculture Gajendra Singh Shekhawat. He added that all 585 e-mandis have been connected under the agricultural market reforms. Shekhawat also gave a slew of suggestions on develop-

ment of farm sector and emphasised the need to make farmers aware of the latest information on scientific research on the sector. The minister also said entrepreneurship has to be developed in the agriculture sector as India has the potential to meet the demand of food industry in the world.

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***The minister also said entrepreneurship has to be developed in the agriculture sector and added India has the potential to meet the demand of food industry in the world.***

*At a meeting of its board of directors in Hyderabad on Friday, the IRDA has allowed Life Insurance Corporation of India (LIC) to pick up to 51% stake in the IDBI Bank*

## IRDA allows LIC to increase stake in IDBI Bank to 51%

The Insurance Regulatory and Development Authority of India (IRDAI) has approved proposal of LIC to acquire a majority stake in IDBI Bank, as per media reports. The stake shall increase to 51 per cent from 10.82 per cent earlier. The current insurance rules do

not allow an insurance company to invest more than 15 per cent in a company, so the regulator provided LIC an exemption from the norms. LIC will pare stake to 15 per cent in the coming 5 to 7 years, media reports said. LIC is likely to pay around Rs.105 billion for a

40.18 per cent stake.

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### Gems & Jewellery

## Gems & jewellery industry witnesses sharp change in buying behaviour

The gems & jewellery industry is witnessing a sharp change in buying behaviour as consumers shift from unorganised to organised retail stores, as per media reports. The shift to organised retail stores is due to better resale value of old ornaments and improved transparency in transactions

following the implementation of the goods & services tax (GST). Additionally, organised retail chains have voluntarily adopted mandatory hallmarking of gold ornaments thereby gaining trust of consumers. Continuous offer of discounts on making charges has also contributed to the shift to branded retail stores.

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## NRDC to establish ten outreach centres to engage with start-ups

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National Research Development Corporation (NRDC) will establish 10 outreach centres in the next one year to engage with start-up eco-system in India.

These centres will be set up in a phased manner across ten locations. In the first phase, centres will be established in Hyderabad, Mumbai, Lucknow, Kolkata and Guwahati.

Chennai, Ahmedabad, Bhubaneswar, Chandigarh and Raipur will be covered in phase two. NRDC will accomplish this through the Council of Scientific and Industrial Research (CSIR) in these cities.

H Purushotham, Chairman and Managing Director, NRDC, said, "We are looking for franchise who can

scout and engage with entrepreneurs for using our technologies."

With these new initiatives, NRDC wants to improve the monetisation of their technologies and looking at entrepreneurs for achieving this. "Branding needs a lot of money that we do not have," Purushotham said

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## Idea, Vodafone may lose customers, revenues due to delay in merger closure

The merger of Vodafone-Idea which was supposed to be closed by last year March 2017 may cause customer and revenue loss to both the companies. It could take at least a month from the date of conditional clearance by the department of telecommunications (DoT), which is expected early

next week to close the merger. That is because the department's cumulative demand for dues, expected to be more than Rs.110 billion could end up being fought in court.

[Click here](#) to read the complete summary.



DoT is in the process of raising combined dues for one-time spectrum charges worth over Rs 11,000 crore, a fifth of which will be for Idea.

## Indian Railways to issue largest order for 22,000 wagons in 2018-19

Indian Railways (IR) is set to issue its largest tender for 22,000 wagons at a cost of at least Rs.70 billion in the ongoing financial year. The orders would be through the reverse e-auction model, and if the lowest bidder is not able to serve the entire order, the second-lowest bidder would get a chance without a fresh tendering process. The railways ministry hopes the bulk tender would help it reduce the cost of

wagons by at least 15-20 per cent. On an average, the ministry procures 8,000 wagons a year. The bulk tender is being issued keeping future demand in mind. Currently, IR is not able to serve to the larger clients as rakes are not available. The ministry is now ensuring the rakes are available to bulk consumers throughout the year. The railway minister Piyush Goyal had recently asked the industry to ramp

up their wagon manufacturing capacity. If the rakes are not provided, the ministry will have to import wagons.

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## **Sebi orders Vishvapradhan Commercial to make open offer for NDTV**

On 26 June 2018, the Securities and Exchange Board of India (Sebi) ordered the Delhi-based Vishvapradhan Commercial (VCPL) to make an open offer for NDTV for indirectly acquiring control of up to 52 per cent stake through a convertible loan of Rs.3.5 billion in 2009. The money for the loan was sourced from Reliance Strategic Investment, a subsidiary of Reliance Industries (RIL). Sebi has ordered to VCPL to make the open offer within 45 days. Moreover, the company has been asked to pay interest at 10 per cent from the date of the alleged violation of takeover guidelines to shareholders whose shares are accepted under the offer.

[Click here](#) to read the complete summary.



*Sebi is also understood to have issued show-cause notices in this case to NDTV's promoters.*