

DAILY NEWS MONITOR: 2 JULY 2021

1. Centre approves 14 eligible applicants under PLI scheme for IT hardware

Source: Business Standard ([Link](#))

The Ministry of Electronics and IT on 1 July approved 14 eligible applicants under the Production Linked Incentive Scheme (PLI) for IT hardware. The target segments under the PLI Scheme for IT Hardware include laptops, tablets, all-in-one personal computers and servers. PLI Scheme for IT Hardware notified on 3rd March 2021, extends an incentive of 4 percent to 2 percent/1 percent on net incremental sales (over the base year of FY 2019-20) of goods under target segments that are manufactured in India to eligible companies, for a period of four years (FY2021-22 to FY 2024-25). The target segments under the PLI Scheme for IT Hardware include Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers, read a release by the Ministry of Electronics and IT. The scheme proposes production linked incentives to boost domestic manufacturing and attract large investments in the value chain of these IT Hardware products.

2. Ratan Tata-backed Mswipe Tech looks to morph into digital SME bank

Source: Business Standard ([Link](#))

Mswipe Technologies, PoS player which is backed by Ratan Tata Associates promoted fund, is looking to morph into a digital SME bank in next four to five years. It will be a niche bank focused on small merchants and their needs. As a part of plans, it will scale up value added services like insurance at point-of-sale terminals and micro ATMs, said its new chief executive Ketan Patel. He succeeds Manish Patel, founder of a financial services platform for SMEs, who will move into the role of managing director. In his previous assignment Ketan Patel was the Executive Director & CEO of CASHe, digital lending company for salaried millennials. Mswipe, which began operations in 2011, is the independent mobile POS merchant acquirer and network provider with 670,000 PoS and 1.1 million QR merchants across the country. It also works as an end-to-end digital enabler of MSMEs. UC-RNT Fund, an alternative investment fund that partners RNT Associates (Ratan Tata) and the University of California made investment into Mswipe in 2017.

3. Flipkart launches Shopsy to enable over 25 mn online entrepreneurs by 2023

Source: Business Standard ([Link](#))

Walmart-owned e-commerce firm Flipkart has launched Shopsy, an app that will enable Indians to start their online businesses without any investment. With the ability to influence their local network and fulfil their aspirations, users of Shopsy will be able to share

catalogues of a wide selection of 15 crore products offered by Flipkart sellers. These range across fashion, beauty, mobiles, electronics and home, with potential customers via popular social media and messaging apps. “Over the last many years, Flipkart has been committed to contributing towards creating direct and indirect employment opportunities across the country,” said Prakash Sikaria, Senior Vice President - Growth and Monetization, Flipkart. “Shopsy is launched to further that vision and provide additional earning opportunities for millions of enterprising Indians. Now, anyone from anywhere can start their online business with zero investment.”

4. RBI extends interest subsidy scheme for exporters until September

Source: Money Control ([Link](#))

The Reserve Bank on 1 July said a scheme providing interest subsidy for post and pre-shipment export credit has been extended by three months till September, a move that will provide relief to exporters. Exporters get the subsidy under the Interest Equalisation Scheme for pre and post-shipment Rupee Export Credit'. Earlier in April, the scheme was extended till June 30. "Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit, with the same scope and coverage, for a further period of three months, i.e., up to September 30, 2021," the RBI said in a circular. The extension takes effect from July 1, 2021, and ends on September 30, 2021, covering three months.

5. India agrees to landmark global tax framework on taxing multinationals

Source: Business Standard ([Link](#))

India has agreed to a pathbreaking international framework with 129 other countries for taxing multinationals that could impact its ability to tax them and have the potential to douse trade wars over taxing tech giants. India and the other countries issued a joint statement on 1 July affirming support for the proposed framework which has at its core a global minimum corporate tax of 15 per cent and makes way for countries to tax multinational enterprises (MNEs), especially tech giants like Google, Facebook and Amazon, on their earnings there. "It would re-allocate some taxing rights over MNEs from their home countries to the markets where they have business activities and earn profits, regardless of whether firms have a physical presence there," said the Organisation for Economic Cooperation and Development (OECD), which coordinated the development of the plan.

6. Foreign exchange reserves up USD 99.2 billion in FY 2020-21: RBI data

Source: The Economic Express ([Link](#))

The country's foreign exchange reserves in nominal terms, including the valuation effects, increased by USD 99.2 billion during the financial year 2020-21, compared to USD 64.9 billion in the preceding year, RBI data showed. The valuation gain, reflecting the depreciation of the US dollar against major currencies and increase in gold prices, amounted to USD 11.9 billion during 2020-21, compared to USD 5.4 billion during 2019-20, RBI said. The Reserve Bank of India on 30 June released the Sources of Variation in Foreign Exchange Reserves in India during 2020-21.

7. New report outlines roadmap to deepen UK-India capital markets link

Source: Financial Express ([Link](#))

A new report released in London on 1 July calls for the development of a deep, liquid corporate bond market in India to fund the country's large infrastructure investment needs and its transition to a low carbon economy. 'Unleashing the potential of the Indian Debt Capital Markets' is the first report by the City of London Corporation led UK-India Capital Markets Working Group, which emerged from the India-UK Economic Financial Dialogue last year. City of London Corporation Policy Chair Catherine McGuinness, who launched the report during a virtual event this week, said the recommendations will enhance India's economic growth plans and journey to a low carbon economy.