



### From the Secretary General

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In addition to rescuing viable firms, which is the sole objective of the Insolvency and Bankruptcy Code (IBC), resolution plans under IBC have yielded 200 per cent of liquidation value for creditors. The repayment of debt is no longer an option, it is an obligation as tolerance for default has disappeared.

There is a need for a long-term strategy that would reduce the vulnerability of the farming community and accelerate agricultural development. There is a requirement to use technology and tools with agro-eco region-based land use and weather-based Agro Met advisory services to help farmers and reduce weather-related losses.

India's digital infrastructure will play a major role in reviving the economy says Co-founder and Chairman of Infosys Technologies, Nandan Nilekani. Hence, there is a need to invest at least 2 per cent of GDP in Science & Tech and Research suggests Kiran Mazumdar Shaw. And that Industry must play an active role in deliberations on secure India and responsive governance recommends Rajeev Chandrasekhar.

It is our endeavour to keep you informed of the latest developments as well as to suggest measures and we will continue to do so.

This and more in this issue of 'Voice of FICCI'.

Dilip Chenoy



### FICCI WELCOMES 25 BASIS POINTS CUT IN REPO RATE

Commenting on first bi-monthly monetary policy of 2019-20 announced by the RBI, Sandip Somany, President, FICCI, says, 'We welcome the 25 basis points cut in repo rate by the RBI, though we had expected a larger cut given benign inflation and slowing of industrial as well as exports growth and liquidity concerns. We hope that the two consecutive cuts in the repo rate would translate into lower lending rates for both retail and corporate credit. This would give an impetus to the domestic economy through greater consumption demand as well as private investments. This is important as we do not foresee much impetus coming from external sources of growth as the global economy continues to show signs of moderation.'

'Over the last few months, there has been an improvement in capacity utilisation across sectors as well as reduction in banking NPAs. The need of the hour is for monetary policy to complement the fiscal policy and strengthen the growth impulses that are slowly building in the economy. The real repo rate has remained high for a long time and there is scope for further reduction in the repo rate. We do hope that the RBI shall continue the accommodative stance in subsequent months as well,' he adds.

4 April 2019



### INDIA'S DIGITAL INFRASTRUCTURE WILL REVIVE THE ECONOMY: NANDAN NILEKANI

India's digital infrastructure will play a major role in reviving the economy says Co-founder and Chairman of Infosys Technologies, Nandan Nilekani. Nilekani was addressing FICCI members at the National Executive Committee Meeting on 'Digital India and its Impact on Economy and Industry'.

He says that the country has witnessed a dramatic transformation through Aadhaar-based e-KYC and online payments, adding that India's digital data architecture will set the tone for business revival. 'Once data becomes the basis for decision-making in many sectors, you will see a big change,' says Nilekani.

'Voice of FICCI' is a service to all our members and shared with key policy makers and thought leaders. The document is a compilation of FICCI's views on macro-economic issues. These issues come to us directly from members, or through deliberations in conferences and seminars on sectoral issues, as also through Government notifications.

Nilekani also feels that Goods and Services Tax (GST) has increased the number of taxpayers. 'GSTN is a great example of technology-led co-operative federalism,' he adds that RFID tags linked to bank accounts is another big reform.

Kiran Mazumdar Shaw, Chairperson, Biocon Ltd, points out that in India, the investment in research and development is less than 1 per cent of GDP. Shaw says, 'We must invest at least 2 per cent of our GDP in science, technology and research.' She also urged FICCI to take up the changes required in the Bio-diversity Bill with the government.

Rajeev Chandrasekhar, MP and Past President, FICCI, says that industry must play an important role in the deliberations on a secure India and a responsive governance structure. Chandrasekhar also says that, 'Governance reforms with increased transparency will enhance efficiency of spending.'

Sandip Somany, President, FICCI, feels, 'Digital empowerment has led to greater inclusiveness, with the efforts of government as well as several private sector enterprises.'

22 April 2019



### RESOLUTION PLANS UNDER IBC HAVE YIELDED 200% OF LIQUIDATION VALUE FOR CREDITORS

In addition to rescuing viable firms, which is the sole objective of the Insolvency and Bankruptcy Code (IBC), resolution plans under IBC have yielded 200 per cent of liquidation value for creditors highlights MS Sahoo, Chairperson, Insolvency and Bankruptcy Board of India. 'They are realising, on an average, 45 per cent of their claims through resolutions plans under the Corporate Insolvency Resolution Process (CIRP), which takes an average 300 days and entails a cost on an average of 0.5 per cent. This is significantly better as compared to the previous regime which yielded a recovery of 25 per cent for creditors through a process which took about 5 years and entailed a cost of 9 per cent, says Sahoo.

Sahoo says that the repayment of debt is no longer an option, it is an obligation as tolerance for default has disappeared. Sahoo elaborates that the creditors also need to explain to themselves and their stakeholders why they initiated an insolvency proceeding or why they did not, in case of a default. Consequently, there would never be a high value default if this law exists in the statute book.

Sahoo explains that the SEBI has exempted acquisitions under resolution plans from making public offers under the Takeover Code. The RBI has allowed external commercial borrowing for resolution applicants to repay domestic term loans and the Competition Commission of India has devised a special route for expeditious approvals for combinations envisaged under resolution plans, says Sahoo.

He also highlighted that the Revenue Department has allowed setting off the aggregate amount of the unabsorbed depreciation and loss brought forward against book profits arising from a resolution plan. The government has demonstrated the highest commitment to this reform. It subordinated its dues to claims of all stakeholders except equity.

26 April 2019



### INDIAN TOURISM TO REACH ₹35 TRILLION BY 2029

FICCI-Yes Bank Report titled 'India Inbound Tourism: Unlocking the Opportunities' highlights India as tourism powerhouse. The sector has generated USD 247.3 billion (INR 16.91 trillion) in 2018, with a growth of 6.7 per cent and accounting for 9.2 per cent of the total economy. Currently, it is the 8th largest country in terms of contribution to travel and tourism GDP and the largest market in South Asia. By 2029, Indian tourism sector is likely to grow at 6.7 per cent per annum to reach INR 35 trillion with 9.6 per cent of GDP.

The report further highlights that the tourism sector generated 26.7 million jobs in 2018. By 2029, the sector is expected to provide employment to nearly 53 million people, directly and indirectly. Foreign Tourist Arrivals (FTAs) crossed 10 million in 2017 and the growth trend is expected to continue. Consumption by domestic tourists remains the key strength of the sector in India, much stronger than the global average. Growing disposable income, increase in new millennial tourists, new travel destinations as well as new themes of tourism will further propel the growth.

FICCI-Yes Bank report also states that the systematic growth, maintenance and sustainable development of tourism destinations as well as focus on promoting the emerging avenues of tourism will be essential towards unlocking its true potential.

Going forward, there is a greater need for the government and private sector to collaborate towards thematic development of the destinations, skilling of local communities and the conceptualisation and implementation of developmental initiatives for the sector.

29 April 2019



### GOVERNMENT TO SOON LAUNCH NEW 'ODF SPECIAL' STANDARD AFTER ODF AND ODF++

The government is working to launch the new standard 'ODF Special' after ODF++ which will provide complete solution standards. It is in the process of setting the benchmarks and ODF Special will be part of the next round of Swachh Survekshan says Durga Shanker

Mishra, Secretary, Ministry of Housing & Urban Affairs, Government of India.

Parameswaran Iyer, Secretary, Ministry of Drinking Water and Sanitation, Government of India urges the private sector to exploit the potential of the Indian sanitation market which is likely to reach US\$60 billion by 2021.

Iyer says that the government is working on four verticals to achieve the target of ODF which include fecal sludge management; rural piped water supply; grey water management and solid waste management. He further adds that all this will require active participation of the corporate sector to invest in the treatment and waste management. The government will also provide swachh credit facility to small entrepreneurs involved in the business of rural waste management.

Iyer emphasises that the UN Sustainable Development Goal-6 of ensuring access to water and sanitation, will be achieved mainly through the collective effort of all and partnerships.

25 April 2019



### BIS TO FOCUS ON 3S – SMART, SUSTAINABLE AND SERVICES – AS KEY DEFINING FEATURES OF STANDARDISATION PROCESS

Bureau of Indian Standards (BIS) is focussing on 3S – Smart, Sustainable and Services – as key features of standardisation process. BIS is focussing on developing standards in the area of services, sustainability and Smart processes /technologies which will enable industry to compete globally, says Surina Rajan, Director General, BIS.

Rajan says that we need to ensure that quality goes down the entire supply chain and is not limited to only few levels and players. Also, Indian manufacturing sector should have sustainable standards and quality systems to be globally competitive.

BIS will work to ensure that the compliance process and quality systems do not become a burden on the industry and in that direction are planning to have conformity assessment systems that would be simpler to comply with for the industry. She also emphasizes that all products and services have smart features and it was imperative to have Smart Standardization process for them as well.

Rajan also highlights that BIS has finalised the 'Standards National Action Plan' which has identified key priority areas with three to five years perspective. Underlining the limitation of testing labs in the country, she adds that BIS will soon release a comprehensive laboratory database which will not only utilise the exiting and unused labs but also help industry which mostly rely on international testing labs.

24 April 2019



### DEVELOP LONG-TERM STRATEGY TO REDUCE VULNERABILITY OF FARMING COMMUNITY – AK SINGH, DDG, ICAR

There is a need to have a long-term strategy that would reduce the vulnerability of the farming community and accelerate agricultural development says AK Singh, Deputy Director General (Agricultural Extension), Indian Council of Agricultural Research (ICAR).

Public and private sector should come together to facilitate the adoption of efficient agriculture extension system for a robust agricultural growth says Singh. He also highlights the need for a focussed and strategically designed policy reforms that would increase the outreach for extension agents to a large number of agriculture population.

Although Public Private Partnership (PPP) models do exist in agri extension, Singh opines that PPP can still be explored to its full potential. There is a major gap in the availability of the extension agents for the farmers. It is here that the private sector can come forward and plug in the gap.

While, SD Attri, DDG, India Meteorological Department (IMD), Government of India, stresses upon the need to use technology and tools with agro-eco region-based land use and weather-based Agro Met advisory services to help farmers and reduce weather-related losses.

Attri also highlights that dissemination of information under extreme weather condition plays a vital role in minimising crop losses. He stresses upon the need to enhance the accuracy of weather forecasts and to make the AAs more useful, considering user friendliness advised by the farm households and also issue advisories for livestock, poultry, and fisheries. For this purpose, awareness programmes are key to help the farmers to become more self-reliant in dealing with weather and climate issues that affect the agriculture production. A participatory, cross-disciplinary approach to delivering climate and weather information and enhancing the awareness of information user group is needed to be deployed.

23 April 2019



### FICCI LAUDS US GOVERNMENT'S CRACKDOWN ON COUNTERFEITS

In view of the increasing menace of illicit trade both in terms of value and magnitude, FICCI is of the opinion that the Indian government must treat this as a national priority, which will help in eliminating this threat. FICCI, early this year, submitted a set of recommendations to the Indian government to combat illicit Trade and urged the government to give it due consideration by setting up a coordinating agency to improve the inter-ministerial cooperation and coordination in the government.

Meanwhile, US President Donald Trump has signed a memorandum on Combating Trafficking in Counterfeit and Pirated Goods which is aimed at stopping the sales of counterfeit products especially via online platforms. The statement mentioned that the Department of Homeland Security in conjunction with the Commerce Department, the

attorney general and other federal agencies will compose a report with recommendations to combat counterfeit goods in the American marketplace within 210 days.

Anil Rajput, Chairman, FICCI CASCADE says, 'This is a proactive step taken by the US President to curb the menace arising out of sale of counterfeits which adversely impacts the legal industry, government revenue and the health and safety of the people. Illicit trade also fuels organised crime. It threatens the peace and stability worldwide, and hence all countries across the world must address the matter on war footing.'

The report will analyse the available data, identify the factors and describe any market incentives and distortions that may contribute to third party intermediaries facilitating trafficking in counterfeit and pirated goods. This report will also provide a foundation for any recommended administrative, regulatory, legislative or policy changes in this matter.

FICCI over the years has been addressing the problem of illicit trade with regards to counterfeiting, smuggling and piracy through its initiative in the form of Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE). FICCI-CASCADE works closely with government, industry, enforcement officials, media, legal experts and consumer organisations to create awareness on counterfeiting and smuggling and how all concerned must make concerted effort to contain such activities.

16 April 2019



## INTELLECTUAL PROPERTY WILL HELP SECURE ECONOMIC VALUE OF SPORTS ACTIVITIES IN INDIA

FICCI states that Intellectual Property and innovation are now critical components for every industry, and the sports sector is no exception. The multi-directional growth being witnessed in the sports industry will lead to an increase in IP-related issues, for which its stakeholders will need to be adequately equipped.

Justice Pratibha M Singh, Judge, Delhi High Court, corroborates that Intellectual property (IP) will certainly help secure the economic value of sports activities in India as IP and sports walk hand in hand. 'The more we protect IP in sports, the greater the growth we will see in sports, and larger will be the contribution of this emerging industry to the economic growth of the country.'

Rajiv Aggarwal, Joint Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), Government of India says, 'With technology playing an increasingly major role in sports, the relevance of intellectual property becomes even more important for the sports sector.'

Narendra Sabharwal, Chair, FICCI IPR Committee & Former Deputy Director General, WIPO, Geneva said that Intellectual Property and innovation are now critical components for every industry, and the sport sector is no exception. 'The multi-directional growth being witnessed in the sports industry will also lead to an increase in IP-related issues, for which its stakeholders will need to be adequately equipped,' he elaborates.

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