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Dr.Shilpa's mentee group

PLI scheme: How MSMEs in auto component are expected to benefit from govt's production incentives

(Financial Express News,21 September 2021)
According to the government, Existing automotive companies, as well as new investors who are currently not in the automobile or auto component manufacturing business, can also benefit from the scheme.
According to experts, the production-linked incentive (PLI) scheme for auto and auto components businesses approved by the government on Wednesday to support the Covid-hit sector for enhanced production is also likely to benefit micro, small, and medium enterprises (MSMEs).
The auto component segment majorly comprises Tier-II and Tier-III MSMEs supplying to top tier players and original equipment manufacturers (OEMs).
The government said it expects the PLI scheme, which focuses on electric and hydrogen fuel cell vehicles, to lead to fresh investments of over Rs 42,500 crore in the auto and auto component sector along with an incremental production of over Rs 2.3 lakh crore and over 7.5 lakh job creation in coming five years.
"The new scheme aims at MSMEs, which are into manufacturing, to scale up their production to reduce excessive reliance on imports by achieving better economies of scale to become export competitive. It will enhance India's manufacturing capabilities and bring in more investment as well as it will be home for more quality automotive products.

Bank privatization move an exciting opportunity for investors: Former RBI DG

(The Economics Times, 15 July 2021)

The government's move to privatise two state-owned lenders presents an "exciting" opportunity for investors looking to get into the business, former RBI Deputy Governor N S Vishwanathan on Thursday said. "The core issue here is regulatory. What is the extent of economic ownership and governance control an owner would get through the privatisation process? That will drive success," he said.

Jupitice launches digital court to resolve disputes in MSME sector
(The Economics Times, 04 Oct. 2021)

Govt extends emergency credit scheme till March 31 next year
(Financial Express News,29 September 2021)

News from Stock Market and Mutual Funds

Rupee hits over 2-month low as crude oil rises

The rupee opened lower to 74.65 against the US dollar in opening trade on Wednesday, as rising crude prices and strong dollar that weighed on investor sentiments. The domestic currency further weakened to 74.96, its lowest in two-and-a-half months while bond yields rose. The US dollar index edged back toward a one-year high against major peers on Tuesday ahead of a key payrolls report at the end of the week that could boost the case for the Federal Reserve to start tapering stimulus as soon as next month."The rupee is expected to depreciate further as rising crude prices along with stronger dollar amid tapering fears from US Fed may put more pressure on the rupee, going forward

What are passive funds or passive investments?

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Simply put, passive funds are those that replicate a particular index or a benchmark. An index fund or an exchange-traded fund (ETF) are the most popular examples of a passive fund. Are passive funds low-cost compared to the active ones? Every mutual fund scheme has an expense ratio, which is basically the cost of managing the fund. It includes the costs incurred for marketing and advertising of the scheme, investment management fees and transaction costs among other expenses. An active fund has a higher expense ratio as one needs a proper fund manager to monitor the fund and take timely buy or sell decisions to maximise returns. A passive fund, on the other hand, simply needs to replicate the index and hence the role of a fund manager is passive in nature. If there is any change in the index, then the fund manager will make the corresponding change in the scheme too.

How big is LIC? The stunning scale of India’s biggest IPO ever

State-owned Life Insurance Corp. of India, with its distinctive blue and yellow logo, is ubiquitous across Asia's third-largest economy. LIC controls two-thirds of the Indian market with almost 300 million policies and more than 1.2 million agents, 100,000 employees, 2,000 branches and 1,500 satellite offices. After a one-year delay, Prime Minister Narendra Modi's administration is racing to sell a stake of 5% to 10% in LIC in what would be India's biggest-ever initial public offering. A 10% stake would be the second-biggest IPO ever in the global insurance industry. One big hurdle ahead is assigning a value to a company with such a towering presence over India's financial landscape .The IPO is the biggest chunk of the government's plan to raise 1.75 trillion. rupees ($24 billion) by selling assets. The money would be used to narrow India's budget deficit, which is forecast to be 6.8% this year. The government plan includes offering majority stakes in four other state-run firms -- Air India, Bharat Petroleum Corp., Shipping Corp. of India and Container Corp. of India.
The government is seeking a valuation of as much as 8 trillion to 10 trillion rupees ($135 billion). At that level, the sale of even a 5% stake would make it India’s biggest-ever IPO and a 10% dilution would make it the second-biggest involving an insurer anywhere in the world. Analysts at Jefferies India have said LIC’s valuation could be as high as 19 trillion rupees. Other estimates, including one from RBSA Advisors, put the value in the range of 10 trillion to 11.6 trillion rupees.

International Trade

Exports at $185 bn till Sept 21, FTP extended till next March: Piyush Goyal

Commerce and industry minister Piyush Goyal on Monday said that India has exported goods worth $185 billion since the beginning of the financial year, according to latest data collated by the government.

"Export figures have hit $185 billion as of September 21. These figures are very encouraging and I compliment the exporters community for this," Goyal said at an event organised by the Federation of India Export Organizations (FIEO). The current fiscal's export target is $400 billion.

The minister also said that the current foreign trade policy (FTP) is slated to be extended by another six months--31 March, 2022. FTP is an elaborate policy guideline and strategy to promote goods and services export, while addressing domestic and global constraints.

What does 2021 hold in store for international trade? The trading environment presents a complex picture, with issues such as the COVID-19 pandemic, trade rivalry between the US and China, and increased demands for services being among the myriad variables. Charles Hollis of Falanx Assynt gives some perspective on what to look out for in the coming year.

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World trade primed for strong but uneven recovery after COVID-19 pandemic shock

·World merchandise trade volume is expected to increase by 8.0% in 2021 after falling 5.3% in 2020, a smaller decline than previously estimated.

·Trade growth will likely slow to 4.0% in 2022, with the total volume of global trade remaining below the pre-pandemic trend.

·World GDP at market exchange rates should increase by 5.1% in 2021 and 3.8% in 2022, after contracting by 3.8% in 2020.

·Merchandise trade in nominal dollar terms fell in 2020 by 8% while commercial services exports declined by 20%.

·Falling oil prices led to a 35% contraction in trade in fuels in 2020.

·Travel services were down 63% in 2020 and are not expected to fully recover until the pandemic wanes.

News from HR corner

Many haven't met their co-workers in person, thanks to the pandemic. Lack of personal attachments to jobs has made quitting simpler.

The coronavirus pandemic, now more than 17 months in, has created a new quirk in the workforce: a growing number of people who have started jobs and left them without having once met their colleagues in person. For many of these largely white-collar office workers, personal interactions were limited to video calls for the entirety of their employment. Never having to be in the same conference room or cubicle as a co-worker may sound like a dream to some people. But the phenomenon of job hoppers who have not physically met their colleagues illustrates how emotional and personal attachments to jobs may be fraying. That has contributed to an easy-come, easy-go attitude toward workplaces and created uncertainty among employers over how to retain people they barely know.

"If you're in a workplace or a job where there is not the emphasis on attachment, it's easier to change jobs, emotionally," said Bob Sutton, an organizational psychologist and professor at Stanford University. Many of those workers who never got the chance to meet colleagues face to face before moving on said they had felt detached and questioned the purpose of their jobs.

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Companies strengthen hiring as more people get vaccinated: Teamlease

94% of women returnees say upskilling is essential for better career amid crisis

taying relevant while on a break is a challenge that most women face. A survey conducted by JobsForHer, in association with Bharatiya Vidya Bhavan's S P Jain Institute of Management And Research (SPJIMR), to evaluate the need for upskilling before returning to work after a career break revealed a dramatic increase of 23% from last year's survey where 60% of women opted to upskill.

The results suggest that women professionals are determined to join back the workforce and are actively looking for opportunities for both upskilling and career comebacks.

As the corporate world embraces the hybrid mode of working,, we have seen a 40% increase in the number of career opportunities that are available for women on JobsForHer from 2020 to 2021.

Last year, companies worked on improving their returnee programs to accommodate the best talent from a diverse and large talent pool of women returning to work after a career break.

Neha Bagaria, Founder & CEO of JobsForHer, said, "Women returnees are looking for curated courses, both online and offline. They have realised the potential and importance of upskilling in building their confidence and giving them a feel of the corporate world before making a full-fledged career comeback," Neha Bagaria, Founder & CEO of JobsForHer, said.