

Daily Economic News Summary: 14 August 2019

**1. Jeff Bezos' Amazon to pick 10% stake in Kishore Biyani's Future Retail**

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

Amazon.com Inc. is in late-stage talks to acquire as much as 10% of India's Future Retail Ltd., people familiar with the negotiations said, as the U.S. company moves to bolster its brick-and-mortar presence in one of the world's fastest-growing retail markets. India's No. 2 retailer by turnover, Future is seeking a valuation of about 20 billion rupees (\$281 million) from Amazon for the stake, according to the people, who asked not to be identified as the discussions are private. The sale is likely to be routed through a holding company, they said and will give Amazon the option to buy more shares from Kishore Biyani, Future Retail's founder and chairman. The deal with the Mumbai-based company, which operates its flagship "Big Bazaar" grocery store chain, will give Amazon more exposure to the business after it bought Whole Foods Market Inc. for \$13.7 billion in 2017 and secured a foothold in the U.S. food retailing segment. The proposed investment in Future Retail offers some parallels, enabling Amazon to tap into India's rising demand for household products and home-delivered fresh produce and vegetables.

**2. RBI allows fintech cos, financial institutions to set up regulatory sandbox**

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

The RBI on August 13 permitted startups, banks and financial institutions to set up regulatory sandbox (RS) for live testing of innovative products in areas like retail payments, digital KYC and wealth management. RS usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may (or may not) permit certain relaxations for the limited purpose of the testing. The RS allows the regulator, innovators, financial service providers and customers to conduct field tests to collect evidence on the benefits and risks of new financial innovations, while carefully monitoring and containing their risks. Releasing the 'enabling framework for regulatory sandbox', the RBI said the RS fosters 'learning by doing' on all sides and regulators obtain first-hand empirical evidence on the benefits and risks of emerging technologies and their implications.

### **3. India, Russia to boost ties to achieve \$30 billion bilateral trade by 2025**

**Source: The Economic Times ([Link](#))**

India and Russia have called for diversifying and deepening of economic ties in priority sectors to meet the bilateral trade target of \$30 billion by 2025, the commerce ministry said on 13 August. This was emphasised upon by Russia's Deputy Prime Minister Yuri Trutnev and Commerce and Industry Minister Piyush Goyal during a business session from August 11-13 in Vladivostok, Russia. A delegation including chief ministers of Haryana, Gujarat, Uttar Pradesh and Goa and about 140 Indian companies was led by Goyal at the session. He urged companies of both countries to discuss partnerships directly and come up with concrete project proposals

### **4. Government won't go ahead with new CSR rules**

**Source: The Economic Times ([Link](#))**

The government will not operationalise the new corporate social responsibility (CSR) provisions in the recently amended Companies Act that make violations punishable by jail, following intense lobbying by a panicked India Inc. The government will not issue followup rules required to implement the provisions that had drawn sharp criticism. "These changes will not be commenced," a senior government official told ET. The decision follows recommendations by a high-level committee on CSR that submitted its report on 13 August to finance minister Nirmala Sitharaman. It suggested that violations should be regarded as civil offences that are liable to monetary penalties along with a number of other suggestions to make CSR provisions more effective and less burdensome for companies. In light of the recommendations by the committee, the government won't proceed with the new rules, said the official cited above.

### **5. J&K to host investors meet from October 12 in Srinagar**

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

Seeking to attract businesses to Jammu and Kashmir, the state administration on 13 August announced a three-day global investors summit to be held in Srinagar from October 12. The meet will provide J-K an opportunity to showcase its strengths, strategies and potential, the state's Principal Secretary (Industries), Naveen Choudhary, told reporters. It will also help allay fears and apprehensions in the minds of trade and business community outside the state, he added. The Confederation of Indian Industries (CII) will be the national partner for the investors meet. An MoU has been signed by Jammu and Kashmir Trade Promotion Organisation (JKTPO) and CII for organisation and management of the event, the official said.

## **6. Praj Industries inks pact with Brazilian ethanol maker Dedini**

**Source: The Hindu, Business Line ([Link](#))**

Brazil sugar-ethanol mill maker Dedini Indústrias de Base said on 12 August it has signed a cooperation agreement with India's Praj Industries to sell equipment for ethanol production, including technologies for corn-based biofuel. "Through this deal, Praj and Dedini will sell and install plants to produce ethanol from grains and also work to modernise existing ethanol production facilities in Brazil," Dedini said in an emailed statement. The deal value was not disclosed. The company added that the cooperation agreement eyes a growing demand for ethanol as a result of an upcoming national programme to boost biofuel use, known as RenovaBio, which is scheduled to start on January 1.

## **7. Government pushes for open coal market**

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

The Union power ministry wants the coal ministry to ramp up commercial mining. According to official sources, power minister RK Singh has written to his coal counterpart Pralhad Joshi emphasising the need to create open coal market which, in turn, will facilitate an open power market. The power ministry feels that power producers should be able to buy coal from open markets at competitive prices and power purchase agreements (PPAs) should not be a precondition for getting access to coal, said the sources. As FE reported last month, a high-level Niti Aayog committee had also suggested the coal ministry to conduct auctions only for commercial mining and put an end to captive coal block allocation. Experts have attributed sub-optimal use of captive coal mines to lower requirement at power plants to which they are tied up to, and have argued that such dynamics limit competition and reduce efficiency.

## **8. Jio's First Day First Show delights investors, spooks multiplex stocks**

**Source: Livemint ([Link](#))**

Reliance Industries Ltd chairman Mukesh Ambani's audacious plan to home-deliver movies on the day of their release could transform movie-watching and reshape India's ₹10,000 crore multiplex industry, provided Jio manages to deftly navigate a landscape of producers, exhibitors and top actors, key stakeholders in the entertainment industry. Shares of multiplex operators plunged on 13 August, a day after Ambani said premium users of JioFiber, a feature-rich wired broadband service, will get to watch the latest movies on the first day itself. On the BSE, shares

of PVR Ltd and Inox Leisure Ltd, India's largest and second-largest multiplex operators with 800 and 600 screens, respectively, fell more than 4% each. JioFiber will start offering the First Day First Show service from mid-2020. RIL shares surged 9.72% on 13 August, the biggest jump since February 2017, even as the benchmark Sensex shed 1.66% to 36,958.16 points. In separate statements on 13 August, both PVR and Inox said producers will need to choose between theatrical release and other platforms in the early days of a release.