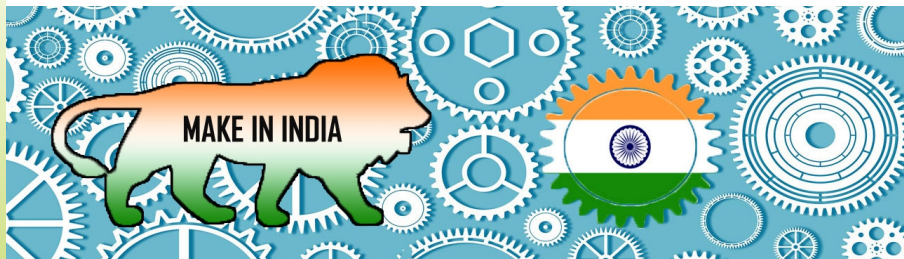




SAKSHAM BHARAT



आपूर्ति श्रृंखला प्रबंधन: आत्मनिर्भर भारत

Atam Nirbhar Bharat

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India – An Emerging Economy



India is strengthening the entire ecosystem through rapid structural reforms to realise the dream of becoming a USD 5 Trillion Economy by 2025. India is simultaneously working to bring about a quantum leap in quality, productivity and efficiency in order to expand its export basket. New Markets are being explored with enhanced geo political outreach. With Covid 19 Pandemic in the back drop and the prevailing Geo-political relationship with China, the GoI has provided the much needed thrust to its Look East, Act East and Neighbour First Policies.

With the aim to make India self-reliant, Hon'ble Prime Minister has announced a financial relief package of Rs.20 lakh crore to revive the economy of India from the effect of pandemic. The nationwide lockdown due to pandemic has impacted the manufacturing sector of the country and have affected cash flows. Following the announcement by the Hon'ble Prime Minister, Hon'ble Finance Minister presented the details of the INR 20 Trillion Atam Nirbhar Bharat Package (ANBP) 1.0 in a series of press conferences from May 13-17. It was followed by Atam Nirbhar Bharat Package 2.0 on October 12 and the third tranche on November 12. These promise a comprehensive solution for revival of Indian economy.

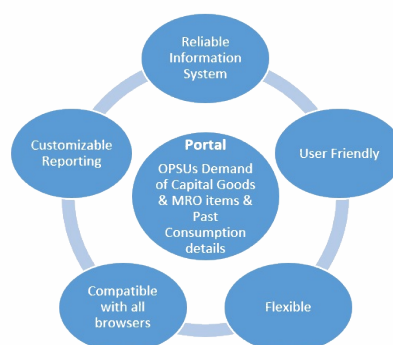
Mere reliance on “Jugaad innovation” a major risk for India’s growth trajectory

India entered the top 50 innovating countries for the first time in 2020 since the inception of the Global Innovation Index (GII) in 2007, by improving its rank from 81 in 2015 to 48 in 2020. However, India's gross expenditure on R&D at 0.65 per cent of GDP is much lower than that of the top 10 economies (1.5-3 per cent of GDP) primarily because of the disproportionately lower contribution from the business sector. The business sector in India contributes much less to gross expenditure on R&D (about 37 per cent) when compared to businesses in each of the top ten economies (68 per cent on average). This is despite the fact the tax incentives for R&D were more liberal in India when compared to those in the top ten economies. India must significantly ramp up investment in R&D if it is to achieve its aspiration to emerge as the third largest economy in terms of GDP current US\$. **Mere reliance on “Jugaad innovation” risks missing the crucial opportunity to innovate our way into the future.** This requires a major thrust on R&D by the business sector. The crucial role of literacy, education, physical infrastructure and policies enabling ease of doing business, as drivers of entrepreneurship, remain relevant.

(Quoted from the latest Economic Survey released last week)

This news letter Saksham Bharat has been initiated for highlighting the opportunities to strengthen the Supply Chain in the country and gain Self Sufficiency. This will bolster the Manufacturing sector in the country. Engineers India Limited is assisting the MoPNG in the publication of this newsletter. This shall further strengthen the manufacturer - buyer connect and provide new opportunities for the India of Tomorrow.

A Common Portal for all Oil PSUs and Private Sector Oil & Gas Operators



Engineers India Limited is developing a Portal under the Chairmanship of Secretary, PNG with the objective to create a reliable information system for Indian Manufacturers regarding the demand for Capital Goods and MRO items by Oil Companies so that potential manufacturer can formulate their business and investment plans.

OPSUs can also be benefitted from the database of other Oil Companies to bench mark their supply chain management parameters.

Investment Opportunities in the Indian Hydro Carbon Sector.



Hon'ble Minister of PNG & Steel addressing Industry Forum

Hon'ble Union Minister, PNG and Steel, Shri Dharmendra Pradhan during the recently concluded CERA Week International Symposium announced that India will see a massive investment of approx INR 8.3 Lakh Cr in oil and gas exploration as well as in setting up of natural gas infrastructure in the next few years as the country prepares to meet the needs of a fast growing economy. Today India is sixth largest economy in the world and third largest energy consumer after US and China. India will be the key driver of global energy demand in coming decades. We strongly feel that India's oil & gas sector would be instrumental in pulling back the growth trajectory post COVID through massive investments lined up.



Anticipated investment to tune of INR 21,000 Cr is expected in the upstream oil and gas production to double the natural gas production to 60 BCM and drill more than 120 exploration wells by 2022. With respect to midstream sector, Investment of around INR 70,000 Cr is anticipated to expand the gas pipeline network across the country. So far, we have around 16981 km of gas pipeline, and additional 14239 Km more is announced.



The Oil Pipeline network in the country is to be further augmented by another 15000 Km in addition to the existing 28790 Km. To achieve the gas economy vision of the government, robust investments are planned in LNG and Gas space wherein Regasification Facilities are being proposed at the Western and Eastern Coast of the Nation by both Private and Public players.



LNG Regasification facilities are being developed by the Private and Public organisations. Additional capacity of 30 MMTA can be expected to be added in next 10-15 years.



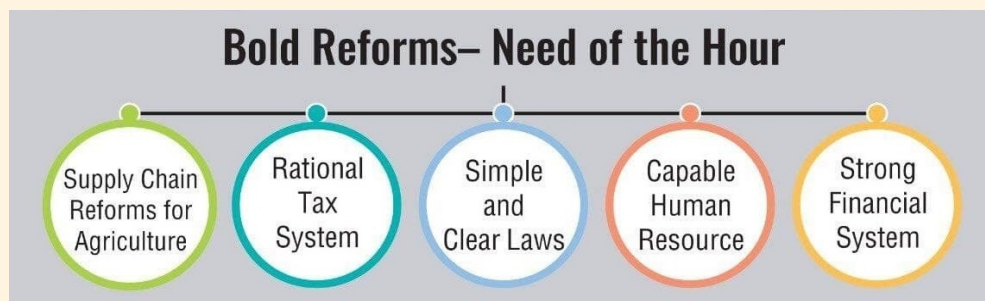
Further, most of the investment is slated to come from downstream sector in next 10-15 years. Around 185 MMTA of additional refining capacity shall be added which would entail an investment of around INR 3.25 Lakh Cr.



'Atamnirbhar Bharat Abhiyan – A Solace For MSMEs During the Pandemic'



The Atam Nirbhar Mission announced by Hon'ble Prime Minister is to essentially spur the growth and make India Self Reliant. India's call for a self-reliant economy is not for protection or isolation, rather it is for adopting a practical growth strategy that would enable the country to identify and capitalise on the inherent strengths. EIL has also implemented relaxed norms to extend benefits and has brought in a policy for relaxed financial and technical requirements in line with the Flagship programs of Hon'ble Prime Minister.



The Mission is also expected to complement 'Make in India Initiative' which intends to encourage manufacturing in India. The Make in India campaign has added much needed boost to the economy. MSMEs have played crucial role in generating huge employment opportunities at comparatively lower capital cost than large industries. Moreover, they have helped in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth.

Labour Law & Reforms

Over the years, there had been proliferation of labour legislation. Numerous labour laws provided for some specific issues. Often, there were duplications and contradictions. Compliance with numerous labour legislation was becoming a big challenge.

Need was felt to consolidate numerous labour laws. After great efforts and elaborate discussions and feedbacks, some 29 labour laws have been consolidated into four Labour Codes, as follows:-

1. The Code on wages, 2019 consolidates four labour legislations. The Code on Wages has received assent of President on 8-8-2019 and was gazetted on 8-8-2019.
2. The Industrial Relations Code, 2020 consolidates three labour legislations. The Industrial Relations Code, 2020 has received assent of President on 28-9-2020 and was gazetted on 29-9-2020.
3. The Code on Social Security, 2020 consolidates nine labour laws. The Code on Social Security, 2020 has received assent of President on 28-9-2020 and was gazetted on 29-9-2020.
4. The Occupational Safety, Health and Working Conditions Code, 2020 consolidates 13 labour laws. The Occupational Safety, Health and Working Conditions Code, 2020 has received assent of President on 28-9-2020 and was gazetted on 29-9-2020.

Gol Schemes for the MSMEs

The Ministry of Micro, Small and Medium Enterprises (MSME) implements various programmes/ MSME schemes for the development and promotion of MSMEs across the country in line with the vision of the GoI.

Government of India has been proactive to ensure that all the benefit of these MSME schemes reaches to the MSMEs in time. To provide immediate relief to the MSME sector, various announcements (in addition to the various MSME schemes) have been made under the Atmanirbhar Bharat Package. The most important ones also included:

- INR 3 lakh Crore collateral-free automatic loans for MSMEs to buy raw material, meet operational liabilities and restart businesses
- Revision of MSME definition to extend maximum benefits to the sector
- Clearing of MSME dues by the Government and Public Sector Units (PSUs) within 45 days

Foreign Direct Investments (FDI)



FDI in India is a means to access new consumption and production markets, and thereby expand business operations. It can gain access not only to limited resources such as fossil fuels and precious metals, but also skilled and unskilled labour, management expertise and technologies. Increased FDI boosts the manufacturing as well as the services sector.

In the present economic situation, around 30 per cent contribution to the country's gross domestic product (GDP) comes from MSMEs, 48 per cent of exports are from the same sector. The GoI is focusing on

developing MSMEs and their growth in India, as nearly 50 per cent of India's exports come from this sector. FDI in India has witnessed a positive trend since the launch of the Make in India campaign in 2014. FDI inflow from April 2014 to March 2020 (USD 357.35 Bn) is 52.5% of the overall FDI received in the country since

April 2000 (USD 680.91 Bn). For the first time, India has crossed the USD 70 Bn mark in FY 2019-20 and recorded total FDI inflow of USD 73.45 Bn. Accumulated foreign exchange reserves have increased from USD 304.2 bn in 2013 to USD 412.9 bn in 2019.

Contribution of CPSEs to the Growth of Manufacturing Industry



Central Public Sector Enterprises (CPSEs), have been an integral part of the Indian economy since Indian independence in 1947. The objective of setting these up was to ensure self-reliance in industries of national strategic importance, as well as to promote production within India. CPSEs have also played a huge role in the promotion of exports and earning precious foreign exchange for India.

In addition, the CPSEs have acted as a catalyst in boosting the growth of Indian manufacturing industry as a part of their Supply Chain.

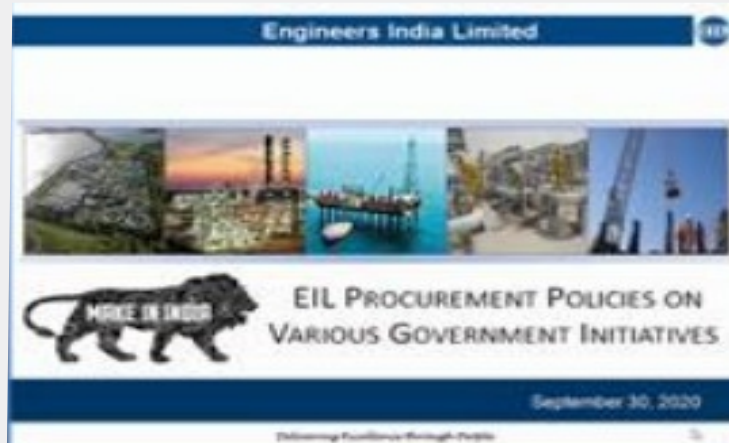


Indian PSEs are already present across the globe in regions such as the Middle East, Africa, Europe, Asia, Latin America and North America and there is tremendous potential for Indian CPSEs and PSEs to expand their global footprint further by enhancing their competitiveness.

The contribution of the CPSEs to the Central Exchequer increased by 4.67 per cent to INR 3.69 Lakh Crores in 2018-19 as against previous year of INR 3.52 Lakh Crores.

The Hydrocarbon industry of the Nation has seen a drastic change in the nature of Imports, the imports for Refinery which previously was around 90-95% has been brought down to 10%. The Petrochemicals and Gas processing sector witness's imports of around 40%. EIL has undertaken various initiatives and has encouraged indigenous manufacturers to enhance their product portfolio and manufacturing capabilities in addition to augmentation of capacity in collaboration with their foreign principals.

Other Developments



Inspired by the vision of Secretary MoPNG, EIL has been regularly conducting Domestic Manufacturers Meet-cum-Webinar and sharing the implementation of several initiatives & policies of the Govt. of India, in its manufacturer enlistment system, viz., PPP, DMI&SP, PPLC, GeM, Make in India, Start-up India etc. as a step towards Self-Reliant India.

In addition, EIL has introduced various new policies in its Vendor Enlistment System. These Policies allow the manufacturers, qualified in any open tender to be automatically enlisted with EIL.



The manufacturers can also get enlisted through prototype development route or demonstration route.

In addition manufacturers are allowed enlistment based on collaboration agreements, technology transfer agreements etc. subject to the condition that there must be a gradual enhancement of local content and there must be an agreement for technology transfer so that India gains by acquisition of new technologies.

To facilitate the empanelment process for various goods and services, enlistment portal in EIL is 24x7 live for all suppliers and contractors. This portal can be reached at <https://enlist.eil.co.in>

This portal is built on the fundamental principles of public procurement and is robust, transparent, efficient and fair with a view to provide boost to the Make in India campaign.

Hon'ble Prime Minister announces INR 1,000 Crore seed fund for startups



"I see startups, technology and innovation as exciting and effective Instruments for India's transformation."

Shri Narendra Modi
Prime Minister of India

India is also home to the world's third largest startup ecosystem which has helped several budding entrepreneurs to come up with innovative technologies and become large commercial entities. Despite the pandemic-led disruption, 11 startups turned unicorns in 2020, with over 30 startups in India today valued at over US\$1 billion.

Startups in India are not limited to big cities and about 40 per cent of such budding entrepreneurs are from tier-II and tier-III cities. In order to provide initial capital for startups, the nation has launched INR 1,000 Cr Startup India Seed Fund. This will help in setting up new startups and promote their growth. The Aatm Nirbhar Bharat Abhiyan is a chance for Indian Start Ups to take charge of the innovations for which we are usually dependant on global suppliers.

For feedback and/or details on sections referred, please write to us at pdd@eil.co.in

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EIL is a Navratna Engineering Consulting Organisation under the aegis of MoPNG and has been providing services to the Hydrocarbon Industry in India and abroad for over 50 years now. Practically, all the hydrocarbon sector projects in India have seen EIL's involvement, right from 'Concept to Commissioning'.

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हर एक काम
देश के नाम