

# Industry Matters

Weekly Updates

April 01, 2022



## Economy, Industry and Policy

**Sharp recovery in FY22 to help sustain growth - FM Nirmala Sitharaman:** The government's road map was put into effect in 2014, she said, adding that major reforms, including Goods and Services Tax (GST), Insolvency and Bankruptcy Code (IBC) and significant reduction in corporate tax rate, were implemented. *[The Economic Times]*

**Index of Eight Core Industries in February 2022 increases by 5.8 per cent to 137.1:** The combined Index of Eight Core Industries stood at 137.1 in February 2022, which increased by 5.8 per cent (provisional) as compared to the Index of February 2021. The production of Coal, Natural Gas, Refinery Products, Steel, Cement and Electricity industries increased in February 2022 over the corresponding period of last year. *[Press Information Bureau]*

**India Ratings trims India's FY23 growth forecast to 7-7.2%:** India Ratings on Wednesday trimmed its FY23 economic growth forecast for India to 7-7.2% from 7.6% announced earlier, citing the adverse effect of high crude oil and commodity prices on domestic consumption in the wake of the Russia-Ukraine conflict. *[Financial Express]*

**India at 8% growth can double economy in 7-8 years, says NITI VC:** India can double its economy in about 7-8 years if it grows at 8 per cent, which is feasible as the country has sustained a growth rate of 8.5 per cent earlier for a long time, Niti Aayog Vice-Chairman Rajiv Kumar said on Saturday. *[The Economic Times]*

**Govt to borrow Rs 8.45 trn from market during Apr-Sep period of FY23:** Out of the gross market borrowing of Rs 14.31 lakh crore estimated for the next financial year, Rs 8.45 lakh crore is planned to be borrowed in the first half or April-September period. *[Business Standard]*

**Fiscal deficit touched 82.7 pc of full year target at end of February - Govt data:** In actual terms, the deficit stood at Rs 13,16,595 crore at the end of February this year, as per the data released by the Controller General of Accounts (CGA). The central government's total receipts stood at Rs 18.27 lakh crore or 83.9 per of the RE of Budget 2021-22. It was 88.2 per cent of the RE of 2020-21 in the corresponding period. *[The Economic Times]*

**Govt's total liabilities rise 2% to Rs 128.41 lakh cr in December quarter:** The government's total liabilities rose to Rs 128.41 lakh crore in December quarter from Rs 125.71 lakh crore in the three months ended September 2021, according to the latest public debt management report. The increase reflects a quarter-on-quarter increase of 2.15 per cent in October-December 2021-22. *[The Economic Times]*

**Govt to sell up to 1.5% stake in ONGC to raise Rs 3,000 cr:** The government will this week sell up to 1.5 per cent of its stake in the country's top oil and gas producer ONGC to raise about Rs 3,000 crore. *[The Economic Times]*

**49 applications approved under PLI scheme for bulk drugs - Govt:** The government has received a total of 239 applications under the Production Linked Incentive (PLI) scheme for bulk drugs and 49 of them have been approved till now, the Rajya Sabha was informed on Tuesday. *[The Economic Times]*

**Rs 23K-cr BSNL, MTNL assets to be monetised:** In the first phase of monetisation, 11 assets of BSNL valued at Rs 18,200 crore, and six assets of MTNL worth Rs 5,158 crore have been approved for monetisation. *[Business Standard]*

**Need simpler GST regime, stable policy setting - Sumant Sinha, Assocham President:** Laying the roadmap for India to further improve on the ease of doing business ranking, Sinha said multiple GST rates and cumbersome taxation process were some issues that needed to be resolved to help India be in the 20s or 30s as against its current position. India was 63rd in the last report of the World Bank. *[The Economic Times]*



## Foreign Investment

**Rs 3,343 crore received as FDI in defence sector since 2014 - Govt:** During the period from 2001-2014, a total FDI inflow of about Rs 1,382 crore was reported and from 2014 till date, a total FDI of about Rs 3,343 crore has been reported. *[Business Standard]*

**Maha signed MoUs worth Rs 3 lakh cr with 98 firms amid pandemic - Minister Subhash Desai:** Maharashtra signed Memorandums of Understanding (MoUs) worth Rs 3 lakh crore with 98 companies amid the COVID-19 pandemic, state industries minister Subhash Desai said on Saturday. *[The Economic Times]*

**UAE firms keen to invest in J&K - Piyush Goyal:** Some companies in the United Arab Emirates (UAE) have shown keen interest in investing in Jammu & Kashmir, particularly in its tourism and logistics sectors, commerce and industry minister Piyush Goyal has said. *[The Economic Times]*

**Vedanta to invest \$1.5 bn across oil, zinc, steel businesses:** It also approved a USD 466 million phase-2 expansion of the Gamsberg zinc project in South Africa and another USD 348 million for steel expansion. *[Business Standard]*

**FPI outflow shoots past ₹1 lakh crore mark in 2022:** Overseas investors have pulled out a net ₹1,14,855.97 crore from the Indian markets in the current year so far, amid heightened geopolitical tensions and inflation concerns. *[Mint]*

**British International Investment commits \$89 mn towards India's clean energy:** The investment comprises an \$47 million follow-on commitment to Fourth Partner Energy, and an \$42 million project finance debt investment to Thar Surya 1 Private Limited – an Indian subsidiary of Enel S.p.A, Italy (Enel). *[Mint]*

**Billionaire K M Birla to spend \$7.2 billion on aluminum demand bet:** The company owned by billionaire Kumar Mangalam Birla will invest the amount mainly across its businesses in India and North America. *[The Economic Times]*



## Trade Policy and Competitiveness

**Foreign trade - Current policy to be extended by six months to Sept 30:** The government is set to extend the validity of the current foreign trade policy (FTP), which provides a road map for boosting external commerce in goods and services, by six months through September 30. *[Financial Express]*

**India targeting \$1 trillion exports by 2030 - Piyush Goyal:** India has achieved a historic high in terms of export of services, close to \$250 billion. "I want services and merchandise to reach a trillion dollar by 2030, and the UAE will play a very, very important role in this. *[The Economic Times]*

**India's Chinese imports slip 7.2% to \$65.21 bn in 2020-21; exports up 26%:** The minister said the trade deficit with China stood at USD 44.02 billion in 2020-21 as against USD 48.65 billion. *[Business Standard]*

**At \$190 billion, FY22 trade deficit near previous record, but less onerous now:** Trade deficit already hit \$188.2 billion as of March 21 this fiscal. At this rate, it's expected to touch 19% of overall goods trade in FY22, compared with a record 24% in FY13, 23% in FY12 and 20.5% in the pre-pandemic year of FY20 (See chart). *[Financial Express]*

**India crosses crucial \$1-trillion goods trade milestone in FY22 for the first time:** As of Wednesday, merchandise trade is estimated to have hit \$1,010 billion, said another official. "Exceeding the \$1-trillion trade level is a big psychological boost for a nation that aspires to be in the big league of top trading countries. *[Financial Express]*

**A new Indo-Russian transaction platform may be up this week:** Russia's state-owned development bank VEB and the Reserve Bank of India (RBI) have likely finalized an alternative transaction platform to facilitate bilateral trade after Western sanctions firewalled Moscow's access to the globally used Swift banking platform. *[The Economic Times]*

**Gujarat retains top position at NITI Aayog's Export Preparedness Index 2021:** Gujarat has retained the top position at the NITI Aayog's second edition of the Export Preparedness Index 2021 followed by Maharashtra, Karnataka, Tamil Nadu, Haryana, Uttar Pradesh, Madhya Pradesh, Punjab, Andhra Pradesh and Telangana as the top 10 performers. *[The Economic Times]*



## Corporate Governance

**Tata Steel to acquire Odisha-based SFML's ferro alloy assets for ₹155cr:** Tata Steel is all set to acquire ferro alloys producing assets of Odisha-based Stork Ferro and Mineral Industries for ₹155 crore in an all-cash deal, the company informed on Wednesday. *[Mint]*

**Tata Consumer Products to continue focus on acquisitions:** Tata Consumer Products has said it will continue to look at acquisitions to become a large player in the packaged foods business. *[Business Standard]*

**Adani, Tata AIG, ICICI Lombard among 54 prominent bidders for Reliance Capital:** Adani Finserve, ICICI Lombard, Tata AIG, HDFC Ergo, and Nippon Life Insurance are among the 54 prominent firms that have expressed interest to acquire debt-ridden Reliance Capital Ltd, promoted by the Anil Ambani Group, sources said. *[Mint]*

**Axis Bank acquires Citi's India consumer business in a Rs 12,325-cr deal:** Axis Bank is the fourth-largest issuer of credit cards with a total base of 8.6 million cards and the deal will add about 2.5 million credit cardholders, making it one of the top three cards businesses in the country. *[Business Standard]*



## MSMEs and Start-ups

**PM Modi - Close to 1.25 lakh small entrepreneurs, shopkeepers have sold goods directly to govt via GeM:** The Prime Minister on Thursday as well had tweeted of Rs 1 lakh crore worth goods purchased by the government through GeM in the current financial year. "This is a significant increase from previous years. The GeM platform is especially empowering MSMEs, with 57 per cent of order value coming from MSME sector. *[Financial Express]*

**MSME sector crucial for India's economic progress, govt taking steps to add new energy into it - PM:** Prime Minister Narendra Modi on Wednesday hailed the Cabinet decision to approve a World Bank-assisted Rs 6,062 crore funding programme for the small and medium businesses, saying the government is taking many steps to add new energy into the MSME sector and support local enterprise. *[The Economic Times]*

**Make in India - How govt is turning to MSMEs to make India self-reliant in defence manufacturing:** The government's focus on making India, which is one of the biggest importers of arms, 70 per cent self-reliant in weaponry by 2027 and promoting defence indigenisation has much to do with its MSMEs. *[Financial Express]*

**SIDBI acquires stake in ONDC to facilitate market access to MSMEs:** Small Industries Development Bank of India (SIDBI) has acquired 7.84 percent stake in the open public digital infrastructure framework entity, Open Network for Digital Commerce (ONDC), through an investment of Rs 10 crore. *[The Economic Times]*

**SIDBI sanctions Rs 1,000 crore to Odisha govt for development of MSME clusters, credit to small businesses:** Small Industries Development Bank of India (SIDBI) on Sunday said it has sanctioned Rs 837 crore under its SIDBI Cluster Development Fund Scheme (SCDF) to the Government of Odisha to support the development of 18 MSME infrastructure projects in the state. *[Financial Express]*

**Women-led MSMEs in India rise 75% to 8.59 lakh units in FY22 - Govt data:** The number of women-led micro, small and medium enterprises in India has increased substantially by over 75 per cent in FY22 to 8.59 lakh units, against 4.9 lakh units in the previous fiscal, Parliament was informed on Thursday. *[The Economic Times]*

**MSME Ministry to set up Global Market Intelligence Network for MSME exports:** The minister said that the sector represents the growth engine of the economy. "It makes good contribution to the growth of the GDP, employment and exports. *[The Economic Times]*

**Steel ministry fetches discounts for MSME sector:** As steel prices continue to rise due to the invasion of Ukraine by Russia, the steel ministry has fetched some reduction for the Micro, Small and Medium Enterprises (MSME) sector. *[The Economic Times]*



## Employment and Industrial Relations

**Formal job creation up in January; EPFO sees 1.52 million new subscriber addition:** The payroll data by the ministry of statistics and programme implementation, released on Friday, shows net new subscriber addition under the EPFO stood at 1.52 million in January 2022, 20.6% more than 1.26 million added in December 2021. *[The Economic Times]*

**Govt has taken 'satisfactory' steps to increase employment rate - Minister:** The minister said PLFS surveys indicate that the unemployment rate is declining in the country and people are getting jobs. *[The Economic Times]*

**Payroll Reporting in India – A Formal Employment Perspective:** The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation has released the press note on Employment Outlook of the country covering the period September, 2017 to January, 2022 based on the administrative records available with selected government agencies to assess the progress in certain dimensions. *[Press Information Bureau]*



## Industrial Finance

**Fintech platform CredAble disburses record \$3 bn to 1,50,000 SMEs in 12 months:** The digital lending market is likely to grow from \$75 billion in 2018 to \$270 billion in the current year and \$350 billion in 2023, according to estimates from the Boston Consulting Group. *[Financial Express]*

**ADB, HSBC India sign a \$100 million partial-guarantee program to promote micro loans:** The Asian Development Bank and HSBC India will jointly create a \$100 million partial-guarantee program to support micro-borrowers and women-run microenterprises across India. *[The Economic Times]*

**About 5,200 companies with credit exposure of over Rs 5 cr declared as NPAs till Dec 2021 - MoS Finance:** The number of unique borrowers having aggregate credit exposure of Rs 5 crore and above, identified as companies, and classified as non-performing assets (NPA) stood at 5,231 as of December 31, 2021, Karad said in a written reply to the Lok Sabha. *[The Economic Times]*

**'NPAs down to Rs 7.7 trn due to transparent recognition of stressed assets':** Gross NPAs have reduced to Rs 7.73 lakh crore as of December 31, 2021, against Rs 10.36 lakh crore as of March 31, 2018, due to transparent recognition of stressed assets, the government informed the Rajya Sabha on Tuesday. *[Business Standard]*

**Microfinance loan rises 10% to Rs 2.56 lakh crore - MFIN data:** The microfinance loan portfolio of all lenders grew about 10% year-on-year to Rs 2.56 lakh crore at the end of December, 2021, compared with Rs 2.33 lakh crore a year back, data released by Microfinance Institutions Network (MFIN) showed. *[The Economic Times]*

**Public sector banks sufficiently capitalised, says MoS Finance Bhagwat K Karad:** The government has infused capital amounting to Rs 2,86,043 crore in public sector banks (PSBs) during the last five years and they are sufficiently capitalised, Parliament was informed on Tuesday. *[The Economic Times]*



## Technology and Innovation

**IT hardware PLI - Only 2-3 of 14 firms likely to meet first-year targets:** Dell, among the global applicants, and Micromax, through Bhagwati Products Ltd, are likely to meet the first-year targets, several people aware of the matter told ET. Another person familiar said Dixon Technologies may also just "scrape through" to meet the first-year target. *[The Economic Times]*

**India's enterprise networking market grew at 13.6% YoY in Q4 2021 - IDC:** India's networking market, which includes the ethernet switch, routers, and WLAN segments, witnessed a 13.6 per cent year-on-year (YoY) growth in vendor revenues during Q4 of 2021 (October to December), according to a report by market intelligence company IDC. *[The Hindu BusinessLine]*

**Singapore-based e-commerce platform Shopee shuts India operations:** Singapore-based e-commerce platform Shopee that launched in India only in December 2021 has decided to close operations in the country. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**J&K govt receives 4,226 proposals worth Rs 47,441 crore:** The Jammu and Kashmir administration in January last year announced a new industrial developmental scheme with an outlay of Rs 28,400 crore to encourage new investment and take industrial development to the block level. *[The Economic Times]*

**421 infra projects show cost overruns of Rs 4.73 lakh cr:** The Ministry of Statistics and Programme Implementation monitors infrastructure projects of Rs 150 crore and above. Of 1,565 such projects, 421 projects reported cost overruns and 647 projects were delayed. *[The Economic Times]*

**DPIIT reviews 374 high impact infra projects in FY22:** Since April 2021, PMG has organized 30 review meetings with nearly all state governments and central ministries...374 projects with a value of approximately Rs 17 lakh crore have been reviewed during these meetings," the DPIIT said in a statement. *[The Economic Times]*

**Over 800 projects worth Rs 5.48 lakh cr identified for implementation under Sagarmala programme - Shipping Minister:** More than 800 projects at an estimated cost of around Rs 5.48 lakh crore have been identified for implementation as a part of the Sagarmala programme, Parliament was informed on Friday. In a written reply to the Lok Sabha. *[The Economic Times]*



## Sustainable Industrialisation

**Solar cells import jumps to USD 3,447 mn in April-Jan; maximum shipment from China:** Solar cells import rose to USD 3,447 million (around Rs 26,000 crore) during April-January 2021-22 as compared to USD 572 million in the previous financial year, Parliament was informed on Thursday. *[The Economic Times]*

**491 charging stations installed as on March 1 under FAME:** As per information received from the Ministry of Petroleum and Natural Gas, a total of 1,536 charging stations have been installed at oil marketing companies retail outlets in the country as of March 1. *[The Economic Times]*

**Exide announces Rs 6000 Cr investment in lithium-ion cell unit in Bengaluru:** The battery maker has proposed one of India's largest giga factories for advanced cell chemistry technology. The company has sought 80 acres of land at Haraluru industrial area near the Bengaluru international airport. *[The Economic Times]*

**Gujarat gets India's first 'steel road':** The Diamond City of India, Surat, has become the first in India to get a road that is made out of steel waste. *[The Economic Times]*



## Sectoral News

**Local manufacturing of 35 APIs started after PLI scheme - Mansukh Mandaviya:** These 35 active pharmaceutical ingredients (APIs) are among the 53 APIs, for which India has 90 per cent import dependence. *[Business Standard]*

**Beginning 2023, India to start building nuclear power plants in 'fleet mode':** With the first pour of concrete for a 700 MW atomic power plant in Karnataka's Kaiga scheduled in 2023, India is set to put in motion construction activities for 10 'fleet mode' nuclear reactors over the next three years. *[The Economic Times]*

**Government to merge five film media units:** The ministry of information and broadcasting on Wednesday announced the merger of four film media units, including Films Division, Directorate of Film Festivals, National Film Archive of India, and the Children's Film Society of India, with the National Film Development Corp. (NFDC)  
[Mint]



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