

# Industry Matters

Weekly Updates

May 13, 2022



## Economy, Industry and Policy

**All indicators show that India is on the growth path - Goyal:** All the key indicators such as jump in exports and high GST collection in April reflect that the country's economy is on the growth path, commerce and industry minister Piyush Goyal said on Thursday. *[The Economic Times]*

**Centre has created new opportunities for private sector to make products done earlier only by PSUs - FM Sitharaman:** The policy change brought in by the central government under Prime Minister Narendra Modi has created new opportunities for the private sector by allowing them to manufacture products that were normally made by public sector units (PSUs). *[The Economic Times]*

**GeM - Order volume crosses 1-crore mark; around 50% processed last year:** Public procurement portal Government eMarketplace (GeM) has hit another milestone of 1 crore total orders processed so far, around a month after its seller base crossed the 40-lakh count. *[Financial Express]*

**Industrial production grows 1.9% in March, 11.3% in 2021-22:** As per the Index of Industrial Production (IIP) data released by the National Statistical Office (NSO), the manufacturing sector's output grew 0.9 per cent in March 2022. *[The Hindu BusinessLine]*

**Push to Gatishakti - Centre firms up screening of public-funded projects:** Government departments and ministries will have to screen all public-funded projects with a budgetary outlay of more than Rs 500 crore. *[Business Standard]*

**Centre bets on coal and mineral mining to lead asset monetisation in FY23:** After an admirable performance in 2021-22 (FY22), the Centre is sanguine about coal and mineral mining leading its asset monetisation drive in 2022-23 (FY23). *[Business Standard]*

**Indian M&A activity in April hits monthly record at \$68.12 billion:** India M&A activity in April 2022 saw the highest monthly total on record with transactions amounting to \$68.1 billion, showed the latest data from Refinitiv, a provider of financial market data. *[The Hindu BusinessLine]*

**Textile PLI 2.0: Minimum investment, turnover criteria may be halved if scheme restricted to garments:** The Production Linked Incentive (PLI) 2.0 for the textile industry may have a lowered minimum investment and turnover criteria if restricted to garments and apparel. *[The Hindu BusinessLine]*

**PLI scheme for drones & drone components; Govt invites applications:** The objective of this scheme is to incentivise manufacturing of drones and drone components in India so as to make them self-sustaining and globally competitive. *[NewsOnAir]*

**Retail inflation in India surges to 8-year high of 7.79% in April:** The headline inflation is now at the highest level since the 8.33% hit in May 2014. *[The Economic Times]*

**India-France ties - After PM Modi's visit, France ready to work on Make in India initiatives in space, defence:** India and France agreed to work in close proximity in line with the Make in India initiatives to address challenges related to space issues, besides having deeper ties in climate change and defence-related matters. *[Mint]*

**Centre releases Rs 7,183.42 crore to 14 states as revenue deficit grant:** The Department of Expenditure, Ministry of Finance released the money. This is the 2nd monthly instalment of Post Devolution Revenue Deficit (PDRD) grant to states. *[The Economic Times]*

**Govt seeks to replicate NHA success with InvITs at railways and ports:** After the success of infrastructure investment trusts (InvITs) achieved by the National Highways Authority of India (NHA) and PowerGrid, the Centre is laying the groundwork for similar InvITs for railways, shipping, gas pipelines, and other sectors, as part of the Rs 6-trillion National Monetisation Pipeline (NMP). *[Business Standard]*

**Sale of Pawan Hans to Star9 Mobility to be completed by June:** The Centre will complete the sale of helicopter firm Pawan Hans to Star9 Mobility in June, a senior official said, denying allegations that the consortium did not meet the minimum net worth criteria of Rs 300 crore specified for the bidders. *[Financial Express]*

**Govt may save Rs 9,000 crore in claims under export promotion schemes:** The commerce ministry may save around Rs 9,000 crore out of the Rs 56,000 crore allocated to settle pending claims for merchandise as well as service exports under various export promotion schemes. *[Business Standard]*



## Foreign Investment

**Novelis to invest \$2.5 bn in US in Birla Group's biggest greenfield project:** Novelis, the wholly owned US unit of Aditya Birla Group company Hindalco Industries, said on Wednesday that it would invest \$2.5 billion (over Rs 19,000 crore) to build a new recycling and rolling plant in Bay Minette, Alabama, making it the biggest greenfield project overseas by an Indian-owned company. *[Business Standard]*

**Toyota to make electric vehicle parts in India for domestic, export markets:** Toyota Motor Corp plans to make India a manufacturing hub for electric vehicle parts to meet demand there as well as for export to Japan and some ASEAN countries. *[The Economic Times]*

**Outward FDI nearly halves to \$3.39 billion in April, says RBI data:** The OFDI stood at USD 6.71 billion in April 2021. On sequential basis too, the outward investment from India in April was lower compared to USD 3.44 billion in March 2022. *[Business Standard]*

**3M is planning to go big in electronics space in India - Ramesh Ramadurai:** 3M is planning to bring to India. Says Ramesh Ramadurai, managing director of 3M India Ltd. "Currently, the electronics business (which consists of products for mobile devices, semi-conductors and consumer electronics) in India is practically non-existent. But thanks to the production-linked incentive (PLI) scheme, a lot of the supply chain will be localised to India. *[Business Standard]*

**FPIs pull out over ₹20,000 crore from financials, IT sectors in April:** Foreign Portfolio Investors (FPIs) pulled out over ₹20,000 crore from financial services and information technology (IT) sectors in April, as they continued their selling spree in Indian equities for the seventh straight month. *[The Hindu BusinessLine]*

**Foreign funds' share in India equities at 19.5%, lowest since March '19:** Foreign funds' ownership in domestic equities fell to pre-COVID lows and hit a multi-year low of 19.5 per cent in March this year in NSE500 companies valued at USD 619 billion, shows an analysis. *[Business Standard]*

**FEMA clearance must for offering securities to companies from border nations:** The ministry of corporate affairs (MCA) has notified the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2022, reflecting the changes in the foreign direct investment regime. *[The Economic Times]*



## Trade Policy and Competitiveness

**New UK India Industry Taskforce launched to facilitate free trade deal:** The Confederation of British Industry (CBI) and the Confederation of Indian Industry (CII) have created the new taskforce as part of a memorandum of understanding to provide a "critical forum" for discussion to ensure the FTA works to the benefit of businesses in both countries. *[The Economic Times]*

**Ministry to meet industry on import substitution:** The commerce and industry ministry is likely to discuss with exporters and industry representatives next week import substitution of 100-odd products whose imports are high and have a significant share in the country's overall inbound shipments. *[The Economic Times]*

**Economists warn of weaker rupee pushing up imported inflation:** A depreciated rupee while supportive for exports, could mean more pain for inflation as the pass through of imported inflation becomes higher, economists have said. *[The Economic Times]*

**China's Covid lockdowns disrupt global supply chains:** China's lockdowns to contain Covid have snarled operations at the world's largest port in Shanghai and stalled activity in major cities, affecting the supply chains of businesses from Tesla Inc. to Apple Inc. *[The Economic Times]*

**UAE Minister of Economy to lead high-level biz delegation to India this week:** UAE Minister of Economy Abdulla bin Touq Al Marri will be leading a high-level business delegation to India this week to discuss ways to further promote trade and investments between the two countries. *[The Economic Times]*

**India initiates anti-dumping probe against imports of optical fibre from China, Indonesia, Korea:** The commerce ministry's investigation arm Directorate General of Trade Remedies (DGTR) is probing the alleged dumping of 'Dispersion Unshifted Single-mode Optical Fibre' originating in or exported from these three nations. *[The Economic Times]*

**Ukraine seeks India's help to grow businesses:** The Ukrainian embassy has written to the commerce and industry ministry to support Ukraine and its people in financial and humanitarian ways to renew its infrastructure and economy amid its ongoing conflict with Russia. *[The Economic Times]*

**Rupee hits all-time low; foreign exchange reserves below \$600 billion:** The country's foreign exchange reserves, too, dropped to \$598 billion for the week ended April 29, down from its all-time high of \$642 billion in the week ended September 3, 2021, latest RBI data showed. *[Business Standard]*



## Corporate Governance

**Tata Group readying plan for battery company in India, abroad to deepen its push to build electric vehicles:** Tata group is preparing the blueprint to launch a "battery company" both in India and abroad as part of its transition to be future ready, Tata Sons Chairman N Chandrasekaran said on Wednesday. *[The Economic Times]*

**Holcim bid - JSW offers \$7 billion; Adani, UltraTech in the race too:** Speaking for the first time on his interest to acquire Holcim's India assets, Sajjan Jindal, chairman and managing director of JSW Group, said that the group intends to place a \$7-billion bid to acquire a controlling stake. *[Financial Express]*

**ICICI Bank ties up with Santander for India-UK business ease:** One of India's leading private sector banks, ICICI Bank, on Tuesday announced a tie-up with Santander bank in Britain in a pact aimed at facilitating the banking requirements of corporates operating across both countries. *[The New Indian Express]*

**Coal India spends more than Rs 1,600 crore on CSR in last 3 years:** According to CIL Director (Personnel) Vinay Ranjan, the PSU is the third largest corporate spender on Corporate Social Responsibility (CSR) works in the country. *[The Economic Times]*

**HCL to buy Swiss based digital banking specialist:** HCL Technologies UK Limited, a wholly owned subsidiary of HCL Technologies (HCL), on Monday said it has signed a definitive agreement for the acquisition of Confinale AG, a Switzerland-based digital banking and wealth management consulting specialist and Avaloq Premium Implementation partner. *[The Hindu BusinessLine]*



## MSMEs and Start-ups

**Rane invites UAE to invest in India, calls for cooperation in MSME sector:** Union Minister Narayan Rane on Thursday invited the United Arab Emirates to invest in India in sectors like infrastructure, food processing and energy, and deepen bilateral cooperation in the MSME sector to access new opportunities. *[The Economic Times]*

**India's 100 unicorns valued at \$333 billion:** More than 69,000 start-ups have been recognised by the Department for Promotion of Industry and Internal Trade (DPIIT) since the government launched the Start-up India programme on January 16, 2016. *[Financial Express]*

**About Rs 10.7-lakh-crore stuck in delayed payments to MSMEs, amounting to 6% of India's GVA:** The buyers realise goods and services, but routinely delay payments. Our quantitative analysis estimates that approximately Rs 10.7 lakh crore is stuck as delayed payments to MSMEs in India, amounting to 6% of India's GVA (Gross Value Added) for FY 2020-21. *[The Economic Times]*

**'MSMEs must tap emerging opportunities':** Huge opportunities have been opened up for the private sector with the government opening up all areas of industry in the 2021 Union Budget. *[The Hindu BusinessLine]*



## Employment and Industrial Relations

**India's labour force increases by 8.8 million in April, one of the largest monthly rises:** The labour force in India increased by 8.8 million from 428.4 million in March 2022 to 437.2 million in April 2022, one of the largest monthly increases. *[The Economic Times]*

**Demand for contractual staffing higher in north and east India:** The demand for contract workforce is more in the north and east India regions, closely followed by the west and south regions, and manufacturing, IT, e-commerce, fintech, and pharma have emerged as major employers of contractual staff, finds a new report. *[The Economic Times]*

**Number of subscribers under PFRDA pension schemes up 23 pc to 5.23 cr:** The flagship schemes -- National Pension System (NPS) and Atal Pension Yojana (APY) -- had total asset under management of Rs 7,38,765 crore at April-end 2022, rising by 25.25 per cent from the year-ago period. *[The Economic Times]*

**Hiring demand up 15 pc in April with strong recovery in retail sector:** Improving business sentiment has boosted the overall hiring demand which witnessed a 15 per cent year-on-year growth in April, led by banking, financial services and insurance sector as well as recovery in the retail sector, a report said on Monday. *[Financial Express]*

**Finance Minister - Jan Suraksha schemes bring insurance and pension to all:** Finance minister Nirmala Sitharaman said on Monday that low-cost insurance and guaranteed pension under Jan Suraksha scheme are ensuring financial security to the last person of the society. *[The Economic Times]*

**Urban unemployment rate dips to 8.7% in October-December quarter:** Unemployment rate in urban India in the October-December quarter of 2021-22 fell for the second consecutive quarter to 8.7% from 9.8% in July-September quarter and 12.6% in the April-June quarter after the ebbing of the second wave of the pandemic. *[The Economic Times]*



## Industrial Finance

**PM Modi likely to launch 75 digital banks on August 15:** Prime Minister Narendra Modi is likely to roll out 75 Digital Banking Units across the country on August 15. These units will be totally paperless and will also work as digital financial literacy centres for the customers. *[The Economic Times]*

**NABARD sanctioned Rs 9700 cr for projects in Assam in FY22:** This includes Rs 7600 crores for infrastructure projects of State Government, Rs.2065 crore to various financial institutions etc. *[The Economic Times]*



## Technology and Innovation

**Semiconductors - Global majors bet on India becoming a chip manufacturing hub:** India's plan to become a semiconductor hub is one of the most ambitious and challenging tasks the government has ever undertaken, said the Director of Institute of South Asian Studies, National University of Singapore, C Raja Mohan. *[The Economic Times]*

**As India seeks self-reliance in semiconductors, Karnataka takes the lead:** Karnataka had in fact unveiled its semiconductor policy long back, in 2008-09. At the policy level, it was well documented that the state has to take a lead in attracting the investment in the semiconductor space. *[Business Standard]*

**Toyota lines up Rs 4,800 cr investment to locally produce EV components:** Toyota Kirloskar Motor (TKM) along with Toyota Kirloskar Auto Parts (TKAP) will put in Rs 4,100 crore while a related company -- Toyota Industries Engine India (TIEI)-- will pitch in with another Rs 700 crore. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**Government aims to build 18,000 km of highways in FY23 - Gadkari:** The government is committed to expanding the national highway network across the country with the aim of constructing 18,000 km of highways in 2022-23 at a record speed of 50 km per day, Union minister Nitin Gadkari said on Thursday. *[The Economic Times]*

**Govt-appointed panel to finalise RoDTEP rates for SEZs by mid-June:** The department of commerce has excluded some sectors from the scheme mainly due to budget constraint challenges and some that were doing well. These ineligible categories included exports by SEZs, EOUs as well as sectors such as steel, pharmaceuticals, and chemicals. *[Business Standard]*

**A new and vibrant SEZ policy to boost Atmanirbhar Bharat campaign:** Review of existing SEZ Policy has been on the agenda of the Government of India since last few years on account of various factors like changing aspirations of Indian economy, large unutilised SEZ parcels, declining SEZ attractiveness for the exporters community and ongoing dispute at World Trade Organisation challenging export linked SEZ incentives. *[The Economic Times]*

**Delhi-Meerut RRTS - Fastest trainset in country built under 'Make in India':** The first trainset of India's first Regional Rapid Transit System (RRTS) was handed over to National Capital Region Transport Corporation (NCRTC) at the manufacturing factory located in Gujarat's Savli on Saturday. *[Mint]*



## Sustainable Industrialisation

**Can India become competitive while pursuing climate resilient development? Difficult but possible:** In a recently released White Paper on Improving India's Competitiveness for Inclusive Economic Growth, jointly curated by CUTS International, Institute for Competitiveness and Institute for Studies in Industrial Development, we review the enabling conditions for improving and sustaining India's competitiveness and found substantial similarity with the conditions mentioned in the IPCC report. *[The Economic Times]*

**Policy tweak in the works - Green energy purchases likely to be mandatory:** The Union government is planning to amend the Electricity Act and the National Tariff Policy to make it mandatory for electricity distribution companies (discoms) and other bulk buyers to meet their renewable purchase obligations (RPOs), a move that will give a fillip to investments in solar, wind and hydro energy sectors. *[Financial Express]*

**Green hydrogen to be a focus area - Actis PE:** Global private equity investor Actis is actively considering investing in the green hydrogen segment in India, said Sanjiv Aggarwal, Sanjiv Aggarwal, Partner, Energy Infrastructure at Actis. *[The Economic Times]*

**5 ways your company can be carbon neutral:** Leading brands and companies around the globe have committed to becoming carbon neutral, supporting the fight against climate change. Unilever, Amazon and Toyota are few examples of companies who have committed to become carbon neutral by 2030, 2040 and 2050. *[The Economic Times]*

**Indian Railways' SWR installs 4656.60 KWp solar panels at Service buildings and major stations so far:** The SWR zone, so far, has installed 4656.60 KWp Solar panels at Service buildings and major railway stations. SWR has provided solar panels at 120 stations rooftop as well as seven service buildings. *[Financial Express]*

**Govt allows concession of 50 pc in revenue share for promotion of coal gasification:** Union Coal Minister Pralhad Joshi on Friday said the government has allowed a concession of 50 per cent in revenue share for coal gasification in order to achieve self-sufficiency in energy. *[The Economic Times]*



## Sectoral News

**Stuck ICB power units to restart soon - Centre:** Three imported coal-based (ICB) power plants, with a combined capacity of 3,650 mega watt (MW), will start operations in three weeks and another three in two months with lenders agreeing to support these plants with new credit lines, Union power secretary Alok Kumar told FE. *[Financial Express]*

**Ensure 24x7 power supply to industry and people - FM Sitharaman to states:** The country had seen its worst power crisis in several years by the end of April with a maximum demand of 204.65 Gw on April 28 and energy shortage of 192 MU. Several states, including Haryana, Punjab, Rajasthan, UP and Bihar even faced blackouts. Based on the May 10 data, the country is seeing a demand of 191 Gw and energy shortage of 14.45 MU. *[Business Standard]*

**Coal India to offer its 20 closed underground mines to private players:** Coal Minister Pralhad Joshi on Friday said that with the target to minimise the import of thermal coal, Coal India Ltd is going to offer its 20 closed/discontinued underground mines to private players on a revenue-sharing model. *[The Economic Times]*

**Alstom hands over first Rapid Rail trainset to NCRTC:** In 2020, Alstom was awarded the contract worth 436 million Euros to design, build, and deliver 210 regional commuter and transit train cars along with comprehensive maintenance services for 15 years. *[The Economic Times]*

**Discoms' outstanding dues to gencos rise 4% to Rs 1.21 trn in May:** Total outstanding dues of electricity distribution companies to power producers rose by 4.04 per cent year-on-year to Rs 1,21,765 crore (Rs 1.21 trillion) in May 2022, according to the official data. *[Business Standard]*



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