

# Industry Matters

Weekly Updates

June 17, 2022



## Economy, Industry and Policy

**India jumps 6 places to 37th rank on IMD's World Competitiveness Index - Denmark tops chart:** India has witnessed the sharpest rise among the Asian economies, with a six-position jump from 43rd to 37th rank on the annual World Competitiveness Index compiled by the Institute for Management Development, largely due to gains in economic performance. *[The Economic Times]*

**Industrial production growth at 8-month high of 7.1% in April:** Factory output grew to an eight-month high of 7.1 per cent in April, despite a high base, powered mainly by higher electricity and mining output, according to data released by the Ministry of Statistics and Programme Implementation (MoSPI). *[The Indian Express]*

**Number of income tax returns rising - CBDT Chairman:** Central Board of Direct Taxes Chairman Sangeeta Singh said, the number of income tax returns last fiscal was 7.14 crore against 6.9 crore in the preceding financial year, showing a clear growth. *[The Economic Times]*

**A stronger dollar could make India's inflation fight tougher:** Dollar value increment will make all imports expensive as it will add to inflation. In intraday trade, the rupee hit a new low of 78.28 and closed below 78 mark for the first time. *[The Economic Times]*

**IAF plans to build 96 fighter jets in India under Rs 1.5 lakh cr for 114 combat aircraft:** The Indian Air Force has plans of acquiring 114 Multirole Fighter Aircraft (MRFA) under 'Buy Global and Make in India' scheme under which Indian companies would be allowed to partner with a foreign vendor. *[The Economic Times]*

**At Rs 42,679 crore, advance tax collection up 48% in April-June quarter:** At Rs 42,679 crore, advance tax collection, corporation and personal, rose 48 per cent in the first quarter this fiscal year. Corporation advance tax in Q1 stood at Rs 26,798.6 crore against Rs 18,357.5 crore in the same period a year ago. *[Business Standard]*

**Retail businesses grow 24 pc in May against pre-pandemic level:** RAI CEO Kumar Rajagopalan said, "It is encouraging to see a steady improvement in sales with 23 per cent growth in April and 24 per cent in May as compared to the pre-pandemic levels". *[The Economic Times]*

**WPI inflation in May accelerates to 15.88% on higher food prices:** The latest figure also makes it historically the highest in 31 years since September 1991 (16.31 per cent). *[Business Standard]*

**Revenue collections grow for all states as property registrations continue to surge:** Cumulative revenue collection from stamp duty and registration charges (SD&RCs) from 27 states and one union territory of Jammu & Kashmir was recorded in excess ₹1.71 lakh crore during the financial year 2021-22. *[The Economic Times]*



## Foreign Investment

**Google-backed firm Nothing to manufacture smartphone in India to meet domestic demand:** Google-backed technology company Nothing, led by former OnePlus co-founder Carl Pei, will manufacture all smartphones that it will sell in India locally. *[The Economic Times]*

**Understanding India's record FDI flows, in charts:** In 2021-22, gross foreign direct investment (FDI) inflows into India increased for the ninth consecutive year to \$83.5 billion, an all-time high. *[Mint]*

**India's FDI rank rises to 7th position despite falling inflows - UNCTAD:** In its latest World Investment Report released on Thursday, UNCTAD said FDI inflows into India declined to \$45 billion in 2021 from \$64 billion in the preceding year. While the United States (\$367 billion) remained the top recipient of FDI, China (\$181 billion) and Hong Kong (\$141 billion) also retained second and third position respectively. *[Business Standard]*

**Green investment jumped 125% to \$14.5 billion in FY22 - IEEFA report:** Investment in the renewable energy sector in India surged more than 125 per cent year-on-year to touch a record \$14.5 billion in the financial year 2021-22 (FY22). *[Business Standard]*

**Disinvestment not for shutting down CPSEs, but to make them more efficient, says Sitharaman:** She said the principle of disinvestment is to make sure that companies which are being privatised are in the hands of people who can run it, bring in more capital and give same production. *[The Economic Times]*

**Mitsubishi Electric to invest ₹220 crore to set up factory in India:** Japanese engineering company Mitsubishi Electric Corp. has said it will spend approximately ₹220 crore in its subsidiary Mitsubishi Electric India Pvt. Ltd. to set up a new factory in the country to manufacture inverters and factory automation (FA) control system products. *[Mint]*

**Tata Steel unveils 7 mn pound green investment plan for UK steel tube mill:** Tata Steel has unveiled a 7-million pound investment plan for its Hartlepool Tube Mill in north-east England that the Indian steel major says will cut carbon emissions, improve capacity and reduce costs to strengthen its UK business. *[Business Standard]*



## Trade Policy and Competitiveness

**Iran tests new trade corridor to ship Russian goods to India:** Iran's state-run shipping company said it started its first transfer of Russian goods to India, using a new trade corridor that transits the Islamic Republic, an Iranian port official said. *[The Economic Times]*

**India and Spain sign defence contract; Airbus to supply 56 C295 aircraft:** Bilateral talks were held between the two ministers and focused on enhancing cooperation in the key priority areas of trade and investments, people-to-people relationship, climate cooperation, green energy, science & technology, innovation and defence & security. *[The New Indian Express]*

**Exports rise 20.55% to \$38.94 billion in May; Trade deficit at record \$24.29 billion:** Cumulative exports in April-May 2022-23 rose by about 25 per cent to USD 78.72 billion. Imports in April-May 2022-23 increased 45.42 per cent to USD 123.41 billion. The trade deficit during the first two months of this fiscal widened to USD 44.69 billion against USD 21.82 billion in the year-ago period. *[Financial Express]*

**Israel, India prepare to resume free trade agreement talks:** Bilateral trade between Israel and India totalled \$6.3 billion in 2021 up from \$200 million in 1992 when the two countries opened diplomatic relations and Israel has emerged as one of India's biggest suppliers of weapons alongside the United States and long-term partner Russia. *[The Economic Times]*

**India's coal import may drop 11% to 186 MT in FY23:** India's coal import is likely to decline by 11.4 per cent to 186 million tonnes (MT) in the current financial year, even as the state-owned firm has issued import tenders to source the dry fuel from overseas. *[The Economic Times]*

**India, Russia apex banks to work on payment system this week:** Officials of the Reserve Bank of India (RBI) and the Bank of Russia are set to meet this week to give the finishing touches to a bilateral payment system to ensure smooth trade flows between the two nations without violating global sanctions. *[The Economic Times]*



## Corporate Governance

**CCI clears Air India's acquisition of AirAsia India stake, helping merger:** The Competition Commission of India approved Air India's proposed acquisition of Tata group's entire 83.67 per cent stake in AirAsia India. The approval gives a boost to the group's plans of merging the two airlines. *[Business Standard]*

**TCS, HDFC Bank, Infy and LIC among Kantar's global 100 most valuable firms:** IT services and banking companies have retained top positions in the Kantar Brandz, 2022 Most Valuable Global Brands report. This year the number of Indian brands in the Global Top 100 rose to four: Tata Consultancy Services (TCS), HDFC Bank, Infosys, and Life Insurance Corporation (LIC). *[Business Standard]*

**Tencent buys stake worth \$264 mn in Flipkart from co-founder Binny Bansal:** The transaction was completed on October 26, 2021. However, it was shared with government authorities at the beginning of this financial year. Flipkart is registered in Singapore and has operations in India only. *[Business Standard]*



## MSMEs and Start-ups

**Rs 77,000 crore MSME dues cleared since May 2020 - MSME Min Narayan Rane:** Dues worth Rs 77,000 crore to micro, small and medium enterprises (MSMEs) have been cleared during the Covid period so far since May 2020, according to the data shared by MSME Minister Narayan Rane. *[Financial Express]*

**MSMEs bounced back stronger since onset of COVID-19 pandemic - Study:** The report is based on a comprehensive assessment of over 40,000 MSMEs from 25 cities across 88 industries analysed by the company from March 2020 to March 2022. *[The Economic Times]*

**Kerala on the track to set up 1 lakh MSMEs in current fiscal – Minister:** Kerala is surging towards meeting its target of setting up one lakh MSMEs in the current financial year, with 13,137 enterprises in the micro, small and medium sector already registering in the first two-and-a-half months of FY23. *[The Hindu BusinessLine]*



## Employment and Industrial Relations

**Unemployment rate dips to 8.2 pc in Jan-Mar 2022 - NSO survey:** The unemployment rate for persons aged 15 years and above in urban areas dipped to 8.2 per cent in January-March 2022 from 9.3 per cent in the year-ago quarter, showed a periodic labour force survey by the National Statistical Office (NSO). *[Financial Express]*

**Gig jobs see surge in demand in sales and marketing across sectors:** The surge in demand for gig workers is seen across quick commerce (300 per cent), healthtech (250 per cent), fintech (200 per cent), and e-commerce (198 per cent) sectors, said the first edition of the Taskmo Gig Index. *[Business Standard]*

**PFRDA plans to launch a guaranteed-return scheme in September 2022:** The pension regulator is also looking at giving choices of three different pension funds for each asset class in the non-government sector. *[Business Standard]*

**94% of domestic workers worldwide lack comprehensive social security - ILO:** According to the report, making the right to social security a reality for domestic workers, about half of all domestic workers have no coverage at all, with the remaining half legally covered by at least one benefit. *[The Economic Times]*



## Industrial Finance

**Microfinance gross loan portfolio grows 10 pc to Rs 2,85,441 cr as of March 2022 - MFIN:** The microfinance industry's Gross Loan Portfolio (GLP) grew by 10.04 per cent to Rs 2,85,441 crore as of March 2022, according to a report by Microfinance Institutions Network (MFIN). The industry's GLP stood at Rs 2,59,377 crore in March 2021. *[The Economic Times]*

**Banks' gross NPA drop below 6% in March 2022, lowest in six years:** Gross non-performing assets (NPAs) of the banking sector dropped below 6 per cent as of March 2022 — the lowest since 2016 — and net NPAs fell to 1.7 per cent during the same period, indicating that the sector has remained largely unscathed from the ill-effects of the Covid-19 pandemic so far. *[Business Standard]*

**Adani group to raise as much as \$4.5 billion via a mix of offshore loans:** The Adani Group, which recently acquired Holcim's local businesses in India's biggest cement takeover, is in talks with more than a dozen foreign banks to raise up to \$4.5 billion through a mix of overseas loan instruments, multiple bankers aware of the negotiations told ET. *[The Economic Times]*

**IBC framework needs a booster dose; debt resolutions slacken in two years:** According to the statistics by the Insolvency and Bankruptcy Board of India, since the provisions of IBC came into force in December 2016, as many as 5,258 insolvency cases have been filed by lenders. *[Business Standard]*



## Technology and Innovation

**Some state govt portals to start integration with ONDC soon:** Some state governments are looking to integrate their portals and also get micro, small and medium enterprises (MSMEs) in their states on to the Open Network Digital Commerce (ONDC), which is set to roll out by August. *[Business Standard]*

**Bengaluru ranks 5th globally for tech VC investments in 2022:** A handful of Indian cities feature among the top emerging start-up ecosystems in the world, with IT hub Bengaluru claiming the number one spot in Asia and the fifth rank globally for tech venture capital investment this year. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**CPPIB-led InvIT buys Brookfield's India road portfolio for Rs 9300 crore:** Canada Pension Plan Investment Board (CPPI Investments), the largest pension money manager in Canada has agreed to buy a portfolio of Indian road assets from Canadian asset manager Brookfield in a deal valued at around Rs 9375 crore (\$1.2 billion), in what could be one of the largest road infrastructure transactions in the country. *[The Economic Times]*

**India's first road constructed from steel slag inaugurated in Surat:** The road constructed using 100 per cent steel-processed slag is a real example of converting "waste into wealth" and improving sustainability of steel plants, the minister said. *[The Economic Times]*

**Fueled by demand, M&M to set up first tractor plant in decade in Mohali:** Mahindra & Mahindra going to setup new plant in Mohali as demand for tractors in the world's largest market has seen a sharp 44 per cent jump year-on-year in the first two months of 2022-23. *[Business Standard]*



## Sustainable Industrialisation

**India ranks 3rd globally for total renewable additions in 2021:** India was the second largest market in Asia for new solar PV capacity and third globally (13 GW of additions in 2021). It ranked fourth for total installations (60.4 GW), overtaking Germany (59.2 GW) for the first time. *[The Economic Times]*

**Adani, TotalEnergies join hands to invest \$50 billion in green hydrogen:** Gautam Adani, chairman, Adani Group said, he is confident the company will produce the world's least expensive green hydrogen. *[Business Standard]*

**Maruti Suzuki dispatches record 2.33 lakh units through Railways in FY22:** Cumulatively, the auto major has transported close to 11 lakh vehicles through Indian Railways in the last eight years, helping avoid over 4,800 MT of carbon dioxide emissions. The move has helped save over 1,56,000 truck trips and over 174 million litres of fuel. *[The Economic Times]*

**Govt discusses future export of hydrogen with Japan, Germany:** The government has held discussions with a number of countries, including Japan and Germany, for future exports of hydrogen from India, Union power minister R K Singh said on Wednesday. *[Business Standard]*

**Axis Energy commissions 445-MW solar plant in Rajasthan:** Under ABC Renewables platform, Axis Energy and Brookfield Renewable (have) commissioned 445 MW solar project in a record time of 6 months in Jodhpur, Rajasthan, the statement said. *[The Economic Times]*

**Duty on solar modules, cells to continue; don't want imports - Power Minister R K Singh:** The government had announced imposing 40 per cent BCD on solar modules and 25 per cent on solar cells with effect from April 1, 2022. *[The Economic Times]*



## Sectoral News

**Rajesh Exports will invest \$3 bn to set up India's first e-display plant:** Rajesh Exports is also an applicant for Prime Minister Narendra Modi's \$10 billion incentive plan to push companies to set up semiconductor and display operations in India, the government's next big bet on electronics manufacturing. *[Business Standard]*

**Coal ministry launches PIM module of single window clearance system:** The government on Tuesday launched the Project Information and Management (PIM) module of the Single Window Clearance System, a platform to seek various clearances to operationalise coal mines. *[The Economic Times]*

**Indian oil firms to compensate ethanol makers for higher energy costs:** India, the world's third biggest oil importer and consumer, has expedited efforts to double ethanol blending with gasoline to 20% from the current 10% across the country from 2025/26. *[The Economic Times]*

**India's power demand jumps by 45,000 MW in a year; ensuring 23-23.5 hr supplies - Minister:** India's electricity demand on June 9 was recorded at an all-time high of 2,10,792 megawatts, and 4,712 million units of electricity were consumed. *[Financial Express]*

**Top 10 textile companies posted much higher growth in FY22 than pre-Covid levels:** The Indian textile industry has recorded significant growth in sales and EBITDA in FY22 over pre-Covid levels, according to the latest Wazir Textile Index. *[The Hindu BusinessLine]*

**Centre plans to hook up states to idle power plants:** The Centre is likely to offer about 8 GW of electricity to states for the medium to long term from projects that are idling as they don't have coal linkages or purchase tie-ups, said people with knowledge of the matter. *[The Economic Times]*

**205 GW demand is the new baseline for India, elec demand will not go back to 160 GW - Power Min:** Speaking at a FICCI event, Power Minister RK Singh said that 205 GW demand is the new baseline for the country and that electricity demand will not go back to 160 GW. *[The Economic Times]*

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