

Industry Matters

Weekly Updates

February 11, 2022



Economy, Industry and Policy

India GDP estimated at Rs 147.5 lakh crore in FY22 – Chaudhary: As per the first advance and first revised estimates of GDP released by the National Statistical Office (NSO), the size of real GDP has been increased from Rs 105.3 lakh crore in 2014-15 to Rs 135.6 lakh core in 2020-21 and estimated to be Rs 147.5 lakh crore in 2021-22," he said. *[The Economic Times]*

Govt prepared to deal with any global development – FM: India is prepared to deal with any situation arising out of global developments, including the US Federal Reserve's decision to roll back monetary easing, and will not allow the economy to suffer. *[The Economic Times]*

Massive capex outlay to crowd in private investment by creating demand, boosting eco activity - Fin Secy: The government's massive capital spending programme outlined in the Budget 2022 will help crowd-in private investment by reinvigorating economic activities and creating demand. *[The Economic Times]*

Concessional corporate tax rate - Govt wants private cos to set up new manufacturing units fast: The Budget 2022-23 presented on February 1 has proposed that the concessional 15 per cent corporate tax rate would be available for one more year till March 2024 for newly incorporated manufacturing units. *[The Economic Times]*

Ease of living, cost of doing business focus areas - DPIIT secretary: The government aims to reduce around 2,500 compliances this year as states have begun the next round of exercise to identify compliances that need simplification. Of the 32,000 compliances identified earlier, about 26,000 have been reduced and of the remaining 6,000, about 3,500 don't need to be reduced. *[The Economic Times]*

Govt expects Rs 34,090-crore investment under PLI scheme for electronics manufacturing: The government has approved proposals of 20 companies under the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECs), including that of Tata Electronics, till January 27. *[The Economic Times]*

Steel, auto, textile companies at heart of PLI scheme job target: The government's ambitious target of generating over 6 million jobs in five years from the production-linked incentive (PLI) scheme will hinge on five of the 14 specified sectors reaching the magic numbers. *[Business Standard]*

Govt gets Rs 914 crore from GAIL as dividend tranche: The government has received Rs 914 crore from state-owned GAIL as a dividend tranche, DIPAM Secretary Tuhin Kanta Pandey said on Tuesday. With this, the total dividend receipts of the government from CPSEs stand at Rs 41,240 crore. *[The Economic Times]*

Road ministry drives Centre's asset monetisation with Rs 10,273 cr mop-up: The asset monetisation target for the roads ministry is Rs 30,000 crore, and the ministry had already monetised assets worth Rs 17,000 crore when the NMP was launched by Finance Minister Nirmala Sitharaman. *[Business Standard]*

January consumer sentiment index reflects lesser improvement in expectations, CMIE data shows: The index of consumer sentiments grew by 4% in January 2022 driven by an improvement in households' perception regarding their current incomes and their propensity to spend on non-essentials, the Centre for Monitoring Indian Economy said. *[The Economic Times]*

ADB lends record USD 4.6 bn loans to India in 2021: The Asian Development Bank committed a record USD 4.6 billion in sovereign lending to India in 2021 for 17 loans, including USD 1.8 billion for the country's coronavirus disease (COVID-19) pandemic response, the multilateral funding agency said in a statement. *[The Economic Times]*



Foreign Investment

India received \$339.55 billion FDI in last 5 years: India has received Foreign Direct Investment (FDI) inflows worth USD 339.55 billion in the last five years, Union Minister of State for Commerce and Industry Som Parkash said on Wednesday. *[The Economic Times]*

April-November FY22 FDI inflows at \$54.1 billion - Govt to Parliament: Computer software and hardware attracted the highest investment at \$9.06 billion followed by the automobile sector at \$5.84 billion and services sector at \$4.94 billion during the period. *[The Economic Times]*

EU establishes new partnership for infrastructure investments in South Asia: Six South Asian nations, including India, are set to benefit from a new USD\$ 21.5 million (EUR 18 million) funding from the European Union (EU), which will help to accelerate climate-smart, inclusive infrastructure investments in their regions. *[The Economic Times]*

Asia deepens regional ties as disruptions roil global trade: Foreign direct investment into the region also remained resilient, slipping only 1.3% in 2020 compared to a decline of nearly 35% globally. *[The Economic Times]*

Razorpay announces international expansion with acquisition of Malaysia's Curlec: Razorpay has announced its first international expansion into South-East Asia with the acquisition of a majority stake in Curlec, a Malaysian fintech firm, for an undisclosed amount. *[The Economic Times]*



Trade Policy and Competitiveness

Forex reserves down by \$4.531 billion to \$629.755 billion: The reserves had decreased by USD 678 million to USD 634.287 billion. It touched a lifetime high of USD 642.453 billion in the week ended September 3, 2021. *[The Economic Times]*

Exports rise 28.51 per cent to USD 8.67 billion during February 1-7: India's exports grew by 28.51 per cent to USD 8.67 billion during February 1-7 on account of healthy growth in sectors such as petroleum, engineering and gems and jewellery. *[The Economic Times]*

Export subsidies not yielded results; still India's exports on track - Piyush Goyal: Promoting exports through subsidies has not really given the desired results, but the government's RoDTEP scheme is helping grow exports which is expected to reach a record USD 400 billion this year. *[The Economic Times]*

Piyush Goyal holds talks with his Australian counterpart to boost bilateral trade ties: Union Commerce and Industry Minister Piyush Goyal had comprehensive talks over lunch with Australian Trade Minister Dan Tehran Wannon here on Thursday and discussed ways to further deepen India-Australia trade ties. *[The Economic Times]*

Continuation of EPCG scheme under review: The government is reviewing the continuation of a key export scheme, Export Promotion Capital Goods (EPCG), launched in the 1990s, that allows exporters to import certain capital goods used in manufacturing without paying duty. *[The Economic Times]*

Tractor exports cross one lakh for first time: With a robust trend in shipments, tractor exports from India have surpassed the one-lakh mark for the first time even as domestic tractor volumes are on a recovery mode after moderation in sales in the past few months. *[The Hindu BusinessLine]*

Coal India Ltd plans bulk exports for first time: Coal India Ltd, the world's largest coal miner, plans to directly export output to neighbouring countries. *[The Economic Times]*



Corporate Governance

MCA21 portal's third version to be rolled out in March: The third version of the portal, a key platform to submit the required documents and filings under the companies law and the Limited Liability Partnership Act, will leverage analytics, artificial intelligence and machine learning. *[The Economic Times]*

IPO-bound LIC's AUM rose Rs 1 trillion from March-September 2021: Initial public offering (IPO)-bound Life Insurance Corporation (LIC) of India's assets under management (AUM) increased to Rs 38 trillion as of September 2021, compared with Rs 37 trillion as of March 2021, said sources in the know. *[Business Standard]*

Delhi HC to hear amalgamation of cases between Amazon & Future Group on Friday: The Delhi High Court on Tuesday said it will hear on Friday an amalgamation of cases between Amazon and Future Group pertaining to the dispute over the Indian group's plans to sell its assets to Reliance Retail. *[The Economic Times]*

India's Bharti Airtel plans \$1 billion in fresh capital: Engaged in a fierce price war that started since the entry of billionaire Mukesh Ambani's Reliance Jio into the Indian telecom sector in 2016, Airtel has been raising capital for development of its products and services to lure more customers. *[The Economic Times]*



MSMEs and Start-ups

RBI Policy increases NACH mandate for MSMEs: Governor Shaktikanta Das said it will increase National Automated Clearing House (NACH) mandate limit for Trade Receivables Discounting System (TReDS) settlements from Rs 1 crore at present to Rs 3 crore. *[The Economic Times]*

Decoding SME lending in the 21st century: The Ministry of MSME's annual report 2020-21 said that India has approximately 6.33 crore MSMEs that contribute significantly to the country's productivity and employment. Despite its significance and reach, the struggle to acquire credit has hampered the sector's growth. *[The Economic Times]*

SIDBI takes measures to facilitate greening of MSMEs: Small Industries Development Bank of India (SIDBI) has set up a dedicated vertical with an objective to increase the resilience of MSME sector to combat the climate change and with a view to facilitate greening of MSMEs in line with the country's commitments at Conference of Parties (COP26) at Glasgow. *[The Economic Times]*

India's \$5 trillion GDP dream has an untapped potential in Mass Entrepreneurs: Among the 63 million MSMEs, 98% are micro in scale of the operations in India. A little over 100,000 enterprises are > \$ 1 million revenue threshold. Only 5% of these enterprises are > US\$ 3 million revenue threshold. About 11% of all MSMEs are estimated to be MEs, whereas globally, the average is about 35%. *[The Economic Times]*



Employment and Industrial Relations

More than 99% Households offered employment against the total demand for wage employment in FY 2021-22: In the current FY 2021-22 against the total demand for wage employment, a total of 99.34% has been offered wage employment. In case of non offering of work, the beneficiary is eligible for unemployment allowances to be paid by the State as per provision of the Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA). *[Press Information Bureau]*

Hiring activity on positive trajectory in January with 41% growth: The index was at 2716 last month versus 1925 in January 2021. The upswing in hiring activity was observed in multiple sectors with IT-software, retail, and telecom leading the charts. *[Mint]*

EPFO meet next month to finalise interest rate: The central board of trustees (CBT) of the Employees' Provident Fund Organisation (EPFO) will meet in the first week of March in Guwahati to finalise the interest rate on provident fund deposits for 2021-22. *[The Economic Times]*

Labour code may cap allowances at 75% of wages in first year, 50% over next three years: The government is mulling a high limit on allowances at 75-80% of the wages of an employee in the first year of the roll-out of the labour code on wages. This could gradually be brought down to 50% over three years, as specified in the code, people familiar with the deliberations told ET. *[The Economic Times]*



Industrial Finance

Bank credit grows by 8.21 per cent, deposits by 8.31 per cent: Bank credit grew by 8.21 per cent to Rs 115.82 lakh crore and deposits by 8.31 per cent to Rs 160.33 lakh crore in the fortnight ended January 28, RBI data showed. *[The Economic Times]*

Govt recapitalised PSBs with Rs 3.10 lakh crore capital infusion over last five years - Minister: Government has infused Rs 3,10,997 crore to recapitalise banks during the last five financial years i.e., from 2016-17 to 2020-21, out of which Rs 34,997 crore were sourced through budgetary allocation and Rs 2,76,000 crore through issuance of recapitalisation bonds to these banks," Minister of State for Finance Bhagwat Karad said in a written reply in the Lok Sabha. *[The Economic Times]*

RBI warns of spillover effects on banks and NBFCs in its policy review: Banks and other financial entities would be well advised to further strengthen their corporate governance and risk management strategies to build resilience in an increasingly dynamic and uncertain economic environment, the governor said. *[The Economic Times]*

Banks' gross bad loans decline to Rs 8 lakh crore as of September - Karad: The banks' gross non-performing assets (GNPAs) have declined from Rs 9,33,779 crore (GNPA ratio of 9.07 per cent) as on March 31, 2019, to Rs 8,00,463 crore (6.93 per cent) as of September 30, 2021. *[The Economic Times]*

Bank fraud complaints rise to 1.45 lakh in FY21: There is a decline of 13.01 per cent with regard to complaints in ATM/Debit Cards and there is an increase of 12.01 per cent and 52.99 per cent with regard to complaints in Mobile/Electronic Banking and Credit Card, respectively. *[The Economic Times]*

SBI lines up 6 NPA accounts for sale to ARCs to recover dues of Rs 406 cr: The six NPA accounts put up for sale to the ARCs are -- Patna Bakthiyarpur Tollway with outstanding of Rs 230.66 crore; Steelco Gujarat Ltd Rs 68.31 crore; GOL Offshore Ltd Rs 50.75 crore; Andhra Ferro Alloys Ltd Rs 26.73 crore; Guru Ashish Taxfab Rs 17.07 crore and Genix Automations Pvt Ltd Rs 12.23 crore. *[The Economic Times]*

NABARD projects priority sector credit target of Rs 2.47 lakh cr for Bengal: NABARD on Tuesday said it has estimated a credit target of Rs 2.47 lakh crore for priority sector lending in West Bengal during 2022-23, around 11.80 per cent higher than Rs 2.21 lakh crore in the current fiscal. *[The Economic Times]*



Technology and Innovation

Increasing digitisation in India, shift in financial behaviour - Niti VC: India is witnessing increasing digitization with people getting greater and easier access to financial services. This has led to a shift in consumers' financial behaviour -- from cash to e-wallets and UPI, Kumar said. *[Business Standard]*

India's official digital currency to debut by early 2023, says report: India's very own official digital currency is likely to debut by early 2023, which will mirror any of the currently available private company-operated electronic wallets, but with a change that it will be a sovereign-backed facility, a top government source said. *[Business Standard]*

India's digital currency to debut by early 2023: The digital rupee blockchain, being developed by the Reserve Bank, would be able to trace all transactions, unlike the current system of mobile wallet offered by private companies. *[The Economic Times]*

Warning Indians against cryptocurrencies, RBI chief says tulips have more value: A week after budget 2022-23 proposed 30 per cent tax on gain made from cryptocurrency trades, Reserve Bank of India (RBI) governor Shaktikanta Das termed it as a "threat to macroeconomic and financial stability". *[The Times of India]*

Shaktikanta Das burns cryptocurrency investors - Crypto as bad as Tulip bubble? No, even worse: In a major burn moment for cryptocurrency investors, Reserve Bank of India Governor Shaktikanta Das took a dig implying that crypto asset investments are even worse than the Tulip bubble. *[Financial Express]*

RK Singh launches Powerthon-2022 for tech-driven solutions for quality power supply: Union Minister for Power and New Renewable Energy R K Singh virtually launched today Powerthon-2022, a hackathon competition under RDSS (Revamped Distribution Sector Scheme) to find technology driven solutions to solve the complex problems in power distribution and to ensure quality and reliable power supply. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Gati Shakti will help tackle infra hurdles - PM Modi: Prime Minister Narendra Modi on Monday said the PM Gati Shakti Mission, an inter-ministerial digital platform for coordinated implementation of connectivity projects, presents a holistic approach to solving India's infrastructure challenges. *[Mint]*

Infra projects expected to route through PM GatiShakti's NPG after Apr 1 - DPIIT Secy: The implementation framework for PM GatiShakti national master plan is taking its final shape at a faster pace and after April 1 this year, every infrastructure project is expected to route through the network planning group (NPG) constituted under this initiative. *[The Economic Times]*

Highway construction speed to be enhanced to meet next fiscal target - Road Transport Secy: The National Highways Authority of India (NHAI) and the National Highways and Infrastructure Development Corporation Ltd (NHIDCL) have so far constructed 7,500 km of national highways, and in the remaining two months, at least 2,500 km of highway construction is expected. *[The Economic Times]*

Assam has attracted 16 ethanol projects worth Rs 3,290 crore - Himanta Biswa Sarma: Sarma held a meeting with the promoters of seven Ethanol manufacturing entities who came forward under Assam Ethanol Production Promotion Policy, 2021 to set up their plants. *[The Economic Times]*



Sustainable Industrialisation

Union Budget reflects India's commitment on 'green future' - PM Modi: Climate Action was given more importance in this year's union budget and it reflects India's commitment towards green future, Prime Minister Narendra Modi said on Saturday. *[Business Standard]*

Invest Rajasthan Campaign - MoUs worth Rs 3.05 lakh cr signed in renewable energy sector: With this investment, more than 90,000 MW of renewable energy will be produced in the state. The memoranda of understanding (MoU) and letters of intent (LOI) signed between the investors and the state government were exchanged in a programme addressed by Chief Minister Ashok Gehlot. *[The Economic Times]*

Tata Power in advanced talks to raise \$600-700 million for its renewable energy biz: Tata Power is in advanced talks with investors, including Canadian Pension Plan Investment Board (CPPIB) as well as Singaporean sovereign fund Temasek Holdings and private equity firm General Atlantic to raise as much as \$600-700 million (Rs 4478 crore - 5225 crore) for the renewable energy business at an equity valuation of around \$6-7 billion. *[The Economic Times]*



Sectoral News

A self-reliant pharma industry: The pharmaceuticals industry is a key sector for the Atmanirbhar Bharat programme. The objective of the Phase-I Production-Linked Incentive (PLI) scheme in this sector was to reduce import dependence on active pharmaceutical ingredients (APIs), drug intermediates (DIs) and key starting materials (KSMs). *[The Hindu]*

MeitY to hire CEO, CTO, CFO for India Semiconductor Mission - Official: The Ministry of Electronics and IT (MeitY) will hire top officials to fill various positions like CEO, CTO and CFO among others for 'India Semiconductor Mission' as it looks to build electronic chip and display ecosystem in the country, according to a MeitY official. *[The Economic Times]*

Indian scientists claim to have designed vaccine against all variants of coronavirus: Indian scientists claim to have designed a universal vaccine that can be effective against all variants of the coronavirus, which triggered the once-in-a-century pandemic two years back. *[The Economic Times]*

Power requirement estimated to be 1,650.59 billion units in FY23: Power requirement in the country is estimated to be 1,650.59 billion units in 2022-23 while it was 1,141.94 billion units till January of the ongoing fiscal year, Parliament was informed on Tuesday. *[The Economic Times]*

Looking at 3 telcos' proposals on converting dues into equity - Vaishnav: The government is examining proposals from three telecom companies keen to opt for converting interest on deferred spectrum and adjusted gross revenue (AGR) dues into equity, Telecom Minister Ashwini Vaishnav said in the Rajya Sabha on Friday. *[Business Standard]*

Bullish fridge, AC, soft drink firms gear up for hectic summer: Most have increased production levels from 40-50% in January to 80-90% in February and plan to ramp up further from next month by adding more shifts or lines. *[The Economic Times]*

Disclaimer: *Industry Matters* is a weekly news update on Indian economy, industry, and policy compiled at ISID from various newspapers and e-resources. ISID does not guarantee the truthfulness, accuracy, or validity of the news items linked in the above message. It is shared for informational and educational purposes to facilitate and support research and information on Indian industry. It is not a commercial product and all copyrights remain with those of the respective copyright holders. Images are sourced from the web.

Team Members: Satyaki Roy, Swati Verma, Sangeeta Ghosh, B. Dhanunjai Kumar, Amitava Dey & Rakesh Gupta.
Compiled by: Rakesh Gupta. Edited by Sangeeta Ghosh

To unsubscribe please click [here](#)