

Industry Matters

Weekly Updates

April 22, 2022



Economy, Industry and Policy

India's high growth rate positive news for world - IMF Managing Director: The IMF, early this week, projected a fairly robust growth of 8.2 per cent for India in 2022, making it the fastest-growing major economy in the world, almost twice faster than China's 4.4 per cent. *[Business Standard]*

To boost Make in India, IAF cancels plans to buy 48 Mi-17 choppers from Russia: Aiming to support the Make in India initiative in the Defence programme of Prime Minister Narendra Modi, the Indian Air Force has decided to cancel plans to buy 48 more Mi-17 V5 helicopters from Russia. *[IndiaToday]*

Textiles PLI scheme - Nod for 61 proposals to bring in ₹19,077 crore: The government said on Thursday that it has approved 61 applications with an investment potential of ₹19,077 crore and a projected turnover of ₹1,84,917 crore in the next five years under the production-linked incentive (PLI) scheme for textiles. *[The Economic Times]*

PLI scheme draws investment of ₹2.34 lakh crore in 14 sectors: Automobile and auto components, advanced chemistry cell batteries, specialty steel and high-efficiency solar panels have attracted the maximum interest. *[The Economic Times]*

CPSE purchases via government e-marketplace portal hit record Rs 45,971 crore in FY22: CPSEs bought goods and services worth Rs 45,971 crore through the GeM portal in FY22, having recorded a massive 553% jump from a year before, GeM chief executive PK Singh told FE. About 80% of the purchases comprised goods and 20% services. *[Financial Express]*

Draft policy seeks level playing field for EVs with fixed, swappable batteries: Government think tank NITI Aayog on Thursday released the draft battery swapping policy, calling for a level playing field for electric vehicles (EV) with fixed and swappable batteries. *[Mint]*

Oil & gas assets - Centre eyes innovative ways for asset monetisation: Taking a leaf out of the successful asset monetisation in coal and mineral mining, the Centre is exploring innovative ways to monetise assets in oil and gas as well as other sectors in the ongoing fiscal year. *[Business Standard]*

NHAI to monetise 2 more roads, may fetch bids of ₹4,000 crore: The National Highways Authority of India (NHAI) is set to monetise two road assets through toll-operate-transfer (TOT) 9 and 10 auctions after cancellation of its ToT 6 and 8 bundle auctions due to poor response. *[The Economic Times]*

India's March WPI inflation accelerates to record 14.55%: India's wholesale price-based inflation quickened to 14.55 per cent in March from 13.11 per cent in February amid hardening of fuel prices. *[The Economic Times]*

CPI at 17-mth high - FM Sitharaman says India has not breached inflation target 'so badly': National Statistical Office (NSO) data shows that the headline CPI surged to a 17-month high of 6.95% in March from 6.07% in February. The headline retail inflation has now exceeded the inflation target of the Monetary Policy Committee (MPC) for three consecutive months. *[The Economic Times]*

Govt plans regulator for skill gaming industry to curb money laundering: The government has observed that there is no law preventing entities incorporated in foreign countries with no physical presence in India from launching gaming products, and thus a framework is needed to put certain conditions for these entities to operate in India. *[Business Standard]*

GST - GoM yet to take a view on rate rationalisation, says report: There was a thought in some quarters that the slab of 5 per cent may be broken into 3 per cent and 8 per cent, and the remaining slabs of 12, 18 and 28 per cent will continue. *[Business Standard]*

Order inflows at capital goods firms likely to decline in Q4FY22: Typically, the fourth quarter is the strongest quarter for the cap goods sector as companies — both public and private — try to finalise orders before the year ends. However, this year, the January-March period was somewhat dull even though the first half of the year saw good traction in fresh orders. *[Financial Express]*

Not just Centre, states also saw jump in FY22 tax revenue: The 20 states reviewed reported a combined capex of Rs 3.44 trillion in April-February of FY22, up 37% on year, compared with an year-on-year decline of 14% witnessed in the corresponding period of FY21. *[Financial Express]*

Direct selling has to be clearly defined - Industry bodies: Multiple industry bodies and business groups have written to the consumer affairs ministry, seeking a crucial amendment in rules notified for the ₹18,000-crore direct selling industry in the Consumer Protection Direct Selling Rules. *[The Economic Times]*



Foreign Investment

JCB invests Rs 1000 crore in Vadodara aimed at exports market: UK based construction equipment major JCB is investing Rs 1000 crore in setting up a dedicated exports facility for critical parts and components for the global operations in Vadodara, Gujarat. *[The Economic Times]*

Indian drug firms get a shot in the arm in \$12-bn Australian drug market: Indian drug firms get a shot in the arm in the \$12 bn Australian drug market as the Therapeutic Goods Administration (TGA), Australia agrees to accelerate the drug approval process in that country for Indian players who already have an approved plant and product from one of the stringent regulatory authorities like US, EU or Canada. *[Business Standard]*

Switch Mobility commits £300 million in UK and India, to create 4000 jobs: This announcement was made as part of UK Prime Minister Boris Johnson's visit to Delhi and Gujarat, which aimed at strengthening bilateral trade between both the countries. *[The Economic Times]*

Brookfield invests Rs 2000 cr in BC Jindal's packaging business: Jindal Poly Films, a BC Jindal Group firm, has signed a definitive agreement with Canadian investor Brookfield to raise as much as Rs 2000 cr by selling a significant minority stake in its packaging films business. *[The Economic Times]*



Trade Policy and Competitiveness

A six-point agenda for India to raise its trade competitiveness: In a white paper on 'Building Competitiveness for Inclusive Growth', CUTS International, Institute for Competitiveness and Institute for Studies in Industrial Development have outlined an action agenda for improving Indian competitiveness. *[Mint]*

Govt eases certain norms under EPCG scheme to promote ease of doing biz: The objective of the Export Promotion Capital Goods (EPCG) scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness. *[Business Standard]*

Strong US-India relationship to strengthen global order - FM Sitharaman: This is one of those times when these two large democracies have found their space and they are comfortable working with each other. *[Financial Express]*

Modi-Johnson meet likely to focus on talks to advance trade deal: Prime Minister Narendra Modi's meeting with his United Kingdom equivalent Boris Johnson this week is expected to advance the negotiations on an interim trade deal, which is expected to be finalised between the two countries. *[Business Standard]*

FIEO pitches for setting up of a committee to evaluate import trends: The Federation of Indian Export Organisations (FIEO) has suggested the commerce ministry to set up a committee to evaluate the country's import trends and encourage domestic production of such products to reduce the widening trade deficit. *[The Economic Times]*

Plastic industry aims to double exports to \$25 billion by 2025: The industry should also aspire to raise its annual turnover to Rs 10 trillion in about five years from Rs 3 trillion now, Goyal said. *[Financial Express]*

Historic India-UAE trade pact effective from May 1 - Minister: The agreement will provide significant benefits to Indian and UAE businesses, including enhanced market access and reduced tariffs. *[The Economic Times]*

Govt likely to set export target of \$800 Billion for FY23: India is likely to set an ambitious export target of around \$800 billion for goods and services for 2022-23, almost 19.5% higher than \$670 billion clocked in 2021-22. *[The Economic Times]*

Service sector exports likely to touch USD 350 billion this fiscal - SEPC: Abhay Sinha, Deputy Director-General, Service Export Promotion Council (SEPC), said the target has been revised from USD 300 billion to USD 350 billion for 2022-23. *[The Economic Times]*

Gross exports of gem & jewellery in FY21-22 stood at US\$ 39.15 billion: The overall gross exports of gem & jewellery from April 2021- March 2022 stood at US\$ 39.15 billion (Rs. 291771.48 crores), showing a growth of 54.13% in dollar terms (55.75% in rupee term) as compared to US\$ 25.40 billion (Rs. 187333.68 crores) in FY 2020-21. *[The Economic Times]*

Govt to widen crackdown on low-grade imports; Move to hurt Chinese suppliers the most: The move goes beyond the government's initial plan to formulate standards/technical regulations or put in place quality control orders (QCOs) for 371 key products in the first phase. *[Financial Express]*

Passenger vehicle exports from India rise 43% in FY22; Maruti Suzuki leads segment: Passenger vehicle exports from India increased 43 per cent in FY22, with Maruti Suzuki India leading the segment with dispatches of over 2.3 lakh units, as per the latest data by industry body SIAM. *[The Economic Times]*

Services exports to Australia likely to reach \$5 bn by 2027 - SEPC: Services exports to Australia are expected to more than double to USD 5 billion in the next five years on the back of the trade pact signed between the two nations. *[The Economic Times]*



Corporate Governance

MCA registers highest ever 1.67 lakh companies in FY 2021-22: During the Financial Year 2021-22, Ministry of Corporate Affairs (MCA) registered more than 1.67 Lakh company incorporations as compared to 1.55 Lakh companies during FY 2020-21. *[Press Information Bureau]*

L&T Infotech and Mindtree to merge to create \$22-bn firm: The boards of Mindtree Ltd. and Larsen & Toubro Infotech Ltd., two software units controlled by the Mumbai-based engineering firm, could consider share swap ratios for the merger as early as next week. *[Business Standard]*

Walmart, Flipkart offer Indian manufacturers access to 120 mn US consumers: Walmart, the world's largest retailer, said it is now offering Indian manufacturers and trading companies an opportunity for international expansion as cross-border sellers on Walmart Marketplace, where they could reach a growing market of more than 120 million US consumers each month. *[Business Standard]*

Govt moves ahead with proposal to merge CIL arm with MECL; to prepare cabinet note: The government is moving ahead with a proposal to merge Coal India arm CMPDI with the Mineral Exploration and Consultancy Ltd (MECL) and will prepare a cabinet note on the same. *[The Economic Times]*



MSMEs and Start-ups

Need dedicated policy framework for MSMEs' e-commerce exports in upcoming foreign trade policy – FISME: Industry body for MSMEs Federation of Indian Micro and Small & Medium Enterprises (FISME) on Thursday suggested a dedicated policy framework for promoting e-commerce exports in the upcoming Foreign Trade Policy (FTP). *[Financial Express]*

India will have over 250 unicorns by 2025, says Iron Pillar report: InMobi was India's first unicorn in 2011. Since then, 129 startups have joined this star status, of which 100 were added from January 2019, generating a total value of \$535 billion. *[Business Standard]*

MSME sector to achieve mid-teen growth in fiscal 2022 says study: Lauding the large part played by the Medium, Small, and Micro Enterprises (MSMEs) in India's economic rebound, the latest ASSOCHAM-CRISIL joint study adds that the sector is expected to achieve mid-teen growth in fiscal 2022 with the pick-up of economic activities. *[The Economic Times]*

Parl panel - Link Udyam portal with CIBIL, other databases; need UPI-like platform, credit card for MSMEs: The Parliamentary standing committee on finance has suggested developing the Udyam portal into a one-stop central data repository for the MSME sector by linking it with other databases such as CIBIL data, utility bills data etc. *[Financial Express]*

9,800 MSME loans sanctioned in FY22 under SIDBI's 59-minute loan scheme; this many disbursed: SIDBI's 59-minute loan approval scheme for micro, small and medium enterprises (MSMEs), PSB Loans in 59 Minutes, sanctioned only 9,868 loans involving Rs 5,197 crore during the financial year 2021-22. *[Financial Express]*

Parliamentary panel for providing credit card to MSME entrepreneurs: The card, on the lines of Kisan credit card, will help the small businesses with working capital, ensure trade financing for their revenues, provide capital loans at affordable rates, and necessary credit guarantees. *[The Economic Times]*



Employment and Industrial Relations

Self-employed may be brought under EPFO's social security net: The government is looking to allow self-employed people to enrol under the Employees' Provident Fund Organisation by contributing 10% of their income to the provident fund body every month. *[The Economic Times]*

EPFO adds 1.41 million subscribers in February, 14% increase from last year: The Employees' Provident Fund Organisation (EPFO) data showed that net enrolments between April 2021 and February 2022 were 1.11 crore. During the entire financial year 2020-21, the net enrolments were 77.08 lakh, lower than 78.58 lakh added in 2019-20. *[Business Standard]*

Indian job market shows highest growth of 6% y-o-y in March - Monster Employment Index: Hiring demand in India witnessed a 6% year-on-year growth in March amid removal of Covid induced restrictions and pick-up in economic activity, shows the Monster Employment Index (MEI). *[The Economic Times]*

Over 8.25 lakh jobs created under PMEGP in FY22 - Govt: The government on Tuesday said 1.03 lakh new manufacturing and service units were set up under its flagship scheme PMEGP along with creation of over 8.25 lakh jobs in the last financial year. *[The Economic Times]*

Panel backs raising monthly EPFO wage ceiling to ₹21,000: A high-level committee has backed a proposed increase in wage ceiling under the Employees' Provident Fund Organisation (EPFO) to ₹21,000 a month from the current ₹15,000. *[The Economic Times]*



Industrial Finance

Govt setting up 75 digital banks this year, says FM Nirmala Sitharaman: India is planning to set up "digital only" banks and non-banking financial companies (NBFCs) to ensure that business continuity in the lending system is not affected even in exceptional times. *[Business Standard]*

IBBI proposes tweaks in rules to reduce delays in corporate insolvency process: In the 10-page discussion paper, the insolvency regulator has proposed to impose an obligation on the committee of creditors (COC) to share all the documents they possess on the company with the insolvency resolution professional (IRP). *[The Economic Times]*

Loan assets securitised by NBFCs jump 43 pc to Rs 1.25 lakh crore last fiscal: Total value of loan assets securitised by non-banking financial companies, including housing finance firms, grew by around 43 per cent in the last fiscal year to Rs 1,25,000 crore, driven by quick economic recovery and lower base effect, a report said on Monday. *[The Economic Times]*



Technology and Innovation

Oneweb gets licence to provide satellite services in India: UK-based Oneweb has plans to provide connectivity in the country through OneWeb satellite from mid-2022. *[The Economic Times]*

Flipkart buys full-stack e-commerce enabler ANS for undisclosed sum: Flipkart said it continues its efforts to strengthen the Indian e-commerce ecosystem by investing in the capabilities of technology enablers that will address the needs of the rapidly growing and evolving digital retail market in India. *[Business Standard]*

India becomes global investment hub for digital shopping: The Indian e-commerce segment registered a whopping growth rate of 175 per cent and reached \$22 billion from \$8 billion in 2020. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

All 100 smart cities to get integrated command-control centre by Aug 15: Union Minister of Housing and Urban Affairs Hardeep Singh Puri on Monday said that 80 out of the 100 Smart Cities in the country have Integrated Command and Control Centres and the remaining will get them by August 15. *[Business Standard]*

ONGC drills three gas wells using new MPD technology in Tripura: The new technology - Managed Pressure Drilling (MPD) proved to be beneficial in the state because conventional drilling could not be used in these geographical locations, said ONGC Tripura Asset Manager, Tarun Malik. *[Business Standard]*

Software exports grow to Rs 1,761 cr from 4 Indore IT SEZs: Software export from four IT special economic zones, including those of TCS and Infosys, here climbed to Rs 1,761.19 crore in the last fiscal, registering around 52 per cent growth following a surge in demand in IT services. *[The Economic Times]*



Sustainable Industrialisation

India adds renewable capacity of 13.5 GW in 2021-22: India added 10.21 GW of utility scale solar capacity, 1.11 GW of wind power and 2.22 GW of rooftop solar capacity in FY 2021-22. *[Financial Express]*

India, Brazil agree on promotion of sustainable bioenergy at global level: The union minister of petroleum and natural gas Hardeep Singh Puri and the minister of mines and energy of Brazil, Bento Albuquerque have agreed on the need to reinforce the promotion of sustainable bioenergy and biofuels at the global level. *[Mint]*

Electrolyzer PLI to push green hydrogen output: India plans to introduce a production-linked incentive (PLI) scheme to encourage the manufacturing of electrolyzers used to extract hydrogen from water, two people aware of the development said. *[Mint]*

Indian renewable sector highly leveraged due to global opportunities - S&P: In its new report "India Renewables: Growth Trumps Deleveraging" S&P Global Ratings said the multi-decade growth opportunities for renewable energy in India will result in persistently high leverage across the sector. *[Business Standard]*

Solar Energy corporation issues tender for setting up 1000 MWh storage system: Solar Energy Corporation of India Limited (SECI) has issued a tender for setting up 500 MW/1000 MWh Standalone Battery Energy Storage Systems (BESS) to provide Discoms with storage facilities to be used on an "on-demand" basis. *[The Economic Times]*

India's first portable solar rooftop system unveiled in Gandhinagar: The country's first portable solar rooftop system was inaugurated at Swaminarayan Akshardham temple complex in Gandhinagar on Monday. *[Business Standard]*



Sectoral News

India tops milk production in world, turnover higher than wheat and rice output - PM Modi: Prime Minister Narendra Modi on Tuesday said India produces milk worth Rs 8.5 lakh crore annually, more than the turnover of wheat and rice, and underlined that small farmers are the biggest beneficiaries of the dairy sector. *[The Economic Times]*

Only 9% of India's semiconductor needs fulfilled locally in 2021 - IESA: The Indian semiconductor market was valued at \$27 billion in 2021 and is expected to grow at a healthy CAGR of 16 per cent from 2019 to 2026 to reach \$64 billion in 2026, representing 22 per cent of the total end-equipment revenues, according to IESA. *[Business Standard]*

India will consume semiconductors of \$80 bn to manufacture electronics worth \$300 bn - MoS IT: India will consume semiconductors of around USD 70-80 billion to manufacture electronics products worth USD 300 billion by 2026 as envisaged in the government's vision document, Minister of State for Electronics and IT Rajeev Chandrasekhar said on Monday. *[The Economic Times]*

Govt eyes innovative products to raise credit flow to pharma companies: The government is eyeing innovative credit products such as funds against Intellectual property rights (IPR) as it looks to increase flow of credit to the pharmaceuticals sector. *[The Economic Times]*

DoT debates a strategy road map to promote IPR in telecom sector: The Department of Telecommunications (DoT) is discussing a strategy road map to promote intellectual property rights (IPR) in the sector which could include the setting up of a 'Sovereign Patent Fund' and a 'Bharat Technology Bank' as well as taking measures to reduce the long delays in obtaining a patent. *[Business Standard]*

Coal inventory of power plants at critical level, says Nomura: Coal inventories held by Indian power plants remain tight at nine days' worth of stock as of mid-April and could result in power outages, Nomura has said. *[The Economic Times]*



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