

Industry Matters

Weekly Updates

April 29, 2022



Economy, Industry and Policy

New investment, manufacturing jumped in FY22 - Goldman Sachs: The manufacturing sector witnessed a 460% jump in FY22 as against 2019-20. New investment and capex announcements by the private sector saw a 145% year-on-year rise in FY22 and 150% increase over FY20. *[The Economic Times]*

Net direct tax collection reaches highest-ever figure in FY 22: The net direct tax collections (income tax and corporate tax) reached an all time high of Rs 14.09 lakh crore in financial year 2021-22 against Rs 9.45 lakh crore collections in FY 2020-21, CBDT Chairman J.B. Mohapatra said on Tuesday. *[The Economic Times]*

India's GDP likely to grow 7.5-8 pc in FY23 - CII President: India's economy is expected to grow 7.5-8 per cent this fiscal year with exports playing a key role in the country's success story, CII President TV Narendran said on Monday. *[The Economic Times]*

FM Sitharaman meets heads of FedEx, Mastercard, others during US visit: Finance Minister Nirmala Sitharaman on Thursday met CEOs of large American firms like FedEx and Mastercard and discussed various opportunities for investment in India as the country is poised to be the fastest-growing large economy in the world. *[The Economic Times]*

PLI boom - ₹47,000 crore of iPhones likely to be made in India: Apple's contract manufacturers are expected to make iPhones worth ₹47,000 crore in India this fiscal, the second year of the production linked incentives (PLI) scheme that started in April. This will be almost five times the ₹10,000 crore worth of iPhones made in the country in FY22 by Foxconn and Wistron. *[The Economic Times]*

Retail industry to grow 10% a year, reach \$2 trn by 2032 - BCG-RAI report: As the country recovers from the pandemic, the retail industry has resumed its growth trajectory and is likely to witness 10 per cent annual growth to reach approximately USD 2 trillion by 2032. *[Business Standard]*

GST compensation for 8 months released to states, Rs 78,704 cr pending - Finance Ministry: The Finance Ministry on Wednesday said the Centre has already released eight months of GST compensation dues to the states for the fiscal ended March 2022 and Rs 78,704 crore is pending due to inadequate balance in the cess fund. *[The Economic Times]*

19 firms file applications under PLI scheme for white goods in 2nd round: As many as 19 companies, including LG Electronics and Wipro, have filed applications with proposed investments of Rs 1,548 crore to avail benefits under the production linked incentive scheme for white goods in the second round, the commerce and industry ministry said on Tuesday. *[The Economic Times]*

Balance in no-frills accounts hits Rs 1.68 trillion - Jan Dhan deposits hit record, belie concerns of wide-scale rural distress: Net deposits in the no-frills Jan Dhan accounts hit a peak of Rs 1.68 trillion as of April 13, having witnessed almost steady growth over the past four months despite the Omicron onslaught in January. *[Financial Express]*

Production-linked incentive - Steel PLI application deadline likely to be extended, again: The deadline for submission of applications under the Rs 6,322-crore production-linked incentive (PLI) scheme for speciality steel is likely to be extended by a month till May 30. *[Financial Express]*

States' feedback sought on raising GST rates on 143 items: Currently, there are four main GST slabs: 5%, 12%, 18% and 28%. About 70% of the GST revenues come from over 480 items which attract 18% GST. There is a view in the Centre that items under the 12% and 18% slabs should be shifted to a new median slab of 15%. *[Financial Express]*

Series of steps taken to strengthen IPR regime - DPIIT Secy: The government has taken a series of measures, including reducing the number of forms for trademarks and patents, to further strengthen the country's IPR (intellectual property rights) regime, a top government official said on Tuesday. *[The Economic Times]*

India to be a \$30 trillion economy by 2050 - Gautam Adani: Adani Group, which is planning to invest \$20 billion in clean energy generation, component manufacturing, transmission and distribution over 10 years, believes that the need for sustainability and renewable power is a game changer for India. *[The Economic Times]*



Foreign Investment

Global chipmakers hunting for locations in India for new plants: Companies including Taiwan Semiconductor Manufacturing Co. and South Korea's Samsung Electronics Co. are investing tens of billions of dollars each year expanding their output capacity, and India is in talks with some of the giants to attract them into the country. *[The Economic Times]*

HMD Global keen to scale up its mobile exports from India: HMD Global, the maker of Nokia-branded handsets, is keen to scale up its mobile exports from India, as the company looks at various levers, including sourcing more components locally, to deepen its commitment towards manufacturing ecosystem in the country. *[Business Standard]*

State to get \$100mn FDI from Oz co's logistics hub: West Bengal is all set to receive \$100 million (around Rs 750 crore) foreign direct investment (FDI) in the logistics segment. *[The Times of India]*

Russian consumer companies turn to India as western brands pull the plug: Many Russian companies have approached as they have great interest to do business with India but there is apprehension on both sides especially about payment, said an official. *[The Economic Times]*

Oz 2020 investment in India similar to 2018 - Australian govt: The two have formally relaunched negotiations for a Comprehensive Economic Cooperation Agreement (CECA) and with the aim of concluding a full CECA by the end of 2022. *[The Economic Times]*

India woos Intel and TSMC to set up local semiconductor plants: India is in talks with global chipmakers Intel Corp., GlobalFoundries Inc. and Taiwan Semiconductor Manufacturing Co. about setting up local operations, part of efforts to center more high-tech manufacturing in the country. *[The Economic Times]*



Trade Policy and Competitiveness

Exporters should look at newer geographies to increase shipments, urges V-P Venkaiah naidu: Naidu urged exporters to explore newer markets to increase shipments and keep the economy flying high. The Ministry of Commerce and Industry, he said, is taking all steps to further increase exports through business and industry-friendly policies, Ease of Doing Business and focusing on 'local for global'. *[The Hindu BusinessLine]*

FY23 CAD maybe 10 yr high, export growth can be sustained - SBI Research: SBI Research on Friday said that India's current account deficit in the current fiscal may reach a decade high even as the country's export growth could be sustained. India recorded a CAD of 1.2% of GDP in April-December 2021. *[The Economic Times]*

India, Australia should aim for \$100-bn annual trade - Tony Abbott: The India Australia Economic Cooperation and Trade Agreement (ECTA), signed on April 2, targets to help increase annual bilateral trade to \$50 billion in five years from about \$27.5 billion in 2021. *[Financial Express]*

102 priority items on government's list to raise domestic manufacturing, cut imports: There are among 102 priority items that the government has identified whose imports are high and need immediate interventions for domestic production opportunities. These comprise 57.66% of India's total imports. *[The Economic Times]*

India exports 13.5 MT finished steel worth Rs 1 lakh cr in FY22: India exported 13.5 million tonne (MT) of finished steel valuing Rs 1 lakh crore in the last financial year, Minister of Steel Fagga Singh Kulaste has said. According to official data, India's finished steel exports were at 10.78 million tonne in 2020-21. *[The Economic Times]*

India needs to remove trade restrictions, reduce tariffs in the South Asia – says World Bank: India needs to remove trade restrictions, reduce tariffs and provide seamless connectivity at the borders to reap the trade benefits in the South Asian region, Cecile Fruman, director, regional integration and engagement, South Asia, World Bank, said. *[The Economic Times]*

FMCGs may pinch more if Indonesia bans crude palm oil exports too: Prices of cookies and noodles to soaps and shampoo could go up by at least 8-10% if Indonesia decides to ban crude palm oil exports from April 28. *[The Economic Times]*

India, EU agree to launch Trade and Technology Council to push strategic ties: This strategic coordination mechanism will allow both partners to tackle challenges at the nexus of trade, trusted technology and security, and thus deepen cooperation in these fields between the EU and India, according to a statement by the EU. *[The Economic Times]*

Reliance Industries inks pact for \$2-bn UAE deal; in talks with ADNOC: The development acquires significance as it will focus on chlor-alkali, ethylene dichloride (EDC) and polyvinyl chloride (PVC) production, which is used in a wide range of industrial applications. *[Business Standard]*



Corporate Governance

Adani Group in advanced talks to acquire Holcim businesses in India: Gautam Adani's conglomerate is in advanced talks to acquire Holcim Ltd.'s businesses in India, according to people familiar with the matter. *[Business Standard]*

LTI, Mindtree boards may meet next week to okay merger: The boards of Larsen & Toubro Infotech (LTI) and Mindtree are expected to meet in the first week of May to finalise the terms of their merger. *[The Economic Times]*

Govt to finalise Pawan Hans sale Saturday, JSW among bidders: The federal government has 51% stake in Pawan Hans, while ONGC holds 49%. The oil explorer has decided to offer its entire shareholding to the successful bidder at the same price and terms as agreed by the government. *[Business Standard]*



MSMEs and Start-ups

MSME Ministry launches revamped ZED certification scheme: The Ministry of Micro, Small and Medium Enterprises has launched a revamped Zero Defect Zero Effect (ZED) Certification Scheme. The first phase of this overhauled programme will focus on manufacturing MSMEs while the second would be for those MSMEs in the services sector. *[The Economic Times]*

Gradual shift from informal to formal for MSMEs: In India, 99.7% of the enterprises are in the unorganized sector, of which two-thirds do not have registration anywhere. A significant fraction of these unorganized firms falls in the "micro" category of the MSME sector comprising owner-managed firms, most of which operate with less than five workers. *[The Economic Times]*

Startups should focus on smaller cities, social issues - DPIIT Secy Jain: According to government data, around 45 per cent startups in India are from tier-two and three cities and 623 districts have at least one recognized startup. From 2018 to 2021, almost 5.9 lakh jobs have been created by startups, out of which 1.9 lakh jobs have been created in 2021. *[Business Standard]*

Centre to handhold startups in chip design to boost output: The government will work with startups to help them design and develop semiconductors and enable mass production in partnership with global manufacturing majors, minister of state for electronics and information technology Rajeev Chandrasekhar said. *[Mint]*



Employment and Industrial Relations

Drone service sector will provide one lakh jobs in 4-5 years - Jyotiraditya Scindia: The drone service sector holds tremendous promise and will provide about one lakh jobs in the next four-five years. *[The Economic Times]*

Govt survey shows rising trend in organised sector employment - Bhupender Yadav: According to the report, manufacturing sector is the largest employer accounting for around 39 per cent of the estimated total number of workers followed by education sector at 22 per cent. *[The Economic Times]*

EPFO and unorganised sector workers' UANs to become interoperable: The registration of unorganized workers and subsequent portability of their UAN with EPFO is the first step towards the government's plan to provide a universal social security to all. *[The Economic Times]*

Govt survey - Formal sector employment jumps by 0.4 million in Q3FY22: As per the quarterly employment survey (QES) for the third quarter of the last fiscal, manufacturing employed 12.3 million followed by 0.69 million in the education sector, 0.34 million in IT/BPOs and 0.32 million in the health sector. *[The Economic Times]*



Industrial Finance

DFS Secretary asks banks to soar up balancesheet; raise capital from market: During the meeting with top executives of PSBs at Manthan 2022, Financial Services Secretary Sanjay Malhotra exuded confidence that public sector banks will continue to strive and perform better on all metrics, including profitability. *[The Economic Times]*

LIC IPO - GMP, date, price, other details in 10 points: LIC IPO subscription will open on 4th May 2022 and it will remain open for bidding till 9th May 2022. The Government of India (GoI) has fixed LIC IPO price band at ₹902 to ₹949 per equity share. *[Mint]*



Technology and Innovation

Real-time payments expected to boost India's GDP by \$45.9 bn in 2026: In 2021, India accounted for the largest number of real-time transactions at 48.6 billion, almost threefold that of China (18 billion transactions) and almost seven times greater than the combined real-time payments volume of US, Canada, the UK, France and Germany (7.5 billion). *[Business Standard]*

IP protection - India among most challenging economies, says USTR: India remains one of the most challenging major economies with respect to protection and enforcement of intellectual property, the office of the US Trade Representative said in a report as it decided to retain New Delhi on the Priority Watch List. *[Financial Express]*

Billionaire tech pioneer Nilekani takes on Amazon, Walmart in India: India has become a battlefield for some global retail behemoths that are either shut out of China or are struggling to compete with local rivals there. *[Business Standard]*

Bharti-backed OneWeb, Isro unit sign agreement for satellite launches: OneWeb, a company backed by the Bharti group, and New Space India Limited, the commercial arm of the Indian Space Research Organisation, have inked an agreement for satellite launches. *[Business Standard]*

100 cities in six months - Govt's ambitious ONDC pilots today: This will be done across five cities — Delhi, Bengaluru, Coimbatore, Bhopal, and Shillong. Thereafter, it will be scaled up and launched in 100 cities over a period of six months, said a senior government official. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Piyush Goyal warns of project foreclosure if timelines not met under National Corridor programme: Commerce and industry minister Piyush Goyal on Thursday said that the government will foreclose those projects under the National Industrial Corridor Development Programme where states fail to deliver land in a time-bound manner. *[The Economic Times]*

Vedanta seeks free land, power in race to be India's 1st chipmaker: In a race to become India's first chip maker, Vedanta Ltd is seeking 1,000 acres (405 hectares) of free land from states and other incentives for its \$20 billion foray into semiconductor and display manufacturing. *[Business Standard]*

Gati Shakti assessment reveals infra gaps in over 131 projects: The first six months of the flagship Gati Shakti Mission have thrown up over 130 critical projects where 'infrastructure gaps' have been noted and flagged off to the concerned ministries. *[The Economic Times]*

PM to launch all-weather tunnel linking Jammu & Kashmir, '20K-cr projects today: During his maiden visit since 2019, which is being held amid tight security due to recent incidents, Modi will also lay the foundation stone and inaugurate projects worth over '20,000 crore. *[The Economic Times]*

MG Motor India partners with BPCL to bolster EV charging infrastructure: Automaker MG Motor India on Monday said it has partnered with Bharat Petroleum Corporation Ltd (BPCL) to bolster EV charging infrastructure across the country. *[Business Standard]*



Sustainable Industrialisation

Palli enters history as India's first 'carbon neutral panchayat', Prime Minister inaugurates 500 KV solar plant: The nondescript hamlet of Palli in Jammu and Kashmir's border district of Samba entered into the 'modern history' of India on Sunday as country's first "carbon neutral panchayat" with Prime Minister Narendra Modi dedicating to the nation 500 KV solar plant, installed in a record time of nearly three weeks. *[The Economic Times]*

India plans new battery swap policy for electric scooters, rickshaws: India is planning new rules to make batteries used in scooters, motorcycles and three-wheeled rickshaws swappable across different models, part of a proposed new policy released by think-tank Niti Aayog. *[The Economic Times]*

Tata Power signs MoU to install up to 5,000 EV charging points across Maha: Electric utility company Tata Power on Thursday informed the exchanges that it has signed a Memorandum of Understanding (MoU) with National Real Estate Development Council (NAREDCO) to install up to 5,000 EV charging points across its members' developer properties in Maharashtra. *[The Economic Times]*



Sectoral News

IndiGo becomes first airline to land aircraft using indigenous navigation system GAGAN: IndiGo became the first airline in the country to land aircraft using the indigenous navigation system GAGAN, according to a statement issued on Thursday. *[The Economic Times]*

Current power crisis due to sharp fall in generation; not due to non-availability of domestic coal: The current power crisis is mainly on account of sharp decline in electricity generation from different fuel sources and not due to non-availability of domestic coal, a top official said on Sunday. *[The Economic Times]*

Ayush sector gets investment commitments of Rs 9,000 cr: The investments come across major categories like FMCG, medical value travel (MVT) and services, pharmaceuticals, agriculture, technology and diagnostics. *[The Economic Times]*



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