

# Industry Matters

Weekly Updates

June 10, 2022



## Economy, Industry and Policy

**PM Modi inaugurates 'Iconic Week' celebrations, launches Jan Samarth portal:** According to the Prime Minister's Office, the main purpose of the Jan Samarth portal is to encourage inclusive growth and development of various sectors by guiding and providing them with the right type of government benefits through simple and easy digital processes. *[Business Standard]*

**India May services PMI growth at 11-year high, input inflation at record:** The S&P Global India Services Purchasing Managers' Index rose to 58.9 in May from 57.9 in April, its highest since April 2011 and comfortably beating the Reuters poll expectation of 57.5. *[The Economic Times]*

**Defence Ministry nod for procurement of military equipment, platforms worth ₹76,390 crore:** The move, said the defence ministry, will substantially boost the Atmanirbhar initiative of the Centre by offering business opportunities to the Indian defence industry. *[The Hindu BusinessLine]*

**FM Nirmala Sitharaman to launch single nodal agency dashboard on Tuesday:** Finance minister Nirmala Sitharaman will on Tuesday launch a Single Nodal Agency (SNA) dashboard which will provide a platform for ministries/departments to monitor transfer of funds to states and their utilisation. *[The Economic Times]*

**Govt plans to monetise assets worth Rs 75,220 crore in coal mining sector in FY23:** The monetisation of coal blocks is likely to generate a revenue of Rs 52,200 crore, followed by Rs 20,320 crore from projects on Mine Developer and Operator (MDO) model, Rs 2,000 crore from discontinued mines and Rs 700 crore from washeries, the coal ministry said in its monetisation plan for the 2022-23. *[The Economic Times]*

**Finance Ministry releases third instalment of revenue deficit grant of Rs 7,183 crore to 14 states:** The Fifteenth Finance Commission has recommended a total Post Devolution Revenue Deficit Grant of Rs 86,201 crore to 14 states for the financial year 2022-23. This is to be released in 12 equated monthly instalments. *[The Economic Times]*

**India aims to achieve 60% of capex target by September to keep inflation at bay:** The government has budgeted ₹7.5 lakh crore capital expenditure in FY23, up from ₹ 6.02 lakh crore in FY22, in order to drive economic revival. *[The Economic Times]*

**OECD slashes FY23 growth forecast for India to 6.9%:** The Organisation for Economic Cooperation and Development (OECD) has joined the World Bank and sharply slashed the growth for India to 6.9% growth in FY23 from 8.1% estimated earlier. *[The Economic Times]*

**Current account deficit likely to hit three-year high at \$43.8 billion in FY22:** The country's current account deficit is likely to hit a three-year high of 1.8 per cent or USD 43.81 billion in FY22, as against a surplus of 0.9 per cent or USD 23.91 billion in FY21, a report said on Thursday. *[The Economic Times]*

**Centre working on mechanism to resolve GST disputes with states:** From July 1, the central government may expect more disputes when the GST compensation lapses and states start to look for ways to make up for the revenue loss. *[Business Standard]*

**India's economic growth to be supported by fiscal spending - FM:** The government has proposed to significantly step up the public investment by raising capital expenditure by 35.4 per cent to ₹7.5 lakh crore or 2.9 per cent of the GDP in the current financial year. *[The Hindu BusinessLine]*

**Centre makes renewed bid to complete privatisation of PSUs:** Shipping Corporation of India, BEML- public sector defence equipment manufacturer, engineering consulting firm PDIL and the Nagarnar steel plant of the country's largest iron ore producer NMDC are among the companies where the government plans to speed up the privatisation process. *[The Economic Times]*



## Foreign Investment

**India's FDI rank one notch up in 2021, inflows shrink: UNCTAD:** India jumped one notch up to attain the seventh position among top recipients of foreign direct investment (FDI) in calendar year 2021 even as flows shrank to \$45 billion from \$64 billion in 2020. *[The Economic Times]*

**When would FDI in India touch the milestone of \$100 billion a year?:** India received foreign direct investment (FDI) worth \$165 billion in the last two years. These were pandemic years when the world reeled from Covid-19. But even when India was devastated by the second wave, companies from a record 101 nations poured money into 57 sectors in 2021-22. *[The Economic Times]*

**Great Eastern Energy to invest \$2 billion in shale gas exploration:** Great Eastern Energy Corporation Ltd, a pioneer in the field of coal bed methane in India, plans to invest about USD 2 billion (Rs 15,000 crore) in exploration of shale gas at its Raniganj South block in West Bengal. *[Business Standard]*

**FPIs outflow continues for 8th straight month; pull out nearly ₹40,000-cr from equities in May:** Foreign investors have been taking out money from equities in the last eight months (from October 2021 to May 2022), withdrawing a massive net amount of ₹2.07-lakh crore. *[The Hindu BusinessLine]*



## Trade Policy and Competitiveness

**Free trade pact talks with EU to begin from June 17 - Piyush Goyal:** India-EU FTA negotiations were stuck after 16 rounds of talks between 2007 and 2013. While the EU insisted on duty concessions on automobiles, alcoholic beverages and dairy products, India's demands included greater access to the EU market for its skilled professionals. *[The Economic Times]*

**Govt looks to restructure export promotion councils, aims to boost growth:** The Union government is working towards a restructuring of export promotion councils that will focus on achieving high export growth set for the next five years. *[Business Standard]*

**India's bilateral trade with GCC witnesses rapid expansion:** India's exports to the GCC have increased by 58.26 per cent to about USD 44 billion in 2021-22 against USD 27.8 billion in 2020-21, according to the data of the commerce ministry. *[The Economic Times]*

**India's gold imports jump 677% in May to 101 tonnes, shows data:** India imported 101 tonnes of gold in May, compared to 13 tonnes a year earlier. *[Business Standard]*

**Russia, Europe eye India trade route:** The Russia-Ukraine war and the stringent sanctions on Russia by the West have thrown up more opportunities for India's businesses than earlier anticipated. *[Financial Express]*

**FTAs with UAE, Australia to boost exports, says MoS for Commerce and Industry - Anupriya Patel:** Free trade agreements (FTAs) with the UAE and Australia will help promote exports of goods such as garments, engineering products, handicrafts, textiles, and agri processed items, Minister of State for Commerce and Industry Anupriya Patel said on Monday. *[The Economic Times]*

**Exports rises 24% to \$9.4 billion during June 1-7, Imports up 77%:** Led by engineering goods, gems and jewellery, and petroleum products, India's exports rose 24.18% year-on-year to \$9.4 billion in the first week of June, officials said on Wednesday. *[The Economic Times]*

**Tea exports fall marginally in FY22, according to Tea Board data:** The value of exports during the last fiscal was Rs 5,415.78 crore, higher than Rs 5,311.53 crore in the same period previous fiscal. *[The Economic Times]*

**Zero duty import quota of cooking oil will lead to shortages in festival season, says industry body:** The central government had notified Tariff Rate Quota (TRQ) on May 24. Under TRQ, import of allocated quota takes place at specified duty or at zero duty. *[The Economic Times]*



## Corporate Governance

**Tata Projects wins bid to build Jewar Airport, beats SP Group and L&T:** Tata Projects, the infrastructure and construction arm of the Tata group, will construct the terminal, runway, airside infrastructure, roads, utilities, landside facilities and other ancillary buildings at the Noida International Airport. *[Business Standard]*

**Essar Power to sell transmission asset to Adani for Rs 1,913 crore:** Essar Power Transmission Company Limited (EPTCL), an arm of Essar Power, has 465-km transmission lines across three Indian states. *[The Economic Times]*

**Aditya Birla cos to invest Rs 77,000 cr to build capacity, enter new areas:** With metals major Hindalco leading the pack, the Aditya Birla group would be investing a massive Rs 77,000 crore in creating new capacities and entering new sectors such as paints. *[Business Standard]*

**Adani Group, Apollo in talks to buy a majority stake in Metropolis:** Adani and Apollo's deal with Metropolis could be at least worth \$1 billion or Rs 7,765 crore, given the market capitalisation of the diagnostic chain. *[Business Standard]*

**Amazon sends notice to Future Group promoters to stop transaction with Reliance:** E-commerce major Amazon has sent a notice to Future Group promoters asking them to refrain from entering into any kind of transaction with Reliance Industries group either directly or indirectly. *[The Hindu]*



## MSMEs and Start-ups

**SIDBI's 59-min loan scheme -Total sanctions to MSMEs near 2.5 lakh involving over Rs 80k crore so far:** Bank loans sanctioned to micro, small and medium enterprises (MSMEs) under SIDBI's 59-minute loan approval scheme as of June 1, 2022, stood at 2,40,852 involving Rs 81,690 crores, according to MSME Ministry's monthly data on PSB-Loans-in-59-minutes programme. *[Financial Express]*

**Govt enhances funding under DRDO's TDF scheme to Rs 50 crore for MSMEs, startups:** The scheme, which supports indigenous development of components, products, systems and technologies, will now have an upper limit of Rs 50 crore per project from Rs 10 crore so far. *[Financial Express]*

**Beauty startup Purplle raises \$33 million funding, turns unicorn:** Purplle has become the Indian tech startup to join the unicorn club – or those privately held companies with a valuation of \$1 billion or more - this week after online education venture PhysicsWallah. *[The Economic Times]*

**Lessons from giving more credit to MSMEs, in charts:** Under ECLGS, the Centre provided 100% guarantee to banks and non-banking finance companies (NBFCs) for additional credit given to existing borrowers. *[Mint]*



## Employment and Industrial Relations

**India's unemployment rate drops for second consecutive month in May - CMIE:** This is the second consecutive month of an increase in employment after an addition of seven million in April 2022, pushing up the employment rate marginally from 37.05% in April to 37.07% in May 2022. *[The Economic Times]*

**Over 2 million blue, grey collar job vacancies in Jan-Mar:** The data shows most Tier-II and III cities recording a continuous recovery in hiring across sectors. Top sectors included BPO/customer care, delivery, data entry/back office, field sales, and retail/counter sales categories. *[The Economic Times]*

**Hiring demand up 9% in May led by telecom, BFSI, import-export sectors:** The job market continued to show growth for the second consecutive month of FY23 with a benchmark year-on-year recovery of 9 per cent in May, according to the Monster Employment Index (MEI). *[Business Standard]*



## Industrial Finance

**Bank credit to micro, small enterprises jumps nearly 20% in April from year-ago - RBI data:** Growth in credit deployed to medium enterprises also continued to scale up with 65 per cent jump to Rs 3.54 lakh crore in April from Rs 2.15 lakh crore in April 2021. *[Financial Express]*

**First set of NPAs likely to be transferred to bad bank next month - Finance Ministry:** The finance ministry on Monday said the Rs 6,000-crore National Asset Reconstruction Company (NARCL) or bad bank is expected to take over the first set of non-performing accounts of banks next month. *[The Economic Times]*

**Collection efficiency for NBFCs, HFCs at 97-101% in April:** The analysis is based on IcrA-rated retail pools securitised by non-banking finance companies (NBFCs) and housing finance companies (HFCs). *[The Economic Times]*



## Technology and Innovation

**RBI proposes to link credit cards to UPI, starting with Rupay cards:** Das said the new arrangement is expected to provide more avenues and convenience to the customers in making payments through UPI platforms. *[Mint]*

**India's data centre capacity to double by fiscal 2025:** Data centre capacity in India is expected to double to 1,700-1,800 megawatt (MW) by fiscal 2025 from 870 MW last fiscal, powered by the troika of data boom, digital adoption and local data storage mandates. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**PM - Rs 80,000 cr investment, UP will drive India growth story:** Making a strong pitch for the state that he represents in Parliament, Prime Minister Narendra Modi marked the ground-breaking ceremony of the UP Investors Summit in Lucknow on Friday by laying the foundation for 1,406 projects worth Rs 80,000 crore. *[The Indian Express]*

**NHAI creates Guinness World Record for laying longest bituminous lane of 75 kilometres in 105 hours:** State-owned NHAI has created a Guinness World Record for laying longest bituminous lane of 75 kilometres in 105 hours and 33 minutes on the national highway between Amravati and Akola districts in Maharashtra. *[The Economic Times]*

**Adani awards Rs 4,971 crore project for Ganga Expressway to HG Infra Engineering:** HG Infra Engineering has received the Letter of Award (LOA) from Adani Road Transport for execution of civil & associated works on EPC basis for development of an access - controlled six lane greenfield Ganga Expressway. *[The Economic Times]*

**Investors Summit - Adani to invest Rs 70,000 crore in UP, create 30k jobs:** The group is also investing Rs 24,000 crore on road & transport infrastructure and Rs 35,000 crore on multi-modal logistics and defence sector. *[Financial Express]*



## Sustainable Industrialisation

**India has achieved target for ethanol blending 5 months before deadline - PM Modi:** The rise in ethanol blending in petrol from two per cent in 2014 to 10 per cent now has reduced carbon emission by 27 lakh tonnes and saved Rs 41,000 crore of forex reserve. *[The Economic Times]*

**Inspired by India's efforts to curb carbon emissions - Bill Gates:** He said collective global action to address climate change is needed more than ever and India's role and leadership are crucial in ensuring that "we reach our climate goals". *[The Hindu BusinessLine]*

**ACME Cleantech to invest Rs 52,000 crore for hydrogen, ammonia plant:** Renewable Energy company ACME Cleantech has signed a Memorandum of Understanding (MoU) to invest Rs 52,000 crore in setting up a hydrogen and ammonia plant with associated solar power unit in Mangaluru. *[Business Standard]*

**Ayana Renewable to invest Rs 12000 crore in wind and solar projects in Karnataka:** National Investment and Infrastructure Fund (NIIF) backed Ayana Renewable Power Private Limited (Ayana) has signed an expression of interest with the Government of Karnataka to develop wind and solar power projects totaling 2-gigawatt (GW) capacity in Karnataka with an investment of around Rs 12000 Crore. *[The Economic Times]*

**Centre permits green open access for smaller electricity consumers:** In order to increase the purchase of renewable energy in the country, the Centre has allowed smaller electricity consumers, below 100 kW, to purchase green energy through open access. *[Business Standard]*

**Delhi IGI airport to induct 62 EVs to cut down greenhouse gas emissions:** The plan to induct 62 electric vehicles at Delhi's Indira Gandhi International Airport's airside, which include runway, taxiway, and apron involved in the arrival and departure of flights, will help reduce nearly 1,000 tonnes of greenhouse gas emissions yearly. *[Business Standard]*

**Ola in talks with multiple global suppliers for \$1 bn cell manufacturing:** Ola Electric is the only Indian auto and EV company that has been selected by the government under its ambitious Rs 80,000 crore cell PLI scheme to set up an advanced cell manufacturing factory in 2 years. *[The Economic Times]*



## Sectoral News

**India to ramp up coal output to reduce dependence on imports - Moody's:** The government has recently mandated CIL to import coal as an emergency measure to avoid a shortage of coal for the country's power utilities and build up buffer stock. *[Business Standard]*

**TCS vs telcos? Jio, Airtel flag concerns over 5G for private networks:** The telcos' stand directly in conflict with the position of the biggest tech companies like Tata Consultancy Services (TCS) and Tata Communications who want the government to directly allocate 5G spectrum to private enterprises, as recommended by the sector regulator. *[The Economic Times]*

**India becomes the first market to have Puma shopping app globally:** German sportswear brand Puma has launched its shopping app in India, the first market globally where it will sell merchandise through its own app. *[The Economic Times]*