

Industry Matters

Weekly Updates

July 01, 2022



Economy, Industry and Policy

Output of eight core industries surges to 18.1% in May: India's core sector output surged to 18.1% in May on a year-on-year basis as against 8.4% in the last month, revealed data by the commerce and industry ministry on Thursday. *[The Economic Times]*

Net profits of manufacturing companies surged by 50.2% in FY'22 - RBI: Net profits of manufacturing companies surged by 50.2 per cent during 2021-22, the input cost pressures notwithstanding, the Reserve Bank of India said on Friday. *[Business Standard]*

Specialty steel - Govt again extends deadline to apply for PLI scheme till July 31: The government has extended for the fourth time the deadline to submit applications under the production-linked incentive scheme for specialty steel till July 31, 2022. *[The Hindu]*

Indian direct selling industry reports USD 3.25 billion sales in 2021, ranks 12 globally: The Indian direct selling industry has reported retail sales of USD 3.25 billion in 2021 (around Rs 27,650 crore) and maintained its 12th place in the global rankings, said a report released by Washington-based World Federation of Direct Selling Associations (WFDSA). *[Financial Express]*

PLI 2.0 for white goods - 15 companies including Adani Copper Tubes, LG selected: Adani Copper Tubes, LG Electronics, Wipro Enterprises and 12 others with committed investment of Rs 1,368 crore have been provisionally selected as beneficiaries under the second round of production linked incentive (PLI) scheme for the white goods sector. *[The Economic Times]*

PLI scheme for apparel manufacturing on cards - Piyush Goyal: Textiles minister Piyush Goyal on Saturday said that the government will soon put up before the Cabinet a scheme for production linked incentive scheme for apparel manufacturing. *[The Economic Times]*

Global credit conditions more negative amid rising borrowing costs, slower economic growth - Moody's: Moody's Investors Service on June 30 said global credit conditions have turned more negative amid rising borrowing costs, protracted Russia-Ukraine conflict and slower economic growth. *[The Hindu]*

Government notifies GST compensation cess extension to March 2026: The government issued a notification on Saturday extending the goods and services tax (GST) compensation cess until March 31, 2026. The cess was to end on June 30, 2022, five years after the single tax rolled out on July 1, 2017. *[The Economic Times]*

Changes in GST rates to take effect from July 18: Several goods and services will cost more from July 18 with the Goods and Services Tax (GST) Council approving an increase in rates to address inverted duty structures and withdrawing some exemptions. *[The Economic Times]*

Credit card additions, record high loans hint at pick-up in consumption: The banking industry added 1.7 million cards in May, the highest in 27 months. Outstanding loans on credit cards were the highest ever, breaching the ₹1.54-lakh-crore mark. *[The Economic Times]*



Foreign Investment

US state governors and LGs vouch for strong ties with India; pitches for FDI from India: A bipartisan group of American state governors and top officials have vouched for strong bilateral ties with India and pitched for investment from the Indian corporate sector who they said not only brings foreign direct investment but also skills and creates local jobs in the US. *[The Economic Times]*

India emerging as preferred destination for foreign investments - Govt: The FDI inflow in India was at its highest ever at USD 81.97 billion in 2020-21. The information was given by the government during a parliament session. *[Business Standard]*

CCI approves Google International's buy of 1.28% stake in Bharti Airtel: Google International LLC and Airtel have entered into an investment agreement to buy a minority and non-controlling stake of 1.28 per cent of equity share capital in the telecom player. *[Business Standard]*

Byju's offers to buy US-listed edtech firm 2U for over \$1 billion: Byju's, one of the world's most valuable start-ups with backing from Tiger Global Management and Mark Zuckerberg's Chan Zuckerberg Initiative, is accelerating its expansion globally through acquisitions. *[Business Standard]*



Trade Policy and Competitiveness

Imports come under scrutiny over widening CAD: The government has begun close monitoring of imports amid concerns over the rising current account deficit (CAD) that could undermine India's macroeconomic balance. *[The Economic Times]*

India should seek deeper integration into EU supply chains - NITI's Bery: Assuming a successful conclusion to the trade negotiations with the European Union (EU), India should seek deeper integration into European supply chains and present itself as an alternative to China, Niti Aayog Vice Chairman Suman Bery on Friday said. *[Business Standard]*

India raises import tax on gold to 12.5% from 7.5%: India has raised its basic import duty on gold to 12.5% from 7.5%, the government said in a notification on Friday, as the world's second biggest consumer of the precious metal tries to dampen its demand. *[The Economic Times]*

India FTA by Diwali 'absolutely achievable', says UK trade minister Anne-Marie Trevelyan: Confirming that both sides are now getting on with the market access aspects of a trade deal, the minister in-charge of the negotiations on the UK government side said that some "compromise and cooperation" will be required on both sides to get a deal over the line. *[The Economic Times]*

New duty makes iron ore pellet export unviable, prices to crash by 30%: The new 45% export duty levied by the government on iron ore pellets last month has made export of the material unviable and the prices are likely to correct by up to 30% because of this, according to an ICRA report. *[The Economic Times]*

WTO needs to move from just an organisation to robust institution - CUTS Intl: Member countries of Geneva-based WTO need to work together to transform the global trade body into a robust institution from just an organisation, think tank CUTS International said on Monday. *[The Economic Times]*



Corporate Governance

Record \$82 billion deal-making spree sees India defy global slump: India saw \$82.3 billion pending and completed M&A deals in the second quarter, the highest amount on record, according to data compiled by Bloomberg. *[The Economic Times]*

NMDC's steel plant sale may fetch enterprise valuation of up to \$4 bn: The Indian government currently holds 60.8 per cent stake in the company and is keen to sell its stake in the three-million-tonne-per-annum steel plant at Nagarnar, Chhattisgarh in the ongoing calendar year. *[Business Standard]*



MSMEs and Start-ups

Prime Minister Modi launches schemes to boost MSME sector: According to the government, the schemes will complement the 'Aatmanirbhar Bharat Abhiyan' by fostering innovation, encouraging ideation, incubating new business and entrepreneurship by developing quality standards, improving practices and processes, enhancing market access, deploying technological tools and 'Industry 4.0' to make MSMEs competitive and self-reliant. *[Mint]*

GST Council - Small businesses using e-commerce platforms exempted from mandatory registration: The GST Council has approved a proposal to relax compulsory registration norms for small businesses that use e-commerce platforms to sell their products. *[The Hindu BusinessLine]*

'MSMEs get up to 40% of fixed assets' value as subsidy: Strengthening MSMEs is not only a priority of the union government but also of the state government, said Gunjan Krishna, Commissioner for Industrial Development and Director of Industries and Commerce. *[Deccan Herald]*

MSME Secretary BB Swain launches dedicated portal for small businesses FE ASPIRE: The biggest ambition of the Ministry of Small and Medium Enterprises is to identify the micro small and medium entrepreneurs and bring them under formal structure. *[Financial Express]*

Government taking steps to attract investment, boost employment in MSME sector, says UP Dy CM: The deputy chief minister added that his government has introduced a single-window system for the convenience of entrepreneurs so that all types of approvals can be given to them at one place. *[The Economic Times]*

More than a quarter of MSMEs lost market share due to pandemic: More than a quarter of India's micro, small and medium enterprises (MSMEs) lost a market share of over 3 per cent due to the Covid-19 pandemic, according to CRISIL Research's SME Report 2022. *[The Hindu BusinessLine]*



Employment and Industrial Relations

Indian gig economy to have 23.5 mn workers by 2029-30 - Niti Aayog report: The Indian gig workforce is expected to expand to 23.5 million workers by 2029-30, a near 200 per cent jump from 7.7 million now, according to a first-of-its-kind report by NITI Aayog released on Monday. *[Business Standard]*

EPFO may consider separate PF, pension scheme for gig and platform workers: The central board of the Employee Provident Fund Organisation (EPFO) may, at its upcoming meeting on July 8, explore the possibility of framing an universal pension scheme for those not yet covered by the retirement fund. *[The Hindu BusinessLine]*

Cabin crew, guards among 1,600 Air India employees opting for VRS: More than 1,600 employees of Air India, the former state-run carrier now owned by the Tata group, have opted for voluntary retirement under a scheme announced on June 1. *[Business Standard]*



Industrial Finance

Gross NPA ratio of banks fell to six-year low of 5.9% in March - RBI: The Indian banking system is well-positioned to support economic growth, the Reserve Bank of India in its Financial Stability Report for June said that in March 2022, the gross net performing assets' ratio fell to a six-year low of 5.9%. *[The Economic Times]*

Loans rise across sectors, total loans up 12.7 percent in May: Significantly all sectors- agriculture, industry, services as well as retail did better than last year, the latest data on sectoral deployment of bank credit released by the Reserve Bank of India indicate. *[The Economic Times]*

RBI extends deadline for card tokenisation by another 3 months till Sept 30: The Reserve Bank of India (RBI) is extending the deadline for card-on-file (CoF) tokenisation by another three months to September 30 as transaction processing based on such tokens is yet to gain traction across categories of merchants. *[Business Standard]*

Credit cards spends, issuances touch new high in May: According to data from the Reserve Bank of India, there were 7.68 crore outstanding credit cards in May 2022, which was about a 2.2 per cent increase from 7.51 crore in April. On a year-on-year (y-o-y) basis, this was a jump of 23.3 per cent from 6.23 crore credit cards in force in May 2021. *[The Hindu BusinessLine]*



Technology and Innovation

T-Hub unveils world's largest innovation campus in India: T-Hub today announced the inauguration of the world's largest innovation campus in Hyderabad. The innovation campus will act as a platform to elevate the stature of India's innovation ecosystem globally. *[The Economic Times]*

Japan's Renesas, Tata Motors partner to develop chip solutions: Japanese chipmaker Renesas Electronics Corp and India's Tata Motors have formed a strategic partnership to design, develop and make semiconductor solutions, the firms said on Wednesday. *[The Economic Times]*

Intel expands in India, unveils new design and engineering centre: Intel India on Friday unveiled a centre with 453,000 square feet spread over two towers, which can accommodate 2,000 employees. It will help advance cutting-edge design and engineering work in clients, data centres, graphics, artificial intelligence, automotive segments and IoT (Internet of Things). *[Business Standard]*

India saw 9.36 billion transactions worth Rs 10.2 trillion in Q1 2022, UPI leads: The UPI P2M (person to merchant) transactions emerged as the most preferred payment mode among consumers with a market share of 64 per cent in volume and 50 per cent in terms of value. *[The Economic Times]*

UP approves proposals to set up 4 data centre parks, MRO hub in Noida: The Uttar Pradesh government on Tuesday approved proposals to set up four data centre parks under its Data Center Policy 2021 with an investment of over Rs 15,950 crore. *[Financial Express]*

Chip designing good starting point for India - IESA chief: With more than 20% of the world's semiconductor designers working out of India, chip designing is a good starting point for the ecosystem the government is planning to set up in India, apart from assembly, testing, marking and packaging (ATMP). *[The Economic Times]*

Haryana Cabinet approves startup and data centre policies: The cabinet also approved a data centre policy with a view to make Haryana a preferred destination for setting up such facilities and help the state emerge as a global data centre hub. *[The Economic Times]*

Indian D2C sales could reach \$60 bn by FY27 - Shiprocket-CII-Praxis study: The study was conducted by e-commerce enablement platform Shiprocket in collaboration with Confederation of Indian Industries (CII) and Praxis Global Alliance, a global management consulting and advisory services firm. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Finance Minister to release states' ranking for ease of doing business: The exercise is aimed at triggering competition among states to improve the business climate to attract domestic and global investors. *[The Economic Times]*

Hyderabad - Telangana CM Chandrasekhar Rao to throw open new T-Hub facility today: Deemed the country's biggest simple cantilever structure, the new facility is built at a cost of about Rs 400 crore. The 10-storey building is spread over 3,70,000 sq. ft to house over 4,000 startups under its roof. *[The Indian Express]*

PM Modi to gift 13 new projects worth Rs 1,200 cr to Varanasi in July: Varanasi will receive 13 new projects worth Rs 1,200 crore when Prime Minister Narendra Modi visits his parliamentary constituency in July. Modi will also inaugurate around 33 ready projects worth Rs 600 crore during his visit. *[Business Standard]*

Adani, Ambani make Rs 1.68 trn investment pledge in Rajasthan: Adani Group and RIL pledged more than Rs 1.68 trillion between December 2021 and March 2022 in Letters of Intent (LoIs) and Memoranda of Understanding (MoUs) with the Rajasthan government, data by the state's Bureau of Investment Promotion (BoIP). *[Business Standard]*



Sustainable Industrialisation

India needs to form Green Hydrogen Corridors - NITI Aayog: NITI Aayog has proposed setting up of Green Hydrogen Corridors in the country while providing grants to startups as well as support to entrepreneurs to promote production, storage and export of green hydrogen in India. *[The Economic Times]*

India's first fractionally-owned solar power plant launched by PYSE in Karnataka: The platform helps retail investors to invest in sustainable projects that create social and environmental impacts from a ticket size as low as Rs 5,000. *[The Economic Times]*

India's resolve for climate commitments evident from performance - PM to G7: We hope that the rich countries of G-7 will support India's efforts. Today, a huge market for clean energy technologies is emerging in India," the prime minister said. *[Business Standard]*

Tata Power commissions India's largest floating solar power project: Tata Power Solar Systems on Saturday said it has commissioned India's largest floating solar power project of 101.6 Megawatt Peak (MWp) in Kerala backwaters. *[The Economic Times]*

Installed RE capacity hits 2 GW with commercial operation of Kayamkulam Floating Solar project, says NTPC: State-owned NTPC on Friday said its installed renewable energy capacity has crossed the 2 gigawatt mark, with the commissioning of the 92 MW floating solar capacity in Kerala. *[The Economic Times]*

Bengaluru tops sustainability index in India, ranks 14th in Asia-Pacific region: Bengaluru topped the Sustainability Index amongst the Indian cities and ranked 14 th in the Asia Pacific region reveals the latest report on Active Capital Asia-Pacific - Rising Capital in Uncertain Times, 2021. *[The Hindu BusinessLine]*



Sectoral News

NITI Aayog report forecasts 100 pc electric 2-wheelers penetration by FY27: A report put out by public policy think tank NITI Aayog and Technology Information, Forecasting and Assessment Council (TIFAC) optimistically forecasts 100 per cent penetration of electric two-wheelers in the Indian market by FY2026-27. *[The Economic Times]*

Domestic crude oil producers get marketing freedom, exports not allowed: The move is set to be beneficial for major crude oil producers, such as state-run Oil and Natural Gas Corporation (ONGC) and Oil India, and private sector majors like Vedanta's Cairn Oil and Gas and Reliance Industries. *[Business Standard]*

Total office space leasing in May jumps nearly 3-fold across 7 cities - JLL: The total or gross leasing of office spaces rose 28 per cent from 4.8 million square feet in April 2022 across seven major cities -- Delhi-NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune and Kolkata. *[Business Standard]*

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