

Industry Matters

Weekly Updates

December 24, 2021

Economy, Industry and Policy

Govt will focus on reducing compliance burden - PM Modi assures India Inc during pre-Budget meet: The prime minister heard suggestions from leading chief executives of about 20 companies across industries including banking, infrastructure, steel, automobiles, telecom, consumer goods, textiles, renewables, hospitality, tech, healthcare, space and electronics. *(The Economic Times)*

Over 25,000 compliances reduced so far - DPIIT Secretary: Over 25,000 compliances have been reduced by Union ministries, states and UTs so far to further improve ease of living and doing business, a top government official said on Wednesday. *(The Economic Times)*

Govt notifies new semiconductor policy: According to the gazette notification, the government will provide up to 50% of Project cost for two semiconductor and two display fabs in the country. *(The Economic Times)*

Banks recover Rs 13,100 cr from assets sale of defaulters like Vijay Mallya, Nirav Modi - Nirmala Sitharaman: Finance Minister Nirmala Sitharaman on Monday said that banks have recovered Rs 13,109.17 crore from asset sale of fugitives like Vijay Mallya, Nirav Modi and Mehul Choksi. *(The Economic Times)*

With PLI schemes & global demand recovery, India exports likely to fly high in New Year: After staging a strong recovery from COVID-induced slowdown in 2021, India's exports are likely to extend the growth story to the New Year also on increased demand in the global markets, boost in domestic manufacturing due to production-linked incentive schemes and implementation of some interim trade pacts. *(The Economic Times)*

Economy needs continued handholding to ease uncertainty over Omicron - PHDCCI: As per PHDCCI's QET, exports registered a positive growth of 27% in November 2021, increasing from \$23.6 billion in November 2020 to \$30 billion. GST collections registered a y-o-y growth of 25% from ₹1,04,963 crore in November 2020 to ₹1,31,526 crore in November 2021. E-way bills have shown a growth 5.9%, in November 2021, increasing from 57.7 million in November 2020. *(Mint)*

Economy likely to stay on the road to recovery amid inflation worries: The Indian economy is expected to stay on the path of sustained recovery well into the next financial year, with high-frequency indicators showing stability and greater demand driving up consumption, aided by a cut in fuel taxes. *(Mint)*

No Cabinet decision on privatisation of two PSBs - FM Nirmala Sitharaman: The Cabinet has not taken any decision on privatisation of two Public Sector Banks (PSBs), which the government had announced in Budget 2021-22, Parliament was informed on Tuesday. *(The Economic Times)*

CPSEs' accumulated losses at ₹1.75-lakh cr - CAG: The Comptroller and Auditor General's Compliance Commercial Audit report on General Purpose Financial Reports of Central Public Sector Enterprises (CPSEs) has found that 188 government companies and corporations had an accumulated loss of ₹1,74,596 crore as on March 31, 2020. *(The Hindu BusinessLine)*

Central schemes likely to be rationalised: The upcoming budget is likely to continue with the capex push to prop up growth and could rationalise centrally sponsored schemes and central sector schemes to make government spending more effective. *(The Economic Times)*

NITI Aayog enters into agreement with UN WFP to diversify food basket in programmes: Under the statement of intent signed between the Aayog and the United Nations World Food Program (WFP), the focus will be on mainstreaming millets and strengthening of climate resilient agriculture for enhanced food and nutrition security in India. *(The Economic Times)*

Foreign Investments

PM Gati Shakti plan, single window clearance to further push FDI inflows in new year: Notwithstanding the global slowdown and the COVID-19 pandemic, total foreign direct investments into India rose to a record USD 81.72 billion in 2020-21. During April-July this fiscal, FDI (foreign direct investment) into the country increased by 62 per cent to USD 27.37 billion. *(Financial Express)*

India, Taiwan holding talks on free-trade agreement, looking at setting up semiconductor hub: India and Taiwan have started negotiations for a free-trade agreement and the setting up of a semiconductor manufacturing facility by a Taiwanese firm in India. *(The Economic Times)*

France has agreed to jointly build aircraft engine - Rajnath: France has agreed to jointly build aircraft engine in collaboration with India, Defence Minister Rajnath Singh said on Saturday. *(The Hindu)*

Indian industry inks 12 business MOUs with Vietnam: As many as 12 MOUs were exchanged on Friday between Vietnamese and Indian enterprises in the fields of public health, provision of pharmaceutical materials, drug and vaccine production, oil and gas, information technology and technology transfer, education, and tourism. *(The Economic Times)*

Trade Policy and Competitiveness

Forex reserves decline USD 77 mn to USD 635.828 bn: Declining for the third consecutive week, India's forex reserves dipped by USD 77 million to reach USD 635.828 billion for the week ended December 10, RBI data showed on Friday. *(The Economic Times)*

Commerce Min Piyush Goyal and Australian Trade Min Dan Tehan holds talk to expedite FTA negotiations: India and Australia have agreed to conclude a long-pending free trade agreement, officially dubbed as CECA, by the end of 2022, and an early harvest trade deal by end of this year. *(The Economic Times)*

Mobile phone exports rise to \$1.7 bn in April-Sept - Govt: The exports of mobile phones have increased from \$0.2 billion in 2017-18 to \$1.7 billion in 2021 (April 21-September 21), Commerce and Industry Minister of State Anupriya Patel said in a written reply in the Rajya Sabha today. *(Mint)*

Labour-intensive exports may gain as rupee hits 20-month low: While there is an improvement in realisations as they hasten to bring payments back into the country, some have begun to witness calls from buyers to cut prices for fresh orders. Exports dependent on imported inputs will see limited gains, but exporters in labour-intensive sectors such as textiles and leather could see an improvement in margins, traders say. *(The Economic Times)*

India, France push blue economy & investment partnership: India's trade with France has witnessed a steady rise in the last decade reaching USD 10.75 billion in 2020. Despite the pandemic, it is estimated that bilateral trade between the two countries in 2021 has reached USD 8.85 billion. *(The Economic Times)*

India's coal import declines 27% to 16 mn tonnes in October: India's coal import registered a decline of 26.8 per cent to 15.75 million tonnes (MT) in October over the same month a year ago. The country had imported 21.50 MT of coal in October 2020, according to data compiled by mjunction services. *(The Economic Times)*

India's exports going strong, says official: The total merchandise export during April to November 2021 was valued at USD 262.5 billion, a growth of 50.7 per cent as compared to USD 174.16 billion in April to November 2020-21, Amitabh Kumar said. *(Financial Express)*

Corporate Sector

India sees record M&A volume in 2021, first-time buyers lead: India witnessed mergers and acquisitions (M&A) at an all-time high in 2021, led by more first-time buyers accounting for more than 80 per cent of the deals closed in 2020 and 2021 -- an increase from less than 70 per cent through 2017 to 2019, a new report showed on Tuesday. *(The Economic Times)*

Zee Entertainment-Sony merger approved, new combined entity to be listed in India: Sony Pictures Networks India Pvt. will own a 50.86% stake in the merged entity while Zee's current holding firm Essel will own 3.99%. Public shareholders will have the remaining 45.15% as part of the definitive agreement. *(Mint)*

Havells India inaugurates new facility for manufacturing washing machines: Havells India has inaugurated its new washing machine (WM) plant at the same location in Ghiloth where the AC plant is located. *(Business Standard)*

Indian corporates have more headroom to borrow – Study: Indian corporates have a lot of headroom to raise resources through debt to help stimulate investments and growth. It is estimated that corporate leverage drags growth beyond debt equity ratio levels of around 60 per cent and debt to assets ratio of 28 percent. *(The Economic Times)*

Govt gets financial bids for Pawan Hans stake: The government is selling its entire 51 per cent stake in Pawan Hans. State-owned Oil and Natural Gas Corporation (ONGC), which holds the remaining 49 per cent, has also offered its entire shareholding in the company for sale along with the government stake. *(The Economic Times)*

Amazon to acquire Narayana Muthy-backed Catamaran Ventures' stake in Prione Business Services: Prione Business Services, the joint venture between Catamaran and Amazon, will be acquired by Amazon subject to requisite regulatory approvals, the company said in a statement. *(The Hindu BusinessLine)*

Indian Oil to invest Rs 9,028 cr to build new crude oil pipeline between Mundra and Panipat: Indian Oil, the nation's largest refiner, will invest Rs 9,028 crore to build a new crude oil pipeline between Mundra in Gujarat and Panipat in Haryana, the company said in a statement. *(The Economic Times)*

MSMEs and Start-ups

India overtakes UK to come third in unicorn race - Hurun report: Unicorns are unlisted companies with a valuation of \$1 billion or more. India currently has 54 unicorns, 33 more than what the country had in 2020, while the UK currently has 39 unicorns, 15 up from a year earlier. *(Mint)*

Centre disburses loans amounting to Rs 2,714 cr to 27.06 lakh beneficiaries under PM SVANidhi scheme: The Centre has disbursed 27.06 lakh loans amounting to Rs 2,714 crore under PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi Scheme) so far. *(The Economic Times)*

HDFC Bank's loan book to MSMEs crosses Rs 13,000 cr in Uttar Pradesh: Country's largest private sector lender HDFC Bank on Friday said its MSME book witnessed a 17 per cent year-on-year growth to over Rs 13,000 crore as of September-end in Uttar Pradesh. *(The Economic Times)*

Nearly 50,000 MSMEs down shutters seeking reduction of raw material prices: Around 50,000 Micro Small and Middle Enterprises (MSMEs) downed their shutters in the district on Monday to draw the attention of the authorities to the skyrocketing prices of raw materials used in various industries. *(The Economic Times)*

Employment and Industrial Relations

Economic Advisory Council to the PM calls for unified labour law: The EAC-PM has called for further simplifying of the labour laws and called for other alternative policy efforts to boost employment generation and industrial growth. *(The Economic Times)*

Hiring across industries up 9% in November - Monster Employment Index: Hiring demand across industries witnessed a 9% jump year-on-year in the month of November 2021, fuelled by a surge in economic activities post the second wave of Covid-19. *(The Economic Times)*

Lack of funds - MG-NREGS work offers may be one of the lowest ever in Dec: In the first 17 days of the current month, just 4 crore person days were generated under the popular scheme that has helped alleviate rural distress during the pandemic, compared with over 22 crore each in the previous two months and an all-time peak of 64 crore in June last year. *(Financial Express)*

Pension schemes - PFRDA subscriber base rises 22 pc to 4.75 cr in November: The number of subscribers in various schemes under the National Pension System (NPS) rose to 475.87 lakh by November-end 2021 from 388.62 lakh in November 2020. *(The Economic Times)*

Demand for non-tech job roles witnesses growth in 2021 – Report: As India returned to normalcy after a long spell of the pandemic and lockdowns, a high demand by organisations for roles such as professor, loan officers, recruitment managers and packagers, according to a report by global job site Indeed. *(The Economic Times)*

Industrial Finance

Top 30 NBFCs' NPAs at over Rs 84,000 crore: The restructured books of NBFCs and HFCs are estimated to have increased to 4.1-4.4% and 1.8-2.2%, respectively, as of September 2021, from 2.2% and 1.0% in March 2021. *(The Economic Times)*

IBC - Time is right for stressed asset investors to play a more meaningful role: The stressed asset market in India is estimated around \$150+ billion, indicating significant potential for investments, either through Insolvency and Bankruptcy Code (IBC) or mechanisms outside IBC, according to a 2019 report by Alvarez and Marsal. *(The Economic Times)*

Government seeks comments on proposed changes to insolvency law: The government on Thursday invited comments on various amendments proposed to the insolvency law, including to provisions related to time period for approval of resolution plans as well as avoidable transactions and wrongful trading. *(The Economic Times)*

Apollo to lend \$4 billion to SoftBank in private credit deal: Apollo Global Management Inc. is planning to lend about \$4 billion to SoftBank Group Corp., marking the biggest ever loan of its kind in the private credit market, according to people with knowledge of the matter. *(Mint)*

Technology and Innovation

RBI extends tokenisation deadline by 6 months: Many payment players have also been launching or are in the midst of launching tokenisation solutions and it was expected that it would take at least two to six months for the whole ecosystem to be fully prepared. *(The Hindu BusinessLine)*

Government says revised draft ecommerce rules soon: The government is in the final stages of drafting new ecommerce rules, tweaking an earlier draft that had sought to tighten the regulations for foreign-owned marketplaces, including barring their affiliated entities from selling on the platforms and restricting flash sales. *(The Economic Times)*

Airtel Business and IBM deploy hybrid cloud solutions for 5 milk producer companies: This is estimated to benefit over 500,000 dairy farmers as these MPCs will move their SAP ERP workloads on a hybrid cloud platform. *(The Hindu BusinessLine)*

Wipro to acquire cybersecurity provider Edgile for \$230 million: Wipro on Monday said it will acquire Austin, Texas-headquartered Edgile for USD 230 million, a move that will strengthen the IT major's play in the cybersecurity services space. *(Business Standard)*

India successfully tests new-generation 'Pralay' missile for second consecutive day: India on Thursday successfully conducted the second flight test of indigenously developed surface-to-surface missile 'Pralay' off the Odisha coast, the DRDO said. *(The Economic Times)*

Industrial Infrastructure, Clusters and SEZs

PM Modi to launch multiple development initiatives, schemes worth ₹2,095 crore: Prime Minister Narendra Modi will inaugurate and lay the foundation stone of 22 development projects in his Lok Sabha constituency Varanasi on Thursday. *(Mint)*

Nitin Gadkari dedicates Delhi-Meerut Expressway to public: Union Minister Nitin Gadkari on Thursday dedicated Delhi-Meerut Expressway (DME) to the public. The 82 kilometres long DME connects Sarai Kale Khan in Delhi to Meerut. *(The Economic Times)*

Govt may change SEZ rules in Budget to ease compliance burden: The government plans to amend the SEZ Act in the upcoming Budget to reduce the compliance burden and allow companies operating within the enclaves to accept payments in Indian rupees, according to two people familiar with the development. *(The Economic Times)*

HOP Electric signs pact with Rajasthan govt to set up EV manufacturing unit in Jaipur: EV maker HOP Electric on Thursday said it has signed an initial pact with the Rajasthan government to set up an electric vehicle manufacturing plant in Jaipur with a capacity to produce 1.8 lakh vehicles per annum. *(The Economic Times)*

Ganga Expressway will improve connectivity, boost economic development across UP - PM Modi: The expressway will also give a fillip to multiple sectors including industrial development, trade, agriculture, tourism etc. It will provide a big boost to the socio-economic development of the region. *(The Economic Times)*

[Expanding Indo-Russian strategic partnership - Kudankulam Nuclear Power Plant launches construction of Unit 6:](#) The construction of the Russia-supported Kudankulam Nuclear Power Plant (NPP) Unit 6 was launched on Tuesday through the first concrete in the foundation slab of the reactor building. *(The Economic Times)*

[Adani Transmission completes 897 circuit km power transmission line in UP:](#) The transmission line, set up by ATL subsidiary Ghatampur Transmission Ltd (GTL) will connect Ghatampur thermal power station in Kanpur district to Hapur substation in western Uttar Pradesh. *(The Economic Times)*

[Tata Power Delhi Distribution installs over 1,400 EV chargers in Delhi-NCR:](#) With electric vehicle adoption picking up pace in Delhi, power discom TPDDL said it has boosted charging infrastructure by installing over 1,400 chargers across the city and neighbouring towns in the national capital region. *(The Economic Times)*

Sustainable Industrialisation

[Highest-ranked ESG fund in the UK is betting big on India:](#) India has a smaller carbon footprint than Europe and the U.S. and is on track to increase investments in infrastructure and manufacturing, according to an analysis provided by Stewart Investors, which oversees a total of \$25 billion. *(Mint)*

[Tata Motors joins hands with Maha govt to set up vehicle scrappage facility:](#) Tata Motors On Friday said it has joined hands with the Maharashtra government to support setting up of a registered vehicle scrapping facility (RVSF) in the state. *(The Economic Times)*

[NTPC plans to have 35 GW of RE capacity by 2027, to generate 10 BU green energy in 2022-23:](#) "The expected green energy generation by NTPC in the next fiscal year (2022-23) is 10 billion units (BU). NTPC intends to achieve up to 35 GW of renewable energy (RE) capacity by 2027. *(The Economic Times)*

Sectoral News

[Despite being world's pharmacy, why Indian pharma is dependent on China for bulk drugs:](#) Despite having the third-largest pharmaceutical industry by volume in the world and being the largest manufacturer of generic medicines globally, India is heavily dependent on China for imports of active pharmaceutical ingredients (APIs). *(Financial Express)*

[Coal demand to peak in India by 2030, will back up renewables - NITI report:](#) NITI Aayog, the central government's think tank, said in a report coal demand will be in the range of 1192-1325 million tonne by 2030, led by usage from the electricity sector. *(Business Standard)*

[New GST rates on textile likely from January:](#) The finance ministry is expected to take up with the GST Council the concerns raised by the industry over the latter's decision to increase the rates on several textile products to 12%. *(The Economic Times)*