



February 16, 2022 – Wednesday

### Key Developments

#### Sebi makes separation of Chairman, MD posts voluntary for India Inc

Market regulator Securities and Exchange Board of India (Sebi) on Tuesday made it voluntary for India Inc to have a separate chairperson and managing director/chief executive officer (MD & CEO). The move comes weeks ahead of the April 1, 2022 deadline where top 500 listed firms by market value had to install two separate—and unrelated—persons for these posts. “Considering rather unsatisfactory level of compliance achieved so far, with respect to this corporate governance reform, various representations received, constraints posed by the prevailing pandemic situation and with a view to enabling the companies to plan for a smoother transition, as a way forward, Sebi board at this juncture, decided that this provision may not be retained as a mandatory requirement and instead be made applicable to the listed entities on a voluntary basis,” Sebi said in a press release issued after its board meeting held in New Delhi. Sebi’s reprieve will benefit more than 150 companies, which currently have the same individual as both chairperson and MD/CEO, according to Primeinfobase, a firm that maintains corporate information database. [https://www.business-standard.com/article/markets/sebi-makes-separation-of-chairman-md-posts-voluntary-for-india-inc-122021501442\\_1.html](https://www.business-standard.com/article/markets/sebi-makes-separation-of-chairman-md-posts-voluntary-for-india-inc-122021501442_1.html)

#### India-UAE may ink trade pact on Friday

India and the United Arab Emirates are likely to sign a bilateral Comprehensive Economic Partnership Agreement (CEPA) on Friday during a virtual meeting between the leaders of the two sides. The trade agreement is India’s first such trade deal in the Gulf region and is likely to cover areas such as goods, services, rules of origin, government procurement and investment. The two sides began the first round of the negotiations on the CEPA in September last year. “The CEPA could be signed later this week, most likely Friday,” said an official, who did not wish to be identified. <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uae-may-ink-trade-pact-on-friday/articleshow/89595587.cms>

### Economy

#### Asset monetisation: NITI seeks GST waiver for 'rights to use' transfers

To enable easier monetisation of assets, the NITI Aayog may seek a waiver of goods and services tax (GST) on ‘Rights to Use’ while transferring an asset to a new entity, following requests from power sector PSUs, officials in the know said. At present, the transfer of ‘Rights to Use’ is considered a supply under the GST regime, and attracts 18 per cent tax in the hands of the new entity or special purpose vehicle (SPV). [https://www.business-standard.com/article/economy-policy/asset-monetisation-niti-seeks-gst-waiver-for-rights-to-use-transfers-122021500055\\_1.html](https://www.business-standard.com/article/economy-policy/asset-monetisation-niti-seeks-gst-waiver-for-rights-to-use-transfers-122021500055_1.html)

#### States see drop in borrowing cost as bond yields soften after RBI policy

Borrowing cost for states eased after the Reserve Bank of India’s delivered a dovish policy last week which softened the bond yields. In the auctions on Tuesday, states borrowed Rs 12,100 crore from the market compared with Rs 14,200 crore last week, with most of them opting for longer-term borrowing. “Easing pressure on yields was seen.

Cut-off yield for Andhra Pradesh was down to 7.13 per cent compared with 7.18 per cent in the auction held on January 4, 2022. Karnataka's yields were down to 7.16 per cent (14-year) and 7.12 per cent (15-year), from 7.35 per cent and 7.33 per cent respectively, last auctioned on 18 Jan 2022," said Madan Sabnavis, chief economist, Bank of Baroda.

Yield on Punjab's 15Y paper also fell to 7.12 per cent from 7.31 per cent before (January 11, 2022). Tamil Nadu auctioned 25-year paper at 7.13 per cent compared with 7.22 per cent earlier in January 22.

[https://www.business-standard.com/article/economy-policy/states-see-drop-in-borrowing-cost-as-bond-yields-soften-after-rbi-policy-122021501535\\_1.html](https://www.business-standard.com/article/economy-policy/states-see-drop-in-borrowing-cost-as-bond-yields-soften-after-rbi-policy-122021501535_1.html)

## Banking and Finance

### New prudential norms: NBFCs get some leeway on bad loans classification

The Reserve Bank on Tuesday allowed some relaxation in the stricter prudential norms announced for all lenders, including shadow banks, last November by extending the time till September 2022 to implement the guidelines regarding upgrading an NPA account as standard but upon clearing all dues. In a circular issued on November 12, 2021, the monetary authority had given time till December 31, 2021 to implement all the stricter prudential norms. Following representation from NBFCs, in a revised circular issued on Tuesday, the central bank said "the new circular does not, in any way, interfere with the extant guidelines on the implementation of Ind-AS by NBFCs... loan accounts classified as NPAs may be upgraded as 'standard' asset only if the entire arrears of interest and principal are paid by the borrower. (Also), NBFCs shall have time till September 30, 2022 to put in place the necessary systems to implement this provision."

[https://www.business-standard.com/article/economy-policy/new-prudential-norms-nbfc-get-some-leeway-on-bad-loans-classification-122021501451\\_1.html](https://www.business-standard.com/article/economy-policy/new-prudential-norms-nbfc-get-some-leeway-on-bad-loans-classification-122021501451_1.html)

### Initiate next generation reforms to improve ease of doing biz: FM asks Sebi

Finance Minister Nirmala Sitharaman on Tuesday asked Sebi to initiate the next generation reforms to improve the ease of doing business and also be prepared to deal with possible market turbulence in the wake of actions by the US Federal Reserve. Addressing the board of Sebi, Sitharaman appreciated the initiatives taken by the regulator and emphasised the need to take further steps to reduce compliance burden, cost of market intermediation apart from more measures to strengthen investor protection. She also asked the watchdog to further boost the corporate bond market and also develop green bond market in the context of increasing focus on ESG (Environment, Social and Governance) investments. Sebi has to "initiate next generation of reforms to improve ease of doing business and be prepared for the possible market turbulence on account of US Fed actions," Sitharaman said.

[https://www.business-standard.com/article/companies/initiate-next-generation-reforms-to-improve-ease-of-doing-biz-fm-asks-sebi-122021501158\\_1.html](https://www.business-standard.com/article/companies/initiate-next-generation-reforms-to-improve-ease-of-doing-biz-fm-asks-sebi-122021501158_1.html)

### RBI unlikely to hike rates till Aug, despite rising inflation: Report

Despite retail inflation rising to 6.01 per cent in January, and likely to remain elevated till April, a foreign brokerage report expects RBI to leave key policy rates unchanged throughout the first half of 2022. Swiss brokerage UBS Securities India sees the policy to change only from the second half wherein the Monetary Policy Committee (MPC) may deliver a 50 basis points hike in the second half starting from the August policy.

The official data released on Monday showed that retail inflation spurted to a seven-month high in January at 6.01 per cent but lower than the previous high of 6.26 per cent in June 2021. Wholesale inflation stayed in double-digit at 12.96 per cent.

The government also revised upwards the CPI inflation for December 2021 to 5.66 from 5.59 per cent.

[https://www.business-standard.com/article/finance/rbi-unlikely-to-hike-rates-till-aug-despite-rising-inflation-report-122021501114\\_1.html](https://www.business-standard.com/article/finance/rbi-unlikely-to-hike-rates-till-aug-despite-rising-inflation-report-122021501114_1.html)

## Industry

### Retail sales in Jan hurt by Covid curbs, at 91% of pre-pandemic level: RAI

Retail sales in January this year suffered due to the restrictions imposed by states to curb the third wave of the coronavirus pandemic, Retailers Association of India (RAI) said on Tuesday. In its latest business survey, RAI said retail sales last month were at 91 per cent of the pre-pandemic sales levels of January 2019, as well as that of January 2020. In terms of region, East zone witnessed the biggest drop last month with a 13 per cent decline, as compared to January 2019, followed by West at 11 per cent decline and North with a drop of 8 per cent. South zone was the least impacted registering a 2 per cent decline, as compared to January 2019, RAI said. Category wise, beauty, wellness and personal care was the worst hit with a drop of 24 per cent as compared to January 2019, followed by furniture and furnishing with a drop of 12 per cent and apparel and clothing registering a decline of 7 per cent.

[https://www.business-standard.com/article/economy-policy/retail-sales-in-jan-hurt-by-covid-curbs-at-91-of-pre-pandemic-level-rai-122021500435\\_1.html](https://www.business-standard.com/article/economy-policy/retail-sales-in-jan-hurt-by-covid-curbs-at-91-of-pre-pandemic-level-rai-122021500435_1.html)

#### **After two months' resistance, steel prices rise again in Feb on cost push**

After a pushback in December and January, steel prices are on the rise again. Both flat and long product prices have seen an increase over the last one month. According to data from SteelMint, prices of hot rolled coil – a benchmark for flat steel stood at Rs 66,500-67,500 a tonne in February ex-Mumbai, compared to Rs 64,500-65,650 at the end of January. The increase in long products is more; prices of rebars by secondary producers stood at Rs 56,300 a tonne in February compared to Rs 52,400 at the end of January.

[https://www.business-standard.com/article/economy-policy/after-two-months-resistance-steel-prices-rise-again-in-feb-on-cost-push-122021500899\\_1.html](https://www.business-standard.com/article/economy-policy/after-two-months-resistance-steel-prices-rise-again-in-feb-on-cost-push-122021500899_1.html)

#### **Indian carmakers stay ahead of global OEMs in offering safer cars**

Indian passenger vehicle manufacturers continue to be ahead of their global counterparts in selling safer cars in the country. While announcing the results of its latest crash tests conducted on some of the models sold in India, Global NCAP, a UK-based safety and the testing organisation said: "It has been encouraging to see some leading Indian manufacturers respond so well to the #SaferCarsforIndia challenge, but also rather disappointing that major global brands fall short on safety in India, whilst comfortably exceeding these requirements in other global markets."

<https://www.thehindubusinessline.com/companies/indian-carmakers-stay-ahead-of-global-oems-in-offering-safer-cars/article65052415.ece>

#### **Commercial vehicle sales growth to see double-digit drive next fiscal on infra thrust**

The massive infra push is expected to keep commercial vehicle sales in double-digit during the next fiscal, rating agency Crisil said. Commercial vehicles sales volume is expected to grow 18-23 per cent this fiscal, with the third wave of the Covid-19 pandemic not expected to materially impact the ongoing recovery, it said. "The industry should sustain the double-digit volume growth next fiscal also on continuing economic recovery and infrastructure spending.

[https://economictimes.indiatimes.com/industry/auto/lcv-hcv/commercial-vehicle-sales-growth-to-see-double-digit-drive-next-fiscal-on-infra-thrust/articleshow/89599426.cms?utm\\_source=ETTopNews&utm\\_medium=HPTN&utm\\_campaign=AL1&utm\\_content=23](https://economictimes.indiatimes.com/industry/auto/lcv-hcv/commercial-vehicle-sales-growth-to-see-double-digit-drive-next-fiscal-on-infra-thrust/articleshow/89599426.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23)

#### **Electric vehicle sales across categories grows by 160 per cent in 2021**

Retail sales of electric vehicles (EVs) in 2021 has gone up by more than 160 per cent at 3,11,350 units, as compared to 1,19,652 units in 2020, driven by sales of two- and three-wheeler EVs. Many new companies have entered EV manufacture. especially the two-wheeler EV space. There are more than 55 companies engaged in EV manufacture; some of the leading companies are Hero Electric, Ather Energy, Ampere Vehicles, Kinetic Green Energy & Power Solutions, Okinawa Autotech and Lectro E-mobility.

<https://www.thehindubusinessline.com/companies/electric-vehicle-sales-across-categories-grow-by-160-per-cent-in-2021/article65052780.ece>

#### **Indian IT crosses \$200-bn revenue mark, hits \$227 bn in FY22: Nasscom**

The Indian technology industry crossed the \$200 billion revenue mark, reaching \$227 billion revenue in FY22, witnessing a \$30 billion incremental revenue in the year with an overall growth rate of 15.5 per cent. Recording the

highest ever growth since 2011 said Nasscom in its Strategic Review. The industry association is also confident that the industry can achieve the ambitious target of being a \$350 billion by FY26 growing at a rate of 11-14 per cent. The industry added 450,000 new hires in FY22, the highest ever taking the total direct employee base of the industry to 5 million. India has emerged as a global hub for digital talent with over 5 million tech workforce. With 1 out of 3 employees already digitally skilled, the digital tech talent pool is at 1.6 million, growing at a CAGR of 25 per cent. With massive focus on reskilling and upskilling, the Indian tech industry reskilled approximately 280,000 employees in FY22. With over 36 per cent of women employees, the Indian tech industry is one of the largest private-sector women employer in India with over 1.8 million women in the workforce.

[https://www.business-standard.com/article/companies/indian-it-crosses-200-bn-revenue-mark-hits-227-bn-in-fy22-nasscom-122021500828\\_1.html](https://www.business-standard.com/article/companies/indian-it-crosses-200-bn-revenue-mark-hits-227-bn-in-fy22-nasscom-122021500828_1.html)

### **Travel companies, hotels begin hiring amid rise in bookings**

India's travel, tourism and hospitality industry has opened up its hiring funnel as a falling number of Covid infections and easing of restrictions are leading to a revival in leisure travel bookings as well as a pickup in business travel. Travel agencies and online portals such as Thomas Cook and EaseMyTrip are recruiting people across functions. Leading hotel chains such as ITC-backed Fortune Hotels, Lemon Tree Hotels and Royal Orchid Hotels are also ramping up manpower.

<https://economictimes.indiatimes.com/industry/services/hotels/-/restaurants/travel-companies-hotels-begin-hiring-amid-rise-in-bookings/articleshow/89600332.cms>

## **Agriculture**

### **Centre plans to amend fertilizer law to control import, supply**

A Draft Integrated Plant Nutrition Management Bill, circulated in the public domain for feedback, proposes to control prices, supply and import of fertiliser through a regulatory body, a move that has raised heckles across industry and farmer bodies who have termed it as a reminder of the "inspector raj".

<https://www.thehindubusinessline.com/economy/agri-business/centre-plans-to-amend-fertilizer-law-to-control-import-supply/article65052811.ece>

### **Mobile agri knowledge centre to spread message of chemical-free farming**

The 'Shashwat Bharat Krushi Rath', a mobile knowledge centre, has been launched in Gwalior, Madhya Pradesh, to create awareness among farmers about globally-acclaimed sustainable, natural and chemical-free farming methods. The mobile centre, inaugurated by Narendra Singh Tomar, Minister for Agriculture and Farmers Welfare, is a replica of the 'Sustainable Farming and Rural Entrepreneurship Centre' situated at The Eco Factory Foundation (TEFF), a Maharashtra-based non-profit organisation, near Pune.

<https://www.thehindubusinessline.com/economy/agri-business/mobile-agri-knowledge-centre-to-spread-message-of-chemical-free-farming/article65051995.ece>

### **Red chilli prices rise to new highs as virus attack affects production**

Prices of various varieties of red chilli have gone up to new highs in Telangana as nearly 70 per cent of the crop has been damaged due to the new invasive thrips virus.

Prices in Andhra Pradesh, another key market for the spice, too are ruling high, though a tad lower than in Telangana.

<https://www.thehindubusinessline.com/economy/agri-business/red-chilli-prices-rise-to-new-highs-as-virus-attack-affects-production/article65052590.ece>

### **Maharashtra farmers set to re-launch pro-GM crop movement**

Farmers belonging to the Shetkari Sanghatana in Maharashtra are once again set to defy the government's ban on Genetically Modified (GM) crops. Since 2019 thousands of farmers have been openly sowing and cultivating herbicide-tolerant Bt (HTBt) cotton and Bt brinjal. On Thursday the pro-GM crop movement will be re-launched in Maharashtra once again. "On January 17th we wrote to the PM asking for the moratorium on GM crops to be lifted by February 16. There has been no communication and no action. This leaves us with no other option but to launch

civil disobedience” said Anil Ghanwat, President of Swatantra Bharat Party, the political wing of Shetkari Sanghatana. He added that the planting of illegal Bt brinjal will be started from Shrigonda in Ahmednagar district on Thursday. <https://www.thehindubusinessline.com/news/maharashtra-farmers-set-to-re-launch-pro-gm-crop-movement/article65051970.ece>

## Infrastructure

### Govt sanctions construction of 60,000 homes under PMAY(U)

Project proposals for the construction of over 60,000 houses were approved across the states of Andhra Pradesh, Chhattisgarh, Himachal Pradesh, Karnataka and Rajasthan under the Pradhan Mantri Awas Yojana (Urban) on Tuesday. The 58 th meeting of Central Sanctioning and Monitoring Committee of PMAY(U, was chaired by Manoj Joshi, Secretary, Ministry of Housing and Urban Affairs (MoHUA). The total number of sanctioned houses under PMAY(U) stands at 114.07 lakh, of which around 93.25 lakh have been grounded for construction and around 54.78 lakh have been delivered to the beneficiaries. The total investment under the PMAY(U) stands at ₹7.52 lakh crore, with ₹1.87 lakh crore central assistance out of which ₹1.21 lakh crore has already been released.

<https://www.thehindubusinessline.com/news/real-estate/govt-sanctions-construction-of-60000-homes-under-pmayu/article65052848.ece>

## Energy

### India to be self-dependent in coal production for thermal power generation by 2024: Secretary

Coal Secretary Anil Kumar Jain on Tuesday said the import of coal for thermal power generation will end in India by 2024 and the domestic production of the dry-fuel is expected to rise by 10 per cent. Jain was in Nagpur for a review meeting with Western Coalfields Ltd (WCL), a subsidiary of Coal India Ltd. WCL Chairman and Managing Director Manoj Kumar, its directors, chief vigilance officers and other senior officers were present at the meeting. Speaking with journalists during the visit, Jain said the coal import for thermal power generation will end in India by 2024.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/india-to-be-self-dependent-in-coal-production-for-thermal-power-generation-by-2024-secretary/articleshow/89594549.cms>

### Indian non-power coal users claim coal shortage; govt denies

India's aluminium smelters, textile mills, sponge iron and fertiliser-makers say they face a coal shortage as power generators take the bulk of supplies. India's top miner Coal India Ltd, which accounts for more than 80% of India's production of the fuel, and the federal coal ministry, deny there is a problem. In a letter to the Prime Minister Narendra Modi dated Feb. 7, eight industry associations including the Aluminium Association of India and Fertilizer Association of India urged the government to ensure a "justified ratio of coal allocation between power sector and industries".

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indian-non-power-coal-users-claim-coal-shortage-govt-denies/articleshow/89593695.cms>

## States

### Karnataka to develop new industrial areas in eight districts

In an effort to push industrial growth beyond Bengaluru, the Karnataka Industrial Area Development Board (KIADB) will develop new industrial areas in eight districts, announced Large and Medium Industries Minister Murugesu Nirani. The minister made this announcement in the Upper House while replying to MLC HM Ramesh Gowda's query in the ongoing session. Nirani said, the KIADB is planning to develop new industrial areas in 2022-23. "KIADB will develop Harohalli 5th phase in Ramanagara, Gauribidanur 3rd phase in Chikkaballapura, Madhugiri industrial area in Tumakuru, Jakkasandra 2nd phase in Kolar, Kuduragundi industrial area in Mandya, Arasikere industrial area in Hassan, Kadechur 2nd phase in Yadgir and Obalapura industrial area in Bengaluru rural," Nirani said.

<https://www.thehindubusinessline.com/companies/karnataka-to-develop-new-industrial-areas-in-eight-districts/article65052540.ece>

## Healthcare

### Corbevax Covid vaccine is safe, offers high antibody levels: NTAGI chief

India's third homegrown COVID-19 vaccine Corbevax is safe and offers good immunogenicity and higher antibody levels than some other vector vaccines, said Dr N K Arora, Chairman, India's COVID-19 Working group of National Technical Advisory Group on immunisation (NTAGI). The NTAGI chief's remarks came after the Drugs Controller General of India's Subject Expert Committee (SEC) recommended Emergency Use Authorization to Hyderabad-based pharmaceutical company Biological E's COVID-19 vaccine, Corbevax, for the age group 12 to 18 years subject to certain conditions. The country's central drug authority is expected to give final approval to Corbevax, which is a two-dose vaccine, soon, sources had said. In an interview with ANI, Dr N K Arora said, "Protein subunit vaccines are safe vaccines, the immunogenicity is very good and local reactions are also less as compared to some of the other vaccines like vector vaccine or mRNA vaccine. Another very important dimension about this vaccine is that compared to some of the vector vaccines, the antibody levels are much higher."

[https://www.business-standard.com/article/current-affairs/corbevax-covid-vaccine-is-safe-offers-high-antibody-levels-ntagi-chief-122021500932\\_1.html](https://www.business-standard.com/article/current-affairs/corbevax-covid-vaccine-is-safe-offers-high-antibody-levels-ntagi-chief-122021500932_1.html)

## External

### India's Jan trade deficit widens to \$17.42 bn, exports rise 25%: Govt

India's exports in January rose 25.28 per cent to \$34.50 billion on account of healthy performance by mainly engineering, petroleum and gems and jewellery sectors, even as trade deficit widened to 17.43 billion, according to data released by the commerce ministry on Tuesday. Imports grew by 23.54 per cent to \$51.93 billion during the month under review. Trade deficit, difference between imports and exports, stood at \$14.499 in January 2021. Cumulatively, exports increased by 46.73 per cent to \$335.88 billion during April 2021-January 2022, from \$USD 228.92 billion in the corresponding period a year ago.

[https://www.business-standard.com/article/economy-policy/india-s-jan-trade-deficit-widens-to-17-42-bn-exports-rise-25-govt-122021500910\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-jan-trade-deficit-widens-to-17-42-bn-exports-rise-25-govt-122021500910_1.html)

### Rice exports: Thailand likely to offer competition to India this year

Thailand is likely to offer stiff competition to India in the global rice market this year with its production rebounding from the lows seen in 2019 and 2020. It is India's only competitor in the parboiled segment of the rice trade. According to the US Department of Agriculture, Thailand's rice production during the 2021-22 season is projected at 20.8 million tonnes (mt) compared with 18.8 mt in 2020-21 and 17.65 mt in 2019-20. Production is expected to recover on better availability of water, an issue during 2019 and 2020.

<https://www.thehindubusinessline.com/economy/agri-business/rice-exports-thailand-likely-to-offer-competition-to-india-this-year/article65051745.ece>

### Cabinet approves setting up of G20 Secretariat ahead of India's Presidency

The Union Cabinet chaired by Prime Minister Narendra Modi on Tuesday approved the setting up of a G20 Secretariat which will be responsible for implementation of overall policy decisions and arrangements needed for steering India's upcoming G20 Presidency. G20 is the premier forum of the 20 largest economies of the world for international economic cooperation that plays an important role in global economic governance. India will hold the Presidency of the G20 for the first time from December 1, 2022 to November 30, 2023, culminating with the G20 Summit in India in 2023. The country has been a member of the G20 since its inception in 1999. As per the practice, the government is establishing a G20 Secretariat to handle work relating to knowledge, technical, media, security and logistical aspects of India's G20 Presidency. "It will be manned by officers and staff from the Ministry of External Affairs, Ministry of Finance, and other relevant line

[https://www.business-standard.com/article/economy-policy/cabinet-approves-setting-up-of-g20-secretariat-ahead-of-india-s-presidency-122021501426\\_1.html](https://www.business-standard.com/article/economy-policy/cabinet-approves-setting-up-of-g20-secretariat-ahead-of-india-s-presidency-122021501426_1.html)

### Indo-Australian trade crosses pre-pandemic levels, pact likely soon

India's total trade with Australia has exceeded pre-pandemic levels even as talks of a trade agreement gather pace. The government on Friday announced that they have reached an understanding on an interim trade agreement with Australia to be finalised in the next 30 days. This is expected to help reduce barriers to exchange of goods and services between the two countries. The agreement comes even as the latest data shows India's total trade with Australia has touched \$17.8 billion for the financial year 2021-22 (FY22) so far.

[https://www.business-standard.com/article/economy-policy/indo-australian-trade-crosses-pre-pandemic-levels-pact-likely-soon-122021501473\\_1.html](https://www.business-standard.com/article/economy-policy/indo-australian-trade-crosses-pre-pandemic-levels-pact-likely-soon-122021501473_1.html)

#### **India can add \$20 billion to GDP if import dependence on China is halved: Report**

India can add USD 20 billion to its Gross Domestic Product (GDP) if the country can reduce by 50 per cent the dependence on imports from China by leveraging the production linked incentive schemes, an SBI research report said on Tuesday. In terms of imports, India continued to reduce its trade deficit with China in FY21. However, share of China in India's total merchandise imports has been steadily increasing to 16.5 per cent currently, as per the report Ecowrap. In FY21, out of the USD 65 billion of imports from China, around USD 39.5 billion were commodities and goods where PLI scheme has been announced (textile, agri, electronics goods, pharmaceuticals & chemicals). "If, because of the PLI scheme, we can reduce our dependence on China even to the extent of 20 per cent, then we can add around USD 8 billion to our GDP. Over time, if our dependence is further reduced by 50 per cent, we can add USD 20 billion to GDP," the report said.

<https://www.financialexpress.com/economy/india-can-add-20-billion-to-gdp-if-import-dependence-on-china-is-halved-report/2435097/>