

The Great Reset

Strengthening India's Competitiveness



March 2022

EDITOR'S NOTE



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The COVID-19 pandemic has led to a significant disruption in the way of life, business, and governance. As the world dealt with the dramatic loss of life and managed unprecedented stress on the public healthcare systems, millions of enterprises faced an existential threat. Amidst this crisis, all segments of the Government, industry, and society joined forces to ensure a swift response to the pandemic, ensuring support and assistance percolates to the bottom of the pyramid.

In India, the economic recovery has been supported by effective policy interventions, minimising the impact of supply chain disruptions. On the one hand, the Government focused on an extensive vaccination drive and relief measures for the vulnerable segments; on the other, it stepped-up measures to support ailing sectors struggling post the second wave.

The vision of an Aatmanirbhar Bharat has enthused the country with the confidence of the bright future that lays ahead. The Government is undertaking structural reforms to create an enabling ecosystem for India that will help it become a crucial hub in global value chains. At the same time, the focus on enhancing infrastructure through programs like Gati Shakti will go a long way in improving the ease of doing business and making Indian businesses more competitive in the global landscape. With a focus on strengthening the domestic ecosystem that can manufacture for India and the world, the country is leveraging the opportunity to attract international manufacturing giants, helping them create resilient and diversified supply chains.

India's economic recovery is highlighted by the positive movement that various high-frequency indicators have displayed, with many rallying to pre-pandemic levels. At the same time, India is on track to achieve various ambitious targets it set for itself. The US\$400 billion merchandise exports target is a prime example of India repositioning itself as a critical global hub across sectors. The Union Budget 2022-23 set an ambitious capital investment plan to further fuel the growth momentum.

While various challenges persist, especially in terms of rising fuel and other input prices, the collaboration of the Indian Government and the industry will be a critical enabler in leveraging opportunities presented in the coming times. It is vital to ensure that emerging domestic and global trends are tracked to ensure India significantly impacts matters with critical global importance.

We at ASSOCHAM are working towards the Bharat@100 vision, encouraging leaders to identify opportunities and share recommendations to facilitate exponential growth for the country. Together with the ASSOCHAM team, I am excited to share this compendium of industry insights that explores ideas of growth across sectors and regions and learnings from the past. We hope you enjoy reading this and look forward to hearing from you.

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India's infra development will strengthen the Logistics & Supply Chain industry in 2022



Mr Vineet Agarwal
President ASSOCHAM, Managing Director,
Transport Corporation of India Limited

The new-age warehouses are not only organized and automated with IoT capabilities but aptly showcase the infrastructural development that has happened over the past few years.

India's logistics sector is one industry that rose to the occasion and was active during both the waves of the pandemic, delivering essentials, medical supplies, vaccines and oxygen. While significant parts of the country went into lockdown mode, logistics

operations continued via road, rail, sea and air. So much so, the Indian railway (IR) was the only mode of transport that operated without restrictions during the lockdown and delivered essentials, goods and commodities across the country. This shift from road to rail mode is the future and will be seen on a bigger scale this year, too.

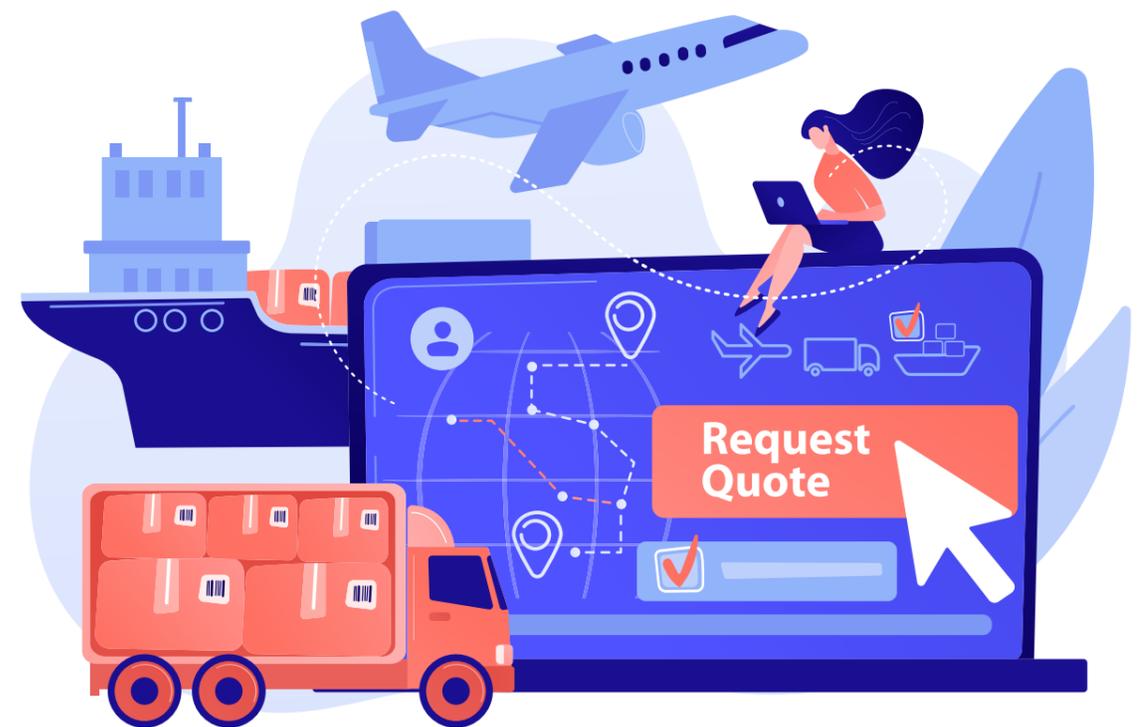
India's logistics industry is currently predicted to be on the threshold of a big change and growth. It is a far cry from the days when the word 'warehouse' would conjure up images of dusty godowns in the outskirts of the city. The new-age warehouses are not only organized and automated with IoT capabilities but aptly showcase the infrastructural development that has happened over the past few years.

Of master plans & ports

Logistics infrastructure is the backbone of economic growth. What also enables it are the various regulatory reforms and schemes like Pradhan Mantri Gram Sadak

Yojna, Industrial & Dedicated Freight Corridors, Bharatmala and Sagarmala projects, Jal Marg Vikas, and UDAN. In the future, too, huge investments and government initiatives like PM Gati Shakti National Master Plan will help in accelerating the country's transportation and logistics infrastructure development. It is essentially a digital platform that brings 16 ministries, including railways, shipping, roads and highways, together for the implementation of infrastructure connectivity projects.

The new ports and roads being developed will help reduce overall turnaround time. The mega port at Mundra located in the northern hinterland of India is one such example of modern infrastructure. Projects like Dedicated Freight Corridors (DFC), which aim to link existing ports and industrial areas for faster freight movement by June 2022, will ensure a movement of cargo carried by 1-lakh trucks in a single day. It will also reduce logistics costs.



Privatization of assets

What will really lend an edge to the Indian logistics and supply chain is a quick execution of the various infrastructure schemes. It'll not only bring about efficiency in the system but also agility in ensuring last-mile connectivity through

multimodal and increased freight revenue. Privatization of assets is in focus now. A much-needed step, it will go a long way in making Indian businesses competitive.

The Railway Ministry has also undertaken some initiatives, the foremost being the launch of the Freight Business Development Portal for Railways. It is touted to be a 'one-stop single-window' platform for online tracking facility for suppliers that aim to simplify the process of goods transportation.

Overcoming challenges in 2022

This does not mean that it's going to be all smooth sailing for the logistics industry in India. While the country is set to see a marked improvement in infrastructure over the next few years, there are still challenges to overcome. These include lack of integration of transport networks, information,

warehousing, distribution facilities and high transportation cost being some of the primary ones. With climate change, projects must also incorporate adaptation and mitigation strategies. What is also begging for attention in the development of Indian logistics infrastructure is the need for safe handling and transportation of raw and finished products.

Apart from technological game-changers, the industry should also keep track of potential disruptions and overcome the challenges – be it from cargo gridlocks or Omicron. It should also stick to its major pillars, which include - Integrated Logistics Services, Efficient and Multimodal Transport Infrastructure, Meeting Logistics Need of the Core Sector and Developing International Competitiveness – to ensure infra development of the logistics and supply chain industry takes place on solid ground in 2022.



India raises its renewable energy bar for 2022

Sumant Sinha
Sr Vice President ASSOCHAM
Chairman & CEO of ReNew Power



After installing a renewable energy generation capacity of 150+ GW (including hydro) as on date, the country now aims to deploy RE capacity at a more rapid pace.

Despite COVID-19 disruptions, India has been accelerating its efforts to expand its green energy footprint and has seen considerable success in terms of capacity addition in FY22 till now, with more than 14 GW of renewable energy (RE) capacity installed. With India needing to rapidly expand its renewable capacity to meet its ambitious 2030 climate goals, coupled with huge investor and financial sector interest

in sustainability and clean energy, private sector interest in the energy transition has hugely intensified.

Most recently—and on the back of PM Narendra Modi’s announcements of India’s ambitious climate goals for 2030 at COP26 last year, and his recent statement this year at the virtual Davos summit about a ‘Pro-Planet People’ movement—the budget presented was probably one of the greenest ever. This is very encouraging and shines the spotlight on the RE sector in India. The budget has clearly articulated India’s keen intent to move towards long-term, sustainable, and robust growth.

With initiatives proposed during the budget FY23, the clean energy ecosystem is likely to get a further boost. Some of the budget announcements that are likely to impact the RE sector include:

- **Manufacturing in limelight:** On the manufacturing front, the announcement of an additional Rs 19,500 crore for

the PLI scheme to boost solar manufacturing was a welcome move towards an Aatmanirbhar India and will help meet the target of 280 GW of installed solar capacity by 2030. Further, the revocation of anti-dumping duty on steel will help reduce the cost of modules considerably.



India has been accelerating its efforts to expand its green energy footprint and has seen considerable success in terms of capacity addition in FY22 till now, with more than 14 GW of renewable energy (RE) capacity installed

- **Battery storage gets energized:** The announcement of a battery swapping policy, creation of special zones with a zero fossil-fuel policy, and the development of the charging station ecosystem—and, thereby, also expanding the domestic EV space—will be key enablers in boosting the battery energy storage ecosystem.
- **Climate finance rising:** Another welcome announcement was the launch of sovereign green bonds, which is a major step towards creating climate financing avenues for projects that reduce the economy’s carbon intensity—a key 2030 climate goal.
- **Power sector reform uptick:** Allowing a 4 percent fiscal deficit to gross state domestic product ratio of which 50 basis points continue to be reserved for power sector reforms in states is a bold move.

With the focus on clean energy increasing significantly, there are now greater expectations from private players to help the country in its historic energy transition. Recent notifications from policymakers, regulators and the judiciary will further enhance investor confidence. They include:

- **On the policy dimension,** in-line with the announcement of National Green Hydrogen Mission last year, Ministry of Power has recently announced ‘Green hydrogen policy’. This is a great step to boost promote development of hydrogen ecosystem. With waiver of ISTS charges and allowance of banking for RE, the cost of producing green hydrogen will reduce to significant extent. Further, the recent Draft Electricity (Late Payment Surcharge) Rules
- **2021 (MoP),** once in operation, will reduce the financial burden of generators and allow them to



sell regulated power in the power markets in case the discoms do not maintain the payment system mechanism (PSM).

- **On the regulatory front,** the waiver of inter-state transmission charges and losses on the transmission of electricity generated from solar and wind sources of energy will be applicable for bilateral and power exchange transactions. This regulatory change, coupled with the recent Supreme court order on non-applicability of additional surcharge, will provide greater opportunities for corporate PPAs. Against this backdrop, more B2B transactions are very likely in FY23.
- **On the judicial aspect,** recent orders issued by Maharashtra Electricity Regulatory Commission (MERC) and Karnataka High court have raised hopes of RE developers for improved payment cycles from the discoms.

Momentum rising in green hydrogen and battery storage: A reflection of this trend is seen in Indian Oil announcing - green

hydrogen projects for their Mathura and Panipat refineries. For its part, GAIL has started India’s first project of blending hydrogen with a natural gas system in Indore. Not to be left behind, NTPC and SECI have announced storage tenders of ~4GW cumulatively, showcasing the government’s intent to move towards more sophisticated RE solutions to provide firm power. In FY23, opportunities in the RE hybrid and RTC product space will increase significantly.

Apart from this, we are also accelerating towards **digitization**, where technology-led solutions are playing an important role in every sector, including renewables. It is the impressive strength of digital technologies and innovation that will help in improving the efficiency of the emerging clean energy ecosystem that is developing, and in streamlining it.

With all these factors coming together in a relatively short period of time, there is no doubt that India is poised to become one of the world’s largest markets for adopting clean energy technologies at a rapid pace.

It's time to take wings and soar high!

Mr Ajay Singh
Vice President ASSOCHAM
CMD - SpiceJet Ltd



We would have witnessed more than 40 million commercial flights taking to the skies – carrying over 4.7 billion passengers and 65 million tons of cargo.

Nearly two years after the Indian aviation sector faced its biggest ever crisis due to the pandemic – the massive disruption of ground operations and air travel – I am confident that 2022 will shape up to be a pivotal year for all airlines, including SpiceJet.

With COVID-19 no longer expected to be a major threat to life and business due to a robust nationwide vaccination drive, we can finally get back to what we do best – get on the tarmac and roar into the skies.

Indeed, it is time to rebuild, reconnect and recover. Put our entire fleets in the air to fly more people, both domestically and internationally, just as before. Grow our revenues. And contribute, in no small measure, to the great task of nation-building.

Had it not been for the recent Omicron scare, the recovery of the aviation sector and restoration of regular air travel would have started much earlier. I am hoping that this was a temporary setback.

Now, as I look back, I cannot be more proud of the way the airlines, singly and collectively, found the strength to weather the storm. This is despite the fact, that aviation suffered the most from the global health crisis.

The number of passengers dropped by over 1.7 billion due to the pandemic-induced lockdown and cessation of international flight operations, resulting in a loss of 61% in passenger traffic. It had a significant impact on the economy. After all, aviation contributes nearly 4% of the GDP.

For a frame of reference, had 2020 been a normal year, we would have witnessed more than 40 million commercial flights taking to the skies – carrying over 4.7 billion passengers and 65 million tons of cargo.

The prospects for the aviation sector are extremely bright – if only the government comes to our aid. Unfortunately, the sector did not get the attention it deserved in the Union Budget 2022-23.



During Covid, when there was nothing available – no trains or trucks – SpiceXpress played a really large and important role in transporting medicines, essential supplies, medical devices, agriculture products etc.

Airlines in India were hoping for tax breaks in the budget. This is because out of every Rs 100 that airlines collect by way of revenue, about Rs 25 goes as taxes to the Central and State governments. This is clearly unsustainable.

Aviation is not something for the rich, and it can create a lot of jobs and a lot of economic opportunities.

In India, aviation fuel is taxed at the highest level globally, airport charges are extremely high, and there are all forms of other taxes and duties and regulatory complications that make us uncompetitive. These need to be resolved because India has this phenomenal potential of being an incredible aviation space given its geographic location, given the demand and the population that we have.

No doubt, the government realises the importance of the aviation sector and has taken many initiatives in the last five years but much more needs to be done. You don't want what happened to telecom to happen to aviation.

You can't have the highest cost and the lowest fares. That simply doesn't work. A ticket from Delhi to Mumbai costs Rs 2500-4000 today, and it cost the same ten years back! Moreover, you pay the same amount for travelling to the airport from your home as you pay for a Delhi-Mumbai air ticket! This is clearly unsustainable.

The civil aviation ministry has pushed State governments to reduce VAT, and many States have done it. They will see the impact of this in terms of the volume of traffic that grows into the States because the moment you get flights into an airport, it increases business, it



increases tourism, and what you lose by way of reducing that is actually very little. It's also crucial that Aviation Turbine Fuel is finally brought under the GST, a long-standing demand that's critical for our industry.

India has this unique opportunity of becoming an aviation leader in the world. It's time that India stopped exporting all its passengers into the Gulf airports and let the Gulf airlines take them throughout the world. We need to fly much more long-haul passenger traffic ourselves. Why should we fly to other people's hubs, say Singapore, Dubai, or Abu Dhabi? India is so wonderfully placed geographically, both for passengers and for cargo. Today, we carry only 5% of the cargo that is coming into India, and there is no reason why that should happen. We need to fundamentally rethink aviation.

We need to be an important hub both for passengers and for cargo. We have a fantastic, really unique opportunity. But to make this a reality, I think government and industry, regulators and all stakeholders need to work together.

The pandemic has disrupted Indian aviation in ways no one could have anticipated. But challenges like this bring the best out of us.

SpiceJet has always looked for opportunities in the face of adversity. And that's what we did when faced with the biggest ever global crisis. We built SpiceXpress, our cargo and logistics business, during the pandemic. During Covid, when there was nothing available – no trains or trucks – SpiceXpress played a really large and important role in transporting medicines, essential supplies, medical devices, agriculture products etc. And we continue to do that. We have grown that business from \$30-40 million a year to a \$350 million a year business. We have also built a technology business, SpiceTech. Some of the most wonderful software products have been built by SpiceTech, and a lot of them are being used by us on-board by our pilots and crew.

I believe that the worst is behind us, the road ahead is full of opportunities, and a bright future awaits our airlines.

Let us take wings and soar high!

Indian economic recovery to spill over in 2022

Mr Deepak Sood
Secretary General, ASSOCHAM



The recovery has been attributed to three factors - rapid COVID vaccination drive that the Central Government undertook across the nation, sustained growth in the agriculture sector and relaxation of the lockdown during the festival season.

2021 ended on a positive note for India as the economy displayed all signs of recovery from the impact

of COVID 2.0. It features among the few countries to record four quarters of growth during the pandemic, with its Gross Domestic Product (GDP) touching 8.4 per cent in Q2 (July-September) and is now expected to touch 9.5 per cent for the fiscal year of 2021-22.

The recovery has been attributed to three factors - rapid COVID vaccination drive that the Central Government undertook across the nation, sustained growth in the agriculture sector and relaxation of the lockdown during the festival season. What also powered the revival are the initiatives, notably production-linked incentive (PLI) schemes that the Government rolled out for manufacturing industries. This, in turn, has led to a rise in exports at 17 per cent, bringing it at par with pre-pandemic levels. While some aspects mark the current buoyant economy, its resilience, which has been on the test ever since the pandemic-induced lockdown was announced in 2020, also brought out some interesting dynamics of adaptation and innovation.

Government reforms that made a difference

Among the many things that have been lauded for aiding an economy in dire straits are the reforms initiated by the Government; it made some bold policy changes during the deadly second wave of COVID. National Infrastructure Pipeline



Any risk of a third wave, say experts, might not only have the Government roll out new mobility restrictions but also bring down the GDP growth from a projected 9.5 per cent for the fiscal year of 2021-22 to around 7.7 per cent.

(NIP) is one such initiative wherein the Government announced an outlay of Rs. 102 crores to complete the stalled projects. Air India Disinvestment also created a stir when it was first announced. After the success of this initiative, with the Tata group winning the bid for Rs. 18,000 crores, the Government is now looking at repeating the same process with other companies, too. The ministry of corporate affairs (MCA) has also proposed norms for the Insolvency and Bankruptcy Code (IBC) to prevent the avoidance of transactions and wrongful trading, among other discrepancies in the banking system. The roll-out of the PLI scheme across 13 segments in manufacturing industries such as textile, automobiles, infrastructure, and telecom are also seen as instrumental in the exports sector.

Entrepreneurs & start-ups

To thrive, you have to learn to adapt and innovate - is a mantra that every person had to follow, knowingly or unknowingly, during the COVID times. But no one put it to better use than the Indian entrepreneur, who had to find ways to navigate through the pandemic crisis. With work-from-home (WFH) becoming the new normal, entrepreneurs took to digitisation in a big way. From tutorials to healthcare and financial transactions, they provided contactless services in the new world.

The period also saw the emergence of social enterprises and multi-sector collaborations, wherein government-funded start-ups in areas of diagnostics, respiratory devices, therapeutics and cold chain technology. It also entailed catering sustainable products and services to consumers with social and environmental concerns.

What has also given a boost to the Indian economy are the Foreign Direct Investment (FDI) in several



Indian tech start-ups, including food delivery apps and digital payments companies. It has also pumped confidence in homegrown start-ups as the world is keen to invest in the Indian markets.

Threats looming in 2022

With the Indian economy clearly on the road to recovery, there is much to celebrate, but that's no signal to throw caution to the wind. Not with the threat of the newest COVID variant - Omicron - lurking around. Many believe that the country is better prepared to face it this time, having survived two waves of the virus, the second one being more severe on human lives. While there is an assurance with the rapid vaccination push in place, the vaccination trend raises concern for two reasons - one, government data suggesting that around 120-million people have not taken the second dose, and second, Omicron could be resistant to vaccines. Any risk of a third wave, say experts, might not only have the Government roll out new mobility restrictions but also bring down the GDP growth from a projected 9.5 per cent for the fiscal year of 2021-22 to around 7.7 per cent.

The roll-out of the PLI scheme across 13 segments in manufacturing industries such as textile, automobiles, infrastructure, and telecom are also seen as instrumental in the exports sector.

Apart from Omicron, the other risk comes from the rise in inflation. While reducing fuel prices keeps inflation in check, a further tax cut has been recommended. RBI decided to keep interest rates on hold - repo, and the reverse repo remains unchanged at 4 per cent and 3.35 per cent. However, they may have to reconsider and hike the repo rate with the acceleration of inflation and aid economic recovery. Vegetable prices and fuel demand may also reduce over the next few months. Most economists believe that the Indian economy will not be that impacted by inflation, normalising in the next quarter in June.

Creating a US\$1 trillion digital economy

Mr P Balaji

Chairman, ASSOCHAM National Council on Digital Communications, Chief Regulatory & Corporate Officers Officer, Vodafone Idea Limited



Yet, even with the 'techceleration' driven by the pandemic, we have only scratched the surface of the potential presented by connected technologies.

Human history is scattered with examples of technologies that changed the world. The motor car, the steam locomotive, the aeroplane - all created a new way of life, spawning new opportunities, spurring the rise of new industry and unlocking a new level of economic growth.

But none has done so as emphatically as telecommunications technology. The rise of the smartphone and the mobile internet has completely revolutionized the way we live our lives. It has brought

about wholesale change and created far greater economic opportunity in the most democratizing manner of any life-altering breakthroughs that have come before.

It has opened new niches for entrepreneurs to exploit, creating a world in which one of the most used taxi operators doesn't own a car, a popular lodging provider doesn't own any hotel real estate, and the world's largest retailer operates largely online. Furthermore, as the COVID-19 pandemic demonstrated, it has enabled existing, even traditional businesses to keep operating while the world stood still.

Yet, even with the 'techceleration' driven by the pandemic, we have only scratched the surface of the potential presented by connected technologies.

Certainly, in the Indian context, with the country only just embarking on its 5G journey, it has the potential to unlock even more significant economic gains and speed the country's march towards becoming a US\$1 trillion digital economy.

Less than 60 per cent of India's population currently uses

smartphones. Even then, the country is the largest data consuming nation globally, with the average user consuming more than 14GB every month.

Driven by low data costs, affordable smartphone models, deeper reach of the internet and better connectivity, the country's smartphone penetration is only set to grow.



Any risk of a third wave, say experts, might not only have the Government roll out new mobility restrictions but also bring down the GDP growth from a projected 9.5 per cent for the fiscal year of 2021-22 to around 7.7 per cent.



A report published by the Internet and Mobile Association of India (IMAI) estimated that India's active internet population will touch 900 million by 2025. This spurt will be driven by rural India, the report said, with the mobile phone by far the people's device of choice to access the internet.

At Vi, we have covered over 1 billion people with India's fastest 4G network, making the internet available for them to connect. Our focus is to broaden the reach of the internet to the next 400-500 million unconnected Indians.

Having already enabled a thriving start-up ecosystem, provided the bedrock for various flagship government initiatives like Digital India, Make in India, Start-up India and the Aadhar platform, and facilitated the growth of e-commerce and online payments, this deeper internet penetration will provide the foundations on which India will build its trillion dollar digital economy.

The growth of 5G will only spur digitization forward — spinning up the entire digital ecosystem to a momentum that spools out opportunity and economic development at an exponential rate, from healthcare, education, smart city and smart agri.

A means to an end, it will transform the lives of millions of businesses and enterprises that can leverage the power of this technology and ecosystem to enjoy a more enriched personal, business and social life.

But there are challenges to realizing this US\$1 trillion opportunity.

The recent path-breaking structural, procedural and financial reforms by the Government of India and Department of Telecom are steps to address the financial stress and legacy issues in the sector.

These steps have been taken to ease the burden of past liabilities on telcos, but more can be done to:

- 1) Further reduce the burden of old legacy litigation in the sector

- 2) Reduce the burden of taxes and levies as envisaged in National Digital Communications Policy, NDCP.
- 3) Give telcos the financial headroom to make the investments necessary to fully realize the potential of 5G without having to price consumers out of the 5G ecosystem
- 4) Fast-paced fiberization of towers and infrastructure sharing which need to be implemented for truly creating digital highways in the country

This decade has proved the telecom sector to be the engine of economic growth and going forward, it will continue to propel other sectors of the economy. Further if harnessed correctly, the power of the sector has the potential to turn the nation into a truly global powerhouse of the 21st century.

Aatmanirbhar Bharat of 2022

Full of hope, opportunities, recovery and growth

Mr Amrit Sagar Mittal
Chairman, ASSOCHAM Northern Region Development Council, Vice Chairman, International Tractors Ltd. (Sonalika)



To support the growth of MSMEs, a lending ecosystem backed by policy reforms is essential for promoting credit disbursement, considering the credit demand will only pick up as compared to the last financial year.

India will turn 75 in 2022, a landmark year of 'Aazadi ka Amrit-Mahotsav' for every Indian. India in the year of independence 1947, when literacy was 12 per cent and average life expectancy was 34 years. India has come a long way, and it still has some distance to go ahead. I believe India for the next decade will be a 'work in progress

country' - we will achieve a lot, lag in some aspects and lead in the digital world, knowing no boundaries. This would be a global India focussed on Atmanirbharta (Self-reliance).

Reflections: 2021

After a contraction in 2020, the Indian economy is set to revive, with the GDP expected to grow by 11 per cent in 2021-22, as projected by the IMF. The Indian MSME's sector, one of the worst-hit sectors from the effects of the COVID-19 pandemic, will play a pivotal role in this recovery and support the government's vision of an Atmanirbhar Bharat and its ambition to become a \$5 trillion economy by 2025.

The MSME's sector has been widely accepted as the backbone of the Indian economy for its far-reaching impacts. MSME's are the only sector to generate substantial employment opportunities of 11.10 crore jobs through 6.34 crore MSME units. It generates backwards and forwards linkages in the economy by promoting non-agricultural livelihood and appealing more investments to the sector.

However, to support the growth of MSMEs, a lending ecosystem backed by policy reforms is essential for promoting credit disbursement, considering the credit demand will only pick up as compared to the last financial year. With the Government's different liquidity schemes, MSMEs' performance should be significantly better than what transpired during the pandemic and in 2020-21 overall.

Currently, MSMEs are a part of India's informal economy. Timely, hassle-free access to credit from formal sources like banks, NBFCs, and digital lenders is essential not only for MSMEs' revival but also for integrating them into the mainstream economy. Digitization is critical to the success of the MSME sector.

At the same time, the Government's Production linked Incentive (PLI) schemes worth Rs. 2 lakh crore have provided relief to some sectors.



For the same, MSMEs must adopt the digital way of life. Digital transformation can help improve their efficiency, but also help enhance customer experience. Most importantly, having a robust digital presence can help MSMEs gain access to cash-flow-based credit, which will be the next big thing to happen in the Indian BFSI sphere. Innovations like the Open Credit Enablement Network (OCEN) protocol can democratize credit by creating a uniform lending platform and enabling lenders to disburse small-ticket loans.

Expectations: 2022

Lots of predictions and forecasts in the air about how the year ahead will pan out for corporates, MSME's, start-ups, investors and employees. Especially looking to accelerate MSME's recovery beyond the pre-pandemic levels have high hopes from the coming Union Budget 2022. Since COVID-19, MSME's have been manoeuvring through the challenges, including the shipping container crisis, coal shortage, rising prices of raw materials like

steel across industries, and more to stay afloat. At the same time, the Government's Production linked Incentive (PLI) schemes worth Rs. 2 lakh crore have provided relief to some sectors.

2022 would be filled with hope, opportunities, recovery, and growth. The MSMEs sector has also undergone a digital transformation and will increasingly be inclined towards the online space. Virtual communication, contactless operations, advanced technological solutions, network upgrades and the omnichannel approach will continue to grow and prosper. Firms will increasingly invest in their digital, IT and software, networking, and security solutions, especially in Artificial Intelligence (AI) and

Machine Learning to ensure that they can quickly recover from the previous year's losses and eventually earn revenue as well.

Given the extensive COVID-19, Delta variant and Omicron chaos, the Government needs to establish an ongoing monitoring system and declare urgent relief steps to improve the MSMEs sector's confidence. E-market linkage for MSMEs should be promoted, and fiscal stimulus should increase for this sector. The Government of India should take various measures to improve Indian MSMEs and achieve the vision of a Self-reliant India.

Overall, 2022 looks promising, and I hope it will be a prosperous, safe and healthy year for everyone.



Reform aided growth for a new-age road sector



Mr DK Sen, Chairman, ASSOCHAM National Council on Roads and Highways, Whole time Director & Senior Executive Vice President (Development Projects) L&T Ltd.

All the initiatives in creating manufacturing hubs across the country augurs well for the Transportation sector, at the same time, demanding a lot out of the Indian Road sector.

India's construction sector is likely to witness double-digit growth of 10.7 per cent in FY22 versus a contraction of 8.6 per cent in FY21 aided by the base effect and revival of growth thanks to the Government's increased focus on infrastructure projects and smart recovery of demand in both residential and commercial segments.

From the Government's side, there has also been continued support in interest-free loans to MSME's, PLI schemes across sectors as part of becoming Atmanirbhar Bharat. Further relief measures have included ensuring liquidity to contractors through relaxation of payment schedules, one-time release of retention payments, reducing Bank Guarantee exposure to the extent of works executed, allowing moratorium on loans etc. Further, the recent announcement on Gatishakti for Multimodal development will unite ministries, reduce the cost of infrastructure and remove the repeat clearance burden. All the initiatives in creating manufacturing hubs across the country augurs well for the Transportation sector, at the same time, demanding a lot out of the Indian Road sector. However, India has a major cost disadvantage, with logistics cost estimated at around 14% of GDP, compared to 8-10% in the case of developing countries. The Government has set a target to lower it by five percentage points by increasing operational efficiency and adoption of technology in areas of lowering fuel consumption by integrating smarter processes and

introducing better high-capacity vehicles.

Of all the infrastructure sectors covered under NIP, the road sector not only has the Highest Capex (18% of NIP) but also has the highest private participation requirement, approx. 40% of the spend comes from private players against 21% average for an overall NIP of 111 Lakh Cr. Apart from this, close to 1.6 Lakh Cr, out of 6 Lakh Cr National Monetization Pipeline are



At the same time, the Government's Production linked Incentive (PLI) schemes worth Rs. 2 lakh crore have provided relief to some sectors.



road assets that will be monetized in the upcoming four years. This means there is a humungous role for the private players and FDIs to achieve these NIP & NMP targets. While there are efforts from Govt. in terms of de-risking some PPP models like HAM & BOT to promote and increase the interest of private players in the road sector, a lot more is required to increase the private sentiment in the sector. PLI's similar to the manufacturing sector might be introduced into the sector for shorter tenures considering the huge inflow targets the sector. There is a need to Ringfence the financing requirements for upcoming projects through faster implementation of DFI for long term financing of projects.

In Construction, as per Ministry of Statistics monthly reports, we see that there are close to 500 Projects (Projects of 150 Cr+ value) that

are delayed in implementation across the country with a cost overrun of 4.5 Lakh Cr value, 20% over and above their original cost. Unfortunately, this has been a continuing trend with no respite and could very well translate into a 22 Lakh Cr overrun against the targeted spend of 111 Lakh Cr on the National Infrastructure pipeline if adequate reforms are not brought soon.

While there has been significant work is in progress in terms of reform implementation in the areas of Single Window Clearances, there is a weakened stance in Quality Oriented Procurement (QOP) / Quality & Cost Based Selection (QCBS) for the projects of value more than 10 Cr with the dilution of Technical Qualification criteria further in the Road sector which might potentially deteriorate project quality and timelines. Hence, we

believe there is a need for stringent implementation of such QOP's in the road sector for all the projects in the near future.

Other areas where reforms are necessary in the near future include, Mandating state support to all Centre projects, reforms preventing Random scrapping of already awarded infrastructure projects, Fast-tracking dispute resolution mechanisms, limiting/restricting Authorities powers to go for higher appeals against Arbitral awards etc. We also see that awarding projects by Authorities is withheld if the bidders bid above budget, even though all the bidders (3 or more) are above budget, indicating that the budget is not well made. Independent price evaluation may be implemented for such cases to go ahead with job awards to save precious time and effort.

Further, the Road industry should be a reliable partner of the Government in the Indian industry transition for meeting commitments of COP-26 in Glasgow, UK. The industry should adopt renewable energy solutions to become less carbon-intensive. Incentivising New age Technologies to use alternate materials and adopt global policies could aid & propel the developers and EPC players to spend into R&D and bring forth / implement such new materials and technologies.

The third wave with the advent of Omicron globally could be a dampener to the growth seen in the past 12-15 months, but policy and business response this time can be expected to be better than previous waves. Hence, we hope to see a continued economic momentum without severe disruptions, and we expect the upcoming Union Budget to set the tone for Capex spending once again, along with a slew of reforms, as was the case last year.

'Aatmanirbharta' for a Self-Reliant India



Mr Anil Rajput
Chairman, ASSOCHAM National Council on FMCG, Sr. Vice President - Corporate Affairs, ITC Limited

In our endeavour to produce locally, create strong, world-class domestic brands and gradually reduce our dependence on foreign products, 'Atmanirbhar Bharat' and 'Vocal for Local' not only act as catalyst for homegrown companies but also provide for a great opportunity to strengthen Brand India.

The clarion call by the Hon'ble Prime Minister of India to become Atmanirbhar Bharat (self-reliant), which stands on the five pillars of Economy, Infrastructure, System, Vibrant Demography and Demand, has been very well received. It enabled the resurgence of the Indian economy, especially when the country was hit by the devastating health and economic crisis owing to COVID-19 in 2020.

The building of a strong and developed economy can only happen if we are self-reliant and 'Atmanirbhar Bharat' strives for self-reliance through manufacturing-led growth. Hence, strengthening this sector is fundamental for a truly powerful economy. Moreover, in our endeavour to produce locally, create strong, world-class domestic brands and gradually reduce our dependence on foreign products, 'Atmanirbhar Bharat' and 'Vocal for Local' not only act as catalyst for homegrown companies but also provide for a great opportunity to strengthen Brand India.

This vision is nothing short of a win-win for the country. To begin with, India has the world's largest population of youth at an

employable age. This makes for a great opportunity for the country to create jobs. Employment puts spending power into the hands of people, which in turn can help the economy.

It is clear that future economies will be more innovation-driven, powered by knowledge, creativity, and technology, each of which is essentially supported by intellectual property (IP). India's meagre expenditure on R&D – 0.7 per cent



ASSOCHAM's FMCG Council remains committed to reinforcing the industry's role in achieving the sector's maximum potential.



of its GDP and a low number of patents filings in respect to other developed economies like the US and China will be a hurdle in harnessing the full potential of IP for economic growth.

For India to be truly self-reliant, the creation of more IP, promotion of innovation and investment in R&D has to increase. This structural shift in our economy will make us less dependent on other nations and generate tangible economic benefits in times to come.

Being 'Vocal for Local' also addresses the concern of arresting royalty outflow head-on. The creation of domestic brands ensures that while consumption of the country grows, the wealth generated by the domestic population is retained in India. This will not only strengthen the economy but will also nurture local innovations in the country.

Atmanirbhar Bharat provides a vision to India's plans to become a 5 trillion-dollar economy by promoting Make in India - Make for World.

Various efforts by the government, such as the Skill India program, the Ease of Doing business policies, Production Linked Incentive scheme, etc. are all steps in the right direction and will bear fruit as industries and government are working together to combine their strength to push forward this agenda where everyone stands to win.

The FMCG sector is the key contributor to the Indian economy. It is the fourth-largest sector in the Indian economy and is expected to increase at a CAGR of 14.9% to reach US\$ 220 billion by 2025. The government's thrust on enhancing India's manufacturing capabilities and exports in this sector aims to significantly boost food processing investments, agri-exports, farmers' income, and building Indian brands for the global markets. ASSOCHAM's FMCG Council remains committed to reinforcing the industry's role in achieving the sector's maximum potential.

The FMCG Council in 2021 rolled out 'Atmanirbhar Bharat – Moving towards self-reliant India', a series

of leadership sessions with eminent personalities from various walks of life. As the mantra of 'vocal for local for a self-reliant India' gained momentum, these interactions on issues such as entrepreneurship, the role of technology & innovation, skill development, sustainability, women empowerment, along with practical insights on business, proved significant and played a critical role to motivate and enthuse the young minds on opportunities for becoming a part of India's growth story. Moreover, it successfully created awareness among entrepreneurs, professionals, industry representatives, and students on the importance and need of strong national brands in the country that can win the confidence of the local population and compete globally.

The year 2022 will mark 75 years of India's glorious independence. India plans to celebrate this milestone with an aim to create a prosperous India, and 'Atmanirbharta' will most certainly pave the way for a thriving national economy, drive growth and realize the vision of this new India.

Powering India's future with green energy

Mr Kishor Nair
Co-Chair, ASSOCHAM
National Council on Renewable Energy
COO, Avaada Energy



Recognition of Green Hydrogen is an important element in India's decarbonization efforts, especially in hard-to-abate sectors like steel, fertilizers, refineries.

India has committed itself to rapid and large-scale renewable energy capacity addition, and it is undergoing a tremendous energy transition as it moves closer to being a renewable-powered economy. Having an ambitious plan to build 500 GW of renewable energy by 2030 to reduce carbon emissions, India is well on its way to meeting the target for the economy's emission intensity and percentage of non-fossil fuel-based power capacity. Indeed, with present rates

of progress on both fronts, India might meet these commitments before the 2030 deadline.

In November 2021, India's renewable energy installed capacity surpassed the 150 GW (including large Hydro) mark. Even during COVID-19, renewable energy investment remained mostly unaffected. It drew significant international and local investment as IPPs competed to grab higher market shares via a combination of organic and inorganic routes. Developers of renewable energy from India and worldwide had faith in India's clean energy sector. And it was all made possible by the Government's swift policy measures, such as a letter of credit for DISCOMS and a blanket extension of the lockdown. The extension was granted on the assumption that equipment supply, logistics, labour supply, government office operations, and so on will return to normal.

In addition, India is also keenly exploring low-carbon technologies like hydrogen to support the country's clean energy transition. Recognition of Green Hydrogen is

an important element in India's decarbonization efforts, especially in hard-to-abate sectors like steel, fertilizers, refineries. The Government intends to develop this market using policy tools like Green Hydrogen Purchase Obligations. Following Govt.'s intent to develop Green Hydrogen Industry, various PSUs across Ministries have initiated actions and are coming out with EoI, Bids on their own. While encouraging, a lack of a cohesive



The Government is dedicated to elevating the usage of clean energy sources and is now working on several large-scale sustainable power projects as well as extensively promoting green energy.



approach results in different bid conditions, standards, etc., and hence, it unnecessarily complicates a well-intentioned initiative.

Decarbonization continues to be one of the top priorities globally, which was also reflected in COP26, where many countries spoke about committing to mitigate carbon footprints. At COP26, India, too, committed to meeting 50% of the country's energy requirement through renewable energy sources by 2030 and a net-zero target by 2070. For the vision to combat carbon footprints, the Government and entrepreneurs are working through various sectors to achieve the set target. Similarly, the idea of the interstate transmission of power contributes to the country's long-term energy security and promotes ecologically sustainable growth by reducing carbon footprint.

India is making all the necessary reforms to meet the target on a worldwide scale. The Government is dedicated to elevating the usage of clean energy sources and is now working on several large-scale sustainable power projects as well as extensively promoting green energy. The Indian Government plans to build a green city in each state that is powered by renewable energy. The 'green city' would promote eco-friendly electricity by installing solar rooftop systems on all its homes, solar parks on the city's outskirts, waste-to-energy facilities, and electric mobility-enabled public transportation systems. Indigenous manufacturing is one of the key focus areas of the Government. Even from the perspective of achieving energy security, it is important to support the indigenization of RE equipment.

While potential is significant, there are challenges that continue to plague the sector. Financially weak discoms, lack of contract integrity, land and transmission constraints, the lengthy approval process of PPAs, and other issues continue to affect the industry, which must be addressed promptly to enhance development prospects.

Renewable energy is the energy of the future, and the momentum provided by COP26 needs to continue. Large scale adoption of renewable is the shortest possible time is critical to address the menace of climate change. Hence, collective efforts will go a long way in creating a sustainable future for posterity.

Reach for wellness



Padmashri Dr D S Rana
Co-chair, ASSOCHAM National Council on Wellness, Chairman Sir Ganga Ram Hospital

Wellness has always been about staying healthy through our lifestyles, behaviours, and habits.

The wellness industry has been evolving rapidly over the last few years, and the pandemic outbreak has added more fuel to fire. With health and wellness becoming a top priority for people all over the globe, the concept of wellness is gaining broader significance and constantly evolving to meet consumer demands.

With the ongoing pandemic claiming several lives in India, several healthcare and wellness start-ups have landed investments from venture capitals and early age investors.

In 2021, we saw tremendous growth, with many wellness brands hopping onto the bandwagon to help

the day-to-day needs of consumers. With several players competing for the same set of the target audience, local businesses have also established themselves by giving on-demand doorstep services. The overall wellness economy and most of the eleven sectors peaked in 2019 and declined in 2020 due to the pandemic. Personal care & beauty and healthy eating, nutrition, and weight loss are the largest sectors in the wellness economy (and are now similar in size); together, these two sectors account for 44% of the entire global wellness market. Physical activity, wellness tourism, and traditional & complementary medicine comprise the rest of the top five largest sectors. The relative sizes and ranked order of many of the wellness sectors have changed quite a bit since 2018

Wellness sectors that shrank significantly during the pandemic:

- Personal care & beauty shrank in 2020 (-13.0%), due to the overall decline in consumer spending and a reduction in

discretionary purchases, along with retail store shutdowns and global supply chain disruptions.

- Physical activity-related expenditures declined significantly (-15.5%) due to the widespread shutdowns of exercise and sports facilities, in-person classes, and youth sports; stay-at-home orders; and a reduction in discretionary consumer spending on sports apparel and footwear.



Although some businesses have tried, it has not been easy to replicate the experience of a retreat, a massage, or a hot spring soak through virtual or mechanical (touchless) offerings or products.

- Wellness tourism (-39.5%), spas (-38.6%), and thermal/mineral springs (-38.9%) are the wellness sectors that were most adversely affected by COVID-19 due to travel restrictions, stay-at-home orders, and business shutdowns. Virtual offerings are a poor substitute for a physical presence and complete immersion in these experiences.

Ministry of AYUSH launched various initiatives for the Wellness sector in 2021 - Swachh Bharat Mission Central Sector Scheme, AYURSWASTHYA YOJANA, AYURGYAN Scheme, ACDP, IC, AOGUSY Scheme, an Interdisciplinary R&D Task Force to Identify Effective Ayush Medicines to cure COVID-19 Patients, etc. This will contribute to the long-term vision of Aatm Nirbhar Bharat. In a major step taken by the Ministry of Ayush and Ministry of Women and Child Development, a collaborative campaign on nutrition was initiated.

Focus in 2022

- **Self-care for self-preservation and survival.**
- **Prevention as a lifestyle and a public health priority** - Wellness has always been about staying healthy through our lifestyles, behaviours, and habits. The COVID-19 experience revealed the close connection between preventing infectious disease and preventing chronic disease.
- **Wellness and science must move toward each together. Holistic, traditional, indigenous, and mentally-** or spiritually based practices, including homoeopathy, naturopathy, osteopathy, chiropractic, acupuncture,



should be given bigger space in the consumer market.

- **Nutrition and mindful eating:** 'Immune-boosting' quick fixes and 'nutritionism'. The pandemic experience has highlighted the importance of prevention through a healthy lifestyle, and food plays a central role in this equation. There is growing awareness that 'food is medicine'

Yoga pranayam

- **Digital healthcare:** These new behaviours rely on the power of the internet to maintain human connection and interaction. Digital healthcare is taking centre stage with virtual conferencing and meeting technology more popular than ever. Now it takes only a few seconds to book virtual sessions with nutritionists, personal trainers, physical therapists, mental health professionals and sleep specialists. Digital healthcare will continue to shape the future of wellness and consumer behaviours.

- **Programmes on mental wellness:** According to The United Nations and World Health Organization (WHO) global market for mental wellness has grown from \$122.3 billion in 2019 to \$131.2 billion in 2020. The sector grew by over

7% in 2020, as consumers desperately sought out products, services, and activities to help them cope with the immense stresses they faced during the COVID-19 pandemic. Increasing symptoms of depression and anxiety were reported across many countries in 2020.

Workplace wellness:

Employers should shift toward different employee wellness, policies should be framed to raise awareness and offer incentives that encourage employees to adopt healthier lifestyles. Companies may design and administer their own wellness programs, and it will boost efficiency, reduce absenteeism, and boost employee morale and quality of work.

- **Wellness tourism, Spas:** There is no question that wellness tourism, spas, and thermal/mineral springs are the wellness economy sectors that were most adversely affected by COVID-19. These sectors require a physical presence and/or full immersion for the actual experience. Although some businesses have tried, it has not been easy to replicate the experience of a retreat, a massage, or a hot spring soak through virtual or mechanical (touchless) offerings or products.

Good health: A steppingstone to prosperous nation healthcare sector

Dr Sudhir Kalhan
Chairman, ASSOCHAM National Council on Healthcare, Sr. Consultant, Sir Ganga Ram Hospital



The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities,

Healthcare has become one of India's largest sectors, both in terms of revenue & employment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services & increasing expenditure by public and private players. With the incremental dismantling of established global value chains due to COVID-19

& the resultant local versions of 'Aatmanirbhar', several countries, including India grappled with resource generation, government-to-government collaborations blocks on affordable & accessible healthcare services in 2021.

Developments in 2021

In 2021, we witnessed India's immense contributions globally by supplying drugs and vaccines to several countries during the COVID-19 pandemic. The country reinforced its image as the 'Pharmacy of the world'.

The pandemic has also accelerated the adoption of digital technologies, including telemedicine. Furthermore, there is a growing emphasis on the emergence of public-private partnership models in India's healthcare sector. India's relative cost competitiveness and availability of skilled labour make it an increasingly favoured destination for medical value travel.

According to India Tourism Statistics at a Glance 2020 report, ~697,300 foreign tourists came for medical treatment in India in FY19. India has been ranked 10th in the Medical Tourism Index (MTI) for 2020-21 out of 46 destinations by the Medical Tourism Association.



Government announced its plans to launch 'Mission Poshan 2.0' to merge 'Supplementary Nutrition Programme' with 'Poshan Abhiyan' to improve nutritional outcomes across 112 aspirational districts

Various recent initiatives have boosted the potential of the Indian sector:

- e-Hospitals were established across India as part of the Central Government's 'Digital India' initiative.
- e-telemedicine services have crossed 12 million teleconsultations since its launch, enabling patient-to-doctor consultations from the confines of their homes & doctor-to-doctor consultations.
- The Government's 'Make in India' initiatives, such as the PLI to boost domestic manufacturing of Active Pharmaceutical Ingredients (APIs), combined with recent teleconsulting guidelines released by the Medical Council of India (MCI) to spur digital healthcare are further likely to accelerate the industry progress towards Life Sciences 4.0.
- In March 2021, various states & UTs started implementing the 'Intensified Mission Indradhanush 3.0'—a campaign aimed to reach those children & pregnant women who were missed out or have been left out of the routine immunisation programme due to the COVID-19 pandemic.
- The Government invited bids for using drones to deliver COVID-19 vaccines & drugs to remote & difficult-to-reach areas to ensure last-mile coverage in select locations of the country.
- In June 2021, Bolo Indya, a domestic social live streaming platform, partnered with the Ministry of AYUSH to improve awareness for traditional

Indian methods of medicines & care to boost healthy living among citizens. Through this partnership, >10 million citizens will be covered in the next 12 months.

- In September 2021, the Prime Minister launched the Ayushman Bharat Digital Mission. The mission was to connect the digital health solutions of hospitals across the country with each other.
- In Union Budget 2021-22, the Government announced its plans to launch 'Mission Poshan 2.0' to merge 'Supplementary Nutrition Programme' with 'Poshan Abhiyan' to improve nutritional outcomes across 112 aspirational districts.

Road Ahead for 2022

India is a land full of opportunities for players in the medical devices industry. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of the population. Besides, Indian medical service consumers have become more conscious of their healthcare upkeep.

The pandemic is a lesson that India should never forget! To never have our knees on the ground, the Government of India should:

- Invest at least 3.5% of GDP in health
- To be aware that though the youngest population in the world today but in the next decade, we will have a middle-aged population and also geriatric. Hence this is a heads

up, and we should engage in elder-care

- For enhanced health insurance, the premium should be highest at the young age and least in old age. The ramifications are rather obvious.
- PSA oxygen generators must be mandatory for hospitals with more than 100 beds
- Strengthen the public sector hospitals in terms of ICU and critical care.
- The primary health care centres need to be upgraded, and optical fibres / good internet connections should be used to connect them to secondary and tertiary care centres—increasing the use of digital healthcare.
- Multiple-purpose healthcare workers should be trained to use smartphones to upload data and seek online video/ audio help for managing health crises.
- Mobile phone applications to reach out to the rural masses.
- School health to be strongly focused on. Teaching good hygiene practices, moral values, cleanliness, handling sexuality, mental stress in the local dialects. Need to follow each child for growth parameters, vaccination status, and BMI.
- Strengthen and strongly enforce food quality standards.
- Incentivization of healthcare institutions

The shifting contours of aerospace: What does the future bode for the sector?

Mr Rémi Maillard

Chairman, ASSOCHAM National Council on Defence & Aerospace, President and Managing Director of Airbus India and South Asia



Air travelers have also adapted to the Covid crisis and demonstrated preference for flying non-stop, point to point so as to avoid connections. This provides an opportunity to develop long-haul from travel from India, and develop it as an aviation hub.

The COVID-19 pandemic triggered an upheaval across all sectors. With various curbs in place on the movement of people and goods, several industries witnessed setbacks. The global aviation ecosystem too was strongly affected, with international travel largely suspended or restricted in several parts of the world. However, air travel has left the lows of 2020 behind, despite the omicron driven travel restrictions and we could see a robust recovery in air traffic in 2022.

Demand for passenger and cargo aircraft on the rise by 2040

According to various industry estimates, the demand for air transport is set to witness a shift with fleet growth and accelerated retirement of older, less fuel-efficient aircraft resulting in a need for approximately 40,000 new passenger and freighter aircraft by 2040. This growth will propel a global increase in the need for

commercial aviation services - including maintenance, training, upgrades, flight operations, dismantling and recycling.

A shift to digital technologies

Emerging technologies, increased pace of mergers and acquisitions, along with rapidly evolving business models will further drive-up



India, as the emerging aerospace and aviation hub, has a key role to play in charting the roadmap for the sector in 2022 and beyond.

efficiencies, ushering a shift in the adoption of digital technologies. Technologies such as digital thread (utilizing digital tools for design, evaluation, and life cycle management) and smart factories will drive innovation in the sector, leading to faster time to market and reduction in manufacturing cycle times. We will witness highly optimized process flows, as companies will be able to better navigate the complexities of high-mix production.

Sustainability will intertwine further into the Aviation & Defence (A&D) industry

In 2020 and 2021, we witnessed increased scrutiny on the A&D industry, especially in commercial aerospace, as the aviation industry represents approximately 2.5% of global human-induced CO2 emissions.. Therefore, a globally harmonized approach to addressing the impact of air transport operations on the environment is the need of the hour today. This requires sustainable operating and manufacturing practices that will tilt the shift toward lowering carbon emissions. 2022 could be the year when all companies make decarbonization commitments—not only in their operations but also for their products. The pause in air travel last year has given the aviation industry an opportunity to recalibrate the way they look at innovation, sustainability, and safety in air travel. It is now imperative to be climate conscious, focus on alternative sources of fuel for aircraft, and make aircraft that are better equipped to face the challenges of a post-pandemic world.

India presents a blue ocean of opportunities

It is true that COVID-19 pandemic had a massive impact on the Indian aviation sector. But every crisis



presents an opportunity and Covid is no different. The pandemic, while wreaking havoc with the aviation industry, could offer an opportunity to turn India into an international air travel hub for multiple reasons. India is the ideal halfway-point between the Far East and the West, offering pivotal access to major world capitals and cities. Air travelers have also adapted to the Covid crisis and demonstrated preference for flying non-stop, point to point so as to avoid connections. This provides an opportunity to develop long-haul from travel from India, and develop it as an aviation hub. Reports suggest that more than 50% of the global demand for aircraft is arising from Asia. This provides a huge opportunity for India to become an active contributor to the global aerospace industry of the future. India has a thriving domestic aviation sector, immense human competencies and engineering and IT talent pool and a host of aerospace startups proliferating all over the country that can take active part in the development of the next generation zero-emission aircraft that will rely on disruptive decarbonized technologies and advanced digitalisation. A myriad of opportunities have also opened up in the maintenance, repair

and overhaul (MRO) and urban air mobility, which is gradually emerging as a viable solution for transport between cities. The Indian government has also earmarked the Aerospace and Defence sector a key component for the 'Make in India' and taken significant strides in establishing a robust domestic manufacturing infrastructure, along with a thriving R&D ecosystem in the country. With the country also opening the space sector for global and private players, India can emerge as a hub for global aviation, at the confluence of defence, civil aviation and space.

2022 is poised to be a watershed year for the aerospace sector, as we witness recovery and revival. This revival will be driven by a rising demand for commercial aircraft, increased operational efficiencies and integration of digital technologies in the sector. We will also see a sharpening of focus on sustainability in the sector, as companies look to various avenues for reducing the carbon footprint of aviation. India, as the emerging aerospace and aviation hub, has a key role to play in charting the roadmap for the sector in 2022 and beyond.

Changing landscape of logistics industry in the 'New Normal'

Mr Poul V Jensen

Chairman, ASSOCHAM National Council on Logistics, Managing Director, European Business and Technology Centre (EBTC)



A push towards multimodal will not just help reduce logistics costs but also reduce overall carbon footprint.

In the wake of the global pandemic, supply chain and logistics came to the fore. It evidently also held centre-stage along with medical practitioners and health workers. From the distribution of medical necessities, essential items to facilitating the movement for other businesses, logistics players redesigned and customized solutions to meet existing demand.

The sector finally breached the glass ceiling and became a board-room subject.

Major logistics trends due to a paradigm shift in consumer behaviour

With precautionary measures like social distancing and home isolation coming into the picture, e-commerce witnessed growth. Whilst brick-and-mortar retail had earlier been the mainstay, e-commerce has come to stay. The number of online shoppers is expected to grow from today's 80 million to 300 million and the e-commerce Gross Merchandise Value (GMV) from US\$46 billion to US\$110 billion. In line with the global trend, Indian consumers have also started to rely on the 'door-step delivery' way of living. Online grocery shopping has increased by 80%, giving rise to 'direct to customer (D2C)' brands. Hyperlocal delivery services for a plethora of products are driving the consumer demand and will continue to push a post-pandemic recovery for the logistics sector.

Due to an increased share of essential items storage, given the risk of stock-outs, hub-and-spoke delivery models became more prevalent. This has led to a major push towards the development of more modern warehouses with increased levels of technology deployment and automation. The use of robotics, AI and ML in warehousing infrastructure for



The DFC network is expected to prevent CO2 emissions of around 457 million metric tonnes (MMT) over the next 30-years.

inventory management, planning, and routing schedules have already seen applications in the industry.

An increase of organized players in the market has been observed in conjunction with the industry's growth as a whole. Implementation of GST and the e-way bill has also pushed the unorganized players towards collaboration with the larger established players. This trend is likely to continue with an increasing need for digitization in the sector. Faster digital adoption has been the trend in the past year, and the declining cost of digitization is set to further drive the adoption of innovative new technologies across the industry.

Existing Challenges and Growth Opportunities

Logistics, as an industry, continues to face major challenges like high (4-5X) international freight rates – making EXIM trade still a cause of concern, shortage of containers, high prices of ships, driver shortages, fuel price increase and the resultant inflation in general. The entire global supply chain got choked, and the aftereffects are felt even at the start of the year 2022. These challenges have led to an increase in the overall logistics cost, hence impacting demand substantially.

Another very important and widely discussed opportunity is multimodal transport connectivity in the country. Logistics spending contributes to the overall GDP of India to the tune of US\$150 billion. A push towards multimodal will not just help reduce logistics costs but also reduce overall carbon footprint. The Government has initiated the Gati Shakti Master Plan to focus on infrastructure building and bring transparency in the system through a 'geospatial' digital platform.



The average freight movement speed on the upcoming DFCs will be 100 kmph, almost a three-fold increase from the existing speed of Indian Railways. This will reduce transit time and also increase capacity as more trains would run on the double-line tracks. Also, the DFC network is expected to prevent CO2 emissions of around 457 million metric tonnes (MMT) over the next 30-years.

In addition to that, the National Logistics Policy and the Warehousing Policy will count as game-changers if on-ground execution happens as per the plan on paper. The Logistics Ease Across Different States (LEADS) index launched in 2018 suggested improving the overall infrastructure to highlight and support the growth of the industry. Single window clearance, skilling, and a robust grievance redressal mechanism are other suggestions for overall improvement.

As per the Logistics Ranking of Emerging Markets 2021 conducted by Agility, a supply chain company, India ranked 2nd after China. This showcases the potential India has globally in the Logistics Sector.

World Bank recently stated that expectations for India's growth have been upgraded to 8.7% in FY 2022-23 "to reflect an improving investment outlook with private investment, primarily manufacturing, benefiting from the PLI Schemes, and increases in infrastructure investment."

There is also an urgent need for all listed companies to comply with BRSR, ESG, GHG norms to help the sector stand up to the global call for sustainability.

In conclusion, the logistics and supply chain industry is going to witness its best period in the coming 5-10 years. B2B, B2C, D2C, and C2C models will continue evolving with the ever-increasing adoption of new-age technologies driven by consumer preferences. Legacy companies will be challenged by market forces led by start-ups.

We are going to see 'David vs Goliath' play out, with consolidation, compliances and standards such as ESG/GHG impacting the logistics industry, so keep a close lookout for these trends!

Affordable housing to continue as realty accelerator in 2022



Mr Pradeep Aggarwal
Chairman, ASSOCHAM National Council on Real Estate and Housing, Founder and Chairman, Signature Global Group

The industry statistics of the first three-quarters of 2021 point to a healthy demand and supply matrix, with record sales and new launches registering 47% and 38% growth, respectively, compared to Q3, 2020.

The year 2021 was a year of resilience and recovery for real estate in general and residential real estate in particular. The covid hit residential realty showed a phenomenal comeback post

Q2,2021, primarily driven by affordable and mid-segment housing. Residential realty will continue to get a strong push from the end-users, putting real estate on a sustained growth path.

Despite the severe setback by the second wave of the COVID-19 pandemic, 2021 was a remarkably transformative and growth-oriented year. The residential realty rode high on the conducive market conditions of strong end-user demand amidst continuously low-interest rates and attractive home prices. Both the sub 7% mortgage rates and declining home prices in major metros, as reflected in the Q3, 2021 Residential Cities Index, kept the home sales and recovery momentum going.

The industry statistics of the first three-quarters of 2021 point to a healthy demand and supply matrix, with record sales and new launches registering 47% and 38% growth, respectively, compared to Q3, 2020. Looking at the overall performance

of the residential market, as many as 1.63 lakh units of new supply were added across the top seven cities, 27% higher than the 2020 full year supply. Similarly, 1.45 lakh units were sold, 5% higher than in the whole of 2020, according to Anarock study. The largest Mumbai city saw its sales topping the 1 lakh mark for 2021 (till November), clocking 36% higher registrations against



The largest Mumbai city saw its sales topping the 1 lakh mark for 2021 (till November), clocking 36% higher registrations against November 2019.



November 2019. Registrations during the January-November period are 122 % higher compared to the same period last year.

The remarkable recovery in real estate was made possible by decadal best home affordability across cities in 2021, as reflected by the Knight Frank India Affordability Index. Ahmedabad emerged as the most affordable housing market with an affordable housing ratio of 20%, followed by Pune and Chennai at 24% and 25%, respectively. NCR has an equally good home affordability ratio of 28%, followed by Hyderabad at 29%. Mumbai is the only market where the affordability ratio (53%) is still above the threshold limit of 50%. As a result, almost 70-75% of total home sales were contributed by the affordable and mid-priced segment.

It is equally important to mention that the growing confidence of homebuyers in the under-construction property of reputed,

well-capitalized and credible developers has been keeping up sales and recovery momentum. This trend will continue, aided by new launches providing modern green and healthy lifestyle to homebuyers, keeping in mind their post-covid needs and preferences including plotted developments in group housing with amenities like a home office, terrace garden, green open areas for walking, jogging, exercising and meditation. Ready homes will continue to aid recovery for the obvious advantage of no development risk and zero GST. Though ready inventory has considerably come down, yet ready-to-sell homes of those home buyers will continue to come into the market who are upgrading to more spacious spaces.

Going ahead in 2022, what is really encouraging is that home sales volumes are already touching pre-covid levels. Though the fresh covid challenge has created concern

again, yet the bounce back by the residential realty in 2021 may well go into the new year. The lessons learnt in 2021 with respect to resilience and adaptability will stand us in good stead. The continuous affordability, supported by an improving economy and digital marketing, will keep the momentum of end-user demand. Especially with supply keeping pace with demand, there will be sustained recovery and growth, notwithstanding the anticipated increase in home loan rates.

The budget incentives in the form of GST rationalization on raw materials, an extension of tax benefits to developers and buyers of affordable housing, a continuation of interest subsidy under PMAY beyond March 31, 2022, cheaper bank funding to affordable housing and provision of single window clearance, will provide the much-needed boost to residential real estate growth in the times to come.

Cryptocurrency dilemma: What history teaches us about money, assets?



Dr Charan Singh
Chairman, ASSOCHAM National Council on Banking, Ex, Non-Executive Chairman, Punjab and Sind Bank

In view of the challenges related to cryptocurrency, including large-scale financial crimes in the short span of its existence, it is necessary to understand the instruments and the exchanges where settlements would take place.

As money and monetary instruments are highly liquid, the regulation and supervision of these commodities have to be rigorous. Multilateral institutions like Bank for International Settlements and International Monetary Fund are helping countries understand the risks associated with cryptocurrency and reach a consensus on the regulatory framework for them like they did for global minimum tax.

The norms have not been standardized yet because cryptocurrency is an immature asset class with more than 15,000 instruments, a lack of uniformity of products and constant evolution. In view of the challenges related to cryptocurrency, including large-scale financial crimes in the short span of its existence, it is necessary to understand the instruments and the exchanges where settlements would take place.

There are more than 1,500 cryptocurrencies prevailing

globally, and there is a total lack of transparency. Thus, critical factors in the present situation are the number and types of instruments, availability of the instruments, transparency of transactions, protection of the investors/consumers and redressal mechanisms. It is necessary to establish standards for crypto assets.



The risks associated with cryptocurrency should be closely monitored, given the inadequate operational and monetary framework in most jurisdictions.



The data that monitors the crypto ecosystem by identifying data gaps needs to be strengthened. Regulatory mechanisms should be established for each of the risks that crypto-assets could pose to the economy. In general, the macroeconomic policies and prudential norms of banks should be strengthened to build an inherent resilience in the economy and the financial system.

Cryptocurrencies have associated risks as unexpected changes in market sentiment can lead to sharp and sudden price movement that can have direct implications for the balance sheet of the individual or the firm. In a country like India, continent-sized with different income levels and a large segment of society that is risk-taking but financially vulnerable, uncertainty around the crypto ecosystem can harm the fragile financial stability.

Therefore, India should cautiously experiment with new and risky instruments.

These new instruments present numerous risks for banks, and so banks that acquire such assets should carefully institute mechanisms that collect monitorable data to ensure due diligence, disclosure, effective governance, risk management, and prudential supervision. The challenges of crypto assets include operational and financial integrity risks from providers in the absence of adequate disclosures.

The need is to enhance the ability to monitor the crypto ecosystem and ensure regulation corresponds with the risks crypto poses to the financial sector. The risks associated with cryptocurrency should be closely monitored, given the inadequate operational

and monetary framework in most jurisdictions. Most importantly, macroeconomic policies should be strengthened, especially in emerging markets, where crypto-assets can circumvent exchange and capital control restrictions and also destabilize capital flows.

Given that the instrument is not understood even by financial pundits, the unknown motive of the invention by unknown miners and uncertain categories of investors, it would be most appropriate if the Government and the RBI would consider constituting a high-powered committee to examine all the issues related to cryptocurrencies and then make recommendations for the Government to adopt. The fiscal and monetary authorities should not allow opaque instruments to infect the economy and the financial system.

Has COVID-19 changed the insurance sector forever?

Mr Anuj Mathur

Co-chair, ASSOCHAM National Council on Insurance, MD and CEO, Canara HSBC Oriental Bank of Commerce Life Insurance



Although a lot of advancements have been made in the field of technology and innovation, there still remains scope for AI-driven chatbots augmented by on-demand CSR chat, customer portals that are a hub of interactions vs one-way information pushes, and intelligent call centre flows creates a more engaging customer experience.

The sudden onset of pandemic and the resultant lockdowns imposed brought the economy to a standstill impacting many sectors and industries; the story for insurance is no different. It has, at large, changed the fabric of our existence and remodelled everything from business integrations to customer services.

In the wake of the COVID-19 outbreak and its severe implications

on humankind, insurance has become one of the essential financial tools to have in your financial kitty. The insurance industry has seen an alarming number of claim settlements, but customers are well aware of the security net which insurance as a product brings in with other financial assistance. Customers prefer term plans and guaranteed insurance products in the given year, keeping

in mind the up straight benefits and resistance towards inflation.

With the importance of having a good insurance product for oneself/family finally being dawned down on the end customers, there has been an increase in the uptake by new buyers opting for comprehensive insurance plans which offers them



The risks associated with cryptocurrency should be closely monitored, given the inadequate operational and monetary framework in most jurisdictions.

longer and better benefits. Existing policyholders are also increasing the insurance portion in their financial portfolios keeping in mind the uncertainty. The purchase of insurance as financial security for the family towards an unexpected contingency has also gained momentum.

In order to increase the penetration of insurance in the Indian market, insurance companies have come up with various technologically-driven innovations, including Video KYC, Aadhaar authenticated eKYC services, as also initiatives like short-term COVID-19 specific products, simplified claim process, promoted digital options for payment of premium and enabled dedicated helpline numbers for grievance redressal and more.

Keeping in line with the Government's vision of digital India, the insurance sector has also promoted the integration of insurers with the Digilocker facility so that the policyholders can access and download the policy documents directly from the official Digilocker website/app. All these changes collectively made insurance more accessible and meaningful for the policyholders, thereby giving the end consumer comfort and a deep sense of financial security. At the same time, insurers remained committed to their promises during these challenging times for providing the necessary protection.

Fortunately for the insurance industry, the efforts were supported by essential Government initiatives, strong democratic factors, a conducive regulatory environment, favourable partnerships opportunities, product innovations, and well-laid distribution channels that seem favourable for the Indian insurance sector.

As per the market trends, the new year holds a lot of promise for the life insurance industry. The increase



in the size of the global middle-class population, higher incomes, medical and healthcare inflation, and the heightened need for life protection have become the tailwinds for the life insurance industry.

The insurers will be challenged to reevaluate how they interact and collaborate with the customers, distributors, investors and other key constituencies. To ace up the game and go to the next level, a lot is required to be done in terms of developing and implementing different pricing structures, underwriting, reserving and distributing. Although a lot of advancements have been made in the field of technology and innovation, there still remains scope for AI-driven chatbots augmented by on-demand CSR chat, customer portals that are a hub of interactions vs one-way information pushes, and intelligent call centre flows creates a more engaging customer experience.

Digital advancements that provide seamless consumer experiences will further provide customized pricing and smaller risk pools

based on customer requirements. An integrated engagement platform will enable data insights and transactions across multiple industries to be used among entities, eventually leading to increased adoption of usage-based insurance products tailored to suit individual needs.

The introduction of integrated insurance solutions will eliminate the need for traditional products altogether. The implementation of automation in underwriting processes will reduce not only manual efforts but also lower underwriting overheads. Insurance agents will begin to use AI-based assistants on a routine basis to help optimize tasks and bots that recommend the best-fit deals for customers.

The future is rapidly changing with ever-evolving technologies, and that will keep altering business and social landscapes. The only way to stay at the top of it all is to be prepared with relentless and disruptive innovations. As insurers, it is our responsibility to proactively drive the change we wish to bring about.

Aviation sector – Putting one step ahead at a time

Mr Narayana Rao

Chairman, ASSOCHAM National Council on Civil Aviation, Jt MD, GMR Group



As we all know, overall aviation traffic was down by almost 66% in FY 21 compared to FY 20. While the sector recovered to nearly 80%.

Indian Civil Aviation is going through a very turbulent phase. Kudos to the various stakeholders for having resiliently fought against the ongoing crisis and the Covid-19 second wave and having brought in substantial recovery in passenger traffic in the 3rd quarter of FY22. As I type, Covid-19 has swept across the world in the form of a new coronavirus variant – Omicron – and the rising infections.

As we all know, overall aviation traffic was down by almost 66% in FY 21 compared to FY 20. While the sector recovered to nearly 80% by Feb 21, 2nd wave took away all the recovery bringing the traffic levels back to almost 15-20% of pre-Covid levels. In the same manner, while we recovered to nearly 90% by Dec 21, the ongoing 3rd wave has brought it down to almost 40% already, and it may go down further in case the infections rise.

Whilst the aviation sector was reeling under the Covid-19, both public and private sector players made joint efforts towards its recovery. Despite the aviation industry's challenges, it has witnessed new investors lining up. Under the new leadership at MoCA, the Air India sale to Tata Group was concluded. Akasa Air, a start-up airline, plans to commence its operations from mid-2022 & received a 'No Objection' certificate from the Ministry of Civil Aviation to launch operations. With the

closure of the resolution process, Jet Airways is expected to make its comeback in CY22.

Government is keen to tap into this interest from the investors and has announced privatization of 25 more airports in the next three years. AAI, as well as private airport operators, are investing significantly in new projects as well as expansion of current airports to augment facilities and infrastructure at airports



Reducing GST from the current 18% on output services of Airport operators to 12% to benefit the passengers.



The onset of the third wave has led to steep erosion of recovered traffic. In light of the same, any hope of the situation reaching pre-COVID levels of operational activity in the foreseeable future has faded, and it appears that it would take much longer for the situation to normalize. During the seesawing traffic pattern, stakeholders across the aviation ecosystem faced the challenge of flexibly deploying the capacities and keeping revenue trickling, while inherently aviation is a more fixed cost industry.

With the onslaught of the multiple waves, the challenges facing the sector are multiple. Financial losses incurred by airlines are INR 19,564 Crs and by the airports are INR 5,116 Crs in FY 21. FY 22 will not be any better with the first few months of it being severely impacted by the 2nd wave and the last few months now under the impact of the 3rd wave. No industry stakeholder is in a position to sustain and withstand such huge losses for two years in sequence, especially in the wake

of no certainty of a better future. Recovery to pre-Covid levels has been further delayed and is not expected before FY 24.

The sector is tremendously hit and is in desperate need of support from the Government to be able to continue operations. There were a few welcome steps from the Government, including the inclusion of the Civil aviation sector in the Emergency Credit Line Guarantee Scheme (ECLGS), putting airfare cap for airlines to help manage the cash flow and yield, respectively. But a lot more is desired by the sector on the financial front.

In the next phase of support, the Civil aviation sector requires Government to consider the following:

- Further modifications in Emergency Credit Line Guarantee Scheme (ECLGS) such as including Project expenses and Interest During Construction (IDC) in

the purpose, including debt under External Commercial Borrowing as part of qualifying amount for the eligibility, and being flexible on the upward revision of the limit from existing INR 200 Crs.

- Reducing GST from the current 18% on output services of Airport operators to 12% to benefit the passengers.
- Putting ATF under the GST regime, which in turn will help airline operators in cutting costs and passing the benefit to passengers.
- GST Input Tax Credit allowability/availability on Works Contract, Goods and Services on Construction of Immovable Property

While the sector is facing the brunt of the consecutive waves of Covid-19, every stakeholder needs to cautiously put one step ahead at a time to sail through this crisis.

Sustainable air travel: What's next and can India lead the way

Ms Ashmita Sethi

Co-Chair, ASSOCHAM National Council on Civil Aviation, President and Country Head, Pratt & Whitney



As an industry, we will also need to scale up the hydrogen production infrastructure, especially from renewable energy sources, to ensure the fuel is a truly “green” alternative.

Sustainable flying has been in focus for the aerospace industry for some years, and we are now witnessing a renewed sense of urgency not only with industry stakeholders but Society itself, which is driving towards a cleaner environment.

Stakeholders across the industry are developing new technologies and operating practices to maximise energy efficiency and reduce carbon emissions. That's why ensuring our current and next-gen aviation propulsion technologies are more efficient and support sustainable aviation fuels (SAFs), including biofuels, is important.

Hydrogen-fueled and electrically-powered aircraft are among the most exciting technological concepts being considered today. They have the potential to drastically reduce or even eliminate CO2 emissions in the future. These technologies are already being demonstrated on small-scale aircraft, so we are well on the way for applications on regional airliners by the late 2030s.

If and when hydrogen emerges as the preferred aviation fuel of the future, jet engine technology – fuel-efficient engines – will still be central to aircraft propulsion and is,

in fact, very well suited for hydrogen combustion. The main challenge arises from hydrogen's much lower volumetric energy density compared to standard jet fuel—you need four times as much space to carry the same amount of energy—so this requires significant changes to aircraft design. As an industry, we will also need to scale up the hydrogen production infrastructure, especially from renewable energy sources, to ensure the fuel is a truly “green” alternative.



Technologies are already being demonstrated on small-scale aircraft, so we are well on the way for applications on regional airliners by the late 2030s.



Need of the hour: SAFs and efficient propulsion

As these emerging technologies will take time to mature, we also need to look for bridge solutions for the aircraft flying today and over the coming decades—and that's where SAFs and efficient jet engines come in! Currently, 80 per cent of aircraft CO2 emissions come from flights of more than 1,500km, which will continue to rely on larger commercial aircraft powered by jet propulsion. The latest generation of commercial jet engines are already delivering 15-20 per cent better fuel efficiency than their predecessors, effectively saving millions of tonnes of CO2 in savings over their lifetimes.

This carbon footprint can be further reduced through the increased adoption of SAFs. SAFs are a “drop-in” solution, meaning they do not require any modifications to aircraft or fuelling infrastructure. SAFs are currently certified for use in jet engines at up to a 50 per cent blend with kerosene, and with further on-testing and standard-setting, we should be able to increase this up

to a full 100 per cent replacement of standard jet fuel. However, availability, price and demand for SAF are still challenges to overcome. SAF production today addresses less than 0.1 per cent of global jet fuel demand, so investment from government and industry stakeholders will be needed to expand production infrastructure and make SAFs a competitive solution for airlines in the near and medium-term.

Let us also not forget that jet engine technology still has the potential to deliver further gains in fuel efficiency and reduced emissions. We are only halfway to the theoretical limit of the jet engine's thermal efficiency. With more advanced materials that allow engines to operate at higher temperatures, and using ultra-efficient geared fan drive systems, we will be able to extract even more usable energy from every drop of fuel. As we also evolve our understanding of electric aircraft propulsion systems, hybrid-electric configurations could be used to optimise a jet engine's performance further.

Can India show the world the way?

India's commercial airliner fleet continues to grow with new and efficient aircraft, which will help reduce passenger CO2 emissions over many years. With the government and industry's current efforts to develop new routes in the regional market, we can well imagine this market will have matured by the time smaller hydrogen-fueled and electrically-powered aircraft take to the skies in the 2030s. Airline operators will require efficient aircraft eventually in order to make connectivity affordable and sustainable. This creates a great opportunity to drive policy towards accelerating SAF uptake in the short term and then have a roadmap in place for emerging technologies like hybrid-electric and Hydrogen-fueled aircraft in the longer term. There is certainly an opportunity for India, as one of the fastest-growing aviation markets, to lead the way.

The steel industry's critical role towards achieving national goals

Mr V R Sharma

Co-chair, ASSOCHAM National Council on Iron and Steel, Managing Director, Jindal Steel & Power Ltd.



The technology can be used to convert coal into syngas which can be used for producing power, petrol, diesel and other petroleum products, which can reduce dependence on crude oil.

India's economic growth trajectory is aligned with the growth of the Indian Steel Industry. Keeping this in view, the Government of India has envisioned the National Steel Policy, wherein it is expected that India will attain a target of 300 million tonnes steel-producing capacity by 2030-31. The ambitious mission

will drive India towards a USD 5 trillion economy by 2025. Under its Aatmanirbhar Bharat Mission, the Indian steel sector has been vibrant and has been growing steadily. Indeed, it is true that India's steady growth, including Steel Industries, towards its predefined target, was impeded/ challenged by the nationwide lockdown imposed because of the Covid-19 Pandemic. However, as we said in a media interview on 10th April 2020, the demand will outstrip the supply after the lockdown, we witnessed a V-shaped demand recovery in the Steel Industry post-COVID and lockdown, which has become a testament to our prediction, wherein the policy announcements made by the Government of India across sectors, including rail, road, aviation, gas pipeline, and housing changed the global supply-demand equations which resulted in record production and growth in the entire steel sector. We would like to congratulate the Government of India for providing

enough support to the steel industry for rapid growth through enabling policy support. Now, the responsibilities have been bestowed upon the Steel Industry to play their part in demonstrating discipline in capital spends and foresights of investing in the right technologies to promote environmentally friendly steel making.

As per the recommendations of IPCC (Intergovernmental Panel on Climate Change), attention needs



The coal gasification technology is aligned with India's aim to be free from carbon emission by the country's defined target of 2070.



to turn to industrial sectors such as steel to reach net-zero emissions by 2050. Major steel-producing countries have set ambitious targets to reach net-zero economics. Therefore, a revolution in steel production is within reach, with a range of solutions such as coal with green hydrogen, greater recycling of scrap steel etc.

The coal gasification technology is aligned with India's aim to be free from carbon emission by the country's defined target of 2070. The technology can be used to convert coal into syngas which can be used for producing power, petrol, diesel and other petroleum products, which can reduce dependence on crude oil. JSPL is

the first company in India to build a coal gasification plant and the first in the world to produce DRI/Steel via the coal gasification process. We feel other steel Industries can adopt such innovative practices as well.

Further, to promote Scrap based Electric Arc Furnace Steelmaking, the Government may consider the immediate rollout of the "One Nation One electricity tariff" policy so that the Scrap can be melted in different regions with uniformity in electricity tariff. The country should get power from Kashmir to Kanyakumari at below Rs 5 per unit, and only then will the electric arc furnace be viable in different parts of the country.

The Government has given vision to the industry to produce more steel and wants the country's steel production to rise up to 300 mtpa by 2030. So, each year we have to grow at least by 20-30 million tonnes in the country. We think it is a big task and cannot be achieved through brownfield processes alone; hence we need to make special efforts to set up a mega greenfield steel complex.

We firmly believe that India is destined to rise and shine. Under its Aatmanirbhar Bharat Mission, all of us must contribute and work wholeheartedly to reach the USD 5 trillion objective that we have set for ourselves.

Indian mining industry

Mr P K Murugan
Chairman, ASSOCHAM National Council on
on Mines and Minerals, President,
JSW Steel Ltd



The pursuit of rapid economic growth in the next five years under the Make in India vision aiming to become a USD 5trillion economy will require massive strengthening across all the key mining areas.

India's mining industry is currently going through a massive legislative shakeup in a generation, with the government claiming that reforming the sector is vital for the country's economic growth.

India's mining law has remained relatively unchanged since the initial legislation governing the sector was introduced in 1957, with the Mines and Minerals (Development and Regulation) Act, or the MMDR Act. In recent years, there have been various amendments to this Act, which has provided adequate flexibility to the steel and aluminium industry to ensure adequate raw material for their survival.

The pursuit of rapid economic growth in the next five years under the Make in India vision aiming to become a USD 5trillion economy will require massive strengthening across all the key mining areas.

Currently, India imports coal despite having abundant coking coal and coal resources within the country. The country has already begun to open commercial coal mining to private players in a move that will aim to keep coal imports at a low level and strengthen domestic production.

At the same time, India is exporting iron ore which is required in abundance for steel making, but with export demand giving margins to traders and miners, the commodity is making rounds at the ports.

Mining, intrinsically, is considered to be one of the most polluting industries as it not only deteriorates



Existing captive mines will be allowed to sell up to 50% of the minerals excavated during the year after meeting the requirement of the attached plant by paying an additional amount to the States.

the ecosystem for the construction of mines but also actively produces toxic materials that are dumped onto the neighbouring sites thus further polluting the ecology and increasing strain on the environment.

To stop the companies from further polluting the environment and creating awareness about the same, the government has introduced several regulations in mining activities to keep the pollution in check.

Today, the Indian steel industry is aiming to achieve 300 million tons of capacity by 2030, which necessitates over 450 million tons of iron ore and nearly 180 million tons of coking coal. This demand should be met through domestic supply. However, with the current nature of domestic coal availability and the huge iron ore exports in swing, the country's dependency on domestic minerals may have to be closely monitored and checked with the deployment of stringent policy measures.

Key Reforms in the mining sector in 2021

Boost to Exploration: The funds generated in NMET will be completely utilized for exploration, and even private players will be involved in the activity equipped with advanced exploration technologies. This amendment shall help in bringing more mines into auctions by reducing the time to reach the prescribed level of exploration before putting a block to the auction.

Transfer of Clearances: The Act also facilitates that all the valid rights, approvals, clearances, licenses granted to the lessee of a mine shall continue even after expiry or termination of the lease and such clearances shall be transferred and

vested to the next successful bidder. There are around 23 clearances required for starting a mine, and the new lessee of the mine needs to apply afresh for Environment and Forest clearances after the reallocation of the expired Mining leases through auctions.

End to the legacy issues: There are around 572 mineral concessions that have neither resulted in mining lease nor reached closure because of the saving clause under section 10A2(b). The amendment will cancel these pending cases and mines will be brought into auctions. Thus, the amendments have resolved the legacy issues ensuring a large number of mines available for auctions, which in turn will boost the mineral production of the nation.

Ensure uninterrupted supply of mineral: The amendments have also empowered the Central Government to conduct auctions where the State Governments faced challenges in conducting an auction or failing to conduct it. This reform will ensure continuous mineral supply in the country, and revenues from such blocks will accrue to the State Governments only.

No distinction between captive and merchant mines: There will be no auction for captive mineral blocks as the distinction between captive and merchant mines has been removed. Existing captive mines will be allowed to sell up to 50% of the minerals excavated during the year after meeting the requirement of the attached plant by paying an additional amount to the States.

Auction of non-producing blocks: The Bill has also made provisions that if any government company does not obtain a mining lease in the specified time, its allotted mineral block will be auctioned by the State Government.

Apart from making these amendments in the MMDR Act, the central government in recent times has also taken various initiatives to give a boost to the mineral sector like the development of a dynamic, comprehensive, transparent, market-determined index named National Mineral Index (NMI), which will help in the determination of prices for various statutory payments, uniformity across the states in the calculation of stamp duty in the mining sector, the constitution of a committee to examine the issue of double calculation of royalty.

Expectations for 2022

1. High rate of royalty viz. 15% on Iron Ore and 14% on Coal vis-à-vis Global average of 3-7%
2. Royalty on Royalty to be resolved
3. Rationalization of Stamp Duty – calculated on the rate of highest Fe-grade, unlike the actual Fe-content
4. Mineral data statistics should be updated timely
5. Remove inverted duty structure by making import duty on Iron Ore, Coal, Melting Scrap, Zinc, and other inputs to ZERO-%
6. Mandatory beneficiation plants at all Iron Ore Mine-Heads to improve utilization of low-grade ores
7. Mandatory Coal washeries at all coal blocks to improve coal quality and reduce ash content
8. Development of Jharia mines having approx. 11-BnT of Coking Coal reserves and 7-BnT of Non-Coking Coal to improve country's self-reliance
9. Non-working, unutilized, idle, and excess captive mines to be surrendered

Infrastructure Development and Finance: The way forward

Mr Jyoti Prakash Gadia
Co-chair, ASSOCHAM Haryana State Development Council, Managing Director, Resurgent India Pvt Ltd.



The initial trends are encouraging with several projects under the toll operate transfer model. We have already seen a few success stories in the road and power sector under the Invits route.

We have faced 'challenging times' due to the unprecedented situation arising out of the COVID-19 pandemic. However, our economy has shown resilience with consistent efforts being made by various stakeholders. We now expect to be on the path of rebounding

and a higher growth trajectory. Infrastructure development has a significant role to play as an enabler for the economy's sustained growth. Infrastructure development has a direct multiplier effect on the growth of other sectors like construction, steel, cement etc., for a diversified transformation of the economy.

Current Trends

The Government recognizes the role of infrastructure as a catalyst of economic development and has initiated various steps in the recent past.

The announcement of the National Infrastructure Pipeline (NIP), with an aggregate size of Rs. 111 lac crores of investment in the infrastructure sector, was the first step in this direction. This has been followed up with the announcement of the National Monetization Plan (NMP) of Rs. 6 lac crores and policy framework of 'Gati Shakti', which is a significant attempt to remove bottlenecks and bring up speed in

the entire activity towards rapid economic growth.

National Infrastructure Pipeline (NIP)

The NIP envisaged new projects and the completion of existing projects



across various sub-sectors. The major sector-wise allocation is Rs. 26.90 lac crore (24%) in the energy sector, which includes renewable energy sub-sector for Rs. 9.30 lac crore; Road sector Rs. 20.33 lac crore (18%); Urban Infrastructure Rs. 19.19 lac crore (17%) and Rs. 13.67 lac crore (12%) in Railways sector.

With yearly milestones to be achieved, a time-bound focused approach has been planned to complete the targets by 2025. While the pandemic has impacted the pace of work in the initial phase, concerned Government agencies and departments are now showing much activity towards implementation. For example, NHAI has proactively modified its procedures and evolved new models to attract more investment for expeditious implementation. The introduction of the hybrid annuity model and amendments in the concession agreement are steps in the right direction. Similarly, in the solar energy sector, SECI and NTPC play a significant role in setting up several new large solar park projects. Based on the considerable potential and current achievements, the revised ambitious target in respect of Renewable Energy of 500 Gigawatts by 2030 has been fixed.

Funding structure of NIP

The funding pattern, as envisaged, inter alia, covers 8% to 10% through Banks, 15% to 17% through infra NBFCs like PFC, REC, IREDA etc. Central & State Governments are expected to pitch in 43% to 49%, besides 6% to 8% through the bond market. In addition, the Government has taken steps to set up new development financial institutions specifically for contributing funds for the much-needed infrastructure.



National Monetisation Plan

To supplement the above sources, the Government has also announced a National Monetization Plan of Rs. 6 lac crores across various sub-sectors like Roads, Power, Railways, etc. Existing brownfield working assets are proposed to be leased out long-term for investments from private sources that are expected to bring in the requisite resources. For this innovative route like INVITS (Infrastructure Investment Trust) is proposed to be used, in addition to TOT (Toll Operate Transfer) model for the road sector and similar models for other sectors.

Way Forward

The real test is in the smooth implementation of the above blueprint in a systematic manner.

The initial trends are encouraging with several projects under the toll operate transfer model. We have already seen a few success stories in the road and power sector under the Invits route. The proposed setting up of separate INVITS by NHAI and SECI is also welcome. In addition, private equity and global funds have also shown interest in well-operated brownfield running projects /groups for significant investments.

Many opportunities are on the horizon, as a well-conceived framework has been provided for infra development and finance. With a transparent mechanism, proper valuations and enabling environment, we can create success stories across various sub-sectors, which can be replicated for overall holistic development.

India's push towards Green Hydrogen and Renewable Energy



Mr Gajendra Pratap Singh
Co-chair, ASSOCHAM National Council on Renewable Energy, Sr VP and Group Head – Corporate and Regulatory Affairs JSW



India Inc. has always played a forward-looking role in finding solutions and implementing technologies to address the impacts of climate change. Indian Industries are exploring viable green alternatives, such as solar and wind energy, replacing conventional sources such as fossil fuels.

In 2021, the renewable energy industry remained remarkably resilient. India ranked 3rd in renewable energy country attractive index in 2021. Rapid technology improvements and decreasing costs of renewable energy resources, along with the increased competitiveness of battery storage, have made renewables one of the most competitive energy sources in many areas. Despite suffering from supply chain constraints, increased shipping costs, and rising prices for key commodities, capacity installations remained at an all-time high.

In 2021, COP26 Glasgow was a landmark moment as it was the first meeting under the Paris Agreement regime. India has showcased climate leadership at Glasgow with the announcement of new and bold climate commitments by 2030 and a net-zero target by 2070. The Glasgow Breakthrough Agendas launched at COP26 have assumed greater significance. At the COP26, India is committed

to achieving 500 GW of installed electricity capacity from non-fossil fuel sources by the year 2030. Through these commitments, the Breakthrough Agendas aim to foster new opportunities and innovation by accelerating the development of clean technologies and sustainable solutions.



The country could add 121 GW of renewable capacity over 2021-2026, an 86% increase in existing capacity, making it the third-largest growth market globally after China and the United States.

India Inc. has always played a forward-looking role in finding solutions and implementing technologies to address the impacts of climate change. Indian Industries are exploring viable green alternatives, such as solar and wind energy, replacing conventional sources such as fossil fuels. Over the last few years, there has been a global surge of interest in Hydrogen as an alternative fuel owing to the wide variety of sources from which it can be produced. The time is ripe to tap into Hydrogen's potential contribution to a sustainable energy system.

Green Hydrogen Could Fill Big Gaps in Renewable Energy - A zero-carbon supplement to wind and solar

Green Hydrogen has the potential to play a key role in low-carbon energy pathways. It could enable the deployment of renewable energy across regions, seasons, and sectors. Hydrogen produced from renewable energy could feed multiple usage streams (via re-conversion into electricity, as a fuel, or an industrial input), thereby enhancing the energy productivity of renewable resources. Hydrogen fueled automobiles can complement battery electric vehicles to achieve broad decarbonization of the transport sector, improve air quality and reduce reliance on imported fossil fuels. In industry, Hydrogen can help curb emissions from processes that depend upon input materials or feedstock derived from fossil fuels, such as the production of fertilizers, chemicals, petrochemicals, iron and steel.

Recognizing that hydrogen energy will play a major role in India's energy future, the Government of India is working on National

Hydrogen Energy Mission to undertake consolidated efforts for enhancing the production and utilization of Hydrogen, primarily green Hydrogen.

Renewable Energy in India: Current Status and Future Potential

The country's installed Renewable Energy (RE) capacity stands at 150.54 GW (solar: 48.55 GW, wind: 40.03 GW, Small hydro Power: 4.83, Bio-power: 10.62, Large Hydro: 46.51 GW) as on 30th Nov. 2021, while its nuclear energy-based installed electricity capacity stands at 6.78 GW. This brings the total non-fossil based installed energy capacity to 157.32 GW, 40.1% of the total installed electricity capacity of 392.01 GW.

India is likely to add an estimated 16 GW of renewable energy over FY23, as per rating agency ICRA. The country could add 121 GW of renewable capacity over 2021-2026, an 86% increase in existing capacity, making it the third-largest growth market globally after China and the United States.

In order to achieve the net-zero target by 2070, a focused roadmap would be required. It calls for timely interventions by the government and large Capex/investments in GHG emitting sectors like power, industry, and transport. Together, these sectors emit 90% of CO2 as

per 2019 data of the International Energy Agency. Ambitious targets for COP26 open massive investment opportunities across segments stemming from 500 GW renewables by 2030, adoption of Green Hydrogen, higher EV penetration (10% by 2025), 20% ethanol blending for petrol (3x increase from current levels), improvement in energy efficiencies (battery storage, smart cities, etc.) and improvement in carbon capture from enhancing green cover and use of advanced technologies. Transmission infrastructure is becoming a key priority, especially for offshore wind. This would be a daunting task and would need massive policy interventions to ensure investments across the aforementioned sectors remain profitable enough to sustain well beyond 2030.

Being one of the fastest-growing economies in the world, India needs to find a fine balance between reduction in carbon emission and surging energy needs. As the country enters the developed economy tag over the next few years, the per capita energy consumption is set to surge multifold (with China being 4x and the US being 10x of India).

A strategic alliance to unlock the potential synergies between the government and the private sector to address these aspects would help us meet our climate goals.

Let's educate and digitally empower women to enlighten the world

India remains committed to the goal of achieving equality among all its citizens. Gender equality and women's empowerment is a prerequisite to achieving Sustainable Development Goals.

India ranks 140 out of the 156 countries in the world that takes into account political empowerment, economic participation & opportunity, health & educational attainment. The Economic Survey Report of 2020-21 touches upon many issues that directly or indirectly impact the empowerment of women in India, highlighting the role of women as critical not only across agriculture & industrial sectors but also in governance, education & health services.

India remains committed to the goal of achieving equality among all its citizens. Gender equality and women's empowerment is a prerequisite to achieving Sustainable Development Goals.

The year 2020 washed away years of significant progress made by governments worldwide in terms of women's economic & social empowerment. The Indian government left no stone unturned in overhauling the economy & providing the much-needed impetus to MSMEs. Despite India's general progress in the number of women entrepreneurs in the country, there remains a considerable gender gap that needs to be closed.

Some of the schemes which were launched during 2020 are:

Beti Bachao Beti Padhao: Focuses on health & education of the girl child, addressing social barriers responsible for negligence in the first place & increasing availability of funds to tackle them.

Nai Roshni: Scheme for leadership development of minority women skills women from minority backgrounds on legal rights, life

skills, health & hygiene, advocacy for social & behaviour change etc.

DISHA is designed to provide an integrated enabling & supportive framework for gender mainstreaming of women in Science, Technology & Innovation



The health care system needs to cater to the gender needs of women beyond their role as mothers & caregivers as well.

Vision 2022

- Addressing the gap between policy commitment & allocation for women & girls through adequate resource



Dr Blossom Kochhar
Co-chair, ASSOCHAM National Council on Empowerment, Chairperson, Aroma Magic



Ms Ira Singhal IAS
Co-chair, ASSOCHAM National Council on Empowerment Joint Director, National Commission for Women Government of India



Mrs Upasana Arora
Co-chair, ASSOCHAM National Council on Empowerment Chairperson, Yashoda Superspeciality Hospital



allocation & gender-sensitive programme formulation & implementation

- Gender audits of public expenditure, programme implementation & policies.
- Emphasizing & advocating for setting up of gender budgeting structures & mechanisms in all the ministries & departments of the government;
- Initiating the exercise of gender auditing of existing programmes.

Digitally Empowered

- User-friendly APP may be developed to provide a comprehensive one-stop digital solution to all services/ facilities required by women – ranging from nutrition, health, employment, skill development, etc.
- ICT solutions may be utilized to crowd-source information to map cities & identify safe spaces for women.
- A gendered analysis of the national e-governance

schemes under implementation & make them more inclusive so that women can access e-governance services.

- Training & capacity building in accessing digital services for women & girls may be promoted through concerted efforts to help bridge the 'gendered digital divide'.

Mandatory allocation of 50% of the budget for women in all schemes may be made.

The health care system needs to cater to the gender needs of women beyond their role as mothers & caregivers as well. Healthcare services for women throughout their life cycle need to include services for non-communicable diseases, menopausal health, mental health & health services in the aftermath of sexual & gender-based violence, including dowry-related violence, acid attacks. Sex-disaggregated data collection on a single unified portal will lead to better planning and implementation of women-centric health interventions.

EDUCATION at the cusp of a giant leap!



Dr Prashant Bhalla
Chairman, ASSOCHAM National Council
on Education, President, Manav Rachna
Educational Institutions

ASSOCHAM's National Council on Education in the year 2021 brought together stakeholders in a series of deliberations on the allocation of funds, new initiatives, improving the gender parity index, reaching the untapped areas and improving the quality of lives of the people of the country.

The future of education looks as promising as never before, with the two years of the pandemic paving the way towards newer possibilities and innovative dimensions in learning. Technology as a useful asset has transformed the education sector with pedagogical tools. The country's National Education Policy 2020 brought in many structural and functional changes, including major reforms in higher education, increased focus on academic, research and skills – with the vision of making 'India a global knowledge superpower'.

The Education sector in India continues to be a strategic priority for the Government. There have been measures towards improving the quality of education, focusing on skill development, improving teaching and research outcomes, emphasizing job creation, and creating an ease of business environment to promote entrepreneurship. The Government has allowed 100% Foreign Direct Investment (FDI) in the education

sector. From April 2000 to June 2021, FDI equity inflows stood at US\$ 6,154.87 million. In the light of the above, ASSOCHAM's National Council on Education in the year 2021 brought together stakeholders in a series of deliberations on the



It was reiterated through several stakeholder meetings that earning a degree must be followed by lifelong learning. This requires institutions to create a self-development mindset in their students as well as their faculty and staff.



allocation of funds, new initiatives, improving the gender parity index, reaching the untapped areas and improving the quality of lives of the people of the country. The NEP 2020 Knowledge Series on Transforming Higher Education saw deliberations between erudite academicians and leaders across India. The National Web Series on NEP 2020, in association with AICTE, comprised pertinent discussions on bringing technology into education. Through several other conferences, webinars, talks and Summits, ASSOCHAM National Council of Education extended help in making policies for the Education Sector. It also worked with the educational institutions, educationists and stakeholders to take up their issues, challenges and recommendations to the concerned agencies for quick and meaningful resolution.

It was reiterated through several stakeholder meetings that earning a degree must be followed by lifelong

learning. This requires institutions to create a self-development mindset in their students as well as their faculty and staff. Classrooms must leave opportunities for teaching self-learning skills so that students can continue to learn and engage in their chosen fields.

As per reports, India's EdTech market is expected to reach ~US\$ 3.5 billion in 2022. Institutions globally have switched to digitized education and are looking at the online or hybrid modes of learning as a long-term strategy. Understanding that EdTech is the growth engine for the Education Sector, the National Education Council of ASSOCHAM shall institute an EdTech Council in the year 2022 that shall bring together all major EdTech companies and stakeholders from Institutions to collaborate and share best practices.

For a more significant share of voice and strengthening the Council's

contributions towards policy making and recommendations, multi-fold events have been planned in 2022 in collaboration with the Ministry of Education, AICTE, UGC, and other regulatory bodies. Inspiring an atmosphere of excellence and to felicitate those who have made significant contributions to grooming the country's future leaders, ASSOCHAM's flagship event: 15th International Education Leadership Summit, Expo & Awards 2022, shall be organized in April 2022.

I must confess that while technology takes over learning, what remains at heart is empathy, kindness and the virtue of giving back to society. Imbibing learning from the previous year, 2022 will open up children to the real world with more compassion as they will understand the value of many people, they missed all through their home studies.

ReNew
POWER

A global change-maker innovating to mitigate climate change

Thanks to our partners Sun, Wind and Nature

After a successful 10-year journey, we have entered the list of top 10 global organisations that are changing the world. This recognition by Fortune magazine is a testament to ReNew team's concerted efforts in reducing India's carbon footprint while empowering the communities we work with. We are at the vanguard of helping India increase its non-fossil fuel energy capacity to 500 GW by 2030. As a leading renewable energy company, we remain committed to preserving the planet for future generations. This, as long as the sun shines and the wind blows.



10+ GW | 100+ sites | 1,00,000+ jobs | 10th largest RE developer globally | 1.8% contribution to India's power capacity

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Onwards and Upwards

Mr Pratik Jain
Chairman, ASSOCHAM National Council on Indirect Taxes,
Partner, Price Waterhouse & Co LLP



The Government demonstrated renewed commitment to undertake relief measures and reduce the compliance burden on taxpayers.

With the dawn of a new calendar year, the nation hopes for a turnaround in what shall hopefully be a post-pandemic year. While India continued its fight against the COVID-19 pandemic with vigour, especially in the face of a deadly second wave earlier this year, the Government demonstrated renewed commitment to undertake relief measures and reduce the compliance burden on taxpayers. These included measures in the form of extension of GST rate

concessions on certain Covid-19 treatment drugs up to December 31 2021, the exemption on the transport of goods by vessel and air from India to outside India up to September 30, 2022, and the deferment of e-invoicing requirements for taxpayers with turnover below 50 crores. An Amnesty Scheme was also introduced for waiving late fees for pending returns from June 1, 2021, to August 31, 2021.

The Government also introduced several measures to curb potential litigations, viz. delinking invoice date with debit notes and the clarification on levy of interest on net cash liability and released circulars clarifying the position on critical issues such as distinct intermediary persons. Welcome measures such as allowing transfer of the unutilized balance of IGST/CGST cash ledger between distinct persons were also brought in, and it is hoped that the same will also be allowed for unutilized balance in the credit ledger.

We also take this opportunity to reflect on the measures that can drive the maturity of the indirect taxation of law in India.

Need for constitution of the GST Appellate Tribunal

The constitution of the GST Appellate Tribunal has been delayed



Many FTAs, particularly the much-anticipated India-UK FTA and the India – Taiwan (for setting up semiconductor manufacturing hubs), may be signed.

by four years since the promulgation of GST. It was anticipated that same would be redressed in 2021 by undertaking necessary legislative changes as the taxpayers have no remedy against inter alia the inaction on the part of the department for not disbursing the refund amount, owing to the non-functioning of the GST Appellate Tribunal.

Amnesty Scheme for customs/GST

There exists a need to introduce a scheme for assessment-related aspects as several interpretational and operational issues remain unsettled and awaiting finality before High Courts and the Supreme Court. The Scheme as proposed must provide a complete waiver of interest and penalty and entitlement of ITC beyond the September deadline for previous years as the desired mechanism for availing and matching on the GSTIN was not operational. The power to provide a waiver of interest, in case of genuine or interpretation, should also be provided under Section 50 of the CGST Act.

Need for GST rate rationalization

The buoyant GST collections due to post-pandemic recovery and better tax administration have spurred the formation of a Group of Ministers for GST rate rationalization. This suggests the merger of the current four GST slabs to three and phasing out of many exemptions to enhance revenue collections. Similarly, wherever there is an inverted duty structure leading to loss of domestic manufacturers to domestic business, that needs to be corrected.

Rate recommendations

In sync with 'Atmanirbhar Bharat', customs duties on raw materials

and components may continue to be lowered, with a higher tariff on finished goods. Robust excise duty collections may continue unless steep global crude prices compel further rate cuts. Also, given India's commitment towards cutting its emissions to Net Zero by 2070, a realignment of taxes on sustainable/green energy supply chain is imperative.

Early Harvest Agreements/ FTAs with Multiple Trade Partners

Many FTAs, particularly the much-anticipated India-UK FTA and the India – Taiwan (for setting up semiconductor manufacturing hubs), may be signed. Such measures should also be augmented by the PLI schemes for containers and semiconductors.

Clarity on Export Benefit Schemes

The suspension of export linked benefits under the MEIS and SEIS on allocations had dented spirits significantly. This was a double blow as the benefits rates notified under the 'Remission of Duties and Taxes on Export Products Scheme' put in place in January 2021 require recalibration given robust global demand. It is also incumbent that the Government release allocated funds for MEIS, provide clarity on the continuation of SEIS benefits or introduction of a new scheme oriented towards service exports and continuance of seamless refund of IGST to ease working capital blockage.

Enforcement of best practices for tax administration

The introduction of Rule 86A providing for suo moto blocking of input tax credit and lack of uniformity around it has resulted in great apprehension as the



provision equates to the principles of fraudulent and ineligible credit. It is incumbent upon the Government/GST Council to roll back the power granted to field formations under this rule.

This year, the Apex Court, in the case of Paramvir Singh Bains v. Baljit Singh and others, ordered that offices carrying out interrogation, with the power of arrest, should have video recordings and a detailed process on recording and preservation be maintained. It was anticipated that all agencies working under the Ministry of Finance, such as DRI /DGGSTI, etc., should incorporate similar assessee-friendly measures. To this end, the Bombay High Court in Aje India Pvt. Ltd. v. Union of India And Ors. Writ Petition (ST) No. 97165 Of 2020 came down heavily on the action of the Revenue in attaching bank accounts is not commensurate to the level of aberration /non-compliance detected. It is thus necessary that the provision of section 83 be ring-fenced to avoid disruptions.

As we move into another calendar year and the trade has bounced back in terms of industrial activity, it is de minimis that all government /GST Council actions contribute to healthy growth and cooperation so that the trade grows, and so do the coffers of the Government.

Global corporate taxation redefined and what this means for India



Mr Rakesh Nangia
Co-chair, ASSOCHAM National Council on International Taxation, Chairman, Nangia Andersen India

The transformation of the international tax system will also bring along additional compliance requirements on MNEs by way of a 'GloBE Information Return'.

One of the two main prongs of the framework adopted by OECD/G20 members to address the prime concern of taxation of the digital economy is the 'Global Minimum Tax' regime. It essentially aims to quell the shifting of profits by MNEs to low or no tax jurisdictions by eliminating extreme tax competitions among countries. The covenant does not take away a country's prerogative to

set its corporate tax rates, but if companies shift profits to low/no tax jurisdictions, their country of residence will get the right to 'top-up' their taxes to the agreed global minimum tax rate of 15 per cent.

Newly released GloBe rules

The OECD has lately issued model rules to assist the participating jurisdictions in effectuating the Global Minimum Taxation regime into their domestic legislation. The rules have reiterated the scope of the regime by stipulating that all constituent entities of an MNE group with annual revenue of EUR 750 million or more in at least two of the four fiscal years immediately preceding the tested fiscal year shall be subjected to the 15 per cent tax rate.

The rules will also apply to joint ventures (JVs), multi-parented MNE groups and also in cases of mergers where involved entities are brought under common control. Pertinently, the OECD's release has dealt

substantially with the nitty-gritty of the application of GloBe rules to such special categories of entities. However, specific categories of entities, viz. government entities, international organizations and non-profit organizations, and entities that meet the definition of a pension, investment or real estate fund have also been kept out of the scope of the GloBe rules.



The Budget 2022 is approaching and is likely to unfold amendments in the Indian tax code to operationalize the 'Global Minimum Taxation' regime.



The rules have also addressed the most critical consideration, i.e., the standard base or the taxable income, which shall be subject to taxes under the finalized regime. In order to ascertain an MNE's income or loss, significant adjustments will be required to be made to the financial accounts. This has been prescribed to align the financial accounts with tax purposes.

Importantly, gains or losses from disposition of assets and liabilities, any asymmetric foreign currency gains, dividends, equity gains, international shipping income shall be adjusted in the computation of GloBE income. Besides the foregoing adjustments, a substance-based income exclusion stipulated at a total of 5 per cent of the payroll costs for eligible employees and 5 per cent of the carrying value of tangible assets located in the jurisdiction will also be made. Thereafter, the top-up rate, i.e. the difference between the 15 per cent minimum rate and the Effective Tax Rate (ETR) in a jurisdiction, will be applied to an MNE's income. The Ultimate Parent Entity or Intermediate Parent Entity of an MNE Group, having an ownership interest in a low-taxed constituent entity, will have to first admit liability of payment of its share of top-up tax of the low-taxed constituent entity.

The residual amount of top-up if any, will then be allocated under the Undertaxed Payments Rule (UTPR).

The transformation of the international tax system will also bring along additional compliance requirements on MNEs by way of a 'GloBE Information Return'. The Constituent Entity or Ultimate Parent Entity or the Designated Filing Entity will be obligated to file the return in a standard template with the tax administration of the concerned jurisdiction no later than 15 months after the last day of the Reporting Fiscal Year. However, as a transitional relief, the return will be allowed to be filed no later than 18 months after the last day of the transitional fiscal year.

Work to be done by India

In the absence of global consensus on taxation of the digital economy, India resorted to unilateral measures such as Equalisation Levy (EL) and Significant Economic Presence (SEP) to tax digital businesses participating in the Indian economy but not meeting the physical nexus requirements. However, these provisions were not well-received by businesses and Governments across the world. The US Trade Representative (USTR) office had alleged that the

equalization levy introduced by India was discriminatory against US digital companies and was inconsistent with principles of international taxation.

In view of such contentions, India has tremendously endorsed the coordinated approach. It was already principally aligned with the Pillar Two proposals and is one of the 137 countries signatory to the new global tax regime.

Pertinently, the adoption of OECD's framework entails the withdrawal of unilateral digital services tax measures. Due to such a requirement, India has confirmed that the EL will apply to US companies until a global agreement on the taxation of multinational enterprises comes into effect on 31 March 2024, whichever is earlier. In response, the USA has agreed to terminate the trade tariff actions it had announced given the levy of EL.

Since the Rules are likely to come into force in 2023, India will also have to incorporate GloBe rules into the domestic legislation in 2022 itself. The Budget 2022 is approaching and is likely to unfold amendments in the Indian tax code to operationalize the 'Global Minimum Taxation' regime.

Income tax: reflections on 2021 and knocking the door of 2022

Mr Rahul Garg

Chairman, ASSOCHAM National Council on Direct Taxes, Partner, PwC India



Given the momentum of reforms to create attractive certain investment climates, a landmark moment was the passing of the Taxation Laws (Amendment) Act, 2021, wherein the Government nullified the retrospective effect of the indirect transfer taxation introduced in 2012 for the greater good.

2021

The Government, taking a pragmatic view of business disruption due to the pandemic, extended the timelines of statutory processes through the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020. However, certain aspects thereof witnessed instances of executive overzealousness that resulted in possibly avoidable litigation. Section 148 of the Income-tax Act, 1961 (the Act) is a case in point.

Given the momentum of reforms to create attractive certain investment climates, a landmark moment was the passing of the Taxation Laws (Amendment) Act, 2021, wherein the Government nullified the retrospective effect of the indirect transfer taxation introduced in 2012 for the greater good.

A far-reaching amendment introduced in Budget 2021 was the derecognition of goodwill as a depreciable asset with retrospective

effect from 1 April 2020. This was clearly against the Government's professed principle of avoiding retrospective tax legislation and is expected to usher in a series of new litigation.

Moreover, the tax deducted at source (TDS) and tax collected at source (TCS) provisions have remained embroiled in the mires of confusion and overlapping. Similar sounding provisions have been



Financials of companies under the same group should be consolidated to pay taxes in India so that the tax base and economic profit can converge.

introduced in both TDS and TCS, making it extremely difficult for businesses to understand what the law wants of them. The new section 194Q and its counterpart section 206C(1H) introduced last year are being referred to here. Given the ability to track transactions through extensive digital reporting requirements and the large refunds after TDS that block the working capital of businesses, it is time to give a harder look at the need for wide TDS and TCS provisions. That is, it is now time to say goodbye to TDS and TCS to track and trace transactions; instead, digital data, which various agencies already possess, should be used to track, trace and even seek to report.

The experimentation with faceless assessments has led to tremendous litigation, mainly because of the failure of natural justice. Therefore, it would be helpful to issue dynamic guidance to field officers and taxpayers so that such litigation can be minimised. The recently announced faceless appeal making hearing opportunities mandatory at the request of taxpayers was a much-needed change.

In the international forum, a milestone for 2021 was the agreement among about 140 countries on a framework to ensure minimum taxation of multinational enterprises. Before such agreement was reached, the Indian Government made changes to the domestic law regarding the form of a significant economic presence and expansion of the scope of equalisation levy. It is expected that both these changes would go by the final global agreement in this regard and lend further certainty to the investors and taxpayers.

Expectations: 2022

There are expectations that the Government will address the



suggestions made by the industries at large in the 2022 Budget, providing certainty, a competitive tax regime to all taxpayers and much less burdensome compliance requirements for small businesses.

Section 115BAB

The beneficial tax rate of 15 per cent should be extended to existing companies that make additional investments and employ labour beyond the thresholds (e.g., invest at least INR1,000 crore and employ an additional workforce of at least 250) and companies that have set up their operations until 31 March 2025.

Taxing of economic profits

The concept of group taxation should be introduced. Financials of companies under the same group should be consolidated to pay taxes in India so that the tax base and economic profit can converge.

Moreover, artificial pricing conditions should be enforced. For example, the slump sale should be done away with. Similarly, section 23(4) of the Act, which provides for the computation of notional income on houses deemed to be let out, should be repealed.

Taxation under the minimum alternate tax should be rationalised by excluding all incomes not subject to tax or taxed at a lower rate., e.g., dividend.

To attract investment from the Indian diaspora, it is worth ensuring that such investors are not disadvantaged by bringing their global income to tax at least for a decade.

Our commitment to the climate and ESG

We should consider encouraging businesses by allowing higher depreciation or amortisation on capital expenditure on the adoption of technology and the change in business models that further the environmental, social and governance (ESG) cause.

Given that tax is a key marker of societal contribution, a framework should be considered to recognise corporate taxpayers and transparently make available reliable information on their total tax contribution to the variety of stakeholders, investors, lenders, community, other regulators and policymakers.

Weaving India's growth story

Ms Dipali Goenka
CEO and Joint MD
Welspun India Ltd



Women are naturally dexterous, being able to multitask with great ease, and so, the textile industry lends itself very well to providing employment to women. The social impact of engaging women in the textile industry is promising in the long run.

The textile industry today stands at the cusp of transformation – in the way that the industry employs, operates and delivers. Welspun India is humbled to be a part of this transformational journey and help

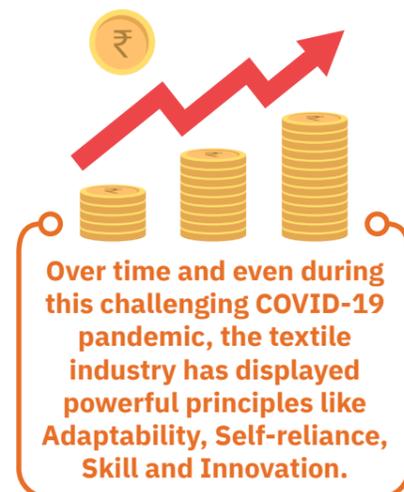
put India on the world map as the global leader in Home Textiles.

The textile and apparel industry is one of the biggest growth drivers of India's economy, with a 5% share of the country's GDP and a 12% share of India's exports. The industry is also the second-largest employer in India. India needs to create 90 Million non-farm jobs by 2030, and the Textiles Industry is prepared to contribute towards this goal. The employment to investment ratio for the textile sector is extremely favourable.

Unlike the engineering industry, where it takes 6 to 12 months to have a skilled fitter or welder, in the textile industry, we can train a person to be a skilled stitcher/tailor within six weeks. Women are naturally dexterous, being able to multitask with great ease, and so, the textile industry lends itself very well to providing employment to women. The social impact of engaging women in the textile industry is promising in the long

run. Therefore, the textile sector will continue to play an integral role in the country's economic revival and offer immense employment opportunities.

Achieving that goal, however, requires strong, growth-oriented fiscal measures and policy interventions from the government. Sincere thanks to the PM Shri Modi Ji, Textile and Commerce Minister Shri Piyush Goyal and the Finance



Minister Smt. Nirmala Sitharaman for providing a long-term stable policy for the Textile Sector, which includes announcements of PLI Scheme, Textile Parks and Export incentives.

There is a strong interdependence between cotton farmers and the home textile industry. Welspun is dedicated to weaving its growth story as the fabric of the nation through sustainable and responsible practices. We are working directly with farmers and committed to supporting them on agronomic know-how, improving yields and getting better pricing.

Welspun's 'Welkrishi' initiative supports over 15000 farmers 75000 farm workers across 375 villages for growing a sustainable form of cotton, for which there is a huge demand. Such interdependence between farmers and industry must be encouraged for the welfare of the farming community. We have already made a proactive shift both in our business strategy and operating model that fulfils ESG principles, with a well-defined roadmap and targets.

Recently, India has taken a substantial step towards regaining its dominance in the Global Textile Trade with the introduction of the Production Linked Incentive Scheme with an approved outlay of Rs. 10683 crore over a period of five years. The main objective of the Scheme is to attain the scale of economies, particularly in the field of MMF apparel, where the Indian share in the global market is very negligible, contributing to just around 1% of the market share. The Scheme intends to give companies incentives on incremental sales from products manufactured in domestic units. It aims to promote the production of specified MMF apparel, MMF Fabrics and Technical textiles. The Scheme is expected to benefit organized players in the field of technical textiles and apparel. It will create additional employment of over 7.50 lakh people directly. With the combination of Production Linked Incentive (PLI), Rebate of State & Central taxes and levies (RoSCTL) and the structural shift in the sourcing strategy of the global retailers, India is well-poised to re-establish itself as a reliable

and competitive source for textile globally.

The recent years have brought the reimagining of the consumer experience while presenting a demand for a more agile global supply chain. We are also witnessing global companies diversifying their supply chain operations, opening a new wave of international collaboration for the industry, and adding to the growth optimism.

Over time and even during this challenging COVID-19 pandemic, the textile industry has displayed powerful principles like Adaptability, Self-reliance, Skill and Innovation. These principles differentiate us and will help us remain relevant in the emerging future. Today, India is strongly positioned to have the major share of the pie of such global changes with the presence of a complete value chain from fibre to fashion. We are excited to collaborate and leverage India's inherent textile strengths to drive the growth towards a \$5 trillion inclusive economy.

Textile & clothing industry at an important threshold



Mr Ramesh Agarwal
Co-Chair, ASSOCHAM National Council on Textile, Director Rupa Global

The textile industry thrives at a range in the development curve where the economy moves from being an underdeveloped nation to a developing one.

Indian textile industry is at a critical threshold from where it can move to a higher orbit of growth. It is well poised to create a much stronger footprint across the globe and, more importantly, meet the country's inclusive growth objective by providing employment to rural women. China which controls 35% of the global textile trade, is in the process of vacating space due to its high-cost structure and no one is better placed than India to capture

the opportunity we missed in the past.

Indian Textile Industry is a story of misses & promises. For the last two decades, India has been threatening all to become a Textile superpower; however, China, Bangladesh and Vietnam overtook us and occupied the space vacated by the developed world. We no doubt have 15% export share, 2.3% GDP share and employ 45 million people but still much below our potential.

There was a lot of hope from within and outside India after we liberalised in the early 90s, and industry learned to live without protection. However, we continued to grow at the Hindu rate of growth and saw the rest of Asia overtake us. We, unfortunately, despite having all the ingredients, could never get the correct recipe.

We had it all - most raw materials (BT Cotton revolution, PSF/VSF capacities), competitive labour,

domestic market, MFA phase-out, reasonable financing (due to Govt TUF Policy). However, it still could not build a robust industry to capture a substantial share of the global textile market except for the cotton yarn segment in the last two decades.

The saga continues, and unless we realise our folly and take some decisive steps, we shall miss the bus forever. It's well known that the textile industry thrives at a



The global outbreak of the COVID-19 pandemic had created havoc in the industry. The unprecedented rise in cotton prices has further impacted the industry.

range in the development curve where the economy moves from being an underdeveloped nation to a developing one. The decline starts once the journey to being a developed nation starts. USA, Europe, Japan are examples, and now China is in the same position. China has 35% of the global textile market and has slowly started vacating that space – this has again given India a chance to pick up the loose threads and web a strong textile industry. India is best poised to take advantage of the situation hence we are at a very important threshold – it's now or never.

Luckily the Government and Industry both realise it, and more pragmatic policies are being made to create the platform for the industry to grow. We hope that the awaited Textile Policy will be comprehensive and lay the base for the next decade of 8 to 10% real growth. Currently announced policies of removal of anti-dumping on man-made fibres, RODTEP/ROSCTL package, PLI for scaling up in MMF segment and the intention to continue with subsidy support to new investment are all clear indications of the Government's intent to ensure T&C Industry sees substantial growth and development.

The key areas to be addressed are:

- Balanced fibre policy
- Immediate steps to increase cotton fibre productivity
- Relevant Skilling of labour
- Adoption of best practises by the large unorganised segment of the industry
- Pragmatic and relevant Labour Policies to create a win-win situation for both
- Targeting product lines with high share in global trade esp. MMF based



- Special emphasis to MMF based segment, for high trajectory growth
- Signing of strategic FTAs on an urgent basis (as competition enjoys huge advantage on this count)

These few and not difficult steps could create a launch pad for increasing our global market share to 10% and by 2030 making us a USD 500 billion industry from a USD 150 billion today. It will also provide additional employment to 50 million (70% women).

300% growth in 10 years may sound stiff, but I strongly feel that this is a well achievable target and if the momentum picks up we could see this figure being surpassed. The industry isn't asking for too much, just a few things and then the rest can be left to it. Amongst other things the coming decade in India will also be known as the Textile Decade.

The global outbreak of the COVID-19 pandemic had created havoc in the industry. The unprecedented rise in cotton prices

has further impacted the industry. However, there are some key changes that can be foreseen as an aftermath of this and the industry-shaping itself accordingly.

I have been prompted to look beyond 2030 and crystal gaze to 2050, which I feel is just guessing, but I am certain that the textile industry would still continue to be a prominent sector supported by technology advancements, a large population and a strong increase in per capita income. However, real growth would slow down to 4 to 5%.

One last word, I personally feel that the industry should be part of any Policy-Making Body as who knows the industry better than those practising it. Further Policy needs to be based on realities and needs rather than lobbying. The industry needs a stable framework with checks and balances built upfront for different scenarios, leaving little room for abrupt changes that harm the general interest. Consistency is critical at both State & Central levels for the industry to plan long term investments.

Indian Animation Industry – Promising days ahead

Mr P. Jayakumar

Co-chair, ASSOCHAM National Council on Animation and Sports Technology, CEO, Toonz Media Group



But what is really interesting to witness now is how the scope and possibility of animation have grown beyond entertainment to a plethora of new sectors, thus increasing the market size of this segment.

The past two years have been both tough and transformational at once for industries worldwide. While some sectors found it hard to cope, others have thrived and flourished amidst the challenges. The Animation VFX Gaming and Comics (AVGC) industry has been among the lucky second lot. Of course, there

have been challenges. However, with agility and ingenuity, the animation industry has been able to stay afloat and even bloom.

The AVGC sector is already one of the fastest-growing industries in the world today. The Indian animation industry has also been on a growth trajectory for the past few years now. According to the Ministry of Industry and Commerce, the Indian AVGC industry is growing at a rate of 9 per cent and is projected to reach INR 3 lakh crores by 2024. This growth is primarily thanks to the massive progress in the technology front, with the advent of Augmented Reality / Virtual Reality (AR/VR) technologies, coupled with the rapid momentum in internet penetration and our burgeoning media and entertainment sector. To quote Union Minister of Commerce and Industry Piyush Goyal, “India’s AVGC sector has the potential to become the torchbearer of ‘Create in India’, with the power to project India’s creativity globally while

building Brand India.”

Our animation industry is unique in several ways. We are a much younger industry than the animation industries in the US, Europe and even some Asian countries. Yet, we have a rich legacy in media and entertainment, which has contributed to the rapid growth in a short span of time. India’s



Animation is also finding increasing application in advertising, gaming, medical technology and even some engineering fields.

rich culture and diversity offer content creators a minefield of opportunities. Unlike the early days of animation, there is a lot of demand for localised content in India today, which is evident from the astounding success of homegrown Indian IPs. Yet, many stories, fables, and legacies are waiting to be explored and retold.

But what is really interesting to witness now is how the scope and possibility of animation have grown beyond entertainment to a plethora of new sectors, thus increasing the market size of this segment. The paradigm shift brought by the pandemic in education has led to new and unique ways of teaching and learning powered by technology. Clearly, India’s EdTech sector is looking towards staggering growth in the coming years. The animation industry will have a significant role to play in this growth by creating excellent learning resources. Besides this, animation is also finding increasing application in advertising, gaming, medical technology and even some engineering fields.

This widening scope has made animation a much sought after and lucrative field for employment. Animation, Computer Graphics and AR/VR have consistently featured among the top 10 in-demand future skills. NASSCOM’s Demand-Supply Analysis report for Future Skills talent in India released in October 2020 revealed that India’s demand for Digital Talent jobs is approximately eight times larger than the size of its fresh talent pool. By 2024, this demand is expected to become 20 times the available fresh talent pool.

We have a plethora of new animation and film-making schools in India to bridge the talent gap. But there is also an increasing trend of

youngsters looking abroad to pursue high-end courses in animation. Indian artists and animators are high on demand, both at home and overseas.

While the future looks quite bright for the Indian animation industry, there are still areas that require greater regulation and support from the government. One among them is the formulation of co-production treaties. Animation being a heavy investment sector, co-productions have now become the norm. India’s current co-production treaties with other countries are only conducive to live-action production, and it is not relevant for animation production. This needs to change.

We have a tremendous opportunity to tap here, as international studios are now eager to join hands with their Indian counterparts to produce international IPs. With our talent, high quality of work and technical prowess, it is safe to say that today Indian animation and visual effects companies have earned the confidence of global entertainment giants. However, we should also remember that we are in direct competition with several other South Asian and Asia Pacific countries as animation service providers and co-production partners. Government support in terms of grants and tax credits can go a long way in helping us stand out amongst our competitors. Besides, there are 1,000s of small studios in the urban and semi-urban regions across the country that depend on single projects for sustenance. The pandemic has been quite harsh on them. Cash flow is a major concern for all studios, especially for smaller studios. I believe that it is the collective responsibility of the industry and the animation community to support these small studios that form the backbone of our industry.



That said, I am happy to note that government support and recognition for the Indian AVGC industry has improved notably over the years. The Ministry of Information of Broadcasting under the Government of India is currently working on a draft national AVGC policy to attract greater foreign investment and build better infrastructure. The Union Government has set up the National Centre of Excellence for Animation, Gaming, Visual Effects and Comics industry in Mumbai, in collaboration with IIT Bombay. The centre is expected to launch in the next 1-2 years. The government has also allowed 100 per cent FDI in the AVGC sector through the automatic route, in compliance with the RBI guidelines. State governments across India are also working on several projects to develop AVGC parks and centres of excellence.

The animation industry in India has the power to hold its audiences spellbound. With timely support from the government, industry bodies and the animation community, we have the potential to mesmerise the whole world with our creativity and talent.

Strengthening India's global competitiveness

Mr Chintan Thaker

Chairman, ASSOCHAM Gujarat State Development Council, Group President & Head Corporate Affairs & Strategic Planning, Welspun Group



On the global stage, India's diplomatic efforts are driven by the philosophy of वसुधैव कुटुम्बकम् (World is One Family) is the true form of Globalization.

COVID-19 pandemic has once again tested the resilience of mankind, and once again, we will emerge triumphant and bring the best of human ingenuity. Disruption in Global Supply Chain, along with the changing Geo-economics scenarios, has created a humungous Opportunity for India and many other developing economies. India, with its limited resource, has demonstrated the collective strength of its citizen during this

difficult time, be it indigenous manufacturing of PPE Kits, Medical Mask, Testing Facilities, Medical Equipment, providing rations for the Lowest in the Pyramid, Vibrant Federal Democracy, and Development of Vaccines and inoculating more than 150 Crores Doses of Vaccines. In addition to protecting its population, India has acted in the world's best Interest by providing medical supplies and equipment to more than 150 Countries. On the global stage, India's diplomatic efforts are driven by the philosophy of वसुधैव कुटुम्बकम् (World is One Family) is the true form of Globalization. The policymakers' continuous evolution of decision-making to tame this unknown virus, protecting both the lives and livelihood based on the best available scientific information and interpretation, has validated the capacity of the present dispensation of the administration. This pandemic has further strengthened the impetus on the development of the country's health infrastructure and developing infrastructure for further

deepening social equality in society. I am sure these have demonstrated the potential of India as a society that can contribute significantly to Global Community.

With the newfound energy and confidence, India is poised for a humungous decadal growth story. As India enters a 3 Decade period of Demographic Dividend period, it is both an exciting period and comes



The accelerated learning of the pandemic years, expertise gained in the delivery of Government Services through technology solutions will surely help in creating a more equitable society of the future.



with a lot of responsibility. India, with its diversified economic activity and the structural changes brought in the economy in the last 3-4 Years through unified Tax Structure (GST), increased formalization of the economy have already started showing the benefits for the society. India's investment in building Toilets under the Swachh Bharat Abhiyan is the largest Sanitation Program taken anywhere in the world is a testimony of the scale at which we Indians can undertake any project if we choose to do it.

Change in Global Supply has created once in a lifetime opportunity for the Indian Manufacturing Sector, and Policymakers are taking all the right steps to promote India as a Global Manufacturing Hub. With a record FDI of \$ 81.97 Billion in 20-21, from diversified sources and diversified sectors signifies the strength and confidence in the Indian economy. Indian exports have already crossed \$ 300 Billion till now we are poised to achieve the target of \$500 billion by next year.

The Government of India, push for FTA with major economies and

infrastructure development will improve the competitiveness of Indian manufacturers in the global market. World Bank estimates GDP Growth rate of 8.7% for FY 22-23, reflecting higher investment from the private sector, infrastructure and dividends from ongoing reforms. India will have to leverage further in future technology and develop the skills of its citizen to achieve sustained economic growth. Both employment and employability are an issue on which both Government and society have to work together to lift the country's citizens from the continuous web of poverty.

Today the buzzword is Global World is ESG (Environmental, Social, and Governance). India is meeting other global commitments, including living up to its climate mitigation promises. It is also well ahead of the target to achieve other ambitious commitments such as making renewables 40% of its energy mix by 2030 and managing the sequestration of 2.5 billion tons of carbon. India has further committed to achieving net-zero emission by 2070, and this will require a huge

investment in Green Technology. Besides investment by Government, private investment decision-makers are taking into account Green Technology as a part of their preference, which is a notable change towards sustainable growth compared to the last decade.

The accelerated learning of the pandemic years, expertise gained in the delivery of Government Services through technology solutions will surely help in creating a more equitable society of the future. The current administration's efforts to promote digital empowerment and last-mile financial inclusion are especially noteworthy. Under the auspices of a government-backed digital payment system, millions of poor, unbanked families have entered the formal economy and can now access basic financial services. No amount of economic development will be justifiable if we are not able to uplift the well-being of the last man of the country, and we have to continue to work towards achieving this objective.

Corporate governance in India amid disruption

Ms Preeti Malhotra

Chairperson, ASSOCHAM National Council for Corporate Affairs, Company Law and Corporate Governance, Chairperson, SMART Bharat Group and Past President, ICSI



Significantly, good corporate governance starts with an expansive view of corporate diversity, including gender, age, ethnicity, skills, knowledge, & experience.

The COVID-19 pandemic has induced an overhaul of society, business, culture and ideology. On the one hand, it has quickened the pace of digitalization, helping businesses become more cost-effective and productive; on the other, it has coerced a restructuring of global supply chains and created an inward-looking political outlook

that may not be optimal for business growth. The 'net effect' of COVID on business is still evolving – and as companies rush to make sense of our new environment – our key focus should be on developing a robust framework for navigating and thriving in a world mired with ambiguity.

In such times it was imperative for companies to revamp their existing corporate governance framework to ensure organizations remain competitive, relevant and successful in the new world order. This wave of external forces has to be specially understood by organizations with global or regional footprints, particularly by their Board of Directors. In 2020, the world was largely under lockdown. In 2021, as businesses adjusted to the new normal, boards were evaluated and judged on how they reacted to the crisis in terms of disclosures, communication, planning, and mitigation while adhering to the highest governance standards. In addition, companies were also

required to keep up with the dizzying pace of compliance law change as government policies also evolved in response to a highly dynamic and unprecedented situation.

In 2022, the learnings from these turbulent years will be put into practice. New governance trends, best practices and policies have emerged. I see the following emerging trends in governance:



CSR is not just about charity anymore; it is about making a commitment to society and becoming a flagbearer of best practices.



Social responsibility: In an increasingly conscientious world, public expectations and scrutiny of businesses have increased sharply. CSR is not just about charity anymore; it is about making a commitment to society and becoming a flagbearer of best practices. Companies are re-evaluating their purpose to create sustainable stakeholder value.

Adaptability: To thrive in an exponential world, companies need 'AQ' – i.e., the adaptability quotient more than they need IQ to create environments that encourage knowledge flow, diversity, autonomy, risk-taking, sharing and flexibility. Political, technological and social risks have to be integrated into enterprise risk management frameworks by recruiting individuals with relevant experience to improve enterprise resilience. These people, designated as Chief Adaptability Officers, should work cross-functionally to identify, assess and mitigate these risks.

Emergent technologies: The use of Artificial Intelligence, quantum

computing, 5G, Global gigabit networks, Blockchain etc., is already reinventing the business ecosystem, and governance will have to match its pace. Furthermore, the development of AR/VR enabled metaverse, and the advancement of data-rich technology is set to supplant human capital. The pandemic hastened a global shift towards E-commerce platforms that have thrown open new security and governance challenges that must be addressed. AI is a double-edged sword. AI-driven corporate governance software can pinpoint gaps in compliance and encourage proactive resolution; conversely, as human capital is replaced by technology – boards will have to develop new rules to govern these new 'employees'. Already there is futuristic talk about appointing AI as board members. Irrespective, companies will have to interact with artificial intelligence systems that not only have immense knowledge but also can make ethical business decisions not influenced by others.

Significantly, good corporate governance starts with an expansive

view of corporate diversity, including gender, age, ethnicity, skills, knowledge, & experience. Studies have proven that companies governed or managed by women have displayed a stricter adherence to corporate governance policies and practices. In addition, the inclusion of fresh talent and younger employees at the key managerial employee level can infuse wholesomeness and a culture of innovation, enabling companies to align themselves better to change.

Corporate India is a microcosm for global corporates, growing with the world. It is up to us to define the pace of this growth. The critical factor for good governance has always been developing a system for exercising power and control based on core principles of fairness, accountability, responsibility, and transparency. Disruptive, transformative changes in society can change the path to good governance but not its ultimate goal.

India and its emergence as a Cynosure in rapidly changing global sweepstakes

Mr Gautam Bali

Chairman, ASSOCHAM National Council on Direct Selling, MD, Vestige Marketing Pvt Ltd



The Indian direct selling industry has embraced for itself an inspiring vision, i.e., to make “India: A Manufacturing Hub of Asia”. Its close integration with the MSME sector has had a positive bounding for the Indian economy, as it is generating direct and indirect employment at a steady pace every year.

Today, India is evolving as a confident nation, which is making its presence felt in various global arenas. Encouragement from various socio-economic spheres and technology fronts indicates that India has the potential to land immense opportunities for all its stakeholders. Brand India has been captivating the world with its soft power, which is Cricket, Cultural Heritage and Bollywood.

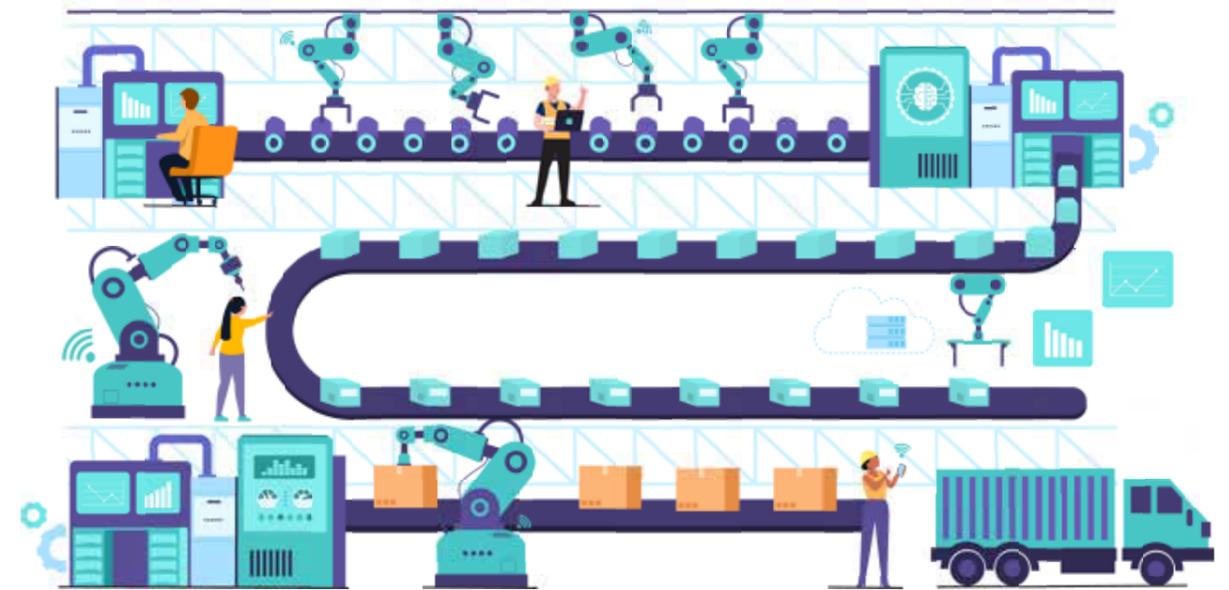
Due to the immense popularity of cricket in India, the term “cricket diplomacy” came into vogue. There has emerged a trend among world leaders, who visit India on a strategic business tour to practice cricket diplomacy by holding a cricket bat in their hands, which showcases their deep respect for India’s fascination with this sport.

India has a much-diversified industrial base with strong demographic bandwidth. Our policy makers need to leverage India’s economic potential by proactively recommending economic policies

which will position it as an attractive destination for the investors. Parallely, it has to come up with programs and time bound incentives which will encourage Indian companies to venture in overseas markets and generate much needed foreign exchange for the Indian economy.



Economic reform signals ensuing from our country’s policy makers appears encouraging, yet there is a need to vigorously implement them on the ground which will reinvigorate its growth.



Global supply chain has been adversely impacted over the last 2 years on account of Covid-19 pandemic. It has induced a strategic rethink from the industrialized countries of North America and Europe to diversify then put in place a robust supply chain in emerging economies of South Asia and South-East Asia.

The world over, there is a strong clamour for India to emerge as an economic powerhouse. Our policymakers need to introduce a pioneering roadmap that capitalises on global opportunities that are at present being offered in the rapidly changing global economic milieu.

If India has to emerge as a cynosure for the world, then it will have to become a self-reliant nation that is closely integrated with the global supply chain. India’s direct selling industry is one such fine example. It is making steady progress towards promoting Atmanirbhar Bharat Abhiyan through integration of MSME, skill development and women empowerment.

The Indian direct selling industry has embraced for itself an inspiring

vision, i.e., to make “India: A Manufacturing Hub of Asia”. Its close integration with the MSME sector has had a positive bounding for the Indian economy, as it is generating direct and indirect employment at a steady pace every year.

The Indian Direct Selling Industry was valued at USD 3.01 billion, with a year-on-year growth of 28.3% in 2020. As per global industry figures there are 7,431,848 direct sellers in India, out of which 50% comprises of women. The industry has encouraged them to be an inspiration for their respective communities. Many women have broken the glass ceilings and have reached the highest leadership position of direct selling entities.

Millennials have emerged as the major growth generators in the direct selling industry in India. They account for 40% of direct sellers in India. These numbers are expected to rise as the youth population grows and conducts business. The Indian direct selling industry has the potential to chart trailblazing growth. All it needs is the right policy direction, which will enable

it to showcase the entrepreneurial energies of its young people on domestic & global platforms.

Economic reform signals ensuing from our country’s policy makers appears encouraging, yet there is a need to vigorously implement them on the ground which will reinvigorate its growth. Due to its market potential, India will continue to be the center of interest and mystique among global economy. Still more intent has to be displayed to build strong industrial foundations of our country.

In the year 2022, I see that India’s resilient market fundamentals will encourage global players to bring technology and investments, which will expedite the growth momentum of our economy. It will also set the stage for India to become a vibrant economic power on the global platform.

I am absolutely confident that in years to come India will have its own distinct economic growth trajectory and model which will be emulated by other developing countries world over.

Structure and Strategy of Branding & Marketing in 'New Normal'

Based on digital & sustainable development

Mr Thomas Varghese

Chairman, ASSOCHAM National Council on Branding and Marketing, Business Head - Textiles, Aditya Birla Group



Consumers' focus on sustainability has led brands to co-create value with their competitors and value chain partners by sharing best practices in their operations, supply chain, and overall consumer reach.

As marketers think about building brands during this year and beyond, the pandemic has got all marketers to one common platform, namely digital marketing and focus on sustainability. What should we take away from the pandemic? How can we enable companies to grow faster? And how is marketing being redefined in the new age?

Certain changes that COVID-19 has brought in is permanent, like the wide acceptance of the online marketplace and work from home. Health consciousness amongst the public, a higher focus on hygiene products and overall awareness amongst consumers on sustainable products, sustainable processes and the importance of social and community development. This will likely transform how businesses operate going forward. This transformation will encompass the complete ecosystems within which an organization works and, in turn, challenges how they sustain and expand their brand and customer base. Central to this concern is how businesses attract consumers and promote their offerings. A business' advertising, marketing campaigns and promotional practices will be a core focus of its ability to thrive in the future.

Consumers, off late, have become more demanding and expect the brands to offer more personalized services & differentiated products.

Technology has made the level of awareness amongst consumers much higher than ever before. How your customer perceives your brand, and the impression consumers leave on social media will decide whether your loyal customer base increases or stagnates. The power of digital marketing cannot be underestimated, and far-fetched customers can now be accessed at



Digital has the potential to create a Pareto improvement across the country, wherein every citizen gains and no one is left behind.



a few clicks making your presence grow beyond what you actually can imagine. The million-customer mark, which was once considered a milestone, will soon be revisited as some innovative brands have surpassed the milestone in less than 20 days through technology. Example Pokeman go crossed the 1 million customer mark on the 19th day.

Therefore, it becomes imperative for businesses to re-evaluate their marketing and media strategy and allocate their spending to advertising, marketing and promotional efforts that have the highest impact amongst consumers. This, in turn, will generate a sustained stream of new consumers. Brands can now understand consumer interests and expectations and respond to their demands in a time-bound fashion, thereby ensuring sufficient returns on media and digital spending.

Many marketing and advertising departments will be up to the challenge: thinking through creative and innovative marketing strategies that will navigate the business through this new normal. For brands, this would entail managing the the economic impact on all

industry sectors; facing increased competition given consumers and social 'new normal'; addressing sustainability; analyzing brand reputation issues; identifying potential new offerings needed to meet consumers expectations; focusing on creative and strategic marketing campaigns and targeted advertising and using social media effectively.

Consumers' focus on sustainability has led brands to co-create value with their competitors and value chain partners by sharing best practices in their operations, supply chain, and overall consumer reach. For example, the patents for Electric Vehicles are open sourced now as all the brands have a common objective of reducing overall carbon footprint. These practices we observe will lead to the creation of new benchmarks and standards, and only those brands that can closely associate themselves with their consumers can thrive in the long run. Added to it, the pandemic has put tremendous pressure on enterprises to sustain consumers' trust by building brand value. The changing consumer behaviour is contributing enormously to the build-up of this pressure. Significant efforts are being made to deal with

and survive the COVID-19 situation in the best possible manner and companies are going the extra mile to create brand conscientiousness. While most have taken this opportunity to provide assistance and essential resources to fulfil their corporate social responsibility, some are raising awareness on COVID-19 through innovative awareness and promotional campaigns.

India has been at the forefront of leading into the Fourth Industrial Revolution — a digitally-driven one. The post-COVID-19 era would witness an exponential increase in the digital channels through which commercial offerings would be offered. The pandemic would increase the country's role in the whole gamut of things as enterprises continue to develop digital assets and offerings. This along with the steps they take to strengthen their brand value, would help them regain growth in due course.

Digital has the potential to create a Pareto improvement across the country, wherein every citizen gains and no one is left behind. We at ASSOCHAM are committed to building for a more sustainable future.

India's legal landscape: Reflections & Expectations Reflections 2021



Mr Suman Jyoti Khaitan

Chairman, ASSOCHAM National Council on Legal Affairs and Regulatory Reforms, Founder and Managing Partner, Suman Khaitan & Co., and Khaitan & Partners, Advocates

The Hon'ble Supreme Court also paved the way forward for initiating CIRP against personal guarantors to Corporate Debtor by upholding Notification dated 15th November 2019 issued by the MCA.

With the continued impact of the COVID-19 pandemic, which made a come-back in the form of the second wave around April 2021, the legal structure and framework had to be adapted accordingly. Courts, including the Hon'ble Supreme Court, High Courts, and Tribunals, continued to function with a hybrid method of hearings, i.e. both virtual and physical hearings, for the most part. Compliances, including filing

Annual Statements and Statement of Accounts & Solvency by Limited Liability Partnerships, Reconciliation of Share Capital Audit Reports by unlisted public companies, filing of Annual Returns and accounts by companies, etc. all stood extended by way of several circulars and notifications issued by the Ministry of Corporate Affairs ('MCA'). MCA has vide Notification dated 15th June 2021 omitted Rule 4 of the Companies (Meetings of Board and its Powers), thereby allowing companies to approve Annual Financial Statements, Board's Report, etc., through video-conferencing. Extensions were also granted for the filing of GST and Income Tax Returns.

The Hon'ble Supreme Court also took into consideration the reduction in the number of cases of COVID-19 and passed an Order on 8th March 2021 ending the extension of limitation it had earlier granted vide its Suo Motu Order dated 23rd March 2020, with effect from 14th March 2020. However, in

light of the severity of the second wave of COVID-19, the Hon'ble Supreme Court passed an Order on 27th April 2021, once again extending the limitation period, which was subsequently recalled with effect from 2nd October 2021 by way of Order dated 23rd September 2021.



Several critical judgments also came to be passed in the year 2021. The Hon'ble Supreme Court, while hearing a petition under Article 136 of the Constitution of India, held that Courts cannot modify an award under Section 34 of the Arbitration Act.[1] When faced with the question of whether a person who gives a loan to Corporate Debtor without interest would fall within the ambit of 'Financial Creditor', the Hon'ble Supreme Court held that such a lender would be a Financial Creditor.[2] The Hon'ble Supreme Court also paved the way forward for initiating CIRP against personal guarantors to Corporate Debtor by upholding Notification dated 15th November 2019 issued by the MCA, in another judgment.[3]

Expectations 2022

Although the Hon'ble Supreme Court, High Courts, and several Tribunals started to resume regular court functioning by way of physical

hearing and filings, the sudden increase in the number of COVID-19 cases both in India and abroad, especially of the new variants, have led the Hon'ble Courts to resume virtual hearings and electronic filings. In view of the increasing number of cases of COVID-19 and its omicron variant, the virtual mode of hearings will likely continue for the first quarter of 2022.

There have also been many discussions and debates on several new laws, which are expected to come into effect from the year 2022. The Joint Parliament Committee on the Personal Data Protection Bill 2019 has filed its report on 16th December 2021. The Bill, as it stands presently, aims to cover not only 'personal data' but also 'non-personal data'. With the heightened concern to safeguard data and privacy, its misuse by few corporates, and development of privacy as a fundamental right, the Data Protection Bill will likely be

passed in 2022. With the passing of the said Bill, companies will have to review their privacy statements and data framework to ensure compliance.

The existing labour laws are also expected to be replaced with four Codes in order to simplify the labour laws and compliance thereto. With several of the States also having finalized the Rules for the Labour Codes, the same will likely come into effect in the coming year 2022. Since the Labour Codes seek to bring in a more encompassing framework, companies and establishments of all types and sizes will review their structure and ensure compliance.

Several other laws are also expected to be passed in the coming year, including the regulation on cryptocurrencies and assets, changes in GST rules/tariffs, etc., which will considerably impact the economy.

Industries to prepare for experiencing the implementation effect of New Labour Codes in 2022-23



Mr Manoj Sharma
Chairman, ASSOCHAM National Council on IR & HR Policies and Reforms, Senior Vice President & Head HR, Adani Electricity Mumbai Ltd.

Through these codes, the Government has ensured wage security, social security and health security, covering both organized and unorganized sectors. For the first time, the new codes cover platform workers, gig workers and fixed-term employees and their families through social security schemes.

Amidst the pandemic and subsequently lockdown in the country, the policymakers were putting their extensive efforts to initiate labour reforms and finally notified the labour codes in Sept 2020. Initially, as a part of govt's pre-legislative consultative policy, the Ministry of Labour and Employment uploaded all the draft labour codes on the websites for stakeholders and public consultation. The Ministry organized nine tripartite discussions in which all the central trade unions, employer associations, and State Government representatives were invited to give their opinions/suggestions on labour reforms. The parliamentary committee examined all the four bills, which gave its final recommendations to the Government.

Many provisions of labour laws originated in the time of the British Raj, and with elapsed time, they became ineffective and lost relevance for the future. With the augmentation of the new labour

code, 29 old labour laws have been codified into four labour codes. There are four laws in the wage code, nine laws in the social security code, 13 laws in the occupational safety, health and working conditions code, 2020 and 3 laws in industrial relations. These labour codes are intended to enhance the ease of doing business in the country, create employment, and enhance the workers' output. Over



These labour codes are intended to enhance the ease of doing business in the country, create employment, and enhance the workers' output.



90% of India's 500 million workers are in the organized sector. Through these codes, the Government has ensured wage security, social security and health security, covering both organized and unorganized sectors. For the first time, the new codes cover platform workers, gig workers and fixed-term employees and their families through social security schemes.

There are many implications of implementing these new labour codes, but a few critical ones are mentioned here. The definition of employee and worker are used together to thin down the difference in extended benefits. More PF and reduced take-home salary of employees (approx. 5%), whose allowances are more than 50% of their total salary. This will increase the basic salary of all those employees, whose basic

wages are less than 50%. This will increase the liability of overtime, leave encashment, gratuity, superannuation, NPS and any other benefit under a company policy that are linked to Basic wages. The addition of fixed-term employees, platform workers and gig workers will attract liability of benefits extended to them at par with regular workers. Organizations with a large number of contract workers in proportion to their on-roll workers will decide to make the union win to become the sole negotiating union to sign the agreements. It is expected that there would be some relief granted in related rules, and respective states might address some issues in this regard.

During the year 2021, ASSOCHAM National Council of HR & IR Policies and Reforms has actively contributed by way of representing

the pain areas of industry and various policy recommendations to the various state governments, Ministry of Labour and Employment, Government of India as well as to the Parliament Standing Committee on Labour. The contribution of members has been significant as various inputs received from them formed part of reports and publications issued by various authorities from time to time. The participation and representation of ASSOCHAM in the International Labour Organisation have been encouraging to all the stakeholders and council members.

Let's roll up our sleeves to carry out a complete overhaul of your internal processes based on the new labour code and keep provisions in your budgets for FY 22-23 for the financial liabilities arising from these changes.

Evolution of the competitive landscape in India



Mr Manas Kumar Chaudhuri
Chairman, ASSOCHAM National Council on Competition Law, Partner and Head of Competition Law Practice Group of Khaitan & Co

The Commission is mandated to engage in competition advocacy. On 20 April 2020, it jointly organised the virtual annual competition law conference with ASSOCHAM, when a few overseas experts from the EU participated in the deliberations.

The 'new challenge' of the COVID-19 pandemic, which started with the announcement of national-level lockdown on 24 March 2020 continued until the writing of this article, had slowed down the

evolution of jurisprudence of the competition law. Restoration of all-round normalcy is yet to be seen.

As a practising lawyer, it is vital to share that most courts and tribunals are still functioning in virtual mode. The virtual hearings of courts and tribunals seem to continue for some more time as newer variants of the virus keep emerging from time to time with newer challenges to everyone. Virtual hearings have their own inherent challenges.

After the initial setback, the Competition Commission of India (CCI/Commission) moved steadily and positively by adopting the virtual hearing mode from 6 October 2020 in respect of all antitrust cases instituted under sections 3 and 4 of the Competition Act (Act). Prior to adopting the foregoing, the Commission permitted parties to merger control (regulation of combination) to engage with the Commission online, including filing forms/statutory fees and 'pre-filing consultations' as and when required.

Besides these newer innovative procedural steps, on 19 April 2020, the Commission came out with an 'advisory' as per the near-identical international practices, which laid down a limited exception to some of the provisions of the Act. This enabled stakeholders to meet

The Commission is mandated to engage in competition advocacy. On 20 April 2020, it jointly organised the virtual annual competition law conference with ASSOCHAM.

the supply-demand mismatch challenge, especially in the healthcare and essential services sectors.

This advisory immensely helped stakeholders continue with their core business activities, helping some of the industry sectors to bounce back gradually. The Appellate Tribunal (the National Company Law Appellate Tribunal/ NCLAT) - the court of the first appeal for all appealable competition law orders - adopted the virtual hearing very early and streamlined the processes well. As early as March 2020, the Supreme Court of India directed all courts and tribunals in India to distinguish normal limitation period enabling parties to dispute to get sufficient and reasonable time to move courts and tribunals with extended limitation period.

With the commencement of virtual hearing in October 2020, the Commission heard counsels of parties in antitrust dispute cases in great detail spread over days. It disposed of several of such matters bypassing final orders as per the provisions of the Act. It was extremely encouraging to note that even high-level confidential matters relating to the 'leniency regime' were also taken up virtually by the Commission, and several such matters have been disposed of according to law.

The office of the Director General (DG) conducted as many as three unannounced raids at the premises of the companies suspected to be engaged in anti-competitive practices. It is an investigative tool available with the DG, but conducting such search and seizure operations during the continuance of pandemic was challenging, and the authority concluded all of them smoothly.



Merger control, especially cross-border and complicated ones, was taken up diligently by the parties with appropriate support of the Commission and approvals were accorded to the parties' satisfaction. A fast-track green channel merger clearance process was adopted in August 2019 by the Commission, and until writing of the article, at least 22-25% of merger clearances have followed the green channel route successfully. The Commission conducted quite a few sectoral market studies during this time, and to name a few (1) E-commerce, (2) Telecom, and (3) Pharmaceutical are noteworthy.

After detailed public consultation, the Commission decided to do away with assessing the 'non-compete clause' in merger control transactions, which appears to have streamlined the process significantly. The Commission has also engaged with the stakeholders and other experts, both domestic and overseas, in adopting a detailed 'confidentiality ring regulation'. When finalised, it is believed that

some avoidable delays may be mitigated.

The Commission is mandated to engage in competition advocacy. On 20 April 2020, it jointly organised the virtual annual competition law conference with ASSOCHAM, when a few overseas experts from the EU participated in the deliberations. On 23 and 24 September 2021, a two-day virtual international competition advocacy was once again jointly organised with ASSOCHAM, and it was one of its kind in recent times as eleven renowned overseas, thirty-seven domestic experts along with the Chair, Members and advisors and senior functionaries of the CCI participated as panel speakers in all the Sessions.

I trust that 2022 will usher well for Indian industry leading to a revival of the economy, especially for the MSME sector, which was the most impacted due to the pandemic. Continued compliance with competition law by corporates will ensure lesser investigation challenges under the Act.

Role of CSR towards the next horizon of economic and social development



Mr Anil Rajput

Chairman, ASSOCHAM CSR Council, Sr. Vice President - Corporate Affairs, ITC Limited

India is poised to be the fastest-growing trillion-dollar economy in the world. However, the envisaged USD 5 trillion-dollar economy by 2024-25 will be possible only when areas of rural-urban divide, poverty, malnutrition and challenges in education and health are addressed successfully.

Corporates are social entities that are linked to the external environment, and hence they have a responsibility towards the society in which they operate. In today's interconnected world, businesses play a crucial role as partners in the social development process of the country while strengthening their own corporate social responsibilities (CSR).

Over the last few years, India has seen phenomenal growth in CSR awareness and CSR consciousness. Over time, CSR has become an important aspect of Indian corporations, more so since the enactment of the Companies Act, 2013, which strengthened the country's CSR ecosystem and in barely seven years, CSR spending has crossed Rs 1 lakh crore milestone. The continued improvement in spending and reporting on CSR is indeed heartening.

With CSR becoming an integral and impactful part of the corporate

landscape, companies are now looking at how they can build a strategic fit with the community and environment in which they function. Organizations are increasingly engaging with the community at every stage, especially at the grassroots in areas of national importance such as public health, livelihood, education, conservation of natural resources etc. With India being strongly committed to the 2030 agenda on SDGs, going forward it will be interesting to see how the business community uses



Therefore, our role in promoting a healthy ecosystem for our society holds great significance at this moment in time.



CSR as a catalyst for shared growth in accomplishing these goals.

For some time now, corporates are also able to create greater value for those they aim to impact while contributing innovative solutions and skilled workforce to existing government schemes and programmes. Different companies bring different sets of expertise to the table, and when resources are combined, they can achieve much more than that can be done alone. While CSR continues to rise, one thing becomes clear – collaboration is the key if positive social change on a national scale has to be realized.

With the objective of creating an enabling environment to achieve the goals of equitable, just, and inclusive growth and development by bridging the socio-economic disparities in the 'nation building' process, ASSOCHAM's foundation for CSR has been working collaboratively with stakeholders in identifying social, developmental and environmental issues that need our immediate attention, measurable results and sustainable solutions.

Over the years, it has been driving the agenda of Swachh Bharat, Environment Protection and Sustainability, Air Pollution, Health, Inclusion and Diversity, Women Empowerment, Road Safety, Water Sanitation and Hygiene (WASH), Quality and Digital Education for All & other domains with paramount attention. Even during the challenging period of the COVID-19, the business fraternity came together to provide relief measures to the needy and stood strongly with the Government and civil societies in their fight to battle this health crisis.

Our national campaign – 'Illness to Wellness', which promotes healthy living and focuses on wellness and preventive health through holistic measures, has been at the forefront to spread awareness regarding prevention and timely management of critical illnesses, lifestyle diseases, COVID-19 infections, etc. through several interactive sessions, programs and knowledge papers in this area. The Covid-19 pandemic has completely transformed the concept of wellness, which is now being viewed in a broader

perspective of our relationship with the planet and society. Therefore, our role in promoting a healthy ecosystem for our society holds great significance at this moment in time.

India is poised to be the fastest-growing trillion-dollar economy in the world. However, the envisaged USD 5 trillion-dollar economy by 2024-25 will be possible only when areas of rural-urban divide, poverty, malnutrition and challenges in education and health are addressed successfully.

With inclusive growth now being widely recognized as an essential part of India's quest for development, the commitment of our corporates to include those sections of the society in the growth process which have been excluded in the mainstream of development will be fundamental.

At a time when we are reimagining the world we want to live in, there is so much we can do to seize this moment and create a more sustainable and inclusive nation together.

Indian chemical industries: Way forward



Mr Manish Kiri

Chairman, Chemical Committee, ASSOCHAM
Gujarat State Development Council, Managing Director, Kiri Industries Ltd.

Responsible Care has evolved over the last two decades, and there are differing requirements for Responsible Care participation and performance within national associations. Its charter establishes a set of core global commitments and processes.

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly

classified into bulk chemicals, speciality chemicals, agrochemicals, petrochemicals, polymers and fertilizers. Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for ~16% of the world production of dyestuffs and dye intermediates. Indian colourants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for a few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at the global level (excluding pharmaceuticals).

The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realization due to high prices of chemicals. India's proximity to the Middle East, the

world's source of petrochemicals feedstock, enables it to benefit economies of scale.

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025, registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute



Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China.



US\$ 300 billion to India's GDP by 2025. An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025.

The speciality chemicals constitute 22% of India's total chemicals and petrochemicals market. The demand for speciality chemicals is expected to rise at a 12% CAGR in 2019-22. The petrochemicals demand is expected to record a 7.5% CAGR between 2019 and 2023, with polymer demand increasing at 8%. The Indian agrochemicals market is expected to register an 8% CAGR to reach US\$ 3.7 billion by FY22 and US\$ 4.7 billion by FY25. In April 2021, exports of organic and inorganic chemicals increased 68.54% YoY to reach US\$ 2,288.30 million.

Growth of Chemical Industries; Effective Environment Compliance: Industrial units generating pollution in the form of liquid, air and hazardous waste are required to provide an environmental management system to minimize this pollutant to a prescribed level to discharge in the environment.

Responsible industries acquired EMS Certification under ISO 14001:2004 for better management of EMS facility and for generation of records which establish the compliance in line with the permission obtained from SPCBs.

Responsible Care has evolved over the last two decades, and there are differing requirements for Responsible Care participation and performance within national associations. Its charter establishes a set of core global commitments and processes. It requires companies to improve and report performance continuously. To be a "Responsible Care" accredited company, it is mandatory to have ISO 9000 & ISO 14000 by the company. World over, there is a shift in paradigm in pollution control and has moved from the end of the pipe to voluntary initiatives.

Energy Efficiency-Carbon Footprint: The main instrument to increase energy efficiency in industry is the Perform, Achieve and Trade (PAT) Mechanism, which is implemented under the 'National Mission on Enhanced Energy Efficiency. PAT

resembles an emissions trading scheme (ETS) and has been in place since 2012. PAT differs from traditional cap-and-trade systems as it sets intensity-based energy targets. The first cycle of the PAT scheme resulted in savings of 5.6 GW. In addition to the PAT mechanism, India seeks to launch a pilot carbon market mechanism for micro, small, and medium enterprises (MSMEs) and the waste sector. These sectors have been chosen because they are not covered by existing climate policies and currently rely on outdated technologies, meaning they have a large emissions reduction potential. The pilot carbon market mechanism was slated to go into effect in March 2019, but it remains unclear what steps have been taken in this direction.

New Processes- Emergence of Micro-reactors: The development of smaller (i.e., intensified) process equipment with production rates equivalent to those of current equipment can result in significantly improved material utilization, reduced energy and capital requirements, and safer equipment

designs. Intensification reduces the size by taking advantage of small dimension effects of heat and mass transfer phenomena (e.g., microchannel reactors) and by combining multiple unit operations into a single unit (e.g., reactive distillation). Process intensification R&D requires not only an in-depth understanding of complex thermochemical and mass transfer phenomena but also highly effective process and equipment design skills. Micro-reactors represent one of the key technologies that will enable the use of process intensification on a wide scale, but further research could lead to improved performance in particulate clogging, rapid gas evolution, and continuous flow reactions.

New Energy Forms for Thermal Processes

Progress in the computational sciences will accelerate next-generation manufacturing developments. Increasing computing power to analyze massive data sets, provide visualization and integrate finite-element analysis with biological, chemical, thermal and mechanical modelling allows scientists and engineers to study and improve the performance of technologies before expending major resources on the development. This advanced work allows early redesign, avoiding costly downtime, retrofits or failures.

Automation, Robotics, Computing, and Intelligent Systems Integrate more computational and mechanical systems, which will produce the automation and intelligent systems necessary to provide active and continuous monitoring and feedback of the manufacturing processes. This will enable greater efficiency, higher-value products, production of fewer wastes, enhanced safety and other sustainable benefits. Intelligent and robotic systems



improve worker safety by analyzing performance and by carrying out the most dirty, hazardous, and/or physically demanding jobs in the industry. They also ensure greater precision and uniformity of product. Developments in these systems can benefit our industry directly. This technology brief describes one of critical areas in need of technological advances to support sustainable growth in the Chemical Industries.

China Plus One: The Covid-19 pandemic has aroused renewed interest for the “China Plus One” strategy to enhance supply chain resilience by diversifying manufacturing activities into other countries. India stands out as an attractive option thanks to its strategic location, large domestic market, skilled labour and low labour costs. On top of these arguments, the policy offers, “Production-Linked Incentive Scheme”, announced in April 2020, is proving to be attractive to the industry.

The strategic industries that countries are seeking to re-shore, such as electric batteries (Advance Chemistry Cell Battery) and the pharmaceutical industry. Countries seeking more self-reliance in this sector will not only try to reduce dependence on China but also on India, which is one of the world’s largest pharmaceutical producers.

Importance of Free Trade Agreement: India may face challenges in reiterating the success of its first PLI scheme. However, companies from countries and regions that already have trade agreements with India may be more inclined to consider India as an alternative to China. Bilateral and Multilateral free trade agreements allow companies to enjoy preferential tariffs and avoid high-tariff trade barriers. India has signed or is negotiating free trade agreements (FTA) with more than 40 countries, including those in ASEAN (effective since 2010), Korea (effective since 2010), and Japan (effective since 2011). Industries



that are eying the Indian domestic market’s potential will also be interested in relocating to India.

Despite the FTA with ASEAN nations, the concessions are only limited. Whereas supplies from China to these ASEAN nations are against NIL duty, which impacts competitiveness. For Example, several HS Codes pertaining to Dyes and Dye Intermediates where our export items are attracting concessional tariff of up to 4.0% under AIFTA, but the same item when exported by Chinese supplier

to Indonesia is allowed at Zero duty. Due to this duty differential, there is a lack of a level playing field that adversely impacts the competitiveness of our exporters.

Road Ahead

Despite the current pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities

for the Indian chemical industry in specific segments.

Additional support, in terms of fiscal incentives, such as tax breaks and special incentives through PCPIRs or SEZs to encourage downstream units, will enhance the production and development of the industry. The dedicated integrated manufacturing hubs under Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract substantial investment.

J&K the road ahead



Mr Manik Batra

Chairman, ASSOCHAM J&K State Development Council, Director, Batra Group

In September, we met with the Parliamentary Standing Committee on Exports at Srinagar, apprising them about the critical need for dry ports, rail freight corridor and freight subsidies to boost exports from J&K. We discussed the challenges that the region faces being landlocked, with the nearest port almost 1500 KM away. Our suggestions were appreciated by the committee, who assured us of further action.

apex trade body opening their office in the UT.

Since the inauguration of our chapter, our council has been tirelessly working on various issues to boost economic growth in

J&K and assist the Government in developing new policies for the betterment of the UT.

J&K was safeguarded by many laws before becoming a union territory; one of them was an entry tax, which was abolished post status change. Many traders who could not directly sell to the consumers

previously started roadside vending of essential commodities like cement, bricks, etc. this was causing a huge loss to the govt exchequer and denting the local trade. Hence, we submitted a representation to the UT government and apprised them of this alarming trend. The Government appreciated our inputs and took immediate action against such violators. If this had gone unnoticed, it would have caused a significant dent to the economy.

In the month of March, we all were hit by the COVID-19 pandemic, and lockdowns followed. There was much confusion amongst the trade community as no one had witnessed such lockdowns before. We discussed the problems faced with the Government and organised a webinar with the Industries Department in April on the way forward and how to tackle the ongoing situation. Other than this, our members contributed to the Governor's relief fund and took up various social initiatives during this period. We organised a lot of online interactions and meetings with the administration so that everyone was well informed, and there was continued ease of doing business.

At the beginning of 2021, we organised an event to recognise the top women entrepreneurs and

social activists to mark international women's day. Other than this, in association with the Industries Department J&K, we organised a seminar on Udhyam registration and organised various camps to make the stakeholders aware of the importance of Udhyam registration.

During the second wave, we came forward and, with the help of National Health Mission and our member Mr Tapan Dubey created the jksahayak website wherein people across J&K could get a real-time status of beds and oxygen availability across various health facilities in J&K. This initiative was appreciated by the Government and stakeholders alike.

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The New Central Sector Scheme for J&K was also launched by the Hon'ble Home Minister Sh Amit Shah. It is a revolutionary scheme

and one of the best industrial schemes across India and will lead to significant Industrialisation in J&K. We have been organising various meetings between the administration and the stakeholders to take advantage of this scheme and boost the economy and employment in J&K.

Going forward, we want to work with the Government to develop an IT policy for J&K. We can be one of the top regions for setting up the IT and ITES industry due to the availability of a skilled workforce and the lower operational cost compared to the rest of the country. Having a robust IT infrastructure would also lead to employment generation in the union territory.

ASSOCHAM is also pursuing the development of a tourism circuit in the Jammu region. Approximately 10 million visitors visit the Mata Vaishno Devi Shrine every year, but unfortunately, not many of them stay back in the Jammu region owing to the lack of a tourist circuit. Developing places like Baderwah, Bhasoli, Mansar will help retain these visitors in Jammu for 2-3 days, thereby boosting the employment and economy of the Jammu region.



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As we enter into the New Year, I wish you all a very happy and prosperous year ahead on behalf of the ASSOCHAM J&K Council. J&K is the Northern-most union territory of India, consisting of two regions, Jammu and Kashmir. J&K is an important tourist destination and has been a place of attraction for tourists for centuries. The lush green forests, sweet springs, perennial rivers, picturesque alpine scenery and pleasant climate of Kashmir has remained an internationally acclaimed tourist destination. At the same time, the Jammu region – the land of temples is attracting a large number of pilgrim tourists, and the

important destination has been Shri Mata Vaishno Devi Shrine.

On 5th August 2019, the Government made the monumental decision to change the status of J&K, and on 31st October 2019, we were accorded the UT status. Following this decision, ASSOCHAM saw the importance of having a J&K Council, and our council was inaugurated On 12th December 2019 by the then, Lt. Governor Sh. G.C. Murmu, in the presence of our past president Sh. BK Goenka and Secretary General Sh. Deepak Sood. The event was attended by all top businessmen and industrialists across J&K, who appreciated India's

Uttarakhand State Council - Run to Learn and Learn to Run



Mr Surender Kumar Sharma
Chairman, ASSOCHAM Uttarakhand State
Development Council, Chief Executive Officer,
Patanjali Food & Herbal Park Pvt. Ltd.

Fostering a greater level of education and skill apart from health care and wellbeing will be the key to promoting prosperity in the rapidly globalized environment.

Uttarakhand State Council Owe its intellectual existence to the Apex Body. Aligned with the objectives, the council has a vision of becoming the support structure to its members, the industry at Large and the Government to drive the state's socio-economic growth.

Uttarakhand is one of the fastest-growing states in India due to growth in capital investments and conducive industrial policies with Tax Benefits. The state has a clean, pollution-free environment with

Proximity to the National Capital Region and under the influence region of Amritsar Kolkata industrial corridor. The state witnessed a Compounded Annual Growth Rate of 10.34% between FY 2011-12 and 2018-19 due to the growth in the manufacturing sector, which contributes to more than 33% in State GSDP.

Apart from being acknowledged as the Tourism Hub due to Snow-Covered Peaks, Rivers, Valleys, Forests and Religious Destination it has emerged as a preferred destination to Automobile manufacturing, Pharmaceuticals, Food Processing, Renewable energy, Natural Fibers, Horticulture and Floriculture, Biotechnology, Medicinal and Aromatic Plants, Information Technology and Wellness.

The Uttarakhand State was carved out of the northern Indian state of Uttar Pradesh on 9th November 2000. Since then, historic changes have been unfolding and unleashed

a host of new opportunities to forge a dynamic shift in the vision for transforming the state. The state is in the midst of a massive wave of Urbanization. How the state develops its significant human Potential and lays down a new model for growth for its burgeoning towns and cities will largely determine the shape of the future of



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the state and its people in the years to come.

Fostering a greater level of education and skill apart from health care and wellbeing will be the key to promoting prosperity in the rapidly globalized environment. The State infrastructure requirement would also be massive and would require huge investment for quality of life and quality of services and would lay the foundation for a prosperous future – a future that would impact the state and its people for generations.

Hence, amid the ongoing COVID-19 pandemic, the state council formation happened in July 2021, with the first meeting of the council members in October 2021. We are fortunate that the state council has

been entrusted with the mammoth task of acting as a conduit between the industry and the Government in the Uttarakhand state.

In line with the activities and demand of the Council members, the first successful webinar happened on ease of doing business with a focus on availability and accessibility of infrastructure for encouraging the Sustainable development in the state apart from the effectiveness of the single window clearance system and ease in land acquisition and availability of the skilled workforce.

The state is growing, and hence the council also needs to grow not linearly but exponentially. We need to learn to Run and Run to Learn. Going forward, we will enhance our

focus on policy advocacy, sector development, Food Processing, Biodiversity and Technology, IT& ITES, Tourism, Renewable Energy, Floriculture & Horticulture, Manufacturing, Pharmaceuticals and capacity building by engaging with the Government and interfacing with industry leaders from these sectors in the state.

I am reminded of the famous words "Miles to Go Before I Sleep". The council with its members will stand up to the task of building a Robust Platform to align and meet the desired outcomes for inculcating knowledge to the industry and representing their needs for a balanced industrial, economic and social development in the state.

Envisioning Uttar Pradesh as a futuristic global state

Mr Anupam Mittal

Co-Chair, ASSOCHAM UP State Development Council, Principal Architect & Director, Arinem Consultancy Services Pvt. Ltd.



The city is house to many famous Educational Institutions and world-famous Medical Colleges. Also, the city can be developed as a 'Medi-city' as the number of medical facilities is surplus according to standards. Gradually the city is acquiring its image as 'Education Hub'.

The world is developing at a faster pace, and so are its nations. India is one of the top five fastest-growing

economies in the world needs a positive direction for holistic development. The majority of Indian metropolitan and million-plus cities present an example of population dynamics in a city with the advent and accelerated growth of industrial and business centres within the city limits. Hence, there is a need for the city's comprehensive development of physical, institutional, social, and economic infrastructure according to modern and innovative Urban planning and Sustainable Development principles.

UP Government has started a programme to promote 14 cities of the state through comprehensive development. The major toolkit is Sustainable Development Goals (SDGs), which are unprecedented 'international commitment' by 193 countries with 17 goals and 169 targets and unique opportunities comprehensively covering social, economic and environmental dimensions and is expected to contribute to greater achievement human well-being. India is one signatory to achieve the Sustainable Development Goals (SDGs) by

2030. While SDGs cover the whole gamut of development areas and issues, UP has identified relevant 15 out of 17 SDGs for realizing their specific development objectives and capitalizing on their strengths. Lucknow, the Capital City, is a significant potential area along with Kanpur, which has a known industrial history, Moradabad, the brass city, Meerut, the sports city, and many more.

Also, to be noted, policies like National Logistics Policy and other industrial and trade policies play a vital role in the making. Lucknow urgently needs a Futuristic Vision aiming for the upcoming three

Lucknow, the Capital City, is a significant potential area along with Kanpur, which has a known industrial history, Moradabad, the brass city, Meerut, the sports city, and many more.

decades. It has been stated by UN-Habitat, around 40% of the world's population is currently accounted for, and by 2030, 60% of the urban dwellers in developing countries will be under the age of 18 (OECD 2020; UN-Habitat 2020a). This leads to a realization of many transformations in society with improved living standards, better education and healthcare and better life expectancy.

The Capital city Lucknow, for decades, has been known for its heritage and local trade and commerce values. Being the state's political centre, it has always been the Centre of Activities and buzz. Lucknow is known as a 'people-centric city'. Many have migrated to this place and made it their home, for they have found a 'Soul' in this city, which is often missing in other developing or developed cities of India. This 'Soulfulness' must be retained despite the modernization or advancement of the city. The local trade and craftsmanship, i.e., Chikankari, is world-famous. It must be given a face on the International Platform. The North-Western part of the Urban Agglomeration is Malihabad, known as the 'Mango Belt'. The Malihabadi mangoes are exported. This belt must be reserved, and mango trade must be enhanced.

The city is house to many famous Educational Institutions and world-famous Medical Colleges. Also, the city can be developed as a 'Medi-city' as the number of medical facilities is surplus according to standards. Gradually the city is acquiring its image as 'Education Hub'.

An advanced and Hi-Tech Educational Sectorial Development is foreseen. Educational SEZs can be an advanced program for the city. As stated by High Signatories, there is an urgent need for even large Medical colleges and Research centres. Besides these, the Government gives a new direction in the form of Industrial Lucknow

that is broadening its horizons from Gosaigunj Road to Mohan Road. Hence infrastructure facilities and industrial waste management must be taken care of.

Expressways and Defence corridors provide grounds for Logistics hub, Warehousing, Industrial development area. Brahmos Aerospace is aiming for more job opportunities in the Bundelkhand region. In-Migration has been happening and is expected to further increase with the increase in new jobs and opportunities, which calls for new housing and infrastructure needs. Lucknow is a potential magnet area to several counter magnet towns and cities in close vicinity, which are connected to several major National and State Highways easily accessible.

With the coming up of new large Industries and the IT sector, other countries are also interested in investing in Uttar Pradesh like Russia, Singapore, etc. The golden opportunity to grow on International standards is knocking on the doors. The growth pace would be fast, and a smooth flow needs to be maintained. Hence needed is an interwoven Transport Infrastructure that will Smartly and smoothly facilitate the fast-moving life foreseen in coming decades. All developments in the state must be done with Sustainability in the backdrop.

There are certain missing links that need to be addressed for the completion of expressways and State Roads. Subways and Intersection improvements can start with the seamless movement and resolving missing links of the cities. The Intelligent Integration of Smart technology with a Multi-Modal Transportation Plan is the need of the hour. The radial ring pattern needs to be modified for sectorial development. Hierarchy of roads to be managed. Expressways have already started inter-regional connectivity, surmount scope for national development as State

Capital Region. Metro Rail and BRTS would shift the cities to Public Transport to 70%-80% reducing the private transport modes.

Even futuristic water transport can be an option as Lucknow, Kanpur, Varanasi, Prayagraj, Ayodhya are blessed with natural water resources as rivers that connect cities well. Amidst all these advancements, Walkability is the focal area and promoted in major Public and Heritage areas. This can further be strengthened through Non-Motorized Transport. Here we can see TOD (Transit Oriented Development) needs to be considered.

Uttar Pradesh's cities lack groundwater recharging, sewerage, sanitation, and solid waste management strategies, leading to pollution of rivers besides increasing air pollution. There is a need for Stormwater capture, Parks to double up as flood detention sinks, scaling up the use of renewable energy, Waste to energy, Water supply and sanitation emergency plan and other measures.

Thus, we see Uttar Pradesh growing in all four directions. Each sector needs planned development to have its own business capital, which is taken up in the state's ODOP scheme and other developments. Commercial frontages in each sector along main radial arterial roads can be thought of, which would help build an active edge and "eyes on the street" concept. Mixed-use development in each sector can be done in some percentage for enhancement of revenue. Buffers as Green and Blue Infrastructure can be made to prohibit unplanned parasitic developments that generally is seen happening once the city starts growing 360 degrees. Hence a Futuristic Vision Plan can aid in achieving the Holistic and Comprehensive Sustainable development of major cities of Uttar Pradesh.

Goa: An outlook for the New Year

Mr Mangurish Pai Raikar
Chairman, ASSOCHAM Goa State Development
Council, Managing Director, Brown Packaging
Systems Private Limited



The industry has shown a brave face even in times of crisis and has come forward to deliver.

Every new year starts with a hope for a better year with positive feelings for better prospects and living conditions. For the last two years, we have been battling COVID-19 virus and struggling to stay above the danger mark. It has been a struggle for survival at first and then to remain afloat and a real test of time for micro and small businesses. Many have collapsed owing to different reasons. This pandemic has taken away key personnel from the business circles, leaving the ownership in doldrums. It has been survival of the fittest but at the same time weakening the very basis of business.

The industry has shown a brave face even in times of crisis and has come forward to deliver. This tiny State was not an exception. In the year 2020, the pharmaceutical industry in the State, which contributes almost ten per cent of national production, contributed during the lockdown period to the wellbeing of the society. All the manufacturing and service industries that could serve during the lockdown crisis risked their precious lives and came forward to deliver. There were so many challenges ahead of them, including the availability of raw material, workforce, need-based finance, timely transportation, supply of intermediary products, etc. They showed their grit and determination in meeting the challenges and overcoming them. Somehow that many felt that the year was best forgotten.

Last year, everyone wanted to make a fresh start and work hard to overcome the negative effects of the earlier year. The resilient industry put its best foot forward to forget

the ill effects of the pandemic. All sectors of the manufacturing and service industry started showing positive results with superfluous performance. This was evident from the rising figures of GST receipts.

The economy was showing all-round progress when suddenly the second wave of COVID virus struck and



We organised a lot of online interactions and meetings with the administration so that everyone was well informed, and there was continued ease of doing business.



caused many to be hospitalized. There was panic all around, and the production slumped in a very bad way. The industry tried to hold on to the last straw and survive the onslaught of this pandemic.

It is to the credit of the Central Government which carried out a massive vaccination program, thus arresting the spread of this deadly virus. The Central Government also came up with many timely schemes for helping the industry to recover from the crisis. Many opportunities were also thrown open to the industries sector. These include import substitute manufacturing, opening up defence production besides exports. Not all could benefit from the sops of the Government and eventually ended either closing or changing their businesses.

The double dose vaccination program of the Government, as well as better health facilities,

created a sense of confidence in the public. They started coming out of the house and also travelling to other states. Near year-end, we had domestic tourists rushing to Goa in significant numbers. Our State was the choicest destination for weddings. Many NRI Indians preferred beautiful state locations for their weddings and thus helped improve the local tourism business. This also gave a fillip to the ancillary businesses like restaurants, catering, local decorators, flower and agriculture vendors, gifts and handicraft shops, local transport and so on. The economy again started looking up with the arrivals of Charter flights. Adequate measures to check the incoming passengers' health were put in place. It is to the credit of the frontline health workers led efficiently by the Doctors, who controlled the spread and took diligent care of the sick. The hospital care was of the world standard and deserved praise and appreciation.

Dawn of the new year opened with hopes and aspirations. Goa is a tiny state with limited resources and devoid of any raw material bank. For years, Goa survived mining, followed by the tourism industry and then the manufacturing and service industry. Mining has come to a standstill because of ecological compulsions, and it would take its own time to start in a sustained way. Currently, repeated attacks of the COVID-19 virus in different mutant formats is putting the business on the backfoot. The industry is struggling to keep its doors open and in working condition. The resilience of the hard-working entrepreneurs is what is keeping the economy buoyant. It is our sincere hope that pandemic will soon be a thing of the past and the smooth functioning of the State will be possible in bringing in a new era of good health, peace and prosperity.

Rising Jharkhand



Prof MK Vajpayee
Co-Chair, ASSOCHAM Jharkhand State Development Council, Vice Chairman, Capital University

ASSOCHAM JSDC has a plan to engage and attract investors and organizations by organizing Seminars, Conferences, Round Table Discussions and Events, to invest in Jharkhand in the field of Tourism and Handicrafts.

Jharkhand State Development Council (JSDC), as part of The Associated Chambers of Commerce and Industry of India (ASSOCHAM), has been making all endeavours to support the State Government and Industry Associations. ASSOCHAM wants to play the role of a catalyst

for industrialization in Jharkhand, which contributes around 42 per cent of the national mineral reserves.

The Chamber feels that Jharkhand has enormous potential that has not been tapped so far. It can work towards bringing both the industry and the government on a common platform so that both could work in fast mode to achieve the goal of industrialization.

Jharkhand is also known for its handicrafts. Some crafts of the State are intricate work of its Tribes and local people. Jharkhand has some prime tourist attractions in the form of waterfalls, national parks, green forest areas, etc. ASSOCHAM JSDC has a plan to engage and attract investors and organizations by organizing Seminars, Conferences, Round Table Discussions and Events, to invest in Jharkhand in the field of Tourism and Handicrafts.

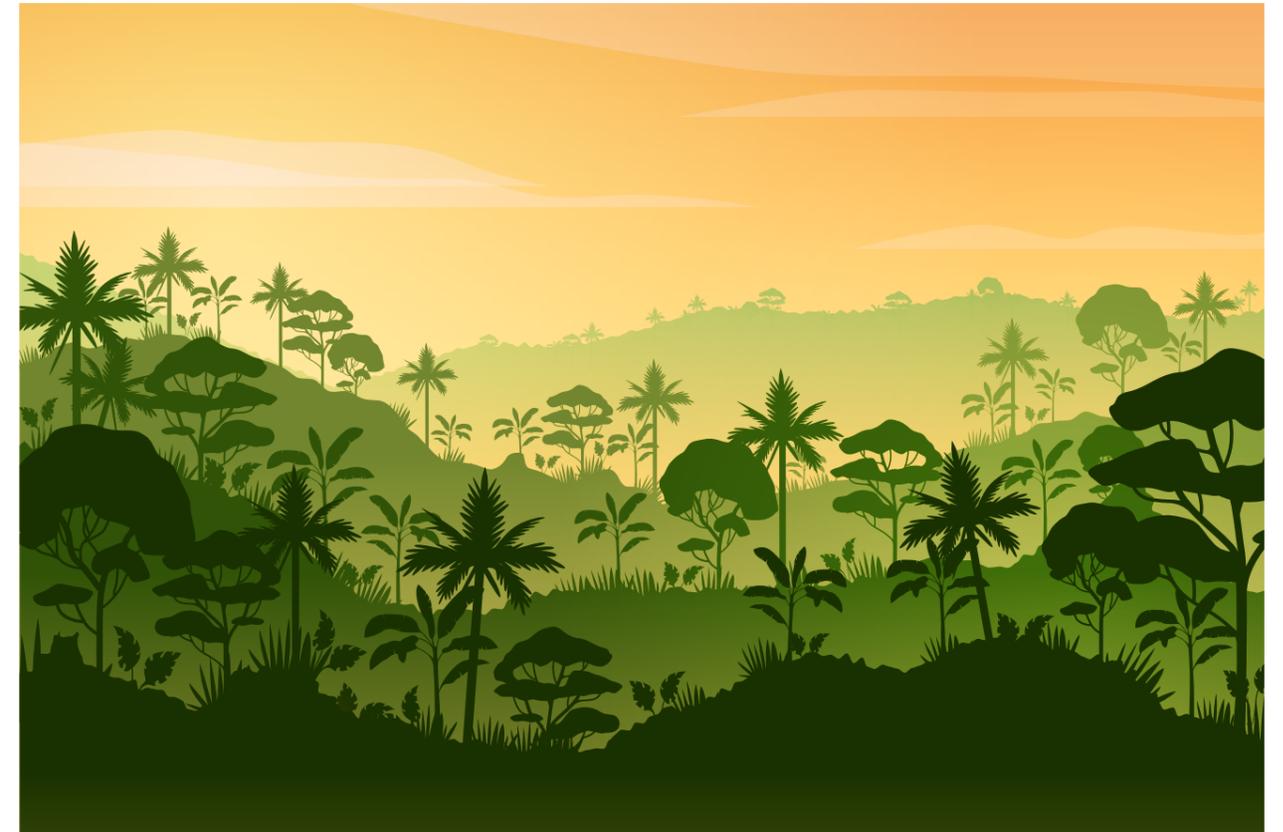
While many activities planned in 2021 could not be adequately executed, due to the COVID-19

pandemic, 2022 has hope that the situation would allow for more physical events and meetings. JSDC has already planned an event calendar for the year 2022. The Council has also planned to organize Jharkhand Rising Summit at the end of the year where Foreign Delegations are also expected to participate.

In the context of Educational Development and Awareness, Assocham JSDC organizes every



ASSOCHAM wants to play the role of a catalyst for industrialization in Jharkhand, which contributes around 42 per cent of the national mineral reserves.



year Mega Education Event in Ranchi. In the year 2022, we have a plan to organize an Education Summit to provide a platform for top 100 Higher Education Institutions from all over India to share their knowledge and views and help them to invest in Education in Jharkhand.

Health products and medicine business is the booming sector these days and for that JSDC bureau is always in touch with the investors in these fields. The State has a lot of opportunities to grab the investors by providing them proper infrastructure and security guarantee. ASSOCHAM JSDC is ready to hold hands with Government and Investors both to support them and bring economic growth to the State.

JSDC has been continuously making its efforts to provide a platform for Economic Survey, studies, Industrial Research and Debates on various topics from time to time and to appraise the Government Bodies and Industry Associations about actual business scenarios. We publish journals and periodicals for this purpose as well.

Chair and Co-Chair of every Department (Council) of JSDC had discussions on the future plan of events and activities, keeping in view the COVID-19 situations, its impact and expectations. Every Department has to play a better role in 2022, which would help the State in finding projects for overall economic development. Though we are expecting many more challenges

in the coming years because of the COVID-19 impact, still we are hopeful in our action plan.

The President, Secretary-General and Officials of Assocham Central Office Delhi have always been providing us with all sorts of help and guidance from time to time to achieve our goal successfully.

Past has gone, Future will come, Present is more important now because there is no better future without a better present.

So let us focus on the Present year 2022 with all hope, expectations and zeal.

ASSOCHAM GEM GREEN BUILDING CERTIFICATION PROGRAM

ASSOCHAM, the century old organisation, executes the GEM Green Building Certification Program for the sustainable design and development of the buildings and related developments. The objective is to ensure future buildings move towards environment friendly methods of design, construction and operations.

ASSOCHAM awards GEM Green Building Certification Rating, to all GEM compliant buildings. GEM stands for Green and Eco-friendly Movement.

GEM is the first indigenous Green Building Certification Program of the nation that includes the concept of Sustainability, Energy and Water Efficiency, Fire and life safety, Indoor Air Quality, Daylight, Fresh Air, Human Comfort and UNSDG 2030 goals as parameters.

GEM is based on latest guidelines of BEE ECBC 2017 and NBC 2016.

GEM has made rapid stride since it's conception and has certified many new and existing prestigious Government and Private projects including residential, commercial, health care, warehouse, smart campuses, universities, schools, airports, and railway station buildings.

With 14 MoUs with leading organizations in building industry (such as NAREDCO, CSIR-NEERI, TERRE, IIA, ISHRAE, FSAI, ISLE, IAQA, ASHRAE etc), many Architects, MEP, Environment and Green consultants, 80+ MoUs with Educational Institutions, 9 state chapters, and more than 1500+ GEM Certified professional, ASSOCHAM GEM Green Building Certification stands out as an intent driven, cost effective, simple process oriented, indigenous Green Building Rating Program in India.

United Nation SDGs – 2030

GEM is being continuously improved to align with United Nation SDG – 2030. GEM is the first comprehensive rating system in the world, to recognize sustainability, rather than incorporating few components of it.

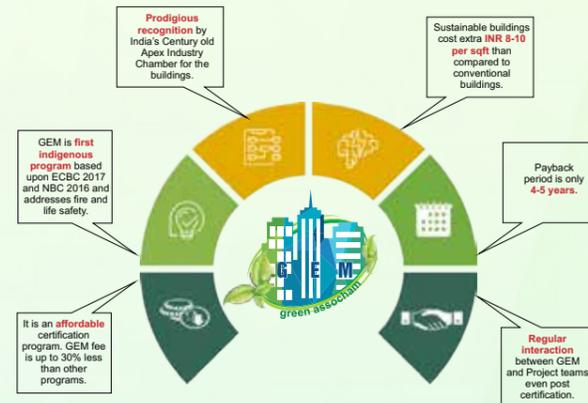


GEM Certified Professionals

1800+ GEM Certified Professionals so far and increasing....

ASSOCHAM, the century old organization is recognizing the professionals, faculties and students as GEM Certified Professional (GEM CP) once they clear the examination. It paves the way for a wide range of collaborative endeavors.

The GEM advantages...



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ASSOCHAM GEM GREEN BUILDING CERTIFICATION PROGRAM

The Council for Green and Eco-Friendly Movement, ASSOCHAM, offers a wide range of services in the domain of sustainability. GEM is an indigenous Green Building Certification Program of the nation that includes the concept of Sustainability, Energy and Water Efficiency, Fire and life safety, Indoor Air Quality, Daylight, Fresh Air, Human Comfort and UNSDG 2030 goals as parameters.

In addition, sustainability audits, such as Energy Audit, Water Audit, Waste Audit and Environmental Audit, as required by any university or organization, towards accreditation or ESG or CSR goals, can be conducted through the council.

The sustainable product certification initiative called 'ASSOCHAM GEM ECO' is one step towards providing one stop solution to organizations aiming to certify the products as well.

Business Responsibility and Sustainability Reporting (BRSR), as required by SEBI, is a welcome step and CGEM offers this service to organizations who are required to submit the report annually to SEBI.

To increase sustainability awareness amongst students and professions, ASSOCHAM GEM Certified Professional program is created, through which professionals can be certified after demonstrating certain knowledge in the domain, which is an add on to career goals. Few more Certification Programs are going to be launched soon, in various other sectors related to sustainability.

Sustainability Services: We are offering



ASSOCHAM Green Initiative - GEM



ASSOCHAM executes **GEM Green Building Certification Program** for sustainable design and development of buildings and related developments.

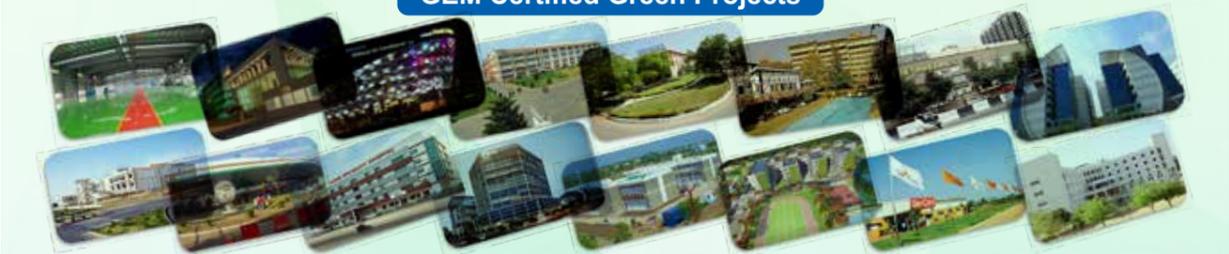
- GEM Green Building Certification Program is indigenous to Indian climate.
- It is being constantly updated and enhanced to cater to the evolving nature of design and construction industry.
- It is simple and intent driven, with applicability across sectors such as new and existing buildings.

Residential	Health Facility	Logistics park
Office	Hotel	Educational
Factory	Warehouse	Industrial campus

ASSOCHAM has taken a Green Initiative to care for the Mother Earth and to comply in India's Sustainability Movement and formed a Council for Green and Eco-friendly Movement (CGEM) that executes the 'GEM Sustainability Certification Program', with the objective to promote environment friendly green building design and construction.



GEM Certified Green Projects



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Compliant with BEE ECBC 2017 & NBC 2016

Based on the latest versions of BEE ECBC 2017 and NBC 2016, the program includes:

Sustainability	Energy and Water Efficiency	Fire & Life Safety	More Green Area
Daylight	Indoor Air Quality	Fresh Air	Human Comfort



Plaque and Certificate for GEM Compliant Projects





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ASSOCHAM (The Associated
Chambers of Commerce and
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