

Industry Matters

Weekly Updates

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Economy, Industry and Policy

India's manufacturing PMI at 8-month high as easing price pressures lift demand: India's manufacturing sector witnessed an upsurge at its quickest pace in eight months in July owing to robust growth in new orders and output as demand continued to advance on the back of easing price pressures. *[The Economic Times]*

No question of recession or stagflation in India, says FM Sitharaman: India is nowhere near a recession or stagflation and the government is making all efforts to bring down retail inflation below 7 per cent, Finance Minister Nirmala Sitharaman said on Monday. *[Business Standard]*

Rs 94,800-cr gains from windfall tax an overestimation - Govt sources: The government would have earned less than Rs 48,000 crore in the nine months of the current fiscal year (2022-23, or FY23) if the windfall tax rates remained constant. It termed the figure of Rs 94,800 crore floating around as an 'overestimation'. *[Business Standard]*

5.83 cr Income Tax returns filed till Jul 31, record 72.42 lakh on last day: A record 72.42 lakh income tax returns were filed on the last day of such filing on July 31, taking the cumulative returns to 5.83 crore, near to the same levels of last year. *[The Economic Times]*

July GST revenue at ₹1.48 lk cr; up 28% YoY and second-highest since rollout: The gross goods and service tax (GST) revenue collected in the month of July stood at Rs 1,48,995 crore, which is the second highest ever since the introduction of GST and up 28% year-on-year, the Finance Ministry said in a press release on Monday. June GST collections had risen 56% YoY to Rs 1.44 lakh cr. *[The Economic Times]*

India's pace of rise of currency in circulation dips: The rise in the cash in circulation for April-July stood at 508 billion rupees (\$6.38 billion), as compared to 928 billion rupees for the similar period last year and a mammoth 2.25 trillion rupees in 2020-21, the peak of lockdown, data from the Reserve Bank of India showed. *[The Economic Times]*

India remains a strong growth market for global consumer companies: Chief executives of more than a dozen large global consumer goods companies said their India business continues to be resilient and was the bright spot in the Asia region in the April-June quarter despite the macroeconomic challenges. *[The Economic Times]*

Core growth slows in June but still in double digits: India's core sector output grew a firm 12.7% in June though it slowed from 19.3% in May as the base effect that boosted growth in earlier months began to normalise. *[The Economic Times]*

FMCG sales value dips for 3rd month in July as prices weigh: India's fast-moving consumer goods (FMCG) market fell 8% in value while sales of electronic goods such as air-conditioners and refrigerators were flat in July from June, indicating higher prices continue to weigh on demand. *[The Economic Times]*

Rs 2.54 trillion spent on central govt pensioners during FY2021-22: There were 69,76,240 pensioners and family pensioners 11,28,441 civil pensioners, 36,03,609 defence pensioners (including armed forces pensioners), 4,32,968 telecom pensioners, 14,82,223 railway pensioners and 3,28,999 postal pensioners, Minister of State for Personnel Jitendra Singh said in a written reply. *[Business Standard]*

Retail inflation for industrial workers moderates to 6.16% in June: The all-India CPI-IW (consumer price index for industrial workers) for June 2022 witnessed an increase by 0.2 points and came in at 129.2 points. The CPI-IW in May was 129 points. *[The Economic Times]*

Does your biz have a turnover of Rs 10 crore or more? E-invoice to be mandatory for B2B deals: GST registered businesses with annual turnover of Rs 10 crore or more will have to generate e-invoices for B2B transactions from October 1, the finance ministry said. Currently, businesses with turnover of Rs 20 crore and above are required to generate an electronic invoice for all B2B transactions. *[The Economic Times]*

RBI's financial inclusion index rose to 56.4 in March 2022: The index stood at 53.9 in March last year. It was at 43.4 for the period ending March 2017, showing rapid improvement in reach of financial services over the past five years. *[The Economic Times]*



Foreign Investment

Indian economy's \$100 billion FDI target: India is already among the top global recipients of FDI—in 2021, it had the seventh largest inflow. Hitting \$100 billion will place it among the top three or four economies in the world in terms of FDI receipts. *[The New Indian Express]*

India receives a record high FDI inflow of Rs 6,31,050 crore in FY22: The amount of FDI equity entering the manufacturing sectors surged by 76% in the fiscal year 2021–2022 to Rs 1,58,332 crore from Rs 89,766 crore in the prior year. As per the official announcement, the increase in FDI inflows is a result of the government's adjustments to its FDI policy. *[The Economic Times]*

FPIs return to Indian equities with Rs 5k-cr investment in Jul after 9 mths: This is in sharp contrast to a net withdrawal of Rs 50,145 crore from the stock market seen in June. This was the highest net outflow since March 2020, when foreign portfolio investors (FPIs) had pulled out Rs 61,973 crore from equities, data with depositories showed. *[Business Standard]*

India's FDI to GDP ratio eased to 2.7% in fiscal 2022: India's foreign direct investment to gross domestic product ratio eased to 2.7% in fiscal year ending March. 31, 2022 from 3.1% in the previous financial year, according to government data. *[The Economic Times]*



Trade Policy and Competitiveness

Apple likely to ship iPhone14 from India simultaneously alongside China: The latest development in Apple's Make in India story indicates that the iPhone giant may have commenced the manufacturing of its upcoming model in the country. According to a well-known Apple analyst Ming Chi-Kuo, the Foxconn site in India will ship the upcoming 6.1-inch iPhone 14 almost simultaneously with China later this year. *[BusinessToday.in]*

India's exports dips marginally to USD 35.24 billion in July: India's exports dipped marginally by 0.76 per cent to USD 35.24 billion in July, though the trade deficit tripled to USD 31.02 billion during the month, according to official data revealed on Tuesday. *[The Economic Times]*

India expects \$8-\$9 billion in trade with Russia and Sri Lanka in two months: The Reserve Bank of India last month allowed importers and exporters to pay in the partially convertible rupee, a move widely seen as making trade with Russia and South Asian neighbours easier instead of relying on dollars. *[The Economic Times]*

Indo-Thai bilateral trade touched \$15 billion in FY'22: The bilateral trade between India and Thailand reached an all time high of around USD 15 billion in 2021-22 as the domestic market remains attractive for Thai investors, said Union Minister of State for External Affairs Rajkumar Ranjan Singh. *[The Economic Times]*

India Pharma exports rise 8 pc to USD 6.26 bn in Q1: The exports of "Made in India" pharmaceutical products continue to touch new heights with 146 per cent increase in exports in April-June 2022 over the same period in 2013. *[The Economic Times]*



Corporate Governance

India seeks wider authority over global M&A with antitrust law: India's current antitrust rules allow the regulator to examine deals based on asset size and turnover of the companies involved, but the amended law will, for the first time, allow the competition commission to scrutinize transactions based on their value. *[The Economic Times]*

Tata Steel to roll out 'First in India' seating system for Vande Bharat: Tata Group is planning to spend Rs 3,000 crore on R&D by FY26 and set to roll out the 'First in India' seating system for Vande Bharat Express trains from September 2022. *[Business Standard]*

Airtel signs 5G network deals with Ericsson, Nokia, Samsung: Bharti Airtel has signed multi-year 5G equipment supply deals worth about \$2.5 billion (more than Rs 19,750 crore) with Sweden's Ericsson, Finland's Nokia and South Korea's Samsung to start deployment of the next generation networks from August. *[The Economic Times]*



MSMEs and Start-ups

India home to as many as 75,000 start-ups, says Piyush Goyal: India is now home to 75,000 startups in the 75th year of Independence and this is only the beginning, Goyal said in the tweet. The minister had recently said the country aspires to become the largest start-up ecosystem in the world. *[Business Standard]*

Need to reconsider import tariffs to support MSME exporters - NITI Aayog Vice Chairperson Suman Bery: NITI Aayog Vice Chairperson Suman Bery has said India should consider imports as an essential strategy to boost export competitiveness, instead of worrying about its consequence on the trade deficit. *[Financial Express]*

Tamil Nadu to unveil new Startup and Innovation policy soon - Chief Minister M K Stalin: The Tamil Nadu government will soon unveil a new Startup and Innovation policy to encourage new startups targeting the socio-economic development of the State, Chief Minister M K Stalin said on Tuesday. *[The Economic Times]*



Employment and Industrial Relations

India's unemployment lowest in six months at 6.80% in July - CMIE: The country's unemployment rate in July fell to 6.80 per cent, the lowest level in the last six months, amid rising agriculture activities during monsoon, according to Centre for Monitoring Indian Economy (CMIE) data. The unemployment rate dropped to 6.80 per cent in July from 7.80 per cent in June, the CMIE data said. *[The Economic Times]*

MGNREGA work demand dips in July on heavy monsoon rains, sowing progress: Demand for Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) work dropped nearly 35 per cent in July. This is attributed to above-average rainfall in several parts of the country and pick-up in kharif sowing. *[Business Standard]*

Over 979,000 vacant posts in central govt depts as of Mar '21 - Minister: There were over 9.79 lakh vacant posts in different Central government departments as on March 1, 2021, Union Minister of State for Personnel Jitendra Singh said on Wednesday. *[Business Standard]*



Industrial Finance

Adani raises \$5.25 bn from global banks to fund acquisition of Ambuja, ACC: Shepherded by BNP Paribas, Barclays, and Citigroup, top international banks have endorsed Adani Group's plans of acquiring Swiss firm Holcim's stake in Ambuja Cements and ACC. The group raised \$5.25 billion as debt financing, acknowledging support to the acquisition from international bankers. *[Business Standard]*

Greenko secures Rs 5,500 cr loan for first off-river power storage project: Greenko has tied up a Rs 5,500 crore loan from Power Finance Corporation (PFC) to build India's first off-river energy storage project, which will be located in Andhra Pradesh. *[The Economic Times]*

Axis Bank to wind up UK subsidiary after deal with OpenPayd fails: India's third largest private lender Axis Bank is winding up its subsidiary in Britain after a deal with financial firm OpenPayd failed, it said in a regulatory filing on Thursday. *[The Economic Times]*



Technology and Innovation

Indian co invests \$1bn for semiconductor manufacturing facility in Tamil Nadu: Tamil Nadu-based semiconductor manufacturing company Polymatech will invest \$1 billion to expand its chipset manufacturing and packaging facility in the state. *[Mint]*

Centre withdraws Personal Data Protection Bill, industry disappointed: After four years of deliberations, the government on Wednesday withdrew the Personal Data Protection (PDP) Bill, 2019, which is to be replaced with one that has a "comprehensive framework" and is in alignment with "contemporary digital privacy laws". *[Business Standard]*

UPI records 6 billion transactions in July, highest ever since 2016: Unified Payments Interface (UPI) clocked over 6 billion transactions in July: the highest ever by India's flagship digital payments platform since its inception in 2016. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Govt plans infrastructure status for SEZs; move to ease financing norms: The government plans to facilitate easier financing norms to activities pertaining to the manufacturing and services hubs envisaged under the proposed revamped law for Special Economic Zones (SEZs), also known as Development (Enterprise and Services) Hub Bill, 2022. *[Business Standard]*

384 infra projects show cost overruns of Rs 4.66 lakh cr: Total original cost of implementation of the 1,514 projects was Rs 21,21,471.79 crore and their anticipated completion cost is likely to be Rs 25,87,946.13 crore, which reflects overall cost overruns of Rs 4,66,474.34 crore (21.99 per cent of original cost), the ministry's latest report for June 2022 said. *[The Economic Times]*

By 2024, road infrastructure in India will be similar to that of US - Nitin Gadkari: The Government is constructing 26 green highways. Road infrastructure in India will be similar to that of the U.S by 2024. There is no dearth of funds. We are committed to changing the face of road infrastructure in the country. *[The Economic Times]*



Sustainable Industrialisation

India Inc's green push gets a fillip with amended Energy Conservation Bill: The Energy Conservation (Amendment) Bill, 2022 — tabled in Parliament on Wednesday — may push manufacturing companies to step up the use of green energy for their captive needs. The Bill proposes to mandate the use of non-fossil sources for industrial activity, penalising those who don't do so. *[Business Standard]*

World's largest floating solar power plant to be built on Narmada's Omkareshwar Dam in MP: With an aim to increase the power generation capacity of the central state of Madhya Pradesh and address the electricity problems in the region, a floating solar power plant is going to be built in Khandwa which will generate 600 Megawatt power by 2022-23, informed the officials on Wednesday. *[The Economic Times]*

JSW Energy targets 10 GW capacity by FY25, acquisitions to fuel growth: The energy arm of the Sajjan-Jindal-led JSW group proposes to ramp up its total capacity to 10 gigawatts (GW) by financial year 2024-25 (FY25) from 4.8 GW now, led by acquisitions. *[Business Standard]*

NTPC green project to blend hydrogen with piped natural gas for domestic use: This is first kind of project in the country which would blend hydrogen with PNG. Initially, 5%hydrogen of the total gas supply will be blended which will be gradually increased to 20%. *[Mint]*

Heavy Industries Ministry signs contracts with three companies for battery manufacturing incentives: The Ministry of Heavy Industries has signed contracts with three companies under the Production Linked Incentive (PLI) Scheme for Advanced Chemistry Cell (ACC) Battery Storage. The selected companies are Reliance New Energy Limited, Ola Electric Mobility Private Limited and Rajesh Exports Limited. *[The Economic Times]*



Sectoral News

Passenger vehicles witness record sales in July: As many as 342,300 passenger vehicles were sold in July, as per industry estimates, an increase of 16% from a year earlier when manufacturers dispatched 295,000 units to dealerships. Prior to this, passenger vehicles sales had peaked at 334,000 units in October 2020. [*The Economic Times*]

India's power consumption grows 3.8 pc to 128.38 bn units in Jul: India's power consumption grew marginally by 3.8 per cent year-on-year to 128.38 billion units (BU) in July amid widespread rains in the country, according to power ministry data. Power consumption in July last year was recorded at 123.72 BU, which was higher than 112.14 BU in the same month of 2020. [*The Economic Times*]

Telcos may invest Rs 3L Cr in upgrading networks - Telecom minister Ashwini Vaishnaw: The government expects telcos to invest ₹2-₹3 lakh crore over the next two to three years towards upgrading networks, 5G rollouts and improving the quality of service, telecom minister Ashwini Vaishnaw said on Monday. [*The Economic Times*]

Strong signal - India likely to be among top three global markets for 5G: Global telecom gear makers say that they expect India to account for about 15 per cent of the worldwide market for the 3.5 GHz-based 5G radio and network. [*Business Standard*]

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