

# Industry Matters

Weekly Updates

September 23, 2022



## Economy, Industry and Policy

**Indian economy expected to grow by 7.5 per cent this year - PM Modi at SCO summit:** In his address at the summit in this historical Uzbek city, the prime minister also said India is making progress to become a manufacturing hub while highlighting various aspects of the country's economy. *[Financial Express]*

**Centre sanctions Rs 39,000-crore special central capex support to 16 states:** The Centre has sanctioned about Rs 39,000 crore, or about 50% of the unconditional component of the interest-free 50-year capex loans, to 16 states so far in the current financial year. *[Financial Express]*

**Direct tax collection grows 30% to Rs 8.36 lakh crore in FY23:** The gross collection of direct taxes (before adjusting for refunds) for FY 2022-23 stands at Rs 8,36,225 crore compared to Rs 6,42,287 crore in the corresponding period of preceding financial year i.e. 2021-22. *[The Economic Times]*

**Indirect tax collections up 14% till Aug-end:** Despite the excise duty cut on petrol and diesel, the Centre's indirect tax collections grew by a robust 14% on year in April-August of the current financial year as against a required rate of 3.5% to achieve the full-year target. *[Financial Express]*

**'Make in India' smartphones share reach 16% in Q1 with 44 mn units:** The Indian government's push with multiple PLI schemes has been showing a positive impact and we saw increased local manufacturing share in product segments like smartwatch, TWS, neckband and tablet. *[Business Standard]*

**As pace slows, PMO seeks to add impetus to asset monetisation:** The government has set a ₹1.62 lakh crore target for FY23, a 72% rise over ₹97,000 crore raised via asset monetisation in FY22. About ₹26,800 crore was raised until September 15. *[The Economic Times]*

**Cabinet approves second tranche of solar PLI worth Rs 19,500 crore:** The Union Cabinet on Wednesday approved the Rs 19,500-crore proposal of the Ministry of New and Renewable Energy (MNRE) for the second tranche of the 'production-linked incentive' (PLI) scheme for solar equipment manufacturing. *[Business Standard]*

**Raising capex, filling vacancies top PM's agenda for Ministries:** Stepping up capital expenditure, taking up remedial action based on CAG reports as well as filling up all vacancies on a priority basis are some of the key areas that Prime Minister Narendra Modi wants government Ministries and departments to focus on. *[Business Line]*

**Policy amended, international trade can now be settled in Rupee:** Under the arrangement, Indian importers will make payment in rupees into the special Vostro account of the partner country bank against the invoices for the supply of goods or services from the overseas seller or supplier. *[The Economic Times]*

**FM Nirmala Sitharaman gives a status report on common KYC for financial transactions:** The government and regulators are working to bring it all together, which will bring about ease of doing business. *[The Economic Times]*

**Over Rs 58,000 crore in taxes lost due to illicit trade in FMCG, mobile, tobacco, alcohol industry-FICCI:**

The FMCG industry alone accounted for 75% of the total illicit value of goods in five key industries. Tobacco products and alcoholic beverages- two highly regulated industries - account for nearly 49% of the overall tax loss in these industries. *[The Economic Times]*

**World Bank warns threat to global recession growing amid higher interest rates across world:**

The threat of a global recession is growing as central banks focus on bringing down soaring inflation rates, the World Bank has warned in its latest report, calling on governments to help boost supply to ease the constraints behind rising prices. *[The New Indian Express]*

**Working on PLI schemes for more sectors - Piyush Goyal:**

There are demands for extending the PLI scheme for sectors like toys, certain electronic components, furniture and bicycles. *[The Economic Times]*

**Monthly economic review - India's growth to be sustained by consumer spending rebound:**

A sharp rebound in consumer spending and rising employment will sustain economic growth in India in the months ahead, the government said in its monthly economic review for August. *[The Hindu]*

**China's chip output shrinks as India, US ramp up local manufacturing:**

As India and the US double down on domestic semiconductor manufacturing, China witnessed its biggest-ever monthly decline in chip manufacturing in August owing to Covid restrictions and weakening demand. *[The Economic Times]*



## Foreign Investment

**Japan may diversify investments in India:** Japan is looking to bring in companies in non-conventional sectors such as renewable energy, digital technologies and healthcare to invest in India. *[Mint]*

**India Inc's overseas direct investment drops 59 pc at USD 1.03 bn in Aug - RBI data:**

The RBI data on Outward Foreign Direct Investment (OFDI) for August 2022 showed that the total financial commitment by the domestic firms was worth USD 1,027.67 million in August, 2022-23. In the same month of 2021-22, it stood at USD 2,500.97 million (USD 2.5 billion). *[Financial Express]*

**Essar to invest USD 4 bn in steel plant in Saudi Arabia:**

The plant, which will cost Saudi Riyal 15 billion (USD 4 billion), is scheduled to break ground by this year-end and be completed by the end of 2025, said Amar Kapadia, general manager for corporate planning at Essar. *[The Economic Times]*

**\$25 billion investment expected to flow into India's new semiconductor plan:**

The government is expecting major investments under its plan to increase support for new semiconductor and display facilities. *[The Economic Times]*

**Global mobile operators keen to tap offerings around 5G services in India:**

A top UK-based grouping of global mobile carriers has expressed enthusiasm over the emerging business opportunity around 5G services in India. *[The Economic Times]*



## Trade Policy and Competitiveness

**Signing India-UK free trade pact will be best way to celebrate Diwali - British High Commissioner:**

The best way to celebrate Diwali will be to have a good free trade agreement between India and the United Kingdom, British High Commissioner to India Alex Ellis said on Tuesday. *[The Economic Times]*

**India, Saudi Arabia discuss Rupee-Riyal trade, UPI payment system:** India and Saudi Arabia have held discussions on the feasibility of institutionalising Rupee-Riyal trade, and introduction of UPI and Rupay cards in the kingdom, the commerce ministry said on Monday. *[The Economic Times]*

**Government to set up separate export promotion council for medical devices:** The EPC will help exporters in promoting their products in international markets through various promotional activities including organising and participating in international trade fairs, buyer-seller meets, in line with the foreign trade policy of India. *[The Economic Times]*

**National logistics policy to boost easing of doing business, cut transportation cost - Industry:** The policy seeks to address challenges facing the transport sector and bring down the logistics cost of businesses from 13-14 per cent of the GDP to a single digit in the coming years. *[Financial Express]*

**G20 trade ministers discuss ways to strengthen WTO's dispute settlement mechanism:** Trade ministers of G20 countries on Wednesday discussed ways to strengthen the WTO's dispute settlement mechanism to make it more accessible and efficient. *[The Economic Times]*

**Keen to upgrade free-trade deal with India, says Sri Lanka President:** The Free Trade Agreement (FTA) between India and Sri Lanka was the first-ever bilateral trade agreement for both countries, signed in 1998 and enforced in 2000. *[Business Standard]*

**Russia to name bank soon for trade settlement with India in Rupees:** Russia is expected to name the bank for mutual settlements in rupees within two weeks. The State Bank of India has come forward for facilitating trade in rupees with Russia and some other banks have also shown interest. *[The Economic Times]*

**India initiates safeguard probe into sudden jump in imports of certain plastics:** The Directorate General of Trade Remedies (DGTR) has initiated the investigation into imports of 'PVC suspension resins with residual VCM above 2 PPM', which is used in different industries such as pipes, packaging, wiring and insulations, and medical products. *[The Economic Times]*



## Corporate Governance

**Adani completes ACC, Ambuja acquisition; became second-largest cement manufacturer:** Adani Group has completed the acquisition of Ambuja Cements and ACC, becoming India's second-largest cement manufacturer. *[The New Indian Express]*

**NCLT nod to Exide Life HDFC Life merger:** The National Company Law Tribunal (NCLT) on Friday approved the merger of Exide Life Insurance with HDFC Life Insurance, a stock exchange filing by HDFC Life said. *[Financial Express]*

**M&M to acquire Swaraj Engines' 17.41% stake from Kirloskar Industries:** Mahindra & Mahindra (M&M) Ltd on Tuesday said it will acquire an additional 17.41 per cent stake in Swaraj Engines Ltd from Kirloskar Industries Ltd (KIL) for Rs 296 crore. *[Business Standard]*

**Air India Express incurs net loss for the first time in seven years:** The airline posted a net loss of Rs 72.33 crore in FY22, against a net profit of Rs 98.21 crore in FY21, according to the documents it submitted to the Registrar of Companies (ROC). *[Business Standard]*



## MSMEs and Start-ups

**Sitharaman asks private sector to clear MSME dues in 45 days:** The private sector and industry should commit to make the payments in 45 days along with the books of accounts filed with the Registrar of Companies which make mention of outstanding dues. *[The Hindu]*

**With 26,000 MSMEs in fragrance sector, MSME Secy calls for sustainable supply chain to boost local, export demand:** MSME Secretary BB Swain has called for building a sustainable supply chain and strengthening each link in it for the fragrance sector in India which is seeing a growing local and export demand. *[Financial Express]*

**How global companies have inspired Indian start-ups to speed up innovation:** From Uber in ride-hailing, Amazon in eCommerce and Coursera in online education, these global organisations have raised the bar for local players, pushing them to transform or evolve for better serving the evolving demands of the Indian consumer. *[Financial Express]*



## Employment and Industrial Relations

**Joblessness below pre-COVID levels - Finance Ministry:** Work demanded under MGNREGS has been diminishing since May and was at its lowest in August 2022, compared to the corresponding period of the previous two years, signalling a possible reduction in the unemployment rate in rural areas, the Ministry's economic review of August noted. *[The Hindu]*

**EPFO sees over 1 million new subscribers for fourth straight month:** A million-plus people joined the formal workforce for the fourth consecutive month in July, according to the latest payroll data released by the Employees' Provident Fund Organisation (EPFO). *[Business Standard]*

**EPFO mulling pension, healthcare, maternity and disability offerings:** The Employees' Provident Fund Organisation (EPFO) is eyeing expansion in its product offering from provident fund to pension to healthcare, maternity and disability benefits. *[The Economic Times]*



## Industrial Finance

**We're very ambitious about India, says International Finance Corporation MD:** The International Finance Corporation (IFC) is keen to double its lending in India to \$2.5-3 billion over the next couple of years, putting money in newer areas such as renewables, climate change themes, circular economy, and logistics. *[The Economic Times]*

**IBBI amends regulations to boost value of stressed companies:** The Insolvency and Bankruptcy Board of India (IBBI) has amended the regulations with the "objective to maximise value in resolution" and they came into effect from September 16. *[The Economic Times]*

**Banks to see sharp fall in bad loans, but exposures to small businesses a worry - Crisil:** Banking system's Gross Non-Performing Assets (GNPA) will decline by 0.90 per cent to 5 per cent by the end of the current fiscal on a significant improvement in the large corporate exposures. *[The Economic Times]*

**Yes Bank to sell Rs 48K crore NPAs to JC Flowers ARC:** The board of Yes Bank has approved the sale of a stressed loan portfolio of Rs 48,000 crore to asset reconstruction company JC Flower ARC. The bank informed the exchange on Tuesday. *[The New Indian Express]*

**Exide Industries to invest ₹6,000 crore on Lithium ion cell unit:** Automotive and industrial battery maker, Exide Industries, is looking to invest around ₹6,000 crore to set up a 12 gigawatt-hour lithium-ion cell manufacturing unit in Karnataka over the next 8–10 years. *[Business Line]*



## Technology and Innovation

**Global artificial intelligence market to reach \$450 billion in 2022:** In 2021, the global revenues for the AI market, including software, hardware, and services for both AI centric and AI non-centric applications, reached \$383.3 billion, an increase of 20.7 per cent over the prior year. *[The Economic Times]*

**Apple may move a quarter of iPhone production to India by 2025 - J.P.Morgan:** It is also estimating about 25% of all Apple products, including Mac, iPad, Apple Watch and AirPods, to be manufactured outside China by 2025 from 5% currently. *[The Economic Times]*

**MoRTH makes 58 citizen-centric services to go online:** The Ministry of Road Transport and Highways (MoRTH) has issued a notification to make 58 citizen-centric services related to driving license, conductor license, vehicle registration, permit, and transfer of ownership among others, online. *[The New Indian Express]*

**India to roll out Hydrogen powered train on next I-Day:** India has been able to build trains which are among the best in the world and the next big thing will be when the hydrogen-powered train is rolled out on August 15, 2023," the minister for railways, communication, electronics and IT said. *[The Financial Express]*



## Industrial Infrastructure, Clusters and SEZs

**Railways aims to run 75 Vande Bharat trains by August 15 next year:** The cost of construction of a 16-coach Vande Bharat train has reached around Rs 110 crore-Rs 120 crore, whereas it was started at a cost of Rs 106 crore. The ICF is planning to manufacture around 10 trains every month. *[The Economic Times]*

**Hero Moto ties up with HPCL to set up electric two-wheeler charging infra:** The companies will first establish charging infrastructure at HPCL's existing network of stations, with likelihood of subsequently broadening the collaboration or supplementary business opportunities. *[Business Standard]*

**India to invest \$30 billion for 4G, 5G connectivity to every village:** India will invest \$30 billion for ensuring last mile accessibility to 4G and 5G services in every village, said telecom minister Ashwini Vaishnaw. *[Mint]*



## Sustainable Industrialisation

**Government to replace up to 30,000 old buses in electrification drive:** The Centre is seeking to replace up to 30,000 diesel-run polluting buses with electric powertrain vehicles in the next 2-3 years, marking India's giant leap toward clean mobility and offering bus makers a \$3.5-billion business opportunity. *[The Economic Times]*

**Amazon plans 3 solar farms and 23 solar rooftop projects in India:** These include a 210 MW project to be developed by ReNew Power, a 100MW project to be developed by local developer Amp Energy India, and a 110MW project to be developed by Brookfield Renewable. *[The Economic Times]*

**Brookfield aiming to build 12-16 GW of renewable power in India over the next 10 years:** Brookfield is looking to multiply its current 4 GW renewable portfolio by 3 to four times in India within the next decade in generation as well as help corporates make the transition to decarbonise and invest in building large scale supply chain in the country. *[The Economic Times]*

**Brazil keen on working with India on flexible fuel vehicles, says envoy:** Brazil is considered to be a key partner in India's aim towards achieving 20 percent ethanol blending by 2025. The Ambassador said energy continues to be a focus area in bilateral relations. *[Business Standard]*



## Sectoral News

**Assigning spectrum via auction or via administrative process is Centre's call, says new Bill:** The Department of Telecommunications (DoT) on Wednesday released the much-awaited draft Indian Telecommunications Bill, 2022, which once formalised into an Act of Parliament will govern the sector. *[The Economic Times]*

**Tourism sector to contribute USD 250 billion to GDP by 2030 - Centre:** The Centre on Tuesday said the country's tourism sector will strive to recover to the pre-pandemic level by mid-2024 and contribute USD 250 billion to the country's GDP by 2030. *[The Economic Times]*

**Cabinet approves modifications in scheme for development of semiconductors and display manufacturing ecosystem:** The Union Cabinet on Wednesday approved modifications in the scheme for development of the semiconductor and display manufacturing ecosystem, with a uniform fiscal support of 50% project cost for all technology nodes for setting up of semiconductor fabrication units. *[The Hindu]*

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