

Industry Matters

Weekly Updates

September 30, 2022



Economy, Industry and Policy

Indian economy showing resilience and recovery, says CEA Nageswaran: Chief Economic Advisor (CEA) V Anantha Nageswaran on Monday said the Indian economy was on the path to recovery but cautioned that foreign investors may remain cautious because of geopolitical challenges. *[Business Standard]*

Centre in 'mission mode' to fill job vacancies in govt depts and ministries: The Centre is in "mission mode" to fill vacancies in government departments and ministries. The Department of Expenditure is currently following up with other wings of the government to expedite pending appointments. *[Business Standard]*

GST revenue in September likely at Rs 1.45 lakh cr: The collection has been over Rs 1.4 lakh crore since March and in August it was Rs 1.43 lakh crore. *[The Economic Times]*

Centre for disinvestment of CPSEs under 2 ministries, 3 departments: The government has reportedly initiated the process to disinvest/ close various Central Public Sector Undertakings (CPSEs) under two ministries and three departments. *[Business Standard]*

IT hardware PLI purse may zoom 2.5 times to Rs 19,000 crore: The government has proposed to increase the production linked incentive scheme's financial outlay by 2.5 times to around Rs 19,000 crore and double the incentive rates to woo multinational companies such as Dell, HP, Apple, Samsung and Asus to step up manufacturing in the country. *[The Economic Times]*

Foreign trade policy extended by 6 months: The government on Monday extended the existing Foreign Trade Policy (2015-20) by another six months till March 2023 on account of volatile global economic and geopolitical situation and currency fluctuations. *[The Economic Times]*

Minerals in PLI products on Oz business delegation's India visit agenda: Ahead of the implementation of the India-Australia Economic Cooperation and Trade Agreement (ECTA), a 106-member business delegation from Canberra is visiting this week to forge ties across agriculture, critical minerals, infrastructure, digital health and education. *[The Economic Times]*

Govt amends rules governing corporate social responsibility: Under the Companies Act, 2013, certain classes of profitable companies are required to spend at least 2 per cent of their average net profit of the preceding three financial years on CSR activities in a particular financial year. *[The Economic Times]*

India's forex reserves fall by another \$5.2 billion, lowest since October 2020: According to the data released by RBI, India's forex reserve stood at \$545 billion on September 16, losing nearly \$100 billion from the peak level of \$642 billion reached in November 2021. *[The New Indian Express]*



Foreign Investment

Economic reforms, ease of doing biz likely to take India's FDI to \$100 bn this fiscal, says government:

Government on Saturday said that India is on track to attract USD 100 billion foreign direct investment (FDI) in the current fiscal owing to economic reforms and ease of doing business. The country received the "highest ever" foreign inflows of USD 83.6 billion in 2021-22. *[The Economic Times]*

Nestle plans to invest Rs 5,000 crore in India by 2025, says CEO Mark Schneider: The move will help the company to accelerate its core business in the country and leverage new opportunities for growth. The investment would be on capex (capital expenditure), setting up new plants, acquisitions and expansion of the product portfolio of the company. *[The New Indian Express]*

FPIs pump in Rs 8,600 crore in September; pace of investment slows: After infusing more than Rs 51,000 crore last month, foreign investors have slowed down the pace of equity buying in India in September so far, as they invested a little over Rs 8,600 crore, on sharp depreciation in the rupee. *[The New Indian Express]*

Visteon to come up new mfg unit in India; sets sight on West and North: Visteon Corporation, a US-based automotive cockpit electronic systems maker, has said that it is planning to come up with a second manufacturing unit in India targeting the Western and Northern India. *[Business Standard]*



Trade Policy and Competitiveness

India, Netherlands formalise bilateral fast track mechanism for investments: The Department for Promotion of Industry and Internal Trade (DPIIT) and the Embassy of the Netherlands have signed a joint statement to formalise the bilateral Fast Track Mechanism (FTM). *[The New Indian Express]*

FIEO plans series of activities in GCC markets to push India's exports: Indian exports to the GCC grew by 44 per cent in 2021-22 to USD 43.9 billion compared to USD 27.8 billion in 2020-21, according to FIEO. *[The Economic Times]*

India proposes 15% retaliatory duties on 22 items imported from UK: India has proposed additional customs duties of 15 per cent on the import of 22 products, including whiskey, cheese and diesel engine parts, from the UK in retaliation to Britain's decision to impose restrictions on steel products. *[Business Standard]*

Govt extends validity of RoDTEP scrips: In a relief to exporters, the Union government has extended the validity of the e-scrips issued under the duty remission scheme to two years from one. *[Mint]*

CEPA impact - India's non-petroleum exports to UAE up 14% in June-August: The government on Sunday said that India's non-petroleum exports to the United Arab Emirates (UAE) grew 14% on year to \$5.92 billion during June-August, from \$5.17 billion a year ago. *[The Economic Times]*

India's campaign for rupee trade finds fans from Russia to UAE: Indian tea exporters are getting interest from the United Arab Emirates and sanctions-hit Russia and Iran to pay in rupees, a nod toward the government's plan to settle international trade in the local currency. *[The Economic Times]*

Govt to plug duty loophole in solar equipment imports: India imposed basic customs duty (BCD) of 40% on solar modules and 25% on cells with effect from 1 April in a bid to cut imports from China and boost domestic manufacturing. *[Mint]*

UCO Bank becomes first lender to get RBI's approval for rupee trade: Public sector lender UCO Bank has received the Reserve Bank of India's (RBI's) approval to open a special vostro account with Gazprombank of Russia for trade settlement in Indian rupees. *[Business Standard]*

Exports of cut and polished diamonds likely to fall by 10% in FY23 - Icra: ICRA Ratings expects India's exports of cut and polished diamonds (CPDs) to taper by 8-10% to \$22.0-22.5 billion in FY2023, amid the demand moderation. *[The Economic Times]*



Corporate Governance

Tata Group merges 7 companies with Tata Steel: In its effort to synergise its metal business, Tata Steel is merging with itself six of its subsidiaries and an associate company. These include listed entities such as Tata Steel Long Products Ltd (TSLP), The Tinsplate Company of India Ltd (TCIL), Tata Metaliks Ltd (TML) and TRF Ltd. *[The New Indian Express]*

Centre terminates Central Electronics divestment process: The government on Wednesday formally terminated the sale of its 100% stake in Central Electronics Limited (CEL) and disqualified the successful bidder Nandlal Finance and Leasing Private Ltd. *[The Economic Times]*

Reliance New Energy to acquire 20% stake in US-based Caelux for \$12 mn: Reliance New Energy Limited (RNEL) — the wholly-owned subsidiary of Reliance Industries Ltd (RIL) — signed definitive agreements to acquire 20 per cent stake for \$12 million in Caelux Corporation, a company headquartered in Pasadena, California, USA, engaged in the development of perovskite-based solar technology. *[Business Standard]*

E-invoicing for businesses having turnover more than ₹5 crore from next year: E-invoicing for businesses with aggregate turnover exceeding ₹5 crore will be mandatory from next year. At present, the threshold is ₹20 crore, which is going to come down to ₹10 crore from October 1. *[Business Line]*

Torrent Pharmaceuticals to acquire 100% of Curatio Healthcare for Rs 2,000 crores: With this acquisition, Torrent Pharma will enter the league of top 10 players in the dermatology segment and will be the leader in the cosmetic dermatology space. *[The Economic Times]*



MSMEs and Start-ups

Govt commits Rs. 7,385 cr under Fund of Funds for Startup India Investment: Fund of Funds for Startups (FFS), launched under Startup India initiative in 2016 by the Prime Minister Narendra Modi has committed Rs. 7,385 crore to 88 Alternative Investment Funds (AIFs) as of September 24, the Ministry of Commerce & Industry said in a statement. *[Mint]*

CRED, upGrad, Groww on LinkedIn's 'Top Startups in India' list: Unified payment interface CRED, online higher education firm upGrad and investment platform Groww have topped the LinkedIn 'Top Startups List' for this year. *[Business Standard]*

SMEs saw extremely high levels of resignations over past 12 months - Survey: A survey of 300 small and medium businesses (SMBs) in the Asia Pacific, Middle East and Africa region (AMEA) region including India on Thursday said 80 per cent of SMEs in India experienced extremely high levels of resignations over the past 12 months as the global Great Resignation phenomenon has impacted the region. *[Financial Express]*

Rajasthan govt approves Rs 100 crore additional package for small industries: In the budget 2022-23, the chief minister had proposed Rs 150 crore for the 'Mukhyamantri Laghu Protsahan Yojana' to encourage Micro, Small and Medium Enterprises (MSMEs) in the state and ensure easy access of loans to small businessmen and investors. *[The Economic Times]*

Engineering sector MSMEs seek production linked incentive scheme: An engineering sector's body of MSMEs has demanded from the government to announce a production linked incentive scheme (PLI) for the industry to boost domestic manufacturing, exports and job creation. *[Business Standard]*



Employment and Industrial Relations

India's formal sector employment jumps by 0.4 million in January-March quarter: India's formal sector employment moved up marginally by 0.4 million in the January-March quarter of 2022 with the total number of workers employed across nine sectors at 31.8 million compared to 31.4 million in the third quarter of 2021-22. *[The Economic Times]*

Work demand slowing, yet - Rural jobs scheme needs extra outlay to run smoothly through FY23: The Mahatma Gandhi National Rural Employment Guarantee Scheme (MG-NREGS) may face a fund crunch and get disrupted unless the government increases the allocation for the popular scheme from the budgeted level soon. *[Financial Express]*



Industrial Finance

Rupee trade - Two Russian banks get RBI nod for special vostro account: The Reserve Bank of India (RBI) has given its approval to two Russian banks for opening special Vostro account for rupee trade. Sberbank, JSC VTB — the largest and second largest bank of Russia — are the first foreign lenders to receive this approval after the central bank announced the norms on INR trade in July. *[Business Standard]*

Microfinance sector grows 24% in June quarter; loan disbursements rise nearly 80%: Microloan disbursements during the June quarter improved sharply to Rs 45,830 crore as compared with Rs 25,503 crore seen in the same period a year ago, a growth of nearly 80%. *[The Economic Times]*

High NPAs in education loan segment turn banks cautious, says PSB official: High defaults of about 8 per cent in the education loan portfolio have made banks cautious and go slow on the sanction of such credit. *[Business Standard]*

ED freezes Rs 2,747 cr worth of assets of ABG Shipyard in bank fraud case: The Enforcement Directorate (ED) on Thursday froze assets and properties worth more than Rs 2,747 crore owned by ABG Shipyard, its group companies, and other related entities. *[Business Standard]*



Technology and Innovation

Indian Railways installs ISRO-developed RTIS system for real-time train tracking: Real Time Train Information System (RTIS), developed in collaboration with ISRO, is being installed on the locomotives for automatic acquisition of train movement timing at the stations. *[Mint]*

Skill India partners with Samsung to upskill youth in future technologies: The Electronics Sector Skill Council of India (ESSCI) signed a memorandum of understanding (MoU) with Samsung India today, for a skilling initiative that aims to empower the youth with industry relevant skills in emerging technologies such as Artificial Intelligence, Internet of Things, Big Data and Coding & Programming. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

iPhone 14 manufacturing in India shows maturity of Apple's India production capabilities - Moody's: The manufacturing of iPhone 14 in India within weeks of the global launch demonstrates the maturity of Apple's manufacturing capabilities in the country, according to Moody's Investors Service. *[The New Indian Express]*

Nitin Gadkari lays foundation for 8 NH projects worth Rs 3,000 crore in Andhra Pradesh, says it will create 'large scale employment': The projects will provide green field road connectivity to Kakinada SEZ, SEZ Port, Fishing Harbour and Kakinada Anchorage Port, which will smoothen the export of rice, sea food, oil meals, iron-ore, biofuel, granite etc. through Kakinada Port. *[Financial Express]*

Maharashtra government to spend Rs 6 lakh crore on state's infrastructure: The Maharashtra government is planning for a major overhaul of the state's infrastructure -- from airports and ports to expressways to railway networks -- that is estimated to cost anywhere north of '5-6 lakh crore. *[The Economic Times]*

The world's first CNG terminal to be set up in Gujarat: A consortium of the UK-based Foresight Group and Mumbai-based Padmanabhan Mafatlal Group will develop the world's first CNG Terminal at an estimated cost of Rs 4,000 crore near Bhavnagar port in Gujarat. *[Financial Express]*

Adani's greenfield expressway project secures Rs 10,238 cr: Budaun Hardoi Road Private Ltd (BHRPL), Hardoi Unnao Road Private Ltd (HURPL) and Unnao Prayagraj Road Private Ltd (UPRPL) – wholly owned subsidiaries of Adani Enterprises – have achieved financial closure for the access-controlled six lane greenfield Ganga Expressway Project in Uttar Pradesh (UP) respectively on DBFOT (Toll) basis under PPP mode. *[The Economic Times]*

Cabinet okays Rs 10,000-crore 'futuristic' revamp of three railway stations: The Union cabinet on Wednesday approved the long-awaited redevelopment of the New Delhi, Ahmedabad, and Mumbai's Chhatrapati Shivaji Maharaj Terminus (CSMT) railway stations at a cost of Rs 10,000 crore. *[Business Standard]*

Centre sanctions new rail-cum-road bridge project worth Rs 996.75 cr in Guwahati: The union government sanctioned a project worth Rs 996.75 cr to build the third rail-cum-road bridge over Brahmaputra in Guwahati. *[The Economic Times]*



Sustainable Industrialisation

Adani to invest USD 100 bn across new energy, data centres: The ports-to-energy conglomerate will add 45 gigawatts of hybrid renewable power generation capacity and build 3 Giga factories to manufacture solar panels, wind turbines and hydrogen electrolyser. *[The Economic Times]*

India's Li-ion battery demand to grow to 70 GWh by 2030, says report: India's Li-ion battery demand will grow from the current stage of 3 GWh to 20 GWh by 2026 and 70 GWh by 2030. This will need over \$10 billion to boost cell manufacturing and raw material refining to serve the local demand according to a report by Arthur D little. *[Business Standard]*

Reducing carbon footprint: Indian Railways achieve 100% electrification of 4 zones, says Centre: This development is in line with the Indian Railways' aim of becoming the largest Green Railways in the world and further moving towards becoming a "net zero carbon emitter" before 2030. *[Financial Express]*

Race for net-zero emissions - Indian airlines take off on sustainable fuel: The initiative of the Tata Group-owned airlines is in line with the efforts of global airlines to achieve net-zero carbon emissions by 2050 and it comes days ahead of a crucial International Civil Aviation Organisation (ICAO) meeting starting September 27. *[Business Standard]*

PepsiCo to invest over Rs 1,000 crore in Gorakhpur greenfield project: The second-largest bottling company of PepsiCo in the world outside the United States — will invest Rs 1,071 crore in the project, the land for which will be provided by the Gorakhpur Industrial Development Authority (GIDA). *[Business Standard]*



Sectoral News

Six airbags rule for passenger cars deferred by a year to October 2023 The deadline has been extended due to global supply chain constraints being faced by the auto industry and its impact on the macroeconomic scenario, the minister said. *[The Economic Times]*

Telecom may be first strategic sector to be picked up for privatisation: Telecommunications (telecom) may be the first strategic sector to be shortlisted for privatisation under the new Public Sector Enterprises (PSE) Policy, 2021, since a series of meetings have been held to discuss recommendations made by the NITI Aayog. *[Business Standard]*

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