

Industry Matters

Weekly Updates

October 07, 2022



Economy, Industry and Policy

India's economy to grow 5.7% in 2022, 4.7% in 2023 - UNCTAD: The United Nations Conference on Trade and Development (UNCTAD) expects India's economy to grow 5.7% in 2022 and 4.7% in 2023. India's gross domestic product (GDP) grew 8.7% in FY22. *[The Economic Times]*

India's factory activity slows to 3-month low of 55.1 as demand softens-PMI: The PMI at 55.1 in September continued to be in expansion mode for the 15th consecutive month but was slightly lower than 56.2 recorded in August. *[The Economic Times]*

Government collects Rs 1,47,686 cr GST revenue in September: The gross GST revenue collected in the month of September 2022 is Rs 1,47,686 crore, of which Central GST is Rs 25,271 crore, State GST is Rs 31,813 crore, Integrated GST is Rs 80,464 crore. *[The Economic Times]*

Big States recorded high double-digit growth in GST revenue in July-September: Big States such as Maharashtra, Gujarat, and Karnataka have recorded double digit growth in GST revenue during the first three months after the end of the compensation period on June 30, 2022. *[Business Line]*

World currency reserves shrink by \$1 trillion in record drawdown: Global foreign-currency reserves are falling at the fastest pace on record as central banks from India to the Czech Republic intervene to support their currencies. *[The Economic Times]*

States to begin Rs 4-trn monetisation drive: The government is planning to extend the scope of the National Monetisation Pipeline by launching a new initiative under which the state governments will also monetise their assorted assets and use the funds for capex and infrastructure investments. *[Financial Express]*

Government plans to auction 22 mineral blocks in next two months: The mines to be auctioned include six iron ore blocks, three blocks each of limestone and gold, two blocks of bauxite, one block each of copper, phosphorite and glauconite, according to the mines ministry. *[The Economic Times]*

Government cuts market borrowing target for FY23 by ₹10kcr: The government on Thursday marginally cut its planned market borrowing for the current fiscal year, sending a strong signal that the fiscal situation is comfortable despite higher expenditure on food and fertiliser subsidies. *[The Economic Times]*

Five CPSEs pay Rs 1,203 crore dividend to government: Following the latest tranche, the total dividend payouts by public sector enterprises to the Central government now stands at Rs 14,778 crore for this fiscal. *[The Economic Times]*

Centre releases Rs 7,183 cr as revenue deficit grant to 14 states: With the release of seventh installment for the month of October 2022, the total amount of revenue deficit grants released to the states in 2022-23 has gone up to Rs 50,282.92 crore. *[Business Standard]*

At Rs 3,513 crore, Madhya Pradesh bags most textile PLI investments: The standing committee on labour, textiles and skill development in its report on the man-made fibres (MMF) was informed by the textile ministry earlier this year that out of 67 applicants, 64 projects with a proposed investment of Rs 19,798 crore were approved by a selection committee under the PLI scheme. *[Business Standard]*

Windfall tax on crude cut by 31%, export duty on diesel halved: The taxes were introduced on July 1, as the government felt that the elevated crude prices were allowing oil companies to make windfall profits, and that the exchequer must get a share of such gains. *[Financial Express]*

US invites Indian industry to become part of its defence supply chain, says SIDM: The Indian industry is gearing up to explore opportunities to become a part of the US defence supply chain following a discussion the Society of Indian Defence Manufacturers (SIDM) delegation had with representatives of the Biden administration and industrial association during their recent Washington trip. *[Business Line]*

India's April-August fiscal deficit at \$66.56 billion: India's fiscal deficit for the first five months of the current fiscal touched Rs 5.42 lakh crore or 32.6% of annual estimates, government data showed on Friday. Net tax receipts rose to about Rs 7 lakh crore while total expenditure was Rs 13.9 lakh crore. *[The Economic Times]*



Foreign Investment

ONGC Videsh to invest \$1 billion in offshore block held by Petrobras: ONGC Videsh Ltd (OVL) will invest \$1 billion in a Brazilian offshore hydrocarbon block and will raise its stake. *[Business Standard]*

PhonePe completes process to move domicile from Singapore to India: PhonePe has in the past year moved all businesses, including insurance and wealth broking, and subsidiaries of PhonePe Singapore to PhonePe Pvt Ltd-India. *[Business Standard]*



Trade Policy and Competitiveness

China's Covid sneeze - Beijing is buying less from India and selling more: China's share in India's exports has come down from 6.5% in January-August 2021 to 3.5% in January-August 2022. Its share in India's imports remains broadly the same at about 15%. *[The Economic Times]*

Trade deal with UK would help raise garment exports by 10 pc: The government is expected to sign an FTA with UK after Deepavali which will boost the exports, as majority of the consumers and dealers prefer Indian goods for its quality, Shaktivel said. *[The Economic Times]*

Exporters seek GST extension on export ocean freight: In a letter to finance minister Nirmala Sitharaman on Sunday, the Federation of Indian Export Organisations (FIEO) said that overseas freights have increased 300-350% from pre-Covid level and refund of GST through Input Tax Credit comes with a lag of 2-3 months which affects cash flows. *[The Economic Times]*

Exports shrink in September, trade deficit widens: India's outbound shipments shrank after 19 months in September with job-creating sectors such as engineering, garments and cotton yarn being the worst hit. *[The Economic Times]*

WTO warns of sharp decline in global trade next year: India's exports has dipped for the first time in 19 months, led by a decline in shipments of engineering goods and apparel -- both labour-intensive sectors. *[Mint]*



Corporate Governance

Naspers-owned Prosus terminates \$4.7 billion deal to acquire BillDesk: The biggest M&A (merger & acquisition) deal in the Indian fintech space has been called off. Naspers-owned Prosus has terminated the \$4.7-billion deal to acquire India's leading payments aggregator BillDesk. *[Business Standard]*

Cisco hopes to be third-time lucky in making telecom products in India: The company is planning to start manufacturing in the country soon through either of its contract manufacturers, Foxconn or Jabil, for the local and overseas markets. *[The Economic Times]*

CCI clears Zee-Sony merger: The Competition Commission of India (CCI) gave its approval to the mega merger of homegrown media network Zee Entertainment Enterprises Ltd (ZEE) with Culver Max Entertainment, formerly known as Sony Pictures Networks India (SPNI). *[Business Line]*

Adani Enterprises announces establishment of two new subsidiaries: Adani Enterprises, the flagship company of the Adani Group, announced the creation of Adani Disruptive Ventures (ADVL), which will be a wholly-owned subsidiary, and Alwar Alluvial Resources (AARL). *[Business Standard]*

Reliance arm and Sanmina complete deal to set up electronics JV, to focus on 4G and 5G hardware: Reliance's arm RSBVL and US-based Sanmina Corporation have completed the joint venture transaction that will focus on making 4G and 5G hardware for Indian and overseas markets. *[The Economic Times]*



MSMEs and Start-ups

Bank credit to micro, small enterprises up 19% YoY in August - RBI data: Credit deployed during August 2022 stood at Rs 14.49 lakh crore, up from Rs 12.12 lakh crore in August 2021 and Rs 11.98 lakh crore in August 2020. The total bank credit to MSEs in July this year grew 19.2 per cent to Rs 14.41 lakh crore vis-a-vis Rs 12.09 lakh crore a year ago. *[Financial Express]*

Google Accelerator to support 20 women-led start-ups in first cohort: Google has announced the first class of 20 women founded/co-founded start-ups for the inaugural cohort of its "Google for Startups Accelerator - India Women Founders" programme. *[Business Standard]*

Unicorns feel funding winter chill, see fall in numbers: Hurun global index: 81 unicorns from across the globe saw their valuations drop below \$1 billion-the threshold for a start-up to be labelled unicorn- from last year. Of these, 36 were from the US and 35 from China. Though India has not seen many unicorns drop off the list in the past year, few have seen a decline in their valuations and hence, getting dropped off the list. *[Business Standard]*

Gujarat Government launches 'Aatmanirbhar Gujarat' scheme for MSMEs and heavy industries: Gujarat Government on Wednesday introduced the 'Aatmanirbhar Gujarat' scheme to provide assistance and various incentives to industries. *[Financial Express]*



Employment and Industrial Relations

India's unemployment rate drops to 6.43 per cent in September - CMIE: In the rural areas, unemployment rate tanked to 5.84 per cent in September from 7.68 per cent in August, while in the urban areas it fell to 7.70 per cent against 9.57 per cent in the previous month. *[The Economic Times]*

New NPS proposal: Get regular monthly income from lump sum withdrawal part: Now, pension fund regulator PFRDA or Pension Fund Regulatory and Development Authority is proposing that the lump sum can be paid systematically on a periodical basis viz monthly, quarterly, half yearly or annually for a period till 75 years, if the subscriber desires. *[Mint]*



Industrial Finance

FinMin allows airlines to avail up to Rs 1,500 crore loan under ECLGS: The Union Finance Ministry on Wednesday allowed airlines to avail of up to Rs 1,500 crore loan under the Emergency Credit Line Guarantee Scheme (ECLGS), to help them tide over their cash flow problems. *[Business Standard]*

Strong credit ratings upgrades for Indian firms; these sectors climb up the most as credit quality improves: The corporate credit ratio (upgrades vs downgrades) in H1FY23 was 3.3, as compared to 2.8 in H1FY22, ICRA said in a report on Monday. Most upgrades were in a few sectors namely real estate, engineering, textiles, financials, roads, and construction. *[Financial Express]*

NHAI Investment Trust to raise ₹1,500 crore via bonds: The infrastructure investment trust of the National Highways Authority of India (NHAI), will hit the market soon to raise ₹1,500 crore and another ₹5,000 crore by the end of this financial year. *[The Economic Times]*

RBI categorises 16 large financial entities as upper-layer NBFCs: The Reserve Bank on Friday categorised 16 big non-banking financial companies, including LIC Housing Finance and Bajaj Finance, as upper-layer NBFCs that will be subject to an enhanced regulatory framework. *[The Economic Times]*

Govt to approach capital market this month to raise Rs 2,500 cr for three road projects: Infrastructure Investment Trusts (InvITs) are instruments on the pattern of mutual funds, designed to pool money from investors and invest in assets that will provide cash flows over a period of time. *[The Economic Times]*

BoB plans to raise \$500m overseas loan: State-owned Bank of Baroda (BoB) is planning to raise up to \$500 million via an overseas loan as the bank is seeking to expand its offshore investments and credit. *[The Economic Times]*



Technology and Innovation

PM Modi's massive manufacturing push. Five Indian companies riding the tailwind: The government had approved 32 beneficiaries under the scheme of which 10 (five foreign and five domestic companies) were approved for mobile manufacturing. *[Mint]*

PM Modi inaugurates IMC 2022 exhibition, experiences 5G tech by different operators: Prime Minister Narendra Modi on Saturday inaugurated the India Mobile Congress (IMC) 2022 exhibition ahead of the formal launch of 5G mobile telephony services in India. *[The New Indian Express]*

UGC launches syllabus of cyber security courses at UG, PG level: The syllabus aims at developing an understanding of cyber security issues even for students from non-technical streams. *[Mint]*

Improvement in innovation rankings reflects government affirmation - NITI Aayog VC: India on Thursday made it to the top 40 countries at the Global Innovation Index (GII), led by improvement in information and communication technologies (ICT) services exports, venture capital recipients' value, and finance for startups. This is the first time that India has reached this ranking. *[The Economic Times]*

UPI transactions touch a record Rs 11.17 trillion in September: According to the latest data released by the National Payments Corporation of India (NPCI), the UPI platform recorded 6.8 billion transactions in September, amounting to Rs 11.17 trillion. It is up 3.05 per cent and 4.06 per cent in volume and value terms on a month-on-month (MoM) basis. *[Business Standard]*

Government-backed e-commerce platform ONDC goes live in Bengaluru: As per government sources as many as 497 sellers, and 17 apps were live on the platform on the first day of its going live. As many as 100,000 products were listed on the platform on the first day across grocery, and food and beverages categories. *[The New Indian Express]*

India, Oman to sign pact on digital finance & payments: The landmark agreement will facilitate the use of RuPay cards and the UPI platform in Oman and collaboration for seamless digital remittances, benefitting Indian workers and professionals. *[The Economic Times]*

Card tokenisation to be implemented from October 1, no further extension signals RBI: The Reserve Bank of India on Friday signalled that it would not extend the October 1, deadline for implementation for tokenisation of card based payments. *[The Economic Times]*

Government open to launching Indian app store as an alternative to Google, Apple: The central government will consider requests from technology entrepreneurs to launch an Indian digital application store, two senior officials told ET, responding to the growing outcry against the dominance of US technology giants Google and Apple in the country's digital services market. *[The Economic Times]*

Centre approves Rs 26,000 crore for installation of 25k mobile towers: The government on Tuesday approved Rs 26,000 crore for installation of 25,000 mobile towers in 500 days. According to the telecom ministry, the financial support for the project will be provided by Universal Services Obligation Fund (USOF) and it will be implemented by Bharat Broadband Network (BBN). *[The New Indian Express]*



Industrial Infrastructure, Clusters and SEZs

Telangana attracts over Rs 2.5 trn investments in 8 years - KT Rama Rao: Telangana has attracted over 2.5 lakh crore in investment across various sectors in the last 8 years due to business-friendly policies and atmosphere, state Industries Minister KT Rama Rao said. *[Business Standard]*

Rajasthan govt signs 4192 MoUs ahead of the Investment Summit 2022: The Rajasthan Government on Monday signed 4192 Memoranda of Understanding (MoUs), and Letters of Intent (LoIs) involving investment commitment worth Rs 10.44 lakh crore ahead of the Investment Rajasthan Summit 2022. *[Financial Express]*



Sustainable Industrialisation

NTPC ropes in GE Gas Power to reduce CO2 emissions at plants in Gujarat: State-owned NTPC has roped in GE Gas Power to help it reduce carbon emissions at its 645 MW Kawas gas power plant in Gujarat. *[Business Standard]*

E-bike Cos rev up to boost exports to US, EU: Indian e-bike makers are hoping to ride the 'China Plus One' strategy outlined by multi-national companies to scale up exports to Europe and the United States. *[The Economic Times]*



Sectoral News

India's coal production increased by 12% to 57.93 million ton in September: The production level of 25 coal mines in the country went beyond 100%, India was able to boost its coal production by 12% in September. *[Mint]*

Auto industry sees robust sales in September: India's auto industry witnessed robust sales in September 2022, with leading carmaker Maruti Suzuki registering over two-fold surge in annual sales. Maruti Suzuki India Limited (MSIL) sold 148,380 passenger vehicles in the domestic market last month as against 63,111 units sold in September 2021. *[The New Indian Express]*

India's spice exports see uptick as supply-chain bottlenecks ease, Covid pandemic wanes: Spice exports from the country, which has dropped by close to 5 per cent in the first five months of FY23, has been on an uptick as the pandemic waned in the global markets and shipping problem has eased. *[The Economic Times]*

Voda Idea says its 5G rollout journey will begin soon; doesn't specify launch, coverage timelines: Vodafone Idea, the country's struggling third telecom player, plans to begin the journey to roll out 5G services, matching rivals Reliance Jio and Bharti Airtel, but the firm has offered no specific timeline for the launch or coverage of the ultra high-speed internet services. *[The New Indian Express]*

Office space supply up 49 pc in January-September to 32.8 mn sq ft in top 6 cities: New supply of office space rose 49 per cent during January-September period across six cities to 32.8 million square feet on completion of many commercial projects to meet rising demand, according to Colliers India. *[Financial Express]*

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