

Industry Matters

Weekly Updates

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Economy, Industry and Policy

Gauging foreign investments: India needs more FDI inflows to build manufacturing capacity: Given its burgeoning requirements for investible resources for closing development gaps, India has to harness foreign (and domestic) sources of capital. Foreign sources include foreign direct investment (FDI) and foreign portfolio investments (FPIs). *[Financial Express]*

Innovation, competition, ambition - Why Indian firms must invest more in R&D: I have often written about the need for Indian industry to invest more in in-house research and development (R&D). Indian industry invests only 0.3 per cent of gross domestic product (GDP) in in-house R&D, compared to a world average of 1.5 per cent. *[Business Standard]*

India emerges as big PE hub with 86% investors planning higher allocations: Despite global economic challenges, investors remain optimistic about India's growth prospects, with 86% anticipating increased allocation to the country, according to a survey conducted by Grant Thornton. *[Business Standard]*

WPI inflation drops to 4-month low of 1.31% in Aug on lower prices: India's wholesale price index (WPI)-based inflation fell to a four-month low of 1.31 per cent on an annual basis in August from 2.04 per cent in July due to a reduction in the prices of manufactured products and food items. *[Business Standard]*

Indkal hopes to achieve 90% localisation in manufacturing by year-end: Indkal, the official licensing partner of US-based power tools and home appliances maker BLACK+DECKER and consumer technology giant Acer, is planning to increase local value addition in its manufacturing process. *[Business Line]*

Real money gaming sector tops GST evasion list: The real money online gaming sector topped the apex goods and services tax (GST) intelligence and investigation agency's evasion list with detection to the tune of about Rs 1.10 lakh crore, involving show cause notices to 34 taxpayers, action against 118 domestic entities and 658 offshore entities. *[The Economic Times]*

PM Modi invites global companies to invest in India's green transition: PM Modi said there were opportunities in renewable energy generation and manufacturing. "India is a guarantee for better returns if you're looking to expand. There is no better place for investments and innovation (in renewable energy)...I invite you all to invest in India's green transition. *[Business Line]*

Middle-income trap is the biggest threat to India's growth - NITI CEO BVR Subrahmanyam: India aims to become the third-largest economy by 2026-27, addressing the middle-income trap as a major challenge. NITI Aayog CEO BVR Subrahmanyam emphasizes the need for a cohesive strategy involving urban development, private sector innovation, and state-level reforms to ensure inclusive growth and avoid stagnant economic progress. *[The Economic Times]*

Out of Rs 1.5 lk crore, govt approves Rs 46k crore as capex loans to states: The Centre has sanctioned ₹46,000 crore as capex loans to states so far out of the total ₹1.5 lakh crore allocated for FY25. *[The Economic Times]*

Mcap of 9 of top-10 most valued firms jump Rs 2 trn; Bharti Airtel sparkles: Nine of the top-10 most valued firms together added Rs 2,01,552.69 crore in market valuation last week, with Bharti Airtel stealing the show, amid bullish investors' sentiment in equities. *[Business Standard]*

India seeks investments from South Korea & Japan for shipbuilding clusters: India is seeking investments and technology transfer from South Korea and Japan to establish shipbuilding and ship repair clusters to promote the domestic shipping supply chain in the country. *[Business Standard]*

India's industrial production clocks 4.8 pc growth in July: India's Index of Industrial Production (IIP) rose by 4.8 per cent in the month of July, improving its performance from 4.7 per cent in June, Ministry of Statistics data showed on Thursday. The growth rates of three sectors — mining, manufacturing and electricity — were 3.7 per cent, 4.6 per cent and 7.9 per cent, respectively. *[The Statesman]*

India's growth potential is above 7.5% - RBI Governor Shaktikanta Das: India has a growth potential of at least 7.5 per cent, Reserve Bank of India Governor Shaktikanta Das said on Friday at an international forum in Singapore. This projection is slightly above the Reserve Bank of India's estimate of 7.2 per cent growth for the current financial year, FY25. *[Business Standard]*

Tax evasion under GST regime surges to Rs 2.01 lakh crore in FY24: Tax evasion under the Goods and Services Tax (GST) regime has surged to Rs 2.01 lakh crore for the financial year 2023-24, said the Directorate General of GST Intelligence (DGGI). *[The Statesman]*

Revision of retail inflation index to rely on 2022-23 inputs: The government has completed the Household Consumption Expenditure Survey (HCES) exercise for 2023-24, and preliminary analysis shows that its results are largely similar to the one of 2022-23, a senior official told FE. So, the 2022-23 survey results are most likely to be used for formulating the new Consumer Price Index (CPI) series to avoid any further delay in its formulation, the official added. *[Financial Express]*

India has to open up more to attract higher investment like China, Korea - Gill: For a country like India which is a huge and diverse economy with different sectors and States at different stages of development, there can't be a strict prescription for growth, says World Bank Chief Economist Indermit Gill. *[Business Line]*

Telangana launches new MSME policy, plans to spend Rs 4,000 crore: Telangana government plans to spend Rs 4,000 crore over the next five years towards various initiatives to develop Micro Small, Medium and Enterprises in the state, said Chief Minister A Revanth Reddy, who unveiled the "Telangana MSME Policy 2024" on Wednesday. *[Business Standard]*

India's economic growth stands out globally, says FM Nirmala Sitharaman: Finance Minister Nirmala Sitharaman on Wednesday said India is standing out globally in terms of economic growth and will continue to do so in the next few years. *[Business Standard]*

Gujarat, TN, Karnataka biggest gainers from 1990s reforms- PM-EAC: The economic liberalisation that began in the 1990s seems to have benefited Gujarat, Haryana, Karnataka, Tamil Nadu and Delhi the most as their share in the national GDP has increased significantly between 1990-91 and 2023-24. *[Business Standard]*

India sees 5.35 pc growth in exports at \$328.86 billion in April-August: India's total exports during the April-August period are estimated at \$328.86 billion, registering a positive growth of 5.35 per cent, data by the Ministry of Commerce and Industry showed on Tuesday. Total imports during the first five months of the current fiscal are estimated at \$375.33 billion, registering a growth of 7.20 per cent. *[The Statesman]*

Cabinet nod for broader price support scheme for farm goods; revamped PM-Aasha to cost Rs 35,000 crore through FY26: The cabinet on Wednesday approved the continuation of the Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-Aasha), an umbrella scheme to ensure minimum support price (MSP) to farmers and curb price fluctuations in essential commodities for consumers. *[Financial Express]*



Foreign Investment

FPIs inject Rs 27,856 cr in equities in Sept on US rate cut expectations: Foreign investors have infused Rs 27,856 crore in domestic equities in the first fortnight this month, owing to the resilience of the Indian market and growing optimism around the potential interest rate cut in the US. *[Business Standard]*

Outward FDI increases to \$3.2 billion in August 2024 - RBI: India's outward foreign direct investment (FDI) commitments rose by about \$1 billion to \$3.21 billion in August 2024, compared to \$2.29 billion in August 2023. Sequentially, they rose from \$3 billion in July 2024, according to Reserve Bank of India (RBI) data. *[Business Standard]*



Trade Policy and Competitiveness

India's exports shrink 9.3% in August, trade deficit at 10-month high: India's trade deficit widened to a 10-month high of \$29.7 billion in August as imports hit a record high of \$64.4 billion on doubling of gold inflows, and exports contracted for the second month in a row to \$34.7 billion due to softening of oil prices and muted global demand. *[Business Standard]*

India extends anti-subsidy duty on Chinese chemical for 5 years: India has extended countervailing or anti-subsidy duty on a Chinese chemical used in pesticides for five more years to guard domestic players. *[The Economic Times]*

Shipments via courier too may get export scheme benefits: The government on Friday extended benefits to exporters sending overseas shipments through courier services. The move is likely to support sellers, especially smaller ones, using the online mode or social media platforms for exports. *[The Economic Times]*

Higher freight costs, container import dependence hurt India's exports - GTRI: India needs to increase container production, promote the use of domestic containers, strengthen domestic shipping firms and enhance port infrastructure as higher freight costs, container shortage and dependence on major shipping hubs and foreign carriers pose serious challenges to the country's exports. *[The Economic Times]*

Ecomm hubs to connect SME exporters to world in works: India's exports through ecommerce are worth about \$5 billion while the overall international market is worth about \$800 billion and is estimated to reach \$2 trillion. *[The Economic Times]*

Trade deficit surges to 10-month high of \$29.7-billion: India's merchandise trade deficit jumped to its highest in 10 months to \$ 29.6 billion in August, as exports shrank by a steep 9.3% on year, even as import growth to slowed to 3.3%. The contraction in export shipments was the sharpest in any month since July 2023, when the slump was 10%. In August last year, goods exports had grown 3.5%. *[Financial Express]*

India-US trade has potential to reach \$500 bn, says Hardeep Singh Puri: India's Petroleum Minister Hardeep Singh Puri announced that the US is now India's sixth-largest energy trade partner, with bilateral trade potentially reaching USD 500 billion. The hydrocarbon trade has nearly doubled since 2018-19. Puri discussed sustainable energy initiatives and investment opportunities with US stakeholders at the Gastech 2024 conference in Houston. *[The Economic Times]*



Corporate Governance

Reliance expands trading area by 50% for non-food & general merchandise: Reliance Retail, the country's largest retailer, has increased the trading area for non-food and general merchandise by almost 50 per cent in its grocery stores in a bid to improve margins. *[Business Standard]*

Network18's merger with TV18 and E18 gets NCLT approval: The Mumbai bench of the National Company Law Tribunal (NCLT) has granted final approval for the merger of TV18 Broadcast and e-Eighteen.com (E18) into Network18 Media and Investments. *[The Economic Times]*

Nippo-maker Indo National sells entire 51% stake in Kineco for Rs 220 cr: Chennai-based Indo National Ltd, the manufacturer of consumer electrical brand Nippo, Tuesday said it has divested its entire 51% stake in composites maker Kineco Ltd for Rs 220 crore. *[The Economic Times]*

SCI divestment process may spill over to FY26 amid 'documentation issues': The privatisation of state-owned Shipping Corporation of India (SCI) is likely to be delayed beyond the current financial year 2024-25 as the Centre struggles to resolve "documentation issues" with the Maharashtra state government following the demerger of the shipping major's non-core assets. *[Business Standard]*

Competition Commission introduces independent monitoring agencies for order compliance: In a significant regulatory overhaul, the Competition Commission of India (CCI) issued a sweeping notification late last night, announcing comprehensive amendments to its General Regulations. *[Business Line]*



MSMEs and Start-ups

Women empowerment, technology, employment focus areas of MSME ministry: Women empowerment, technology, employment and balanced regional development have been the focus areas for the Micro, small and Medium Enterprises (MSME) ministry in the first 100 days of Modi 3.0 government. *[The Economic Times]*

SMEs turn to capital markets for funding, raise Rs 11,000 crore: Small and Medium Enterprises (SMEs) are increasingly turning to the capital markets for funding, with 780 SMEs listed on the NSE and BSE as of June 2024, a senior official said on Wednesday, adding that these companies have raised approximately Rs 11,000 crore. *[Business Standard]*

Creeping acquisitions, deals aimed at gaining control of startups to face CCI scrutiny: The new deal value threshold (DVT) for mergers and acquisitions, introduced by the Competition Commission of India (CCI) recently, is likely to have a major impact on startup deals. *[Financial Express]*

Start-up India to move out of Invest India's ambit- Goyal: Commerce and Industry Minister Piyush Goyal on Monday announced the Centre's Start-up India initiative will be moved out of the aegis of the official investment promotion and facilitation agency Invest India, to a new non-profit company that could also house the National Start-up Advisory Council. *[The Hindu]*

CGTMSE guarantee coverage for women MSMEs increased to 90% - MSME Ministry: In a move to support women entrepreneurship, the MSME Ministry on Tuesday said women-owned micro and small enterprises (MSEs) will get higher credit guarantee coverage under the collateral-free loan scheme CGTMSE. *[Financial Express]*



Employment and Industrial Relations

Amazon asks employees to return to office five days a week starting next yr: Amazon.com will require employees to return to working at company offices five days per week beginning next year, toughening a prior three-day mandate. *[Business Standard]*

Formal job creation under ESIC up 13% in July at 2.25 million - Payroll data: Formal job creation under the Employees' State Insurance Corporation (ESIC) went up by 13.3% in July to 2.25 million compared to 1.98 million in July 2023 while month-on-month ESIC witnessed an increase of 4% when compared to 2.16 million net registrations in June 2024. *[The Economic Times]*



Industrial Finance

JBM secures \$100 million funding from ADB, AIIB to expand e-bus operations: JBM ECOLIFE Mobility, a subsidiary of JBM Auto Limited, has secured \$100 million in funding from the Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB). *[Business Standard]*

IRB InVIT to raise Rs 2,667 crore via term loans to refinance existing debt: IRB Infrastructure Investment Trust (InVIT), a vehicle set up to manage road assets, is planning to raise Rs 2,667 crore through term loans to refinance existing debt. *[Business Standard]*

Infra lender REC signs renewable energy agreements worth \$13.4 billion: Indian infrastructure lender REC said on Tuesday it has signed pacts worth about Rs 1.12 trillion (\$13.37 billion) with renewable energy developers. *[Business Standard]*

NBFCs witness higher deposit growth than banks, records 21% rise in FY24: Non-bank lenders have collectively managed to expand their deposit base by 21% in FY24 while banks are struggling with a modest 13.5% rise year-on-year in the fiscal ending March 30. *[The Economic Times]*

Banks, FIs committed close to \$386 billion investment in renewable energy - Minister: Union Minister of New and Renewable Energy (MNRE) Pralhad Joshi on Monday said the leading banks and various financial institutions have committed close to USD 386 billion investment in development of renewable energy projects by 2030. *[The Statesman]*

Bajaj Housing Finance, India's most valuable mortgage lender, sees competition ebbing: Bajaj Housing Finance Ltd., India's leading mortgage lender, sees competition easing as larger banks shift focus from retail to corporate credit. Chairman Sanjiv Bajaj noted the company's shares surged after a successful IPO, and it plans to expand sensibly in key markets. Home prices outside major metros remain steady. *[The Economic Times]*



Technology and Innovation

'Electronics production must grow at 22% to hit \$500 billion target': Electronics production in India will need to grow at an annual growth rate of 20-22 per cent to reach the \$500 billion target by 2030, said Pankaj Mohindroo, chairman, India Cellular and Electronics Association (ICEA). *[Business Standard]*

90% of financial institutions focus on AI, GenAI for innovation - PwC India: Ninety per cent of Indian financial institutions are focusing on artificial intelligence (AI) and GenAI (Generative Artificial Intelligence) as the primary technology enablers of innovation. *[Business Standard]*

First Solar Inc may invest Rs 2,500 cr for tech upgrade in Tamil Nadu mfg units: First Solar is the country's first fully integrated vertically integrated solar manufacturing plant - from semiconductors to modules - with a capacity of 3.3 GW. The company expects the upgradation to result in increasing the effective incremental capacity of the manufacturing to 3.5 GW and create additional 300 jobs. *[The Economic Times]*

India has chip dreams. What it needs is a strategy: India is investing heavily in its semiconductor industry, with \$11 billion already allocated and potentially another \$5-10 billion on the way. *[The Economic Times]*

Tata, Analog Devices to explore opportunities for semiconductor manufacturing in India: Tata Group and Analog Devices have partnered to explore semiconductor manufacturing opportunities in India. Tata Electronics, Tata Motors, and Tejas Networks signed an MoU with ADI to enhance cooperation and use ADI's products in Tata applications like electric vehicles and network infrastructure. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

NDA govt approved infra projects worth Rs 3 trn in first 100 days - Shah: The BJP-led NDA government has approved infrastructure projects worth Rs 3 trillion, including linking 25,000 unconnected villages to road networks and building a mega port at Wadhawan in Maharashtra. *[Business Standard]*

Tata Power to invest up to \$9 bn to expand renewable energy capacity: Tata Power plans to invest up to \$9 billion to more than quadruple its renewable energy capacity to more than 20 gigawatts (GW) over the next five to six years. *[Business Standard]*

Hindalco to invest ₹2450 crore in copper projects in Gujarat and e-waste recycling plant at Dahej: Hindalco's copper division will be investing ₹2450 crore on two copper projects in Gujarat, which includes an electronic waste or e-waste recycling facility at Dahej in South Gujarat which will produce 200 kilo tonnes of copper annually. *[Business Line]*

REC inks MoUs with renewable energy companies for projects worth ₹1.12 lakh crore: REC Limited, one of India's infrastructure financing companies, signed non-binding Memorandums of Understandings (MoUs) with renewable energy developers for projects worth approximately ₹1.12 lakh crore. *[Business Line]*

Great Eastern plans to enter container shipping sector: The Great Eastern Shipping Company, India's largest private ocean carrier, is considering entering the container shipping sector. This move could help mitigate risks associated with oil trade as the world shifts towards green energy. *[The Economic Times]*



Sustainable Industrialisation

Hero Future Energies plans to invest \$20 bn in renewables over 6 years: Indian conglomerate Hero Group's power production unit plans to invest \$20 billion over the next six years to scale up its capacity by nearly 16 times, chairman Rahul Munjal told Reuters. *[Business Standard]*

India to add record renewables this year as green push gains momentum: India will connect a record 35 gigawatts (GW) of solar and wind energy capacity to its grid during the year ending March 2025, a top bureaucrat told Reuters. *[The Economic Times]*

India's Hindalco plans to enter solar module manufacturing: India's Hindalco Industries plans to start solar modules manufacturing and set up a plant in the western state of Gujarat. *[The Economic Times]*

India has potential to produce lithium-ion batteries, Kashmir has 6% of global lithium stock - Nitin Gadkari: Union Road Transport and Highways Minister Nitin Gadkari on Tuesday said that Jammu and Kashmir had 6 per cent of world's lithium stock, and that India had the potential to produce lithium-ion batteries. *[The Economic Times]*

Torrent Power to invest ₹64000 cr in renewable energy projects: Torrent Power Limited, the integrated power utility of diversified Torrent Group, on Monday announced that it will invest ₹64,000 crore in green energy projects and generate 26,000 new jobs. *[Business Line]*

Adani Group to invest over \$48 billion in green energy push: The Adani Group has pledged to invest more than \$48 billion, or around ₹4.05 lakh crore, by 2030 to expand its green energy business spread across renewable energy generation, as well as increasing its manufacturing footprint for electrolysers and in solar and wind energy segments. *[Business Line]*

OIL to invest Rs 25,000 cr in clean energy for net zero emissions by 2040: State-owned Oil India Ltd plans to invest Rs 25,000 crore in clean energy projects to help achieve the net zero carbon emission goal by 2040. *[Business Standard]*

Tata Power installs rooftop solar systems at 600 locations in Chhattisgarh: Tata Power Solar Systems Ltd (TPSSL) has installed rooftop solar systems at more than 600 locations in Chhattisgarh under an initiative. *[Business Standard]*

Reliance Power makes foray into renewable energy, bags battery storage tender: Reliance Power has entered the renewable energy and storage sector as it has bagged a tender from the Solar Energy Corporation of India (SECI) to set up a 500 MW/1000 MWh battery energy storage system (BESS). *[Financial Express]*



Sectoral News

Ford plans to re-enter India, to restart Tamil Nadu plant for exports: Ford Motor Company said on Friday it plans to restart its factory in Chennai and use it for exports, marking the automaker's intent to reenter the Indian market after announcing exit in September 2021. *[Business Standard]*

India's steel companies look forward to recycle mandate for automakers: The government is expected to mandate automakers to recycle a specified amount of steel from old vehicles, a move that is expected to boost the steel circular economy and nudge scrap availability. *[Business Standard]*

Healthcare, manufacturing sector to benefit most from Fed rate cuts, reveals Motilal Oswal report: A new report by [Motilal Oswal](#) has revealed that the healthcare and manufacturing sectors are expected to benefit the most from the Fed's decision to lower interest rates, signalling strong growth prospects in the coming months. *[Financial Express]*

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