

Industry Matters

Weekly Updates

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Economy, Industry and Policy

India Inc's growth stories, capex plans expected to back on track: Boosted by the overall optimism in the country's economic stature and favourable policies, the capex plans of India Inc are back on track, with corporate spending expected to continue undeterred for the rest of the financial year. A majority of the companies had opted for a 'wait and watch' approach during the first half (H1) of this fiscal on low capacity-utilisation and largely uncertain business environment. *[Financial Express]*

Global telecom gear makers scale up investment under government's incentive plan: Global companies including Nokia and Jabil (for Ericsson) and India's Tejas Networks have increased investments worth over Rs 500 crore under the telecom equipment production-linked incentive (PLI) scheme as demand for 5G equipment soars with Reliance Jio and Bharti Airtel rolling out network. *[Economic Times]*

PLI for petrochemicals might be announced in budget: The government is working on a production-linked incentive (PLI) scheme worth ₹10,000 crore for chemicals and petrochemicals industries, two people aware of the matter said, as the country aims to triple its capacity to manufacture these key ingredients by 2040. *[Mint]*

Government monetises assets worth Rs 33,442 cr so far this FY; Coal Min raises Rs 17,000 cr: The government has monetised assets worth Rs 33,422 crore under the National Monetisation Pipeline (NMP) in 2022-23 so far. With the Coal Ministry leading the list by raising Rs 17,000 crore, and the Ports and Shipping Ministry surpassing its overall fiscal target, according to sources. *[Financial Express]*

Government puts disinvestment of Hindustan Copper Ltd on hold as it will lead to private sector monopoly: Government has put disinvestment of Hindustan Copper Ltd on hold. Sources say that Govt is against complete disinvestment of Hindustan Copper, as it will lead to private sector monopoly in the sector. *[Economic Times]*

Consumer Sentiment Index Falls 0.65% after Festive High: A fortnight after the end of the festive season, the Index of Consumer Sentiments (ICS) fell 0.65% after a cumulative rise of 11.9% during September-October, the Centre for Monitoring Indian Economy (CMIE) said. Growth in ICS is likely to slow down in November, it said. *[Economic Times]*

Goldman Sachs slashes India's GDP forecast for 2023 to 5.9%: The Indian economy, which claimed the title of the fastest-growing major economy title in the previous fiscal is likely to lose its momentum in 2023 owing to higher borrowing costs and fading benefits from the Covid pandemic reopening, said Goldman Sachs in a note. *[Economic Times]*

States' fiscal deficit jumped by 78% after lockdown - RBI: State governments' fiscal deficit widened in absolute terms by a massive 78% to ₹9.3 trillion in FY21, new figures showed, the effect of the harsh pandemic-induced lockdown that still marks out aspects of Centre-state financial relations. *[Mint]*

Despite imminent slowdown, rate hikes to continue: Economists have factored a lower growth for the September quarter at 6.5 percent compared to 13.5 percent in the June quarter. Despite risks of a further

slowdown, the Reserve Bank is still expected to deliver a 35 to 50 basis points (one bps is 0.01 percent) rate hike to manage inflation within the mandated band of 2-6 percent. *[Economic Times]*

Capex by CPSEs accelerates to 53% of annual target during Apr-Oct period: Capital expenditure (capex) by large central public sector enterprises (CPSEs) with a target of Rs 100 crore or more touched 53.03 per cent of the annual target of Rs 6.62 trillion during the first seven months of the financial year. *[Business Standard]*



Foreign Investment

Nirmala Sitharaman chairs meeting of NIIF's governing council: The Governing Council noted that NIIF has developed into an internationally credible and commercially viable investment platform, backed by several highly respected global and domestic investors who have invested alongside the Government of India in NIIF Funds. *[Mint]*

Sovereign investors favour US, India as top 2022 investment markets- Study: India has emerged as the second most coveted investment market after the United States for sovereign wealth funds and public pensions funds in 2022, according to a study by asset manager Invesco published on Monday. *[Business Standard]*

FDI equity inflows dip 14 pc during April-September to USD 26.9 billion: The total FDI inflows (which includes equity inflows, re-invested earnings and other capital) too declined to USD 39 billion during the first six months of the current fiscal year as against USD 42.86 billion in the year-ago period. *[Financial Express]*



Trade Policy and Competitiveness

Finmin turns down proposal to expand tax remission scheme for exporters: The finance ministry has rejected a commerce ministry proposal to expand the scope of the flagship tax remission scheme-RoDTEP-for exporters to include sectors that are currently out of its ambit, official sources told FE. *[Financial Express]*

Relief to exporters- Centre lowers export obligation for 192 products under key scheme: In a relief to exporters, the government on Thursday reduced the export obligation under a key incentive scheme for 192 products whose exports declined more than 5% on-year in FY22. *[Economic Times]*

Binding pledges on new issues in FTAs may harm India's exports: A report by the Global Trade Research Initiative (GTRI) suggests that India, like many developing countries, still has an evolving regulatory mechanism concerning most of these new areas. *[Financial Express]*

India scraps export tax on iron ore and steel: The Centre has reversed its previous order by deciding to scrap the export duty on iron ore and several steel products. Earlier the government had imposed export taxes on these metals due to soaring prices. *[Mint]*

Committed to working quickly on UK-India FTA - Rishi Sunak: Prime Minister Rishi Sunak has said that the UK government remains committed to working "as quickly as possible" towards a successful conclusion to the ongoing free trade agreement (FTA) talks with India, as the majority of the substantive negotiation conversations were completed at the end of last month. *[Indian Express]*

India-UK trade pact a high priority; next round of talks in December: Piyush Goyal: The proposed free trade agreement (FTA) between India and the UK is a high priority for both the countries, commerce and industry minister Piyush Goyal said, even as he declined to give any strict timelines to conclude the talks. The next round of negotiations for the pact will be held in December, the minister said, adding that the deal would

likely be a comprehensive one. "Things are progressing well and will yield good results," he said, at a steel industry event here. *[Financial Express]*

Rupee trade with Russia: Nod to HDFC Bank, Canara: In a bid to facilitate rupee trade with Russia, the Reserve Bank of India (RBI) has approved the opening of special vostro accounts by two more lenders, HDFC Bank and Canara Bank, according to media reports. This paves the way for cross-border trade in the Indian currency, especially between New Delhi and Moscow. *[Financial Express]*

Gem, jewellery exports decline 15% to Rs 25,844 crore in October- GJEPC: The gem and jewellery exports declined 14.64 per cent in October at Rs 25,843.84 crore due to seasonal trend as manufacturing activities are limited or closed during Diwali, GJEPC said on Saturday. *[Economic Times]*



Corporate Governance

BEL signs MoU with Armoured Vehicles Nigam and Truecom Networks: Bharat Electronics Ltd (BEL) signed a memoranda of understanding with Armoured Vehicles Nigam Limited and Truecom Networks Private Limited. BEL and Armoured Vehicles Nigam, defences PSU will jointly address the requirements of Indian defence and export markets in areas of combat vehicles, main battle tanks (MBTs), infantry fighting vehicles (IFVs), armoured fighting vehicles (AFVs), and related systems. Along with Truecom Networks, BEL will cooperate in the field of field wireless systems (FWS). *[Business Line]*

Eight of top-10 firms add Rs 42,173 cr in m-cap; ICICI Bank, Infy lead: Eight of the 10 most valued firms together added Rs 42,173.42 crore in market valuation last week, with ICICI Bank, Infosys and TCS emerging as the biggest gainers. *[Business Standard]*

India Inc's growth stories, capex plans expected to back on track: The Aditya Birla Group's flagship company also got board approval for an additional capex of Rs 565 crore for existing businesses, out of which Rs 382 crore is expected to be spent in FY23. *[The Financial Express]*



MSMEs and Start-ups

ONDC to provide opportunities for innovation, growth for start-ups, ecommerce ecosystem players: CEO T Koshy: Pen Network for Digital Commerce (ONDC) – the Indian government's ambitious project to democratise ecommerce in India – will serve as a level-playing field for all businesses. They will provide a foundation for start-ups, ecosystem players, including banks, MSMEs, and telecoms, to find new avenues to innovate and grow, said ONDC MD and CEO T Koshy. *[Economic Times]*

It will give another level of comfort to MSME lenders: Experts on GST data access via account aggregators: The Reserve Bank of India's (RBI) decision to include the Goods and Services Tax Network (GSTN) as the latest Financial Information Provider (FIP) under the Account Aggregator (AA) framework has been hailed as a major push to further ease access to bank credit by MSMEs. GSTN is the non-profit and non-government organization that manages the entire IT system of the GST portal. *[Financial Express]*

Govt doubles down on defence purchases from MSMEs; buys goods worth this much amount: Purchase of defence-related goods and services by the Defence Ministry from MSMEs via the government's business-to-government (B2G) portal Government eMarketplace (GEM) during the eight months of the current fiscal has surpassed FY22 procurement level, according to the portal. In a tweet on Thursday, GeM announced that the gross merchandise value of Rs 15,039 crore achieved in 12 months in the last fiscal has already been done in eight months of the current FY. *[Financial Express]*

MSMEs in Madhya Pradesh to get targetted support from SIDBI, state: The bank had earlier entered into similar partnerships with other states including Assam, Rajasthan, Haryana, Maharashtra, Delhi, Uttar Pradesh, Uttarakhand, and more to set up PMUs. According to SIDBI, PMUs design programmes related to equity support, resolution for stressed units, interest subvention and suggest changes to existing schemes and projects in the respective state, if required, to remove barriers to MSMEs' growth. *[Financial Express]*



Employment and Industrial Relations

India Inc seeks steps to boost job creation, consumption: Corporate India has urged finance minister Nirmala Sitharaman to focus on measures to accelerate job creation, broaden the tax base and cut non-merit subsidies in the Union Budget for 2023-24. It pitched for rationalizing personal income tax slabs to boost consumption and a review of the capital gains tax structure. *[Financial Express]*

1.6 mn jobs being generated by Centre every month- Ashwini Vaishnaw: Highlighting the Centre's efforts in creating employment opportunities, Union Railway Minister Ashwini Vaishnaw on Tuesday said that about 16 lakh jobs are being generated every month by the central government. *[Business Standard]*

PM Modi to virtually address 'Rozgar Mela' event in Goa on Nov 24: Prime Minister Narendra Modi will virtually address a gathering organised in Goa as part of the 'Rozgar Mela' by the state government on Thursday, in which 1,250 recruits would be handed over appointment letters for positions in various departments, Chief Minister Pramod Sawant said. *[Economic Times]*



Industrial Finance

CAG calls for greater focus on audit of state finances: With state finances under strain due to declining "own tax revenues", relaunching of old pension schemes in some states and rise in subsidies, the Comptroller and Auditor General of India G C Murmu on Thursday asked Accountants Generals (AGs) to improve reporting on the sustainability of state finances. *[Financial Express]*

Federal Bank ties up with JCB India to finance heavy equipment buyers: Federal Bank on Friday said it has tied up with JCB India to finance the prospective buyers of heavy construction equipment and boost its loan portfolio. *[Economic Times]*

MM Forgings charts ₹550-crore capex for the next two years: Auto parts maker MM Forgings Ltd has chalked out a total capex of ₹550 crore for the next two years for expanding its machining operations and electric vehicle business, among others. *[Business Line]*

NBFCs' asset base scales past Rs 54 lakh crore- MoS Finance: The asset base of non-banking financial companies has scaled past Rs 54 lakh crore as of March 2022, constituting almost a quarter of the balance sheet of the commercial banking sector, Union Minister Bhagwat Krishanrao Karad said. *[Economic Times]*



Technology and Innovation

Global revenue market share of Indian IT sector grows to 35%: The Indian IT industry has steadily climbed in global ranks, reporting the highest-ever market share in five years. According to a report by BNP Paribas, the

revenue market share for Indian IT companies increased in Q2-FY23 — in a seasonally strong quarter — to 35 per cent of the global market share. *[Business Line]*

Infosys wins digitization deal from battery maker Envision AESC: IT services provider Infosys has tied up with battery technology company Envision AESC to help develop a cloud-based platform to digitize and automate manual processes at the latter's electric vehicle (EV) battery manufacturing plants. *[Economic Times]*

'Mark' paid reviews, disclose method of star rating: Govt to ecommerce companies: Ecommerce companies, hotel and travel booking platforms will have to disclose the methodology of giving star rating to products and services. According to the government's new frameworks to counter fake reviews on such platforms. Companies will also have to disclose if a customer review is solicited or paid for or purchased. *[Economic Times]*

2022 e-commerce festival sales almost 2x of 2019: Redseer report: E-commerce retailers led by Amazon and Flipkart garnered sales worth Rs 76,000 crore during the one-month festival sale event — almost double the pre-pandemic figure of Rs 40,000 crore in 2019, according to a report by consulting firm Redseer. This is also about 25 per cent year-over-year (YoY) growth compared to the festive sale month of CY2021. *[Business Standard]*

Big portion of Telecom Bill to be implemented by Trai- Ashwini Vaishnaw: Communications minister Ashwini Vaishnaw said that implementation of a substantial portion of the proposed telecom Bill will be undertaken by the Telecom Regulatory Authority of India (Trai) and its consultative role in formulating telecom rules will continue. *[Business Standard]*

Reliance Jio announces rollout of 'True 5G' service in Delhi, NCR cities: Reliance Jio has rolled out 5G services in Delhi, cities adjoining it and other major locations. "Jio is rolling out the most-advanced True-5G network at a rapid pace now covers major parts of this geography," *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

PM GatiShakti - Over 250 infra projects examined by NPG since Oct 2021: Over 250 critical infrastructure projects of different ministries including rail, road and ports have been examined and recommended by the Network Planning Group (NPG), constituted under the PM GatiShakti initiative, since last October, a commerce and industry ministry official said. *[Economic Times]*

380 infra projects show cost overruns of Rs 4.58 lakh cr: As many as 380 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.58 lakh crore, as per a report. *[Economic Times]*

Centre steps in to clear barriers as highway projects face delays: A slowed pace of road construction this year has prompted the Centre to undertake a comprehensive review to identify the shortcomings and hasten implementation of national highway projects. *[Economic Times]*

PM Narendra Modi inaugurates Arunachal's first Greenfield airport: Amidst chanting of incantations by tribal priests, the spanking new Donyi Polo airport, the first Greenfield facility in Arunachal Pradesh, was inaugurated by Prime Minister Narendra Modi. *[Business Standard]*

Pre-Budget meet: Infrastructure sector demands rationalization of GST, easier bank credit, hike in public expenditure: With the Union Finance Minister Nirmala Sitharaman met infrastructure industry experts at the customary pre-budget meeting, the latter sought rationalization of Goods and Services Tax (GST), easier bank credit and a hike in public expenditure. *[Economic Times]*

Huge investment coming to coastal region from global investors meet - Bommai: Buoyed by the success of the recently concluded global investors meet, Karnataka is expecting investments of around Rs 2 lakh crore to make their way to coastal regions of the state. *[Business Standard]*



Sustainable Industrialisation

FM urges AIIB to scale up investment in renewable energy, smart technologies: Finance Minister Nirmala Sitharaman on Friday asked the Asian Infrastructure Investment Bank (AIIB) to scale up investment in renewable energy and smart technologies and urged the multilateral agency to set up a regional office in India. *[Business Standard]*

Enfinity adds 205 mw of renewable energy capacity in India: Enfinity Global, a US-based renewable energy firm, on Tuesday said it has added 205 MW of solar capacity in India through the interconnection of a 135 MW portfolio of projects in the state of Maharashtra and the acquisition of 6 operational projects from Rays Power Infra in Telangana and Karnataka. *[Mint]*

India's green hydrogen plan will need ₹30 tn funding by 30: India is in the process of finalizing the roadmap to a "green hydrogen economy" which will require an investment of ₹30 trillion by 2030, said Vivek Kumar Dewangan, chairman and managing director, REC. *[Mint]*



Sectoral News

Maharashtra Govt forms panel to draft textile policy for next five years: The committee will comprise of 24 members [and] will assess the impact of the Textile Policy 2018 – 2023, the Centre's policy, new avenues in the industry, and policies of neighbouring states. It will also suggest new measures to expand the silk cultivation in the state and propose new technologies that can be used in the textile industry. *[Indian Express]*

Indian Appliances & Consumer Electronic industry to double to Rs 1.48 lakh crore by 2025: The Indian Appliances and Consumer Electronics (ACE) market is expected to almost double in the next three years to around Rs 1.48 lakh crore by 2025, led by increasing domestic demand, said the industry body CEAMA. *[The Economic Times]*

India's mobile user base down 3.7% in September- Trai: Cash-strapped Vodafone Idea lost over 4 million more subscribers in September to end with 249.1 million users, underlining its struggles to compete against rivals Jio and Airtel amidst a 4G coverage gap being widened due to inadequate capex spending. Consequently, the loss-making telco also lost wireless subscriber market share in September 2022, ending the month with 21.75% share, as compared to 22.03% in August. *[The Economic Times]*

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