

# Industry Matters

Weekly Updates

December 16, 2022



## Economy, Industry and Policy

**India moves up to 5th place in list of world's valuable firms:** India, with 20 of the most valuable companies in the world, has moved into the fifth position among countries that are home to the world's top 500 firms. Last year, it ranked ninth with eight companies. The US continued to top the charts, according to the 2022 Hurun Global 500 list. *[Financial Express]*

**India's industrial production contracts 4% in October:** India's industrial production contracted by 4% on an annual basis, data released by the Ministry Of Statistics And Programme Implementation (MOSPI) showed Monday. The Index of Industrial Production (IIP) had grown 4.2% in October 2021 and by 3.1% in September 2022. *[The Economic Times]*

**India's retail inflation eases to 5.88 per cent in November, drops within RBI's tolerance band:** India's consumer price based inflation eased to an 11-month low of 5.88 per cent in November on an annual basis from 6.77 per cent in October, 2022. *[The Economic Times]*

**Centre aims to meet disinvestment target this fiscal:** Government aims to complete the first tranche of proceeds from Hindustan Zinc Limited (HZL) during the current fiscal, a senior finance ministry official said on Friday. This, he said, would help the Centre meet its disinvestment target of Rs 65,000 crore for the current fiscal. *[The Economic Times]*

**Net direct tax collection rises 24% to Rs 8.77 lakh crore:** India's net direct tax collection grew 24% to Rs 8.77 lakh crore in the April-November of the ongoing fiscal, the Finance Ministry tweeted on Monday. With this, the direct tax collection has reached around 61.79% of the full-year Budget Estimates (BE) for FY2023. *[The Economic Times]*

**India became large marketplace for substandard Chinese goods, PLIs strengthen manufacturing - Piyush Goyal:** The government on Friday said that it has taken a series of measures to reduce dependency on Chinese goods and increase the manufacturing capacity of domestic industries and their competitiveness. *[The Economic Times]*

**RBI sells \$33.42 billion in Apr-Sep FY23 to curb rupee volatility:** The Reserve Bank of India (RBI) net sold USD 33.42 billion in the foreign exchange market in the first six months of current fiscal to defend the rupee from excessive volatility. *[Business Standard]*

**Top five steel cos, few others selected to invest under PLI scheme for specialty steel:** The government announced shortlisting 67 out of 79 applications, with an investment potential of Rs 42,500 crore, under the PLI scheme for specialty steel. The proposed investments are expected to generate 70,000 job opportunities and add 26 million tonnes of speciality steel capacity in the country. *[The Economic Times]*

**NTPC aims to complete monetization of renewable energy assets by Jan 2023:** State-run power giant, NTPC, is planning to transfer its entire renewable energy portfolio under a new company, NTPC Green Energy, followed by the monetization of the RE assets by the end of January 2023. *[The Economic Times]*

**Govt seeks approval for Rs 4.36 trillion additional spending in FY23:** The finance ministry has sought Parliament's approval for additional gross spending of Rs 4.36 trillion in FY23 through the first tranche of supplementary demands for grants. While net cash outgo is pegged at Rs 3.26 trillion, the rest will be matched by savings or enhanced receipts. *[Business Standard]*

**Govt picks 67 entries under PLI scheme for specialty steel, to create jobs:** The government has selected a total of 67 entries with an investment potential of Rs 42,500 crore under the production linked incentive (PLI) scheme for specialty steel. *[Business Standard]*



## Foreign Investment

**FPIs have invested Rs 4,500 cr in Indian equity markets so far in December:** After investing over Rs 36,200 crore last month, foreign investors continued their positive momentum and infused Rs 4,500 crore in the Indian equity markets so far in December, mainly due to the decline in the dollar index. *[Business Standard]*

**FDI of Rs 119 cr made for coal block in Jharkhand - Govt:** The government had earlier permitted 100 per cent foreign direct investment (FDI) in coal mining, its sale and associated infrastructure, and contract manufacturing through the automatic route. *[The Economic Times]*

**Bank of America expects \$10 billion in India green deals in 2023:** India could attract close to \$10 billion in renewable energy investment in 2023, a bright spot as public markets remain largely shut to big-ticket capital raising, according to Bank of America Corp.'s top executives in the country. *[The Economic Times]*

**M&M to invest Rs 10,000 cr to set up plant in Pune for upcoming EV range:** Automobile major Mahindra and Mahindra (M&M) said on Wednesday it will invest Rs 10,000 crore for setting up an electric vehicle (EV) manufacturing facility in Pune. The company is in talks with states to set up EV plants as it seeks at least 30 percent of its sales to come from such vehicles by 2027. *[Business Standard]*

**Surge in FDI flows likely to continue this FY, cushion sharp fall in rupee:** Foreign direct investment (FDI) into India has grown significantly through the pandemic years and cushioned the fall in the rupee as it bolstered the Reserve Bank of India's firepower despite a widening current account deficit (CAD). *[Mint]*



## Trade Policy and Competitiveness

**Helped by PLI scheme, Apple's India exports set to hit Rs 20,000 crore:** Propelled by the central government's production-linked incentive (PLI) scheme, Apple Inc. through its three contract manufacturers — Foxconn, Wistron, and Pegatron — is poised to export iPhones worth Rs 20,000 crore from India between April and December this year. *[Business Standard]*

**Will push for early India-EU FTA under our presidency - Sweden:** Weeks before Sweden takes over the presidency of European Union, Swedish foreign trade minister Johan Forssell on Friday said pushing for an early finalisation of the India-EU free trade agreement will be one of the key priorities of his country's year-long tenure at the 27-nation. *[Business Standard]*

**India, China trade deficit at USD 51.5 billion during April-October this fiscal:** The deficit during 2021-22 had jumped to USD 73.31 billion as compared to 44.03 billion in 2020-21, according to the data provided by commerce and industry minister Piyush Goyal in a written reply to the Rajya Sabha. *[The Economic Times]*

**Trade settlement with Russia in rupees to start next week:** For the first time since the trade settlement in rupee was introduced by the Reserve Bank of India (RBI), the payments for shipments to Russia will be settled in rupees next week. This is in the backdrop of an increasing number of inquiries for drugs and auto parts from Russia. *[Business Standard]*

**Gems, jewellery exports in November rise 12 pc year-on-year:** India's gems and jewellery exports in November rose after a steep fall the previous, thereby indicating a resumption in manufacturing activity post the Diwali break. *[The Economic Times]*

**India imports 131.92 MT coal worth Rs 2.3 trillion in Apr-Sep this year:** In FY22, the country's coal import of 208.93 million tonne (MT) was worth Rs 2,28,741.8 crore, Coal Minister Pralhad Joshi said in a reply to the Rajya Sabha. *[Business Standard]*

**Indian leather and footwear exports to WANA region up by 20% in 2022:** Indian footwear and leather exports to West Asia and North Africa (WANA) region have registered an exponential growth of 20 per cent in the first half of 2022, officials said on Monday. *[The Economic Times]*

**India insists on duty free access for textile exports in FTAs, says Goyal:** Commerce and industry minister Piyush Goyal on Wednesday said India insists on getting duty free access for its textiles exports in its free trade agreements (FTA) and that the country would achieve the \$100 billion textiles exports target by 2030. *[The Economic Times]*

**India-China trade jumps thwarting PM Modi's self-reliance drive:** India's bilateral trade with China rose by a third in the year to March, throwing a spanner in Prime Minister Narendra Modi's drive to wean the South Asian nation from relying on its larger neighbor for cheap imports and promote a thriving domestic industry. *[The Economic Times]*

**India, UK agree to conclude free trade talks at earliest:** Commerce and industry minister Piyush Goyal on Tuesday met UK's secretary of state for international trade Kemi Badenoch to review the progress of talks for a bilateral free trade agreement and agreed to conclude it at the earliest. *[The Economic Times]*

**Exporters seek fewer loans on signs of slowing global trade:** The impact of slowing global trade is beginning to show on credit demand from Indian exporters, with export credit by banks shrinking nearly a quarter year-on-year at the end of October, pointing to a further likely slowdown in overseas merchandise shipments. *[The Economic Times]*



## Corporate Governance

**Rs 36,145 cr spent under CSR by companies in 2019-21:** A total of Rs 36,145 crore has been spent by various companies across the country to carry out development activities as part of their Corporate Social Responsibility (CSR), Union Finance Minister Nirmala Sitharaman said in Lok Sabha on Monday. *[The Economic Times]*

**Vedanta inks pacts with 30 Japanese firms to develop Indian semiconductor manufacturing ecosystem:** Vedanta Group on Tuesday said that it has signed pacts with 30 Japanese technology companies to develop an Indian semiconductor and glass display manufacturing ecosystem. The pacts were signed at the Vedanta-Avanstrate Business Partners Summit 2022 held last week at Tokyo, Japan. *[The Economic Times]*

**V-Guard Industries to acquire Sunflame Enterprises for Rs 660 crore:** Kerala-based V-Guard Industries (V-Guard) on Friday announced that it has signed definitive agreements for acquiring 100 per cent stake in Sunflame Enterprises (SEPL) for a consideration of Rs 660 crore. *[Business Standard]*

**Convenience food, premium packs countering FMCG slide:** Demand for beverages, convenience foods, snacking and premium personal care products has surged significantly from a year ago, bucking the trend in the overall fast-moving consumer goods (FMCG) market, which has fallen. *[The Economic Times]*

**Tata Group plans to open 100 small exclusive Apple stores:** The Tata Group aims to open small exclusive Apple stores across the country, two people aware of the development said. The iPhone maker is tying up with Tata-owned Infiniti Retail, which runs the Croma store chain, for the venture. *[The Economic Times]*

**Dalmia Bharat to acquire Jaypee Group's cement assets for Rs 5,666 crore:** The Jaypee Group on Monday said that a binding agreement had been signed to sell the group's cement business to Dalmia Cement (Bharat) Ltd at an enterprise value of Rs 5,666 crore. *[The Economic Times]*

**Ramkrishna Forgings to acquire up to 51% stake in TSUYO Manufacturing:** The board of directors of Ramkrishna Forgings has approved an investment to acquire up to 51 per cent voting rights of TSUYO, a Make-In-India startup company engaged in powertrain solutions for electric vehicles. *[Business Standard]*



## MSMEs and Start-ups

**ECLGS benefitted nearly 1.2 crore MSMEs, other businesses till Nov-end:** The central government's flagship credit scheme for MSMEs, Emergency Credit Line Guarantee Scheme (ECLGS), has benefitted around 1.19 crore businesses as of 30 November, Minister of State Finance Bhagwat Kishanrao Karad said on Monday. *[Mint]*

**MSMEs growth doubles in last 2 years, credit gap remains:** The MSME market in India is ever-expanding and presently, there are about 63.4 million MSMEs in India while the share of MSME business worldwide is 90 percent. Even though the market is exponentially increasing there is still a huge credit gap to fill, as the Indian market is still under-penetrated. *[The Economic Times]*



## Employment and Industrial Relations

**Cross-sector hiring increases, tech sector emerges as leading vertical:** The cross-sector hiring has increased owing to the growing need of senior officials in the industry, revealed a TOI survey. According to the survey, close to 296 of 800 CXOs or 37% movements this year were inter-industry. *[The Economic Times]*

**Eyeing easier labour mobility among G20, India may propose framework:** India will work towards building a consensus among the G20 on developing a framework for assessing the skill gaps and harmonisation of skills qualification across these countries to enable faster and easier labour mobility at a reduced cost. *[The Economic Times]*

**Mgnrega work generation rebounds 19.4% in November:** Work generation under the Mahatma Gandhi National Rural Employment Guarantee scheme shot up last month, after touching year's low in October, due to fall in demand for workers in the agriculture sector and sudden drop in labour activity in urban India after the end of festive season. *[The Economic Times]*

**Listed companies employed record 10 million in 2021-22 - CMIE:** Listed companies had employed a record 10 million employees in 2021-22 and paid wages to the order of Rs 700,000 per employee, the Centre for Monitoring Indian Economy said. *[The Economic Times]*

**100% WFH allowed for IT units in SEZs:** India on Thursday allowed 100% work from home (WFH) for employees of IT and ITES special economic zones and extended the regime by one year to December 2023. *[The Economic Times]*



## Industrial Finance

**Bad loans worth Rs 10 lakh crore written off by banks in last five financial years, says Nirmala Sitharaman:** Finance Minister Nirmala Sitharaman on Tuesday said bad loans worth Rs 10,09,511 crore have been written off by banks during the last five financial years. *[The Economic Times]*

**ADB approves \$250 million loan for strengthening India's logistics:** The Asian Development Bank (ADB) has approved a \$250 million policy-based loan to support the centre's reforms aimed at strengthening and modernizing logistics infrastructure, improving efficiency, and lowering costs. *[The Economic Times]*

**India's Gift City may bring in variable capital companies:** Specialised fund structures, that have made Singapore and Luxembourg magnets for asset managers, could soon be introduced in India at the International Financial Services Centre (IFSC) of the Gujarat International Finance Tec-City (GIFT City). *[The Economic Times]*

**Bank credit to exporters shrinks 25% as exports dip in October:** The impact of slowing global trade is beginning to show on credit demand from Indian exporters, with export credit by banks shrinking nearly a quarter year-on-year at the end of October, pointing to further likely slowdown in overseas merchandise shipments. *[The Economic Times]*

**NBFCs' share in India's lending pie fell to 5-year low of 19.8% in H1FY23:** NBFCs' share declined to a five-year low of 19.8 per cent in the first half of FY23, down from 20.3 per cent in H1FY22, and an all-time high of 23.1 per cent in H1FY19. *[Business Standard]*

**DESH Bill - Commerce dept may scrap concessional corporate tax provision:** The Department of Commerce is likely to drop the concessional corporate tax provision under the Development of Enterprise and Service Hubs (DESH) Bill after the finance ministry expressed objections, stating there should be a uniform tax rate for all companies, said people in the know. *[Business Standard]*



## Technology and Innovation

**RBI shortlists 7 global consultancy firms to use AI, ML to improve regulatory supervision:** The Reserve Bank has shortlisted seven global consultancy firms, including Pricewaterhouse Coopers, McKinsey and Boston Consulting Group (India), to use artificial intelligence and machine learning for supervisory functions. *[Financial Express]*

**China plans over \$143-bn push to boost domestic chips, compete with US:** China is working on a more than 1 trillion yuan (\$143 billion) support package for its semiconductor industry, three sources said, in a major step towards self sufficiency in chips and to counter U.S. moves aimed at slowing its technological advances. *[The Economic Times]*

**NTT India to invest \$2 bn in data centres, submarine cable, renewables:** NTT India has earmarked around USD 2 billion to boost information and communications technology infrastructure in the country over the next three-four years, aiming to tap the rise in data consumption. *[Business Standard]*

**India will be first to hold satellite spectrum auction - Trai Chairman:** India will be the first country to auction spectrum for satellite communication, and it should be designed to attract investments in the sector, telecom regulator Trai chairman PD Vaghela said on Tuesday. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**Delhi-Mumbai expressway to be almost complete in December - Nitin Gadkari:** Union Road Transport Minister Nitin Gadkari on Saturday said five greenfield access control expressways are coming up and one of them between Delhi and Mumbai would be almost ready in December. *[The Economic Times]*

**PM Modi to inaugurate 1st phase of Mumbai-Nagpur Super Expressway on Sunday:** The 520 km-long Phase I is part of the total 701 km Super Expressway project linking the state capital Mumbai with Nagpur, passing through 10 districts. *[The Economic Times]*

**UP Government targets investment of Rs 40,000 crore in energy sector:** The Yogi government in Uttar Pradesh has set an investment target of Rs 40,000 crores in the energy sector to expand the energy sources in the state in light of the anticipated increase in electricity consumption over the next five years due to the establishment of industries. *[The Economic Times]*

**Government to add 137 more electric vehicle charging stations on National Highways:** In addition to the already existing seven wayside amenities (WSA) equipped with EV charging stations, the central government has provisioned for 137 more such facilities to be built on India's national highways, Union Minister for Road Transport and Highways Nitin Gadkari announced on Wednesday. *[The Economic Times]*



## Sustainable Industrialisation

**G7 agrees \$15.5 billion energy deal with Vietnam to cut emissions:** A group of nine rich industrialized nations approved a deal to provide Vietnam with \$15.5 billion to help the Southeast Asian nation move faster from coal power to renewable energy, cutting its climate-damaging pollution. *[The Hindu]*

**India's G20 presidency to play key role in clean energy push:** India is among the countries that will drive the acceleration of the extraordinary increase in the deployment of renewables over the next five years. *[The Economic Times]*

**Tamil Nadu to achieve carbon neutrality before India's 2070 target - Stalin:** Tamil Nadu is set to become the first state to launch its own Climate Change Mission. It had launched the Green Tamil Nadu Mission last September and the Tamil Nadu Wetlands Mission this August. *[Business Standard]*

**Powered by E-Motor: Auto component industry gears up for big shift to EVs:** Auto component makers in India are bracing for change. They have not only lined up massive expansion and investment projects but are also diversifying, derisking portfolios and entering into joint ventures (JVs) to ride into a brave new world. *[The Economic Times]*

**Indian Renewable Energy Development Agency to lend Rs 4,444 crore to SJVN Green Energy:** Indian Renewable Energy Development Agency (IREDA) on Thursday said that it has inked a loan pact with SJVN Green Energy for financing Rs 4,444.71 crore for latter's 1,000MW solar power project at Bikaner in Rajasthan. *[Financial Express]*



## Sectoral News

**India now third largest aviation market in the world - PM Modi:** After inaugurating the first phase of Mopa international airport in Goa on Sunday, Prime Minister Narendra Modi emphasized that with the efforts of the people, India has become the third-largest aviation market in the world. *[Mint]*

**India's passenger vehicle wholesales surge 28 per cent in November:** The surge can be attributed to robust demand for both utility vehicles and cars. Overall passenger vehicles dispatched from companies to dealers stood at 2,76,231 units last month as compared to 2,15,626 units in November 2021. *[The Economic Times]*

**BSNL, MTNL losses at Rs 73,000 crore since inception:** State-owned telecom operator BSNL reported a loss of Rs 57,671 crore since inception while MTNL lost nearly Rs 14,989 crore till March 2022. Minister of state telecom Devusinh Chauhan said the reasons for the loss are high employee costs over the years, debt burden, stiff competition in the market and lack of 4G services (except on a limited basis in certain areas). *[The New Indian Express]*

**Textile sector - Govt sets target of Rs 36,000 cr investments, 10L jobs:** The state government has turned its focus on the textile sector to attract investments and generate employment. Sources in the textile department said that the government has set a target of Rs 36,000 crore investment in the sector, which is likely to generate 10 lakh jobs in the state. *[The Indian Express]*

**All-India electricity demand may grow 7 pc to 1,480 BU in FY23 - Icra:** The all-India electricity demand is expected to grow 7 per cent to 1,480 billion units (BU) in the ongoing financial year, according to Icra. In the preceding 2021-22 fiscal, the all-India power demand was at 1,380 BU. *[The Economic Times]*

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