

Industry Matters

Weekly Updates

February 17, 2023



Economy, Industry and Policy

India's industrial production index grows 4.3% in December: Industrial production expanded for the second consecutive month in December, but growth eased to 4.3% from 7.3% in the preceding month, as tepid manufacturing took the sheen off the sharp rebound in mining and electricity. *[The Economic Times]*

India ranks 4th among 51 countries in having quality entrepreneurship ecosystem: The ranking of India in the Global Entrepreneurship Monitor (GEM) National Entrepreneurship Context Index (NECI) report is a drastic turnaround following a much lower score in 2021 which was 16th overall. *[Financial Express]*

India a bright spot for investments despite current volatility - Blackstone: Despite the recent turmoil in the Indian markets after a scathing report on the Adani group from Hindenburg Research, American private equity major Blackstone is "bullish" on the India growth story and plans to invest more in the country's infrastructure and real estate projects. *[Business Standard]*

India's WPI inflation eases to 24-month low of 4.73 per cent in January: India's wholesale price index (WPI)-based inflation eased to 4.73 per cent in January on an annual basis from 4.95 per cent in December, stated provisional data from the Commerce Ministry on Tuesday, indicating moderating supply-side pressures. *[The Economic Times]*

India's direct tax collections up 24% to Rs 15.67 lakh crore till February 10: After adjusting for refunds, the net Direct Tax collection was Rs. 12.98 lakh crore which is 18.40% higher than the net collections for the corresponding period of last year. *[The Economic Times]*

Agreements with 26 companies signed under PLI scheme for specialty steel - Jyotiraditya Scindia: Agreements have been signed with 26 companies for 54 applications under the production linked incentive (PLI) for specialty steel. *[Financial Express]*

India's retail inflation breaches RBI's tolerance limit in January, accelerates to 6.52%: After dipping for two months, India's retail inflation surged dramatically in January to 6.52 per cent, according to the data released today by the Ministry of Statistics and Programme Implementation. *[The Economic Times]*

DoT starts doling out PLI to manufacturers, GX Telecom gets 1st cheque: Telecom gear maker GX Telecom, which has been shortlisted under the PLI scheme for promoting local manufacturing, said it received an incentive from the DoT under the scheme. *[Business Standard]*

Rs 1.5 lakh crore monthly GST collection has become the new normal - CBIC chief Vivek Johri: The gross GST revenue collected in January 2023 was Rs 1,55,922 crore. This was for the third time, in the current financial year, GST collection has crossed Rs 1.50-lakh-crore mark. *[The Economic Times]*

Higher govt capex to help infra cos clock 17-20% revenue growth: Higher government spending on infrastructure in FY24 will propel engineering, procurement, and construction companies to hit revenue growth of 17-20 per cent, taking their profit to the pre-Covid level, a report said on Tuesday. *[The Economic Times]*



Foreign Investment

FPI surpass retail in getting investment calls right in Dec 2022 quarter: Foreign portfolio investors (FPIs) tend to influence the stock markets more than retail investors. Sample this: A total of 639 companies in which they hiked stakes during the three-month period ended December 2022 gained an average 6.4 per cent. *[Business Standard]*

I-T dept to come out with modified valuation norms for taxing foreign investments in unlisted cos: The Finance Bill, 2023 has proposed amending Section 56(2)(viib) of the I-T Act, thereby bringing overseas investment in unlisted closely held companies, excepting DPIIT-recognised startups, under the tax net. *[The Economic Times]*

Goldman Growth Fund boosts bets on India as China interest cools: Goldman Sachs Group Inc. is ramping up investing its clients money in India and developed markets in Asia-Pacific as interest in China cools amid political and economic friction. *[The Economic Times]*



Trade Policy and Competitiveness

India's exports rise in both value, volume terms in 2022 - GTRI: The country's merchandise exports have recorded a healthy growth in both value and volume terms in 2022, economic think tank Global Trade Research Initiative (GTRI) said in a report on Thursday. The outbound shipments rose by 14.6 per cent year-on-year to USD 453.3 billion in 2022. *[The Economic Times]*

India's imports from Russia goes up by 384% in April-Jan - Commerce Ministry: India's imports from Russia has jumped about five times to USD 37.31 billion during April-January this fiscal on account of increasing inbound shipments of crude oil from that country, according to the commerce ministry data. *[Business Standard]*

Japan offers huge opportunity for Indian apparel exporters - AEPC: The decline in exports of apparel items from China to Japan provides a huge opportunity for Indian companies to push their shipments in Tokyo. *[The Economic Times]*

India supplies first batch of prototypes of small and medium-power tractors to Russia: The first batch of prototypes of small and medium-power tractors from India arrived at the Volga Combine Plant in Russia signalling a new sector of partnership. *[The Economic Times]*

Indonesia's plans to restrict palm oil exports are unlikely to hit India: Indonesia's plans to restrict palm oil exports are unlikely to create a shortage in top consuming market India, where stocks have risen to a record high following aggressive imports in the past three months. *[The Economic Times]*

India-Australia comprehensive trade deal negotiations from February 20: After the implementation of an interim trade deal in December, India and Australia will begin negotiations towards a comprehensive economic cooperation agreement (CECA) from February 20. *[Business Standard]*

India's toy exports touch Rs 1,017 crore during April-December this fiscal: The country's toy exports have touched Rs 1,017 crore during April-December period this fiscal, according to the government data. In 2021-22, the exports stood at Rs 2,601 crore. *[The Economic Times]*

India targets ₹25,000 cr worth defence exports by 2024 - Rajnath Singh: Defence Minister Rajnath Singh, on Sunday, said that India has set a target to achieve defence exports worth ₹25,000 crores by 2024, and Aero India 2023 will provide a renewed thrust to the government's efforts to create a vibrant and world-class domestic defence industry to achieve 'Aatmanirbharta' in this sector. *[Business Line]*

India, Nepal agree to boost economic and development ties: India and Nepal agreed on Monday to further bolster their economic and development cooperation as Foreign Secretary Vinay Mohan Kwatra met his Nepalese counterpart Bharat Raj Paudyal and had a fruitful exchange on strengthening the comprehensive bilateral relations. *[The Economic Times]*

Norway supports India's initiative on multilateralism & rule-based trade - Trade Minister: Norway's Trade and Investment Minister Jan Christian Vestre has stated that his country fully supports India's efforts in promoting multilateralism and a rules-based trade system. *[The Economic Times]*

Smuggling can slow march to \$40-trillion economy - FICCI: The magnitude of smuggling and the consequent loss to the country's economy might become a roadblock in India's march towards a \$40-trillion economy under the government's vision of Amrit Kaal. *[Business Standard]*

India's Rupee trade plans with Russia has likely run into trouble: India's love for discounted Russia oil is widening its trade deficit with Moscow and the casualty is their much-touted rupee trade plan. *[The Economic Times]*

India's seafood exports likely to reach all-time high of US \$ 8 billion: Country's seafood exports are likely to reach an all-time high of US\$ 8 billion in FY 2022-23 despite three years of a sluggish global market caused by the pandemic, logistical hurdles and strict inspections of shrimp consignments. *[The Economic Times]*



Corporate Governance

Behind the push to merge BSNL & MTNL- An Explainer: The Centre has been trying merge BSNL and MTNL for two decades now. In 2022, it announced a Rs 1.64 trillion package for the two PSUs, with merger as an outcome. Now, with Deloitte appointed as a transaction advisor, the government is pushing forward with the plan. *[Financial Express]*

Kotak acquires Sonata Finance in ₹537-crore all-cash deal: Private lender Kotak Mahindra Bank on Friday said it has acquired micro-finance company Sonata Finance for ₹537 crore in an all-cash deal. Sonata Finance will be a wholly owned subsidiary of the bank after receiving regulatory and other approvals. *[The Economic Times]*

Merger of seven subsidiaries with Tata Steel to be completed by FY24 - CEO Narendran: The six subsidiaries to be merged with Tata Steel are Tata Steel Long Products (TSPL), The Tinsplate Company of India, Tata Metaliks, TRF, Indian Steel & Wire Products, and Tata Steel Mining and S&T Mining Company. *[The Economic Times]*

Industry 4.0: Tatas to invest over Rs 4,200 crore in Uttar Pradesh: Tata Group will invest more than Rs 4,200 crore in the technical education and skill development landscape to improve the Industry 4.0 ecosystem of Uttar Pradesh. *[Business Standard]*



MSMEs and Start-ups

India added 1,300 active tech start-ups in CY2022, taking tally to 27,000: The Nasscom-Zinnov Indian Tech Start-up Landscape Report 2022 found that India added the second highest number of Unicorns – companies with a valuation of at least \$1 billion – in the world, with over 23 added in CY2022. *[Business Standard]*

Start-up InsuranceDekho raises \$150 mn in funding for expanding business: The equity round was led by Goldman Sachs Asset Management and TVS Capital Funds, with participation from Investcorp, Avataar Ventures and LeapFrog Investments. *[Business Standard]*

udaanCapital disburses Rs 4000 cr in supply-chain financing to MSMEs: udaanCapital, the fintech arm of e-commerce firm udaan, said it has facilitated disbursements of over Rs 4,000 crore of working capital to over 2,500 MSME (micro, small and medium enterprise) buyers the past 24 months. *[Business Standard]*

No growth for 72% of MSMEs in 5 years - Survey: The survey by industry body Consortium of Indian Associations of 0.1 million entrepreneurs also revealed that during the last five years, the performance of 72% of the respondents is either stagnant or decreasing or stopped or wound up. *[Financial Express]*



Employment and Industrial Relations

India needs 30 million digitally skilled professionals by 2026 - TeamLease: According to the report, India will need 30 million digitally skilled professionals by 2026 and 50% of the current workforce would need to re-skill themselves in areas of emerging technologies. *[The Economic Times]*

62% of firms in India want to hire freshers in the first half of 2023: The intent to hire freshers in India has of late improved in India, a new report released on Thursday showed. Sixty-two per cent of companies in India want to hire freshers in the first half of 2023, compared to 59 per cent between July and December last year. *[Business Standard]*

Old vs new - Soon, I-T portal may show which tax regime's best for you: The income-tax (I-T) department is working on a system-driven mechanism that will generate the calculation of both the old and the new tax scheme based on income and investment of taxpayers, helping them make an informed choice. *[Business Standard]*

Ford to cut 3,800 jobs over next 3 years in Europe, mostly in Germany, UK: Ford said Tuesday that it will cut 3,800 jobs in Europe over the next three years in an effort to streamline its operations as it contends with economic headwinds and increasing competition on electric cars. *[Business Standard]*

Yahoo to lay off more than 20% of staff to restructure its ad tech division: The cuts will impact nearly 50% of Yahoo's ad tech employees by the end of this year, including nearly 1,000 employees this week. *[Business Standard]*



Industrial Finance

Banks report record quarterly NII in Q3 amid improving credit offtake and better asset quality: For a sample of 29 banks, the bad loan provisioning fell by 27.6% year-on-year to Rs 23,080.6 crore in the December quarter. NII increased by 34.5% to a record Rs 1.8 lakh crore. NII is calculated as the difference between total interest earned and interest expended. *[The Economic Times]*

RBI grants payment aggregator licence to 32 entities: Payment arms of US technology majors Amazon and Google, along with Reliance Payment Solutions, that is part of Reliance Jio Infocomm, were among the 32 firms given in-principle approval from the Reserve Bank of India (RBI) on Wednesday to operate as online payment aggregators. *[The Economic Times]*

RBI makes changes in NEFT, RTGS for daily reporting of foreign remittances: With the Home Ministry mandating SBI to report all details of overseas donors, including purpose of remittances on daily basis, the Reserve Bank of India (RBI) on Thursday made necessary changes in NEFT and RTGS systems for Foreign Contribution (Regulation) Act (FCRA) related transactions. *[The Economic Times]*

Kotak Bank arm raises USD 590 mn fund for data centre investments in India: A Kotak Mahindra Bank arm on Tuesday announced that it has raised USD 590 million (about Rs 4,885 crore) for investments in the data centres in the country. *[The Economic Times]*



Technology and Innovation

Digital infrastructure role in e-commerce: India seeks views at WTO: India has sought views of World Trade Organization (WTO) member nations on the constraints faced by the developing and less developed nations in the adoption and use of digital public infrastructure and its role in promoting global e-commerce. *[Business Standard]*

QR code-based OPD registration implemented in over 300 hospitals, reducing waiting time drastically: The National Health Authority (NHA) under the Ayushman Bharat Digital Mission has implemented QR code-based rapid OPD registration in more than 300 public hospitals, reducing the waiting time from 50 minutes to four minutes. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

PM Modi inaugurates first stretch of Delhi-Mumbai Expressway; here's all you need to know: Prime Minister Narendra Modi today inaugurated a 246-km stretch of the Delhi-Mumbai Expressway; the Delhi-Dausa-Lalsot section is set to reduce the travel time from the national capital to Jaipur from five hours to around three and a half hours. *[The Economic Times]*

Over 17,000 circuit kilometers of transmission lines installed in last 9 yrs - R K Singh: Over 17,000 circuit kilometers of transmission lines were installed in India in the last nine years to strengthen the electricity distribution system. *[The Economic Times]*

MoHUA has so far approved 6,527 projects under AMRUT 2.0 scheme - MoS Kaushal Kishore: The Ministry of Housing and Urban Affairs has so far approved 6,527 projects under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0, the Rajya Sabha was informed on Monday. *[The Economic Times]*

Ather Energy aims to install 2,500 charging stations by this year-end: Electric two-wheeler maker Ather Energy on Thursday said it plans to install over 2,500 charging stations by this year-end to facilitate a hassle-free transition to EVs. The company has already installed over 1,000 fast charging stations across 80 cities in the country. *[Business Standard]*

Enthusied by investment summit, Rajasthan going full throttle on industry: The Rajasthan government, enthused by last year's investment summit, in which memoranda of understanding (MoUs) and letters of intent (LoIs) for around Rs 11 trillion were signed, is going full tilt on industrial development. *[Business Standard]*

RIL, Birla and Tata commit Rs 1-trn investments in UP: Reliance Industries (RIL) chairman Mukesh Ambani and Aditya Birla Group chairman Kumar Mangalam Birla on Friday committed investments worth Rs 75,000 crore and Rs 25,000 crore, respectively, in Uttar Pradesh with plans to expand their businesses in the state in the near future. *[Financial Express]*

Andhra Pradesh bullish on investments, aims 10% share in India's exports soon: Andhra Pradesh will soon contribute to 10% of India's annual exports once new ports projects as well as last mile connectivity are completed, Industries & Infrastructure Minister Gudivada Amarnath said here on Tuesday. *[The Economic Times]*



Sustainable Industrialisation

Lithium reserve found in J-K's Reasi is of best quality: Lithium falls in the critical resource category which was not earlier available in India and we were dependent for its 100 percent import. The G3 (advanced) study of the GSI shows the presence of best quality lithium in abundant quantity in the foothills of Mata Vaishno Devi shrine at Salal village (Reasi). *[The Economic Times]*

Country's first waste-to-hydrogen plant to be set up in Pune: The country's first solid waste-to-hydrogen plant will be set up in Pune at a cost of over Rs 430 crore, an official said on Tuesday. The plant will be set up by sustainability solutions provider TheGreenBillions Ltd (TGBL), who has entered into a 30-year-long agreement with Pune Municipal Corporation (PMC). *[Business Standard]*

Electric 2-wheelers grew 300% in India in 2022: The automotive electric 2-wheelers (E2W) market grew by more than 300 per cent (year-on-year) in CY2022. By 2025, the share of E2Ws and connected 2-wheelers (C2W) will both cross 50 per cent. *[The Economic Times]*

Electric vehicle transformation to net India investments worth \$300 billion: Siemens AG's order backlog stands at €102 billion (Rs 9.08 trillion), on increased demand for automation and digitization, and nearly 92% of Fortune 500 companies use its software, according to the company. *[The Economic Times]*

Luxury car companies line up for big Indian electric vehicle race: Luxury car makers are set to launch several electric vehicles in the coming months as they bet on EVs accounting for up to a fourth of their sales in the country in the next three-four years, up from low single-digit shares now, said industry executives. *[The Economic Times]*



Sectoral News

Indian ad spends to grow 15.5% in 2023, will rank 8th globally - GroupM: The double-digit advertising growth will push India to the eighth position globally in terms of ad markets, from ninth last year, underpinning the consistent rise in adex over the last few years. *[Business Standard]*

Commercial vehicle industry volumes to see 7-10 pc growth in FY24 - Icra: The volume growth would be on account of government infrastructure spending, replacement demand, back-to-school and office scenarios and e-commerce expansion, it noted. *[The Economic Times]*

With 33% market share, Maruti eyes top slot in SUV space by FY24: The company has been selling two SUVs – the Brezza and the Grand Vitara – and will start deliveries of the Jimny and the Fronx from March-end, and has set a target of growing its share from the current 11.5 per cent of the SUV market to 33 per cent by the end of 2023-24. *[Business Standard]*

Govt working to create aviation hub in India - V K Singh: The government is working to create an aviation hub in India and various steps, including airlines inducting wide-body aircraft and increasing their fleet size, are being taken. *[The Economic Times]*

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