

# Industry Matters

Weekly Updates

August 18, 2023



## Economy, Industry and Policy

**Ebbing Covid impact on economy strengthens Indian banks' operating environment - Fitch:** The operating environment (OE) for Indian banks has strengthened as economic risks associated with the Covid-19 pandemic have ebbed, said the global credit rating, Fitch Ratings on Wednesday. *[The Economic Times]*

**'Make in India' initiative drives mobile phone production past 2 billion units in India:** Mobile phone shipments under the 'Make in India' initiative achieved a significant milestone, surpassing 2 billion units cumulatively from 2014 to 2022. This achievement was underpinned by an impressive Compound Annual Growth Rate (CAGR) of 23 percent. *[Money Control]*

**Industrial production Expansion Drops To A Three Month Low Of 3.7 In June:** The Index of Industrial Production (IIP) for India registered a decline in growth in June 2023, with the manufacturing sector particularly affected. The IIP growth, measured through the Index of Industrial Production, dropped to 3.7 per cent in June 2023, marking a three-month low. *[Businessworld]*

**Direct tax collections rise 16% to ₹6.53 lakh crore till August 10 in FY24:** Net direct tax collection after adjusting refunds stands at ₹5.84 lakh crore, which is 17.33% higher than the net collections for the corresponding period of last year. *[The Hindu]*

**PLI schemes in the works for toys, footwear & leather:** Keeping with the objective of fuller utilisation of the ₹1.97-lakh crore allocation for the production linked incentive (PLI) scheme, the government is preparing to announce its extension to the toys and the footwear & leather sectors and Cabinet notes for both are at an advanced stage of finalisation. *[Business Line]*

**Inflation rises to a 15-month high of 7.44% in July; WPI deflation narrows:** Rising food prices sent consumer inflation soaring to a 15-month high of 7.44% in July compared with 4.87% in the previous month. *[The Economic Times]*

**Government plans stake sale in Indian Railways' funding arm:** The government is considering selling some of its stake in the state-owned Indian Railway Finance Corp (IRFC) as it aims to meet its divestment targets for the year. *[Financial Express]*



## Foreign Investment

**FDI in information and broadcasting sector surges 231% to Rs 3,745 crore in FY23 - DPIIT:** Foreign direct investment (FDI) in the information and broadcasting sector, including print media, surged 231% to Rs 3,745 crore in FY23 from Rs 1,129 crore in the previous fiscal. *[The Economic Times]*

**Net FDI into India declines sharply to \$5 billion in Q1:** Showing the effect of global slowdown, the net foreign direct investments (FDI) to India declined sharply to \$4.99 billion in the April-June quarter (Q1FY4) from \$13.92 billion in the same period a year ago. *[Business Standard]*

**Flows into NRI deposits grow multi-fold to \$2.14 billion in first quarter:** The flow of money into Non-Resident Indians (NRIs) deposits witnessed a substantial increase, touching \$2.14 billion in the first quarter of this financial year (Q1FY24), compared with \$349 million in the same period in FY23. *[Business Standard]*



## Trade Policy and Competitiveness

**India-Australia trade deal utilisation rate at 90% in first six months:** The utilisation rate of the India-Australia trade pact is estimated at an average of 90 per cent during the first six-months since implementation of the interim trade deal, even as exports, in terms of value, witnessed 25 per cent year-on-year (YoY) contraction during the same time period. *[Business Standard]*

**Fast track action to remove non-tariff barriers key to realise trillion-dollar merchandise export goal - GTRI:** India needs to act in a fast-track manner for removal of non-trade barriers (NTBs), being faced by domestic exporters in different countries like the US, China and Japan, to achieve one trillion dollar outbound shipment target for goods by 2030. *[The Economic Times]*

**Goods exports dip to lowest in 9 mths as demand slumps:** Indian goods exports remained under pressure in July as demand from key markets such as the US, Europe and China remained subdued amid high inflation driven by persistent geopolitical tensions. *[Mint]*

**India makes first crude oil payment to UAE in Indian rupees:** India and the United Arab Emirates have started settling bilateral trade in their local currencies with India's top refiner making payment in rupees for purchase of a million barrels of oil from the Middle Eastern nation. *[The Economic Times]*

**No proposal to put import restrictions on more electronic goods at present - Commerce Secretary:** The government has decided to impose import curbs on laptops, personal computers and certain more electronic devices from November 1 on security grounds to reduce imports from nations like China and boost domestic manufacturing. *[Money Control]*

**India's imports from Russia doubled to USD 20.45 billion in April-July period:** India's Russian imports doubled to USD 20.45 billion during the April-July period of FY24 owing to increasing inbound shipments of crude oil and fertiliser, according to the data released by the commerce ministry. *[The Economic Times]*



## Corporate Governance

**Infosys signs 5-year deal with Liberty Global estimated at \$1.64 bn:** Information technology major Infosys and Liberty Global, a London-based telecom firm, signed a €1.5 billion (about \$1.64 billion) deal for five years to evolve and scale up the telco's digital entertainment and connectivity platforms. *[Business Standard]*

**Adani to buy remaining 51% stake in BQ-publisher Quintillion Business Media:** Billionaire Gautam Adani's group will acquire the remaining 51% stake in Quintillion Business Media Pvt Ltd to take full control of the Raghav Bahl-curated digital business news platform. *[Financial Express]*

**Corporate India's deal activity jumps 58% to \$3.1 billion in July:** Corporate India's deal activity witnessed a 58 per cent jump in value terms to USD 3.1 billion in July, largely driven by big-ticket transactions, while caution in the private equity world led to a reduction in overall volumes. *[Money Control]*

**Offline retail outpaced e-commerce driven by higher rural demand:** The e-commerce spending sentiment for Q2 remains positive with an ECCE (e-commerce Consumer Confidence Index) of 131, with a minor dip from the previous quarter. *[Business Line]*

**ITC board approves demerger of hotel business, ITC Hotels listing likely in 15 months:** The ITC board has approved the demerger of its hotel business with an indicative timeline of 15 months for the listing of ITC Hotels. ITC Hotels will operate as an independent hospitality focused listed entity. *[Financial Express]*

**Hyundai Motor unit to buy General Motors' India plant in Talegaon, Maharashtra:** South Korean automobile giant Hyundai Motor Co's Indian unit will buy automaker General Motors' Talegaon, Maharashtra plant, the company announced on Wednesday. Hyundai, India's second-biggest carmaker by sales, did not mention a deal value. *[The Economic Times]*

**Vedanta gets NCLT nod to acquire Meenakshi Energy for ₹1,440 crore:** Vedanta's plans to acquire Meenakshi Energy via the insolvency resolution procedure has been approved by National Company Law Tribunal (NCLT) Hyderabad Bench. *[Business Line]*



## MSMEs and Start-ups

**Cabinet okays Rs 13,000-crore PM Vishwakarma scheme to support artisans, craftspeople:** The Cabinet Committee on Economic Affairs chaired by Prime Minister Narendra Modi on Wednesday approved the PM Vishwakarma Yojana with a financial outlay of Rs 13,000 crore for a period of five years (FY24 to FY28). *[Financial Express]*

**Women-led MSMEs avail Rs 430 crore in loans in FY2023:** The NeoGrowth Impact Report 2023 found that in the financial year 2022-23, nearly Rs 1,900 crore in loans were disbursed to Micro, Small & Medium Enterprises (MSMEs), with Rs 430 crore being availed of by women-led MSMEs. *[Business Standard]*

**India's MSME base to grow to 7.50 crore units from 6.30 crore - SIDBI:** The number of MSMEs in the country is expected to grow from 6.30 crore, of which only 2.50 crore have ever availed credit from formal sources, to "approximately 7.50 crore in the coming times", growing at a projected compound annual growth rate (CAGR) of 2.5 per cent. *[Financial Express]*

**Physics Wallah to cross Rs 2,400 cr in revenue in FY24, says co-founder:** In the middle of a challenging funding environment for Indian educational technology (edtech) startups, Physics Wallah (PW) stands out as the sole profitable unicorn in this sector, valued at over \$1 billion. *[Business Standard]*

**Unicorn Xpressbees acquires TrackOn, marking its first acquisition:** Xpressbees, a logistics company and unicorn, owned by BusyBees Logistics Solutions, has acquired TrackOn Couriers, marking its first acquisition. However, the deal size was not disclosed by the company. *[Financial Express]*



## Employment and Industrial Relations

**Supply chain shifts to benefit India, create jobs - UBS:** India is likely to benefit from the supply chain shift happening owing to the US-China trade war, deglobalisation and pandemic disruptions, according to a UBS report released on Thursday. *[The Economic Times]*

**Scheme for formal employment generation falls short of target:** As per latest government data, enrolments under ABRY stood at 6.04 million as on July 22, 2023, well short of the revised target of generating 7.18 million jobs under the scheme but higher than its initial target of 5.85 million. Disbursements under the scheme are way behind target. *[The Economic Times]*

**Employees' State Insurance Corporation adds 2 million subscribers in June:** Formal job creation under the Employees' State Insurance (ESI) Scheme remained flat in June compared to May, with addition of 2.02 million new subscribers. *[The Economic Times]*

**Formal job creation under ESIC remains flat in June:** Formal job creation under the Employees' State Insurance Corporation remained flat in June when compared to May with addition of 2.02 million new subscribers. ESIC had added 2.02 million subscribers in May and 1.78 million formal workers in April. *[The Economic Times]*

**Smartphone manufacturers expected to hire 60,000 in next 6-12 months:** Apart from these direct jobs, there is a likelihood of 80,000-100,000 jobs being created by smartphone manufacturing companies in the next 12-24 months. *[Business Standard]*



## Industrial Finance

**'Bad bank' sees loan transfers dwindle on valuation, liability woes:** India's so-called 'bad bank' set up to buy legacy stressed loans from the country's lenders has seen such purchases grind to a standstill recently due to disputes over pricing and future liabilities, bankers and industry. *[Business Standard]*

**Banks' lending to NBFCs jumps 35 per cent to Rs 14.2 lakh crore in June:** Banks' lending to non-banking finance companies (NBFCs) rose by 35.1 per cent to Rs 14.2 lakh crore in June, a report said. Credit exposure of banks to NBFCs rose by a robust 35.1 per cent on-year to Rs 14.2 lakh crore in June. *[The Economic Times]*

**Uttar Pradesh tops in attracting bank funds for projects - RBI:** Uttar Pradesh topped the list of states that attracted investment funds from banks and financial institutions pushing Maharashtra behind in a year of record project sanctions. *[The Economic Times]*



## Technology and Innovation

**RBI launches UDGM portal for searching unclaimed deposits across multiple banks:** The Reserve Bank of India on Thursday launched a centralised Web portal, UDGM (Unclaimed Deposits Gateway to Access Information), for members of the public to make it easier to search their unclaimed deposits across multiple banks at one place. *[Business Line]*

**Chandrayaan-3 - Vikram Lander successfully separates from propulsion module:** Chandrayaan-3's Vikram Lander has successfully separated from its propulsion module, the Indian Space Research Organisation (Isro) announced on Thursday. *[Business Standard]*

**India, Thailand race for spot on Asia's chipmaking map:** India and Thailand have engaged in a full-fledged race for semiconductor--manufacturing investment to win a spot on Asia's chipmaking map, Nikkei Asia reported. *[The Economic Times]*

**Government allocates Rs 14,903 cr to expand Digital India program:** The government on Wednesday approved a Rs 14,903 crore outlay for expansion of Digital India programme to boost digital initiatives in skilling, cyber security, high-performance computing and simplifying technology for the masses. *[The New Indian Express]*



## Industrial Infrastructure, Clusters and SEZs

**Yogi govt set to build India's largest IT hub in Lucknow:** The Yogi Adityanath government of Uttar Pradesh has started preparations for setting up new IT hub in the capital Lucknow, said the government in a press release. This IT hub is expected to be India's largest. *[Business Standard]*

**India's first Common Testing Centre for drones to come up in Tamil Nadu:** The country's first Common Testing Centre for Unmanned Aerial Systems (drones) would be established in Tamil Nadu at an outlay of Rs 45 crore. *[The Economic Times]*

**Land acquisition, flyovers and tunnels raised Bharatmala cost:** The cost of highway projects under the Bharatmala programme rose significantly from initial estimates due to the construction of wider highways, tunnels, flyovers, and more expensive land acquisition. *[The Economic Times]*



## Sustainable Industrialisation

**Adani Ports in FY23 spent ₹764.4 crore on ESG commitments:** The spending was on projects related to electrification of equipment, rail infra, energy efficiency, emission reduction, environment protection, water management, waste treatment, and adaptation to climate change. *[Business Line]*

**Strengthening India's IP ecosystem for promoting solar power:** India's solar power market has experienced rapid growth over the past decade, driven by ambitious government targets and falling solar panel prices. *[Financial Express]*

**PM e-bus seva - India's cabinet allows govt to spend INR 57,613 cr for 10,000 new e-buses:** With an eye on green mobility and climate change readiness, 10,000 new electric buses will be rolled out in 100 cities. *[The Economic Times]*

**ONGC investing Rs 1 lakh cr to transform into low-carbon energy player:** To transform into a low-carbon energy player, Oil and Natural Gas Corporation (ONGC) is investing Rs 1 lakh crore by the end of this decade. *[The Economic Times]*



## Sectoral News

**COAI asks DoT to back 6 GHz band for 5G, 6G at key APAC telecom meet:** India's top telcos have urged the Department of Telecommunications (DoT) to bat for deploying the upper portion of the 6 GHz spectrum band for 5G services in India at a key meeting of the Asia Pacific Telecommunity (APT) that got underway today in Brisbane. *[The Economic Times]*

**Indian diamond industry set to focus on domestic markets, ASEAN countries:** India's solar power market has experienced rapid growth over the past decade, driven by ambitious government targets and falling solar panel prices. *[Business Standard]*

**Vodafone Idea to pay Rs 1,680 crore spectrum auction instalment with a delay of 30 days:** Debt-ridden Vodafone Idea has sought 30 days more time to pay around Rs 1,680 crore for spectrum auction instalment due on Thursday, a senior company official said on Wednesday. The company has proposed to pay the amount with interest. *[The Economic Times]*

**Telecom services industry revenue to see 7-9 pc growth in FY24, capex to touch Rs 70,000 cr - ICRA:** The industry has been "upfronting" 5G capex (capital expenditure) and ICRA foresees sectoral capex at around Rs 70,000 crore for FY2024, within an overall spend of around Rs 3 lakh crore over the next 4-5 years. *[The Economic Times]*

**Rule mandating doctors to prescribe generics may hit patient safety - IMA:** The Indian Medical Association (IMA) on Monday sought deferment of the implementation of the National Medical Commission's (NMC) regulation that mandates doctors to prescribe only generic drugs, saying the biggest concern with such medicines is the uncertainty regarding quality. *[The Economic Times]*

**Rs 5,000 crore plan to boost India's pharma and medtech sector:** Health ministry is set to introduce a comprehensive five-year policy aimed at bolstering research and development (R&D) in the pharmaceutical and medtech sector. *[The New Indian Express]*

**Corporate hospitals to see 8-10 pc revenue growth in FY24 - ICRA:** Corporate hospitals are set to clock an 8-10 per cent revenue growth and strong margins in the current fiscal. *[The Economic Times]*

**India's peak power demand hits record 234 GW on Aug 17 on rising temperatures:** India's peak power demand breached all previous records on August 17 as the country clocked a demand of 234,058 megawatt (MW) or 234 gigawatt (GW) owing to rising temperatures and humidity. *[Money Control]*

**ISID** Institute for Studies in Industrial Development  
An institution of Indian Council of Social Science Research (Ministry of Education)  
4 Vasant Kunj Institutional Area, New Delhi - 110070, India

Follow us at



**Disclaimer:** *Industry Matters* is a weekly news update on Indian economy, industry, and policy compiled at ISID from various newspapers and e-resources. ISID does not guarantee the truthfulness, accuracy, or validity of the news items linked in the above message. It is shared for informational and educational purposes to facilitate and support research and information on Indian industry. It is not a commercial product and all copyrights remain with those of the respective copyright holders. Images are sourced from the web.

**Team Members:** Satyaki Roy, Swati Verma, Sangeeta Ghosh, B Dhanunjai Kumar, Amitava Dey & Rakesh Gupta.  
Compiled by: Rakesh Gupta, Edited by Sangeeta Ghosh.

To unsubscribe please [click here](#)