

# Industry Matters

Weekly Updates

November 03, 2023



## Economy, Industry and Policy

**The way ahead for innovation in India:** The sixteenth edition of the Global Innovation Index, GII 2023, released recently, identifies India as the topmost innovation out-performer, given its level of economic development. *[Business Line]*

**India's eight core sectors' output grows 8.1% in September:** The index of eight core industries (ICI) in India saw a growth of 8.1 per cent in September on an annual basis, data from the Ministry of Commerce & Industry showed Tuesday. The index had grown 12.1 per cent in August. *[The Economic Times]*

**India's October manufacturing PMI slips to 55.5, lowest in eight months:** India's manufacturing activity in October slipped to the lowest in eight months, said a survey by the credit rating agency S&P Global. The Manufacturing Purchasing Managers' Index (PMI) fell to 55.5 in October, compared to 57.5 in September. It is the lowest since March when the PMI was 56.4. *[Business Standard]*

**Govt mulls separate PLI for electronics component manufacturing:** The ministry of electronics and information technology (MeitY) is currently evaluating a proposal to introduce a separate production-linked incentive (PLI) scheme for electronics component manufacturing. *[Financial Express]*

**Capex and spending double engine: Core strong; car dispatches hit a fresh high:** India's infrastructure sector closed the September quarter on a firm note, while frantic festive demand lifted automobile dispatches to yet another record in October, highlighting the twin drivers of the economy - government capital expenditure and high-end consumption. *[The Economic Times]*

**Niti Aayog to identify a dozen sectors for global manufacturing hub status:** India will soon identify about a dozen sectors in which the country can emerge as a global manufacturing hub, said officials. The Niti Aayog is undertaking an exercise to identify these sectors and their export potential and recommend strategies accordingly. *[The Economic Times]*

**GST collection in Oct rises 13% to Rs 1.72 trillion, second-highest ever:** The Goods and Services Tax (GST) collections in October 2023 jumped 13 per cent year-on-year (Y-o-Y) to touch its second-highest-ever collection of Rs 1.72 trillion. *[Business Standard]*

**Record over 7.85 crore I-T returns filed till Oct 31:** The income tax department announced that a record-breaking 7.85 crore income tax returns (ITRs) were filed for the fiscal year 2023-24 until October 31, surpassing the previous year's total of 7.78 crore ITRs. *[The Economic Times]*

**Govt's fiscal deficit rises to 39.3% of annual target in first half of FY24:** Central government's fiscal deficit touched 39.3% of the full year target in the first half of the current financial year, slightly higher than 37.3% recorded in the year-ago period. *[The Hindu]*

**India's gross tax receipts remain robust; fiscal deficit at Rs 7.02 trn:** India's gross tax receipts, comprising both direct and indirect taxes, increased by 16.3 per cent to Rs 16.19 trillion on an annual basis in the first half (H1) of 2023–24 (FY24). *[Business Standard]*

**Retail inflation for industrial workers eases to 4.72 pc in September:** Retail inflation for industrial workers eased to 4.72 per cent in September, compared to 6.91 per cent in August this year, mainly due to lower prices of certain food items and cooking gas. *[The Economic Times]*



## Foreign Investment

**Abu Dhabi plans \$50 billion investment in fast-growing India:** The United Arab Emirates is considering investing as much as \$50 billion in India, its second-largest trading partner, as part of a broader bet on the world's fastest-growing major economy. *[The Economic Times]*

**Qualcomm to outsource chip-making in India after fab, Osat plants are built:** Global semiconductor giant Qualcomm Inc has said it will outsource manufacture of semiconductor chips in India when the country has set up its own fabrication (fab) plants and outsourced semiconductor assembly and test (Osat) facilities. *[Business Standard]*

**Apple may look at India for development of new iPhone model for the first time outside China:** Apple may start developing a new iPhone model outside of China for the first time, with the iPhone 17 potentially being developed in India. *[The Times of India]*

**Uttar Pradesh Cabinet approves FDI policy with stamp duty, land exemptions:** The Uttar Pradesh Cabinet on Tuesday gave the go-ahead to the new foreign direct investment (FDI) policy to provide incentives to overseas investors, including exemptions in land acquisition, stamp duty, and capital investment. *[The Indian Express]*

**India becoming favoured destination for FDI in infrastructure sector:** Financial Services Secretary Vivek Joshi has said that India is becoming a favoured destination for Foreign Direct Investment (FDI) in the infrastructure sector as government has taken many supportive measures. *[Business Standard]*



## Trade Policy and Competitiveness

**Strengthening Bonds - Brazil and India's Strategic Partnership:** In 1948, India and Brazil established diplomatic ties. Since then, the partnership has grown steadily and is now built on a solid basis of shared democratic ideals, consensus on many global issues, and complementary economic profiles. *[Financial Express]*

**Deepening ties - India's bilateral trade with Riyadh at all-time high:** India's trade outreach is fast becoming the centrepiece of its deepening relationship with the Middle East. In particular, India's relations with Saudi Arabia have seen an unprecedented growth in recent years, with a sharp rise in trade and investments. *[The New Indian Express]*

**India, Sri Lanka relaunch talks on economic, technology cooperation:** India and Sri Lanka have resumed negotiations for the Economic and Technology Cooperation Agreement (ECTA) after a five-year hiatus. *[The Economic Times]*

**Services exports decline 2.7 pc to USD 28.42 bn in September:** In September, India's services exports witnessed a year-on-year decline of 2.7 per cent, totaling USD 28.42 billion. *[The Economic Times]*

**Drugs worth USD 650 bn trafficked globally; need insight sharing on emerging trends - CBIC:** With the illegal drug trade touching USD 650 billion globally and having a devastating economic impact, CBIC Chairman Sanjay Kumar Agarwal on Monday called upon international customs authorities to share insights and advanced detection techniques in drug-related crimes. *[The Economic Times]*

**After RoDTEP, govt likely to extend export-boosting textile scheme:** After Remission of Duties and Taxes on Exported Products (RoDTEP), the government may extend the tenure of another export-boosting scheme that mainly seeks to benefit the textiles sector till 2025-26. *[Business Standard]*



## Corporate Governance

**Tata Group to become first Indian iPhone maker as it gets ready to take over Wistron plant:** Tata Group is set to become India's first homegrown iPhone maker, reported Bloomberg News, after one of Apple Inc's key suppliers, Wistron Corp, agreed to sell a plant in South India to the Indian conglomerate. *[The New Indian Express]*

**HAL, Safran sign MoU to produce engine parts:** Hindustan Aeronautics Limited (HAL) and Safran Aircraft Engines, a French aero engine design development and manufacturing company signed a Memorandum of Understanding (MoU) on Thursday, to develop industrial cooperation in manufacturing parts for commercial engines. *[The New Indian Express]*

**Tata Motors receives India's first auto PLI certificate in four-wheeled goods vehicle category:** The Automotive Research Association of India (ARAI), a research and development body in the automotive sector, awarded Tata Motors with the first auto Production-Linked Incentive (PLI) certificate in the N1 category, specifically pertaining to four-wheeled goods vehicles. *[The Economic Times]*

**Tata Consumer to merge 3 wholly-owned subsidiaries - NourishCo, SmartFoodz and Soulfull:** Tata Consumer Products Ltd said it would merge its three wholly-owned subsidiaries -- NourishCo Beverages, Tata SmartFoodz and Tata Consumer Soulfull -- to ensure "more effective utilisation of the resources" and reduce "compliance requirements". *[The Economic Times]*

**Blackstone makes health care foray with \$1 bn deals, buys Care Hospitals:** US-based private equity major Blackstone said on Monday it had completed the acquisition of a 72.5 per cent stake in Quality Care India Ltd (QCIL), which operates a network of Care Hospitals, from Evercare, a platform backed by TPG Rise funds. *[Business Standard]*

**Small Finance Banks AU and Fincare agree to merge:** The Board of Directors of AU Small Finance Bank (AU SFB) Ltd and Fincare Small Finance Bank (Fincare SFB) Ltd late Sunday approved an all-stock merger of AU SFB and Fincare SFB. *[The Hindu]*

**MCA enforces provision for foreign listing of Indian public companies:** In a step towards allowing Indian companies to list on foreign stock exchanges, the ministry of corporate affairs (MCA) on Tuesday brought into force a provision to allow certain public companies to issue a class of securities for listing on foreign bourses. *[Business Standard]*



## MSMEs and Start-ups

**Veteran entrepreneurs look to ramp up their bets in Indian startups:** During 2023, the country's top 10 angel investors have made as many as 101 investments in Indian startups, according to data by Venture Intelligence. *[Business Standard]*

**WeWork India to invest up to \$200,000 in early-stage startups:** Flexible workspace provider WeWork India said on Tuesday it has launched an investment program for early-stage Indian startups, under which it will invest pre-seed or seed capital of up to \$200,000 in selected startups. *[Financial Express]*

**UP allocates Rs 1k cr to Startup Fund to support innovative biz ventures:** The Uttar Pradesh government has allocated Rs 1,000 crore to the UP Startup Fund to support innovative business ventures and boost the startup ecosystem. *[Business Standard]*

**Lenskart acquires computer vision startup Tango Eye for undisclosed amount:** Eyewear company Lenskart has announced its acquisition of Tango Eye, an artificial intelligence-based computer vision startup, for an undisclosed sum. *[Business Standard]*



## Employment and Industrial Relations

**Formal female workforce more than doubles under EPFO in 5 years:** India witnessed a surge in formal job creation for women since 2018-19 with net new addition of female employees under the Employees' Provident Fund Organisation (EPFO) more than doubling in the last five years as companies become more inclusive and move towards greater gender parity. *[The Economic Times]*

**India needs 22 mn skilled workers in 5G focussed industries by 2025 - TSSC:** India will require 22 million skilled workers in 5G-focused industries by 2025 in areas such as cloud computing, robots, and the Internet of Things (IoT), according to a report by the Telecom Sector Skill Council (TSSC). *[Business Standard]*

**Hiring in the Indian IT sector shrinks for the first time in 25 years:** Amid spending cuts by Western countries and geopolitical risks, the hiring by nine out of 10 Indian IT companies fell in the July-September quarter. *[Business Standard]*

**Ola, Uber, Porter worst digital platforms for gig workers in India:** Ola, Uber and Porter are the worst digital platforms for gig workers in India, revealed a report. While Ola and tech-enabled logistics company Porter scored zero on a scale of 1-10, Uber and Dunzo received only one point. *[Business Standard]*

**Erratic rains force farm labour to stick to NREGS:** In an unusual trend, demand for work under the government's flagship rural job scheme grew at a fast pace in the monsoon season this fiscal year while remaining subdued in the key summer months when such demand typically stays elevated. *[The Economic Times]*

**MGNREGS demand continues to robust even as funds dip:** Demand for work under the flagship Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) continued to remain robust despite a seasonal slowdown in the month of October. *[Business Standard]*

**India jobless rate rises to more than two-year high - CMIE:** India's unemployment rate climbed to the highest in more than two years in October as joblessness in rural areas increased. *[The Economic Times]*



## Industrial Finance

**Cracking the Code - Q2 recovery under IBC rises to 33%:** Creditors' recovery from loans to bankrupt companies under the Insolvency and Bankruptcy Code (IBC) rose to 33% of their admitted claims in the September quarter from 29.5% in the previous three months. *[The Economic Times]*

**Manufacturing tops the bankruptcy resolution charts, real estate crawls:** This is a tale of two sectors-- manufacturing and real estate. Both account for three out of every five insolvency cases admitted in India but witness contrasting results. *[The Economic Times]*

**Vedanta Resources in talks with Cerberus, Varde for \$500-m loan:** Vedanta Resources (VRL), the UK parent of Mumbai-listed Vedanta, has begun negotiations with Cerberus Capital Management and Varde Partners for a \$500-million loan that should help meet a \$1-billion repayment commitment in January. *[The Economic Times]*

**Indian energy producer AM Green seeks \$1 billion funding:** AM Green, a hydrogen and ammonia producer owned by the founders of Indian renewable company Greenko Energy Holdings, is planning to raise around \$1 billion to fund its growing business. *[The Economic Times]*



## Technology and Innovation

**5G, satcoms, semiconductors to boost economy with \$240 bn by FY28 - KPMG:** 5G, satellite communication and semiconductors will collectively contribute approximately \$240 billion to India's economy over the next five years and are estimated to contribute 1.6 per cent to the national GDP by FY28. *[Business Standard]*

**L&T to foray into fabless semiconductor chip design, to invest ₹830 crore to set up unit:** The company has approved an investment of Rs 830 crore to set up a wholly-owned subsidiary that will be engaged in the business of fabless semiconductor chip design and product ownership and not manufacturing. *[The Economic Times]*

**Govt clears about 110 applications for imports of laptops, other IT hardware products:** India has approved 110 applications received for allowing the import of laptops, computers, and IT hardware products, including Dell, HP, Lenovo, ASUS, IBM, Samsung, Xiaomi, Cisco, Siemens, and Bosch. *[The Economic Times]*

**India's UPI transactions scale new high in Oct; clock Rs 17.2 trn in value:** Unified Payments Interface (UPI) transactions saw their highest-ever value in October, touching Rs 17.16 trillion, up 9 per cent compared to Rs 15.8 trillion in September. *[Business Standard]*

**Reliance Jio announces JioSpaceFiber to provide satellite-based broadband:** Reliance Jio has announced India's first satellite-based giga fiber service to provide high-speed broadband to previously inaccessible geographies within the country. *[Business Standard]*

**FY24 services procurement from GeM seen Rs 1.5 lakh crore:** The Government e-Market (GeM) portal was launched on August 9, 2016, for online purchases of goods and services by all the central government ministries and departments. GeM CEO P K Singh said that services procurement was just Rs 3,069 crore in 2019-20 but reached Rs 65,957 crore in FY23. *[The Economic Times]*

**Aadhaar Card Data Breach: Aadhaar data of millions of Indians put on sale on the dark web:** In a serious data breach, personally identifiable information of 815 million Indians has been up on the dark web for sale, according to a report by US-based cybersecurity firm Resecurity. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Ultratech Cement to invest Rs 13,000 crores for increasing capacity by another 21.9 mtpa:** Ultratech Cement's board on Saturday approved an investment of Rs 13,000 crores for increasing the capacity by another 21.9 mtpa (million tonnes per annum) with a mix of brown field and green field projects. *[The Economic Times]*

**TOTAL gain - NHAI awards 400 km for Rs 6,584 crore:** The National Highway Authority of India (NHAI) has awarded two toll, operate and transfer (TOT) bundles 11 and 12 of a combined length of 400 km for Rs 6,584 crore. *[The Economic Times]*

**Nitin Gadkari laid foundation stones of 26 national highway projects:** Union Minister of Road Transport & Highways Nitin Gadkari, in presence of Chief Minister Himanta Biswa Sarma, on Tuesday either laid the foundation stones of or dedicated to the nation as many as 26 national highway projects aggregating an investment of Rs. 17,500 crore. *[The Economic Times]*

**PM GatiShakti reduces DPR preparation time:** India has planned around 8,890 km of roads, 27,000 km of railway tracks and 920 km of petroleum and natgas pipelines based on PM GatiShakti National Master Plan, two years after it was launched. *[The Economic Times]*

**PM Gati Shakti - Four infra projects worth Rs 23,500 crore recommended for approval:** Four infrastructure projects of roads and railways worth Rs 23,500 crore have been recommended for approval under the PM Gati Shakti initiative. These projects were assessed in the 58th Network Planning Group (NPG) meeting on October 17. *[The Economic Times]*



## Sustainable Industrialisation

**Electric vehicle market set to be on full charge by 2025 - ICRA:** Electric vehicle penetration continues to improve at a healthy pace, spurred by government support in the form of subsidies, enhanced awareness, and increasing product launches. *[Business Standard]*

**e2W registration - Share of top 4 races to 90% in Oct from 72% in January:** Three electric two-wheeler makers — Ola Electric, TVS, and Bajaj — collectively cornered 75 per cent of vehicle registrations in this space in October, during the peak festival season. *[Business Standard]*



## Sectoral News

**India competing with world's best telecom equipment makers - Vaishnaw:** As much as 80 per cent of telecom equipment used in 5G rollout of India was locally manufactured, and the country currently exports such products to 72 countries. *[Business Standard]*

**PV industry expecting zero growth in volume sales in FY25 - R C Bhargava:** The Indian passenger vehicle (PV) industry expects zero growth in its volume sales in the next financial year, primarily due to the ongoing decline in sales within the small car segment. *[Business Standard]*

**Power consumption grows nearly 22 pc to 138.94 billion units in October:** The country's power consumption grew nearly 22 per cent to 138.94 billion units (BU) in October, showing a surge in electricity demand due to festivities and increased economic activities. *[The Economic Times]*

**Festive demand drives passenger vehicle dispatches to record high in October:** Sales of cars, sedans and utility vehicles in the local market rose in strong double-digits to record levels last month with automakers ramping up dispatches from factories to meet robust customer demand in the ongoing festive season. *[The Economic Times]*

**Textiles PLI application date extended till Dec 31:** The government on Wednesday extended the date of inviting fresh applications under performance-linked incentive (PLI) scheme for textiles for man-made fibre apparel, fabrics and products of technical textiles till December 31. *[The Economic Times]*

**Indian gaming market expected to reach \$7.5 billion by FY28 - Lumikai:** The Indian gaming market, currently valued at \$3.1 billion, is expected to hit the \$7.5 billion valuation mark by financial year 2028 (FY28), according to Lumikai's State of India Gaming FY23. *[Business Standard]*

**Global slowdown may take sheen off gems & jewellery industry in Rajasthan:** Jaipur's gems and jewellery exports, which were on a rise before the pandemic, may see a muted growth this financial year amid global slowdown, trade experts say. *[Business Standard]*

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