

Industry Matters

Weekly Updates

January 26, 2024



Economy, Industry and Policy

A volley of regulations - India's exports have to learn to navigate EU's green law maze: According to Nagesh Kumar, Director of the Institute for Studies in Industrial Development (ISID), India needs to address the issue at unilateral, bilateral, and multilateral levels. Introducing India's own CBAM-type measures may help it negotiate with partner countries to mutually offset or neutralise the incidence of their CBAMs. *[The Economic Times]*

India Inc confident of achieving \$5 trillion economy - Deloitte pre-budget survey: India Inc is confident of achieving a \$5 trillion economy on the back of Central Government's support in infrastructure investments, additional reforms and enhanced technology adoption, a Pre-Budget. *[Business Line]*

Indian consumers to be primary drivers for domestic and global economy: Barclays: India's consumers will be the primary driver of growth for both the domestic and global economy in the coming years, with aggregate discretionary consumption tripling to \$2 trillion by 2030. *[The Economic Times]*

Govt, RBI actively engaged on digital currency: FinMin Nirmala Sitharaman: Finance Minister Nirmala Sitharaman on Thursday said the government and the Reserve Bank are actively engaged in improving the central bank digital currency (CBDC) so that it can be used for cross-border payments. *[The Economic Times]*

Direct tax-to-GDP ratio at 23-year high in FY23: CBDT: The Centre's direct tax collections rose 17.8% year-on-year at Rs 16.6 trillion in FY23. Corporate tax collections during the year stood at Rs 8.26 trillion, up 16% on year, and income tax collections stood at Rs 8.33 trillion, 19.6% higher on year. *[Financial Express]*

India Inc urges persistence in Capex-led growth, appeals for buy-back tax exemption: Corporate India — CII and FICCI — have urged the Finance and Corporate Affairs Minister Nirmala Sitharaman to stay the course on Capex-led growth strategy in the upcoming Vote-on-account as well to sustain the ongoing growth momentum of the economy. *[Business Line]*

India's forex reserves up \$1.6 bn to \$618.94 bn as of Jan 12: India's foreign exchange reserves saw a mild uptick of \$1.6 billion to \$618.94 billion as of January 12, 2024. *[The Economic Times]*

ITR filing doubles to 77.8 million in 10 years: The number of individuals filing income-tax returns more than doubled in the past 10 years to 77.8 million in 2022-23, helping direct tax-to-GDP ratio to climb to 6.11% from 5.62% during the same period. *[The Economic Times]*

Govt spends on rural connectivity to be all-time high in FY24: After failing to meet the Budget target to provide connectivity to rural and remote areas for the last six financial years, the government's expenditure from the Universal Service Obligation Fund (USOF) is expected to be at an all-time high in FY24. *[Financial Express]*

States' loan guarantee more than triples since FY17 to Rs 9.4 lakh cr in FY23: The total loan guarantees extended by 17 major states to their entities have more than tripled to Rs 9.4 lakh crore by FY23 from Rs 3 lakh crore in FY17. *[The Economic Times]*

Govt allows direct listing at IFSC to enable local cos raise global capital: The government on Wednesday permitted the direct listing of Indian companies on the Gujarat International Finance Tec's (GIFT's) international exchanges to boost foreign investments. *[Business Standard]*

India overtakes Hong Kong to become fourth-largest stock market: The Indian stock market has pipped Hong Kong to become the fourth-highest equity market globally. *[The Hindu]*

Sebi gives FPIs 7 months to liquidate holdings if investor data not disclosed: India's markets regulator has given offshore funds an additional seven months to liquidate holdings if they fail to disclose data about their investors by Jan. 29. *[The Economic Times]*



Foreign Investment

Gorilla Glass-maker Corning to invest Rs 1,000 crore in Tamil Nadu: India's Tamil Nadu state said on Tuesday that a joint venture of Corning agreed to invest Rs 1,000 crore underscoring the growing importance of the south Asian country as a manufacturing hub. *[The Economic Times]*

Net FDI in India down to \$ 13.54 billion in Apr-Nov 2023 - RBI: The net foreign direct investment (FDI) in India, inflows minus the outflows, declined to \$13.54 billion in April-November 2023 from \$19.76 billion in the same period in 2022. *[Business Standard]*

Interim Budget 2024 - Space industry seeks liberal FDI policy, PLI scheme: India's nascent space sector has sought a liberal FDI policy on par with the defence industry and production-linked incentive in the interim Budget that the government will present next week. *[Mint]*



Trade Policy and Competitiveness

Modi-Macron talks to cover space and defence, digital ties: Expanding space sector collaboration, including its defence aspects, and growing digital sector partnership will be among the key agenda for the Summit between PM Narendra Modi and French President Emmanuel Macron in Jaipur. *[The Economic Times]*

NITI Aayog invite bids for study on India-China trade deficit: The government will soon come up with a comprehensive action plan to bridge India's trade deficit with China and align India's trading strategies with emerging geopolitical situations and potential risks to safeguard its supply chains. *[The Economic Times]*

Centre increased import duty on gold and silver coins to 15%: The centre has increased duty on the import of gold and silver finding and coins of precious metals to 15% and from the existing 10%. This includes basic custom duty of 10% and Agriculture Infrastructure and Development Cess (AIDC) of 5%. *[The Economic Times]*

DGFT calls for e-commerce boost to transform India into a global leader in gold jewellery exports: The Directorate General of Foreign Trade (DGFT) has urged the Gem & Jewellery Export Promotion Council to popularise jewellery exports through e-commerce and to position India as a top supplier, design creator and value-adding hub for gold jewellery. *[The Economic Times]*

Budget 2024 - Exporters body seeks global shipping line, extension of manufacturing sop till 2027: The Federation of Indian Export Organisations (FIEO) Thursday urged the government to consider developing a global shipping line in partnership with the private sector and has sought tax incentives for research and more funds for marketing activities, in the upcoming Budget 2024-25. *[The Economic Times]*

India's coffee exports fell 5.4% in 2023: Coffee shipments from India declined 5.4 per cent to 3.77 lakh tonne in 2023 due to a fall in the shipment of Robusta coffee. *[The Economic Times]*



Corporate Governance

Sajjan Jindal-owned JSW forays into defence manufacturing business: Sajjan Jindal-owned JSW Group on Thursday became the latest conglomerate to enter the defence manufacturing sector space by acquiring a majority stake in Gecko Motors Private Ltd, an off-road vehicle company. *[Business Standard]*

CCI approves JSW's acquisition of up to 38% stake in MG Motor India: The Competition Commission of India (CCI) has given its approval for Sajjan Jindal-promoted JSW Group's proposed acquisition of up to 38 per cent stake in MG Motor India. *[The Economic Times]*

Reliance Jio, OnePlus join hands to set up 5G innovation lab in India: Telecom major Reliance Jio and Chinese smartphone company OnePlus have joined hands to set up a 5G innovation lab in India. *[Business Line]*

CCI approves merger of Fincare Small Finance Bank with AU Small Finance Bank: The Competition Commission of India (CCI) has approved the merger of Fincare Small Finance Bank with AU Small Finance Bank. *[The Economic Times]*

Sony scraps \$10 bn Zee merger deal; seeks \$90 million in termination fees: After two years of hectic negotiations, Sony Pictures Networks India (SPNI) on Monday issued a termination notice to Zee Entertainment Enterprises Limited (ZEEL) on their merger agreement. *[Business Standard]*

CCI greenlights Tata Electronics' acquisition of iPhone supplier Wistron Infocomm: The Competition Commission of India (CCI) has granted approval for the Tata Electronics-Wistron deal. This proposed combination involves the acquisition of 100 per cent equity share capital of Wistron Infocomm Manufacturing (India) Private Limited by Tata Electronics Private Limited. *[The Economic Times]*



MSMEs and Start-ups

Startups leading in gig worker hiring - Nasscom-Indeed survey: As the gig economy transforms traditional job roles and organizational structures, leading to more diverse skills and increased resource allocation agility, Indian startups are keenly exploring the gig model for hiring. *[Financial Express]*

Eight years of Startup India - Is it really a runaway success?: India has emerged as the world's third largest ecosystem for startups—with over 112,000 of them across 763 districts recognized by the commerce ministry's department for promotion of industry and internal trade (DPIIT). *[Mint]*

AI voice cloning startup ElevenLabs becomes unicorn after \$80 million funding round: AI voice cloning startup ElevenLabs has gained unicorn status after its latest round of fundraising, per a Reuters report on Monday. *[The Hindu]*

MSME expects special package from Finance Minister Sitharaman on Feb 1: The MSME sector wants Finance Minister Nirmala Sitharaman to come out with a special package for small and medium enterprises to ensure greater availability of institutional credit at competitive rates to enable it to play a bigger role as India moves closer to becoming a \$5 trillion economy. *[The Hindu]*

\$5 bn for EV, 20 unicorns women-led - Path of Indian startup boom since 2014: The Indian startup ecosystem has experienced a monumental shift in the past decade, with sectors such as retail, enterprise applications, fintech, and logistics leading the growth story, data intelligence platform Tracxn Technologies. *[Business Standard]*



Employment and Industrial Relations

Social security for gig and unorganised sector workers: The Centre is mulling extension of medical benefits provided by the Employees State Insurance Corporation (ESIC) to the unorganised sector and gig workers. *[Financial Express]*

Flipkart may let 1,000 employees go, Swiggy likely to lay off 400: E-commerce firm Flipkart and food delivery company Swiggy, two of the biggest startups, are laying off employees. Walmart-owned Flipkart is looking to let go of 1,000 employees. *[Business Standard]*

Fresh NPS adoption by corporate sector slips to 34-month low in Nov - NSO: Fresh adoption of the National Pension System (NPS) by formal sector employees in the corporate segment fell to nearly a three-year low in November. *[Business Standard]*

Microsoft lays off 1,900 Activision Blizzard, Xbox staff: Microsoft is cutting around 1,900 jobs at Activision Blizzard and Xbox this week. *[Financial Express]*



Industrial Finance

ICRA revises up bank credit growth estimate to 15% from 13% for FY24: Ratings agency ICRA has revised upwards its projection of bank credit growth in FY24 to 14.9-15.3 per cent, estimated at an incremental growth of ₹20.4-20.9 lakh crore, from the earlier projection of 12.8-13 per cent equating to a growth of ₹17.5-17.8 lakh crore. *[Business Line]*

Zomato receives RBI approval to operate as online payment aggregator: Food delivery major Zomato has received authorisation from the Reserve Bank of India (RBI) to operate as an online payment aggregator. *[Business Standard]*

US lenders drag Byju's to bankruptcy court in India: A group of US lenders has petitioned the bankruptcy court in India to initiate insolvency proceedings against Byju's. *[The Economic Times]*



Technology and Innovation

PayPal and Venmo unveil six new innovations to revolutionise commerce: Nasdaq-listed PayPal Holdings Inc has announced six new innovations that the company is piloting and bringing to market this year to revolutionise commerce through artificial intelligence (AI)-driven personalisation for both merchants and consumers. *[Business Line]*

Meity may seek Cabinet approval for Rs 10,000 cr India AI programme: The Ministry of Electronics and IT will seek cabinet approval for the ambitious India AI programme, which includes setting up of GPU-based servers in Public Private Partnership (PPP) mode with an outlay of over Rs 10,000 crore. *[Business Standard]*

India to soon launch Future Labs programme: MoS IT Rajeev Chandrasekhar: This programme will be launched in partnership among government labs, startups of India and large enterprises and corporations that are in the electronics space. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

PM Modi to launch Rs 19,100-crore development projects in UP's Bulandshahr: Prime Minister Narendra Modi will launch development projects worth more than Rs 19,100 crore in Bulandshahr in western Uttar Pradesh on Thursday. *[The Economic Times]*

MHA sanctions nearly 1022 kms of roads under village programme for Arunachal Pradesh - CM Pema Khandu: Arunachal Pradesh Chief Minister Pema Khandu said recently Union Ministry of Home Affairs (MHA) has sanctioned about 1022 kms of roads under Vibrant Villages Programme (VVP) programme for the state. *[The Economic Times]*

Govt to develop 200 ropeway projects worth Rs 1.25 lakh crore in five years - Nitin Gadkari: Union minister Nitin Gadkari said the government will develop 200 ropeway projects at a cost of Rs 1.25 lakh crore in coming five years under the National Ropeways Development Programme, "Parvatmala Pariyojana". *[The Economic Times]*

Cost overrun ratio rises to a three-month high in December - MoSPI: The ratio of cost overrun in central government infrastructure projects rose to a three-month high of 18.65% in December. *[The Economic Times]*



Sustainable Industrialisation

PM Modi announces rooftop solar scheme, his 1st decision after Ram Temple inauguration: After the Ram temple ceremony in Ayodhya, Prime Minister Narendra Modi announced a scheme to install rooftop solar systems in 1 crore homes. *[The Economic Times]*

India missed 2022 solar rooftop target. Will new policies help meet the revised deadline of 2026?: India's solar power generation target of 100 GW by 2022 was missed, with only 63.3 GW generated. Rooftop solar energy generation was just 11 GW, far short of the 40 GW target. *[The Economic Times]*

Reliance Industries Ltd rides PLI schemes to close in on \$1-1.5/kg Green H2 target: Reliance Industries Ltd (RIL) is getting closer to its target of producing green hydrogen for \$1-1.5 per kilogramme on the back of multiple product-linked incentives (PLIs) it has won in the green energy segment. *[The Economic Times]*

Gautam Adani bets big on vast solar and wind plant: Deep in the desert along the border with Pakistan, billionaire Gautam Adani is building the world's largest renewable energy park as he races to future-proof his coal-linked fortune. *[The Economic Times]*

Oil India Ltd & GMC ink MoU to collaborate on transformation of Municipal Solid Waste into compressed biogas: In a move towards environmental sustainability and cleaner energy solutions, Oil India Limited (OIL) and Guwahati Municipal Corporation (GMC) inked a Memorandum of Understanding (MoU) to collaborate on the transformation of Municipal Solid Waste (MSW) into Compressed Biogas (CBG). *[The Economic Times]*

More funds for steel sector under green hydrogen mission if required, says R K Singh: Union Minister R K Singh on Wednesday assured stakeholders that additional funds will be allocated for decarbonisation of the steel sector under National Green Hydrogen Mission, if required. *[The Economic Times]*



Sectoral News

PV segment likely to see record 18-20 pc growth in FY24 - CareEdge: The Passenger Vehicles (PV) segment volumes are expected to log a record 18-20 per cent growth this fiscal as the pent-up demand levels off amid hike in vehicle prices. *[The Economic Times]*

India's power consumption grows nearly 8% to 1,221.15 bn units in Apr-Dec: Power consumption in the country witnessed an on-year rise of nearly 8 per cent to 1,221.15 billion units (BU) during the April-December period of this fiscal, indicating a surge in economic activities. *[The Economic Times]*

Govt provides ₹8,500 crore for coal gasification projects: In a significant development to incentivise coal gasification in the country, the Union Cabinet on Wednesday approved a higher financial outlay of ₹8,500 crore to promote coal gasification. *[Business Line]*

Domestic coal-based power generation rises 7% in April-December: Domestic coal-based power generation increased 7.14 per cent to 872 billion units (BU) in the April-December period of the current fiscal. *[The Economic Times]*

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