

Industry Developments

23rd Feb 2022





Overall

India's economic activity recouping: RBI

Economic activity in India is recouping from a brief spell of moderation in January in view of the less virulent effects of Omicron, as per an article by the Reserve Bank of India on the state of the economy. Better planning and strategy, management of supply chain logistics, and accelerated digitalization helped firms mitigate pandemic risks.

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Overall economic activity remained resilient amid 3rd wave: FinMin

The Indian economy is poised to grow at the quickest pace among the league of large nations on the back of various initiatives taken by the government in Budget 2022-23, said the Finance Ministry's Monthly Economic Review. The report said the Budget 2022-23 has strengthened the direction set for India's economy by the previous year's budget.

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Banking and Financial Services

Banking sector in best of health in decades, says India Ratings

India Ratings and Research (Ind-Ra) said it has revised the outlook on the overall banking sector for FY23 to 'improving' from 'stable', as the banking system's health is at its best in decades.

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Bank loans to industries cross Rs.29 lakh crore in December 2021

Bank loans to industries crossed the INR 29 lakh crore mark for the first time in 21 months and settled at INR 29.85 lakh crore at the end of December, with an improvement in consumer and business confidence that laid the pitch for sustained economic revival.

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Zombie firms account for 10% of total non-financial corporate sector debt: RBI bulletin

In India, zombie or perpetually loss-making firms have absorbed about 10 per cent of the total bank credit extended to all firms in the Indian economy, the Reserve Bank of India stated in its monthly bulletin. Such firms are also estimated to account for about 10 per cent of the total debt of the non-financial corporate sector.

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Healthcare

Hospital chains see recovery in medical tourism

Hospital chains have started to see a revival in medical tourism due to the easing of international travel restrictions amid the receding threat of the COVID-19. Fortis Healthcare said the contribution of medical tourism to the hospital chain's overall hospital business revenues improved to 5.9 per cent during the quarter ended December from 3.8 per cent in the previous quarter.

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Indian consumers becoming more health conscious due to pandemic: EY survey

Indian consumers are willing to spend more on fitness classes and activities, consuming natural foods, health supplements, and following specialized diets with the COVID-19 pandemic creating 'the biggest seismic shift' taking health and immunity to the centre stage, according to EY India's report 'The Sunrise Consumer Health and Nutrition Sector'.

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Pharmaceuticals

India-UAE trade pact set to boost pharma exports

Indian drug-makers can look for significant gains in pharma exports to the United Arab Emirates, thanks to the new trade pact inked by India with the latter. Pharmaceuticals is one of the products that has been included in the vortex of Comprehensive Economic Partnership Agreement. UAE is also a gateway to exports to GCC and Africa regions and being a re-export country, it can expand the reach of Indian drugs further.

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Mankind Pharma inks pact to acquire Combihale and Daffy brands from Dr Reddy's Laboratories

Mankind Pharma has inked a pact with Dr Reddy's Laboratories to acquire two brands - Combihale and Daffy. While Combihale is used for the treatment of asthma and chronic obstructive pulmonary disease, Daffy is a soap-free moisturizing bar for infants.

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Dr Reddy inks pact with Binnopharm to sell 2 anti-bacterial brands

Dr Reddy's said it has entered into an agreement with Russian drugmaker Binnopharm Group to sell two of its anti-bacterial brands Ciprolet and Levolet in Russia, Belarus, and Uzbekistan. The portfolio includes various dosage forms such as tablets, solutions for infusions, and eye drops.

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Education

Centre approves continuation of RUSA scheme

The Union Government has approved the scheme of Rashtriya Uchcharat Shiksha Abhiyan (RUSA) for continuation till March 2026 or till further review, whichever is earlier. Rashtriya Uchcharat Shiksha Abhiyan (RUSA), a Centrally Sponsored Scheme (CSS) will be operating in mission mode for funding the state government universities and colleges to achieve the aims of equity, access, and excellence, the Ministry of Education said.

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Around 12,430 new smart classrooms inaugurated in Delhi

A total of 12,430 new smart classrooms were inaugurated by Delhi Chief Minister Arvind Kejriwal in 24 government schools of Delhi at the Rajkiya Kanya Vidyalaya in Rajokri. Designer desks in the classrooms, libraries, multipurpose halls for the conduct of events are amongst the specialties of the new building constructed by the Delhi government.

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Real Estate

Centre approves construction of over 60,000 houses under PMAY across 5 states

Project proposals for the construction of over 60,000 houses were approved across the states of Andhra Pradesh, Chhattisgarh, Himachal Pradesh, Karnataka, and Rajasthan under the Pradhan Mantri Awas Yojana (Urban).

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Telangana among top 4 states in India in terms of projects registered with RERA

Telangana is among the top four states in India in terms of the number of projects registered with the state-level Real Estate Regulatory Authority (T-RERA). The state had 4,002 real estate projects registered with T-RERA by February and 2,017 registered agents. Maharashtra (33,154) has the most registered projects and 11,231 registered agents, followed by Gujarat with 9,689 projects and 2,695 agents, and MP with 4,016 projects and 935 agents.

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Demand for housing remains robust, says Deepak Parekh

The Indian real estate market is on an upward cycle and residential housing continues to be the star of the sector, HDFC Ltd Chairman Deepak Parekh said. According to Parekh, the demand for housing continues to be from both first-time homeowners as well as those moving up the property ladder - generally into larger homes or houses in other locations.

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Telecom, Technology and Media

DoT to come out with draft policy on key 5G infrastructure by March-end

The Department of Telecommunications (DoT) is expected to come out with a draft policy by March-end to accelerate clearances for radio frequency allocations for small cells, a key 5G infrastructure. The development has come on the back of the industry's demands to bring in a uniform policy to boost telecom infrastructure, particularly 5G-led connectivity.

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Jio Platforms investing USD 200 million in Glance

Jio Platforms is investing USD 200 million in Glance, the AI-driven lock-screen platform from InMobi, in a series D funding round. The start-up has also entered into a partnership with Reliance Retail that aims to provide Glance's 'lock-screen platform' on JioPhone Next smartphones.

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Jio and Airtel to benefit as metaverse is set to boost data usage: Credit Suisse

The transition of the digital ecosystem to the metaverse, where a person will feel immersed in a virtual world, will push data usage by 20 times across the globe by 2032, and telecom operators Bharti Airtel and Reliance Jio are suitably placed to benefit from the surge in India, Credit Suisse said in a report.

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Information Technology

Indian IT companies to hire 360,000 freshers in 2021-22

Indian IT companies are expected to hire about 360,000 freshers in the fiscal year 2022, according to a study by cognitive intelligence platform UnearthInsight. The study, IT Industry Q3 Insights & FY22 Forecast, expects IT services companies to post revenue growth of 19-12 per cent in fiscal 2022, the highest ever for the industry.

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Gujarat govt signs MoU for holistic development of IT, ITeS sector

The Gujarat government signed an MoU with global business process management company QX Global Group Limited, for the holistic development of the IT and ITeS sector in the state. Under the MoU, around 2,000 jobs will be generated in the IT sector in the coming days.

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Steel

Steel prices rise in February 2022

After a pushback in December and January, steel prices are on the rise again. According to data from SteelMint, prices of hot-rolled coil stood at INR 66,500-67,500 a tonne, while the prices of rebars by secondary producers stood at INR 56,300 a tonne in February.

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JSW Ispat Special Products to transfer commodity-grade steel business to Mivaan Steels

JSW Ispat Special Products has announced that it will be transferring some of its assets pertaining to the manufacturing of commodity-grade steel to a new wholly-owned subsidiary Mivaan Steels Limited so that the listed entity could focus on special steel products. The transfer will be on a slump-sale basis for INR 443 crore.

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Automobiles and Ancillaries

Parliamentary committee asks Centre to make provisions for financial incentives in scrappage policy

Department Related Parliamentary Standing Committee on Industries in its 313th report has suggested the government to make provisions for "upfront financial incentives in the Scrappage Policy to boost demand for purchase of new vehicles".

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Mahindra Automotive partners with Quiklyz

Mahindra Automotive has tied up with vehicle and leasing subscription platform Quiklyz, to allow customers to lease Mahindra vehicles in a hassle-free manner. The platform will offer convenience, flexibility, and choice to customers across Mumbai, Pune, Delhi, Noida, Gurugram, Bengaluru, Hyderabad, and Chennai.

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Pinnacle-VDL form JV for manufacturing of EVs

Pinnacle Mobility Solutions, a unit of Pune-based Pinnacle Industries, would invest INR 2,000 crore to make electric buses and e-mini trucks to cater to the booming last-mile mobility space. Pinnacle Mobility has entered into a 74:26 partnership with one of Europe's largest family-owned enterprises - VDL Groep - to cater to this growing demand.

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Agri & Food processing

e-NAM witnesses rise in total transactions in current fiscal

The value of total transactions on the electronic National Agriculture Market has zoomed to a record in the first ten months of 2021-22. Total transactions over e-NAM were INR 42,163 crore during 2021-22 (April-January) as against INR 31,366 crore entirely in 2020-21.

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India's foodgrain output pegged at 316 mt in 202-122

India is set to harvest record foodgrains in the 2021-22 crop year (July-June), thanks to a new high in the output of rice, wheat, maize, and pulses. The total production of foodgrains is estimated to be 316.06 million tonnes (mt) this year.

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PM flags off 100 kisan drones across various states

In a special drive aimed at helping farmers, Prime minister Narendra Modi flagged off 100 Kisan drones in different cities and towns of India. Kisan Drones will be promoted for crop assessment, digitization of land records, and spraying of insecticides and nutrients.

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Chemicals & Petrochemicals

Centre government raises hydrogen production target to 5 MT by 2030

The Ministry of Power notified the green hydrogen and ammonia policy under which the government is offering to set up manufacturing zones for production, connectivity to the ISTS (inter-State transmission system) on a priority basis, and free transmission for 25 years if the production facility is commissioned before June 2025. The government has also raised its production target from 1 million tonnes (mt) to 5 mt by 2030.

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IOC planning green hydrogen plants

India's largest oil firm IOC will set up 'green hydrogen' plants at its Mathura and Panipat refineries by 2024 to replace carbon-emitting units as it sees the just announced green hydrogen policy as a watershed moment in the country's energy transition that will help cut costs. The firm is targeting to produce 70,000 tonnes a year of green hydrogen by 2030, accounting for 10 per cent of its overall consumption by that time.

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Transportation

Capex support to states might be a regular feature in future Budgets

The Centre is likely to make Capex support to states a regular feature in future budgets. The central government has increased the amount of interest-free loans provided to states under the 'Scheme for Financial Assistance to States for Capital Investment' to INR1 trillion for the financial year 2022-23. This will assist the states in expanding their capacities.

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Rs.1 tln plan for connecting 117 districts across India to be rolled out soon

India is set to unveil an ambitious INR 1 trillion programme to build 5,795km of national highways in 117 so-called aspirational districts. The road ministry identified 221 projects for expansion, in addition to the 5,566 km of highways already being built in these districts, comprising 222 projects at a total cost of INR 66,000 crore.

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Govt ready to spend additional funds for infra under Gati Shakti

The central government is willing to invest additional funds for infrastructure under the Gati Shakti plan, Department for Promotion of Industry and Internal Trade Secretary Anurag Jain said. This would ensure better quality spending, better planning, and faster implementation.

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Centre approves 4 road infrastructure projects under Bharatmala Pariyojana

The government has sanctioned four road infrastructure projects worth INR 4,518.04 crore under the Bharatmala Pariyojana scheme, Union Minister Nitin Gadkari said. The approved projects pertain to construction, widening, and upgradation of national highways in Assam, Telangana, Karnataka, and Andhra Pradesh.

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IndiGo to upgrade navigation technology in its A320 aircraft

The country's largest airline IndiGo has chosen NAVBLUE, an Airbus Services company, to upgrade navigation technology in some of its A320 planes and that will help pilots to navigate challenging airspaces with more precision and predictability.

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IOL installs more than 1,000 EV charging stations

Diversified energy major Indian Oil said it has installed more than 1,000 electric vehicle charging stations (EVCS) across the country. Indian Oil had installed its first EV charger for public use in 2017, at Nagpur. Now, the company's charging points are present in more than 500 towns and cities including multiple state and national highways.

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