

### Insights

Private equity and venture capital (PE-VC) investments in India totalled approximately US\$ 39 billion in 2023, matching the investment levels observed before the pandemic. The allocation of investments saw a significant change in 2023, with conventional industries, including manufacturing, healthcare, and energy, contributing about 75% of the total, an increase from nearly 60% in 2022, according to a joint report by Bain and Co. and the Indian Venture and Alternate Capital Association (IVCA).

The report saw 2023 as a marquee year for Indian exits, with exit values soaring by 15% to US\$ 29 billion with the sale of shares in 340 entities, demonstrating the remarkable resilience in India's private equity landscape.

Considerable investments were made in the electric vehicle (EV) sector, predicted to have a 40% penetration rate by 2030. Over 70% of the deal value in the previous year came from major OEMs, including notable deals in businesses like TI Clean Mobility, Ola Electric, Ather Energy, and Mahindra EV. This trend is likely to continue, especially from OEMs preparing capacity expansions or new product launches and from players in the charging infrastructure, such as battery-swapping companies aiming to broaden their geographic reach or enter new EV markets.

The PE-VC dealmaking landscape in India is anticipated to continue temperate despite a tame global prognosis for 2024. Traditional sectors, especially sophisticated manufacturing, will likely draw large investments due to strong fundamentals and supporting government regulations.

"With India emerging as a key player in Asia-Pacific PE-VC activity, the influx of capital from both domestic and global funds signifies a promising future," - **Rajat Tandon, President IVCA.**

### National

#### **S&P Ratings upgrades India's sovereign outlook to 'Positive'**

The agency indicated a potential rating upgrade within the next 24 months if India maintains cautious fiscal and monetary policies that reduce government debt and interest burdens while enhancing economic resilience.

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#### **India's PE-VC investments hit US\$39 billion in 2023: Bain & Co**

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#### **Indian fertiliser industry on track to reach INR 1.38 lakh cr by 2032**

This growth underscores the sector's vital role in supporting India's agricultural productivity and food security. In 2023, the Indian fertiliser market size stood at INR 94,210 crore, driven by increased agricultural demands and strategic governmental interventions.

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#### **India's Quarter four GDP pegged at 6.1-6.7%, say economists**

The Indian economy showed a promising trend, growing 8.2% in June, 8.1% in September, and 8.4% in December 2023-24. Kotak Mahindra Bank's chief economist highlighted that high-frequency data suggests robust growth across the board, with trade and hotels holding up in the fourth quarter.

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## Bilateral

### **India, France to begin negotiations this week in mega Rs 50,000 crore 26 Rafale Marine jet deal**

India and France will begin negotiations for an INR 50,000 crore deal for 26 Rafale Marine fighter jets. The French delegation will meet Indian Defence Ministry officials to finalise the agreement by fiscal year-end.

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### **UAE looking to expand scope of trade under CEPA with India: official**

The United Arab Emirates is looking to expand the scope of trade and services covered under the Comprehensive Economic Partnership Agreement (CEPA) with India to further accelerate bilateral trading volume, a senior UAE official said.

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### **Australian body urges swift trade pact with India, boost in two-way investment**

The call for an early conclusion of the trade pact follows the Australia-India ECTA, which took effect in December 2022. This agreement eliminated tariffs on over 85% of Australia's goods exports to India by value, with this figure expected to rise to 90% over the next five years.

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### **EAM Jaishankar, his Nicaraguan counterpart discuss bilateral cooperation, global issues**

External affairs minister S Jaishankar held talks with his Nicaraguan counterpart Denis Moncada Colindres and discussed bilateral cooperation and global issues. EAM received a call from Nicaragua's Foreign Minister on Friday.

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## Multilateral

### **India's dedication to committed multilateralism shines ahead of UN Summit of the Future**

The Summit of the Future (September 2024) is a once-in-a-generation opportunity to enhance cooperation on critical challenges and address gaps in global governance.

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### **ADB Commits US\$ 2.6 billion in sovereign lending to India**

The Asian Development Bank (ADB) has pledged \$2.6 billion in sovereign lending to India in 2023 for projects aimed at urban development, industrial corridor projects, power reforms, climate resilience, horticulture, and connectivity.

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### **Tech and knowledge-based sectors to drive India's exports: FIEO DG Ajay Sahai**

In the coming years, the share of professional services like engineering, legal, architecture, and business management services is expected to increase. The audiovisual, gaming, transport services, and tourism sectors will also contribute immensely.

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### **India's exports to surge past US\$ 835 bn by 2030 from US\$ 431 bn in 2023, thanks to 'China Plus One' policy**

Central to this growth trajectory is India's robust domestic market, which is proving to be a magnet for companies seeking alternatives to China for their manufacturing and supply chain operations.

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## Editorial

### **Agnibaan's test flight shows Indian aerospace is done playing catch-up**

The test flight is a validation of policy changes made in the past two years that have stoked the ambitions of India's private sector. It is also a validation of ISRO's working process – the space agency draws up design specifications, issues tenders for projects, and shares infrastructure and intellectual property – and shows India's space programme, the foundation of which was laid by Prime Minister Jawaharlal Nehru, is maturing well.

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