

# Industry Matters

Weekly Updates

March 17, 2023



## Economy, Industry and Policy

**Govt taking steps to make India USD 5 trn economy 'at an early date' - FinMin:** The government on Tuesday informed the Rajya Sabha that it is taking steps to make India a USD 5 trillion economy earlier than the International Monetary Fund's forecast year of 2026-27. *[The Economic Times]*

**India's industrial production growth recovers to 5.2% in January - NSO:** Growth in factory output, or index for industrial production, recovered to a two-month high of 5.2 per cent in January, from 4.7 per cent in December, on the back of a lower base and double-digit growth in the electricity output. *[Business Standard]*

**Jan industrial output up 5.2% on manufacturing boost, IIP growth second highest since July 2022:** Industrial production rose 5.2% in January, picking up pace from 4.7% in the preceding month, as better-than-expected manufacturing provided a boost. *[The Economic Times]*

**Centre seeks House nod for net additional spend of Rs 1.48 trn:** The government on Monday sought Parliament's approval for gross additional expenditure of around Rs 2.7 trillion, with net cash outflow of Rs 1.48 trillion, while presenting the second supplementary demands for grants for the current fiscal. *[Financial Express]*

**FY23 monetisation goal to be missed by Rs 60,000 crore:** The Centre's asset monetisation target of Rs 1.62 trillion for the current financial year will likely be missed by around Rs 60,000 crore. Besides little achievement by the railways, Airports Authority of India and the telecom sector, the roads and power sectors will also miss the respective targets. *[Financial Express]*

**States' capex subdued, as revenue concerns linger:** The combined capex of 20 states, whose finances were reviewed by FE, contracted by around 4% in the first ten months of FY23 to around Rs 3 trillion, compared with over 41% growth in the year-ago period. *[Financial Express]*

**Centre releases Rs 1.40 lakh crore tax devolution amount to states:** The government has released the 14th instalment of tax devolution of more than Rs 1.40 lakh crore to states. "The Union Government has released 14th instalment of tax devolution to state governments amounting to Rs 1,40,318 crore today, as against normal monthly devolution of Rs 70,159 crore. *[The Economic Times]*

**February wholesale inflation eases to 3.85%:** Inflation based on the Wholesale Price Index (WPI) moderated to a two-year low of 3.85% in February from 4.73% in January, with manufactured products' inflation cooling from 3% in January to a little under 2%, and primary articles, food and fuel and power recording milder downturns in the pace of inflation from a month earlier. *[The Hindu]*

**Indian firms most downbeat among global peers on profitability outlook:** Indian firms are among the most downbeat globally on profitability outlook, showed S&P Global's latest India Business Outlook survey. *[Mint]*

**India's manufacturing growth to continue in Q4 - Ficci survey:** Growth in the Indian manufacturing sector is expected to continue in the last quarter (January-March) of 2022-23 amid signs that cost pressure in the past many months seems to be softening a bit for the sector. *[Business Standard]*

**India's economic recovery to help improve credit quality of fincos - S&P:** The credit quality of Indian finance companies (fincos) will continue to improve owing to the country's strong macroeconomic trends, according to S&P Global Ratings. *[Business Standard]*

**Manufacturing output in IIP still shows weakness as headline numbers grow:** The index of industrial production (IIP) increased to 5.2 per cent in January from the revised 4.7 per cent in the previous month year-on-year. Provisional numbers had put the IIP growth figures at 4.3 per cent. *[Business Standard]*

**India's net direct tax collections up 16.8% to Rs 13.73 lakh crore till March 10:** Direct tax collection, net of refunds, stands at Rs 13.73 lakh crore which is 16.78 per cent higher than the net collections for the corresponding period of last year. *[The Economic Times]*



## Foreign Investment

**Affordable French apparel company Kiabi plans India foray:** Affordable French apparel brand Kiabi, which is present in about 15 countries, is in talks to enter India market. *[The Economic Times]*

**FPIs seek six more months from FinMin to comply with PMLA tweaks:** Foreign portfolio investors (FPIs) are likely to seek from the finance ministry a six-month extension of the date for complying with the amendments to the Prevention of Money-Laundering Act (PMLA), citing implementation challenges. *[Business Standard]*

**Japan's NTT sees India business growing to \$1 bn, commits investments:** Japanese telecommunications major Nippon Telegraph and Telephone Corporation (NTT) is betting big on the India growth story as it consolidates its data centre and information technology (IT) services portfolio within India. *[Business Standard]*

**ADIA may seal \$500-million stake deal in eyewear start-up Lenskart:** Abu Dhabi Investment Authority (ADIA) and private equity fund ChrysCapital are in negotiations to acquire a stake in eyewear start-up Lenskart for about \$600 million. *[Business Standard]*



## Trade Policy and Competitiveness

**India mulling to discuss mechanism with Australia under FTA for smooth supply of critical minerals:** India is considering to discuss a mechanism with Australia for a smooth supply of their critical minerals under the comprehensive free trade agreement amid a huge demand in the domestic market. *[The Economic Times]*

**FY23 exports to cross \$750 billion - Piyush Goyal:** Commerce and industry minister Piyush Goyal on Monday said that India's goods and services exports will cross \$750 billion in the financial year 2022-23, and that country is expanding rupee trade with several countries, many of which are at an advanced stage of dialogue and finalisation. *[The Economic Times]*

**February exports decline 8.8%, trade deficit at \$17.43 billion:** India's merchandise exports fell for a third consecutive month in February, pulled down by a slowdown in global demand, while the trade deficit narrowed to its lowest in 13 months. *[The Economic Times]*

**India's electronic goods export rose 22.39% in 5 years:** Export of electronic goods from India increased from Rs 39,978 crore in 2016-17 to Rs 1,09,797 crore in 2021-22, showing a compound annual growth rate (CAGR) of 22.39 per cent. *[The Economic Times]*

**India's imports from Russia rise to USD 41.56 billion in April-Feb period:** India's imports from Russia jumped about five times to USD 41.56 billion during the April-February period of this fiscal due to increasing inbound shipments of crude oil from that country. *[The Economic Times]*

**Government undertaking an exercise to cut imports of non-essential items:** The government is undertaking an exercise to cut imports of non-essential goods with a view to enhancing domestic production of those items. *[The Economic Times]*

**Export of tyres expected to rise 15 pc in FY23, says ATMA Chairman:** Export of tyres from India is expected to rise by 15 per cent in the ongoing fiscal, Automotive Tyre Manufacturers' Association Chairman Satish Sharma said on Tuesday. *[The Economic Times]*

**Import dependency for AC compressors may fall to 15% by 2027-28:** Top consumer-appliance companies — LG, Daikin, and Midea — are set to start manufacturing AC compressors by the end of this month, a move that will bring down import dependence to 15-16 per cent of home consumption by 2027-28. *[Business Standard]*

**Coal imports see 25 per cent fall in last 3 years as India aims to enhance domestic production:** Coal imports have seen a 25 per cent fall in the last three years as India strives to increase domestic production and reduce dependence on imports. *[The Economic Times]*



## Corporate Governance

**Arvind, Donear, 10 others in race to buy Bombay Rayon:** Lalbhai group promoted Arvind, entities of the Donear, Welspun and JM Financial are among a dozen suitors to acquire textile maker Bombay Rayon Fashion, which is undergoing insolvency proceedings. *[The Economic Times]*

**LIC sells 2 pc stake in NMDC between December and March, garners over Rs 700 crore:** Life Insurance Corporation (LIC) on Wednesday said it has sold 2 per cent of its equity stake in state-owned NMDC, taking its total shareholding in the public sector unit to 11.69 per cent as of March 14. *[Financial Express]*

**Hyundai inks pact to acquire General Motors India's Talegaon factory:** General Motors stopped production at the Talegaon plant in 2020. The plant, established in 2008, has the capacity to produce 1.3 million cars and 1.6 million engines per year. *[Business Standard]*

**Vedanta Aluminium signs pact with Dalmia cement to supply industrial wastes:** Vedanta Aluminium on Tuesday said it has entered into a long-term pact with Dalmia Cement for supply of industrial wastes such as fly ash and spent pot lining for manufacturing low carbon cement. *[Business Standard]*

**Mahindra unit in Bangladesh winds up operations, ceases to exist:** Mahindra & Mahindra on Tuesday said its wholly-owned unit Mahindra Bangladesh Pvt Ltd has ceased to exist. *[Business Standard]*

**Deals plunge by 60% to \$1.8 billion in February on deepening funding winter:** According to Grant Thornton, the industry saw just 89 deals worth USD 1.8 billion in February, which is 60 per cent lower than the year ago period in value terms and down by 54 per cent year-on-year in volume. *[Business Standard]*



## MSMEs and Start-ups

**Unicorn surge - India adds 23 new unicorns in 2022, overtakes China for second consecutive year:** For the second time in a row, India topped China creating 23 unicorns in 2022, taking the total number of such high-value companies to 96, as against China's 11 in the year, said a report by IVCA-Bain & Co. [*Financial Express*]

**New foreign trade policy to focus on MSMEs, Ecomm Zones, AI:** India's upcoming foreign trade policy will seek to handhold MSMEs to build their financial capabilities, set up special zones for ecommerce exports and develop new mechanisms to support services related to artificial intelligence and Internet of Things. [*The Economic Times*]

**Government launches revamped MSME Competitive (LEAN) scheme:** The government on Friday launched the revamped MSME Competitive (LEAN) scheme to make it more beneficial for enterprises and stakeholders. Under the revamped scheme, the Centre's contribution will be 90 per cent of the implementation cost for handholding and consultancy fees as against 80 per cent previously. [*The Economic Times*]

**SVB collapse - Start-ups seek govt's help to bring money to India:** Indian start-ups raised issues, such as blockages in international wire transfers, disruptions due to threshold limits on withdrawals, lack of communication from US agencies, and the need for preferential access to credit. [*Business Standard*]



## Employment and Industrial Relations

**Deloitte hires nearly 50,000 professionals in 3 years, doubles workforce:** Deloitte in India has hired close to 50,000 professionals over the last three years, nearly doubling the headcount as it invests in people and productive capacity in the country, the audit firm said on Friday. [*Business Standard*]

**Facebook-parent Meta to cut 10,000 jobs in second round of layoffs:** Facebookparent Meta Platforms said on Tuesday it would cut 10,000 jobs this year, making it the first Big Tech company to announce a second round of mass layoffs as the industry braces for a deep economic downturn. [*Business Standard*]

**Hiring intentions to remain marginally low in Apr-Jun quarter - Survey:** Hiring intentions will remain marginally lower during the second quarter (April-June) this year as employers continue to have difficulty in finding people with the right skills. [*Business Standard*]



## Industrial Finance

**Bank credit grows 15.5% YoY in Feb 24 fortnight to Rs 134.5 trillion:** Credit growth in the banking system has moderated further, growing at 15.5 per cent year-on-year (YoY) in the fortnight ended February 24, to Rs 134.50 trillion, latest data released by Reserve Bank of India (RBI) showed. [*Business Standard*]

**Banks' gross NPAs in MSME loans drop to 6.1% - Govt data:** The gross non-performing asset (GNPA) ratio pertaining to MSMEs in the scheduled commercial banks (SCBs) has dropped to 6.1 per cent as of December 12 in the current financial year, according to the data from the Reserve Bank of India (RBI). [*Financial Express*]

**Silicon Valley Bank jitters likely to be felt among Indian start-ups:** The crisis at Silicon Valley Bank (SVB), which is in talks on sale after efforts to raise capital failed, may have consequences for the Indian start-up world. *[Business Standard]*

**Global experts call on EMs to rethink long-term financing:** Emerging markets would require over \$53 trillion for infrastructure financing, but countries need to develop a new long-term financing model, said Auguste Tano Kouame, country director, World Bank. *[The Economic Times]*



## Technology and Innovation

**India makes more digital transactions than US, China, Europe combined - DPIIT Secretary:** India has a paperless, presence-less and cashless solution for everything. The public digital infrastructure of India is unique. It is based on open systems, open architecture and open network, which allows everyone to plug in and removes entry barriers. *[Business Line]*

**Reliance buyout of METRO Cash & Carry India gets CCI's clearance:** The Competition Commission of India on Tuesday said it has approved Reliance Retail Ventures' (RRVL's) acquisition of METRO Cash & Carry India for a cash consideration of Rs 2,850 crore. *[Business Standard]*

**Jaguar Land Rover join hands with Tata Tech for digital transformation:** As part of the collaboration, Tata Technologies will deliver end-to-end integrated Enterprise Resource Planning (ERP) to transform Jaguar Land Rover's manufacturing, logistics, supply chain, finance and purchasing modules. *[Business Standard]*

**E-rupee worth over Rs 130 crore in circulation - Nirmala Sitharaman:** Nine banks, viz., State Bank of India, Bank of Baroda, Union Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Yes Bank, IDFC First Bank and HSBC, have been participating in the digital rupee wholesale pilot. *[The Economic Times]*

**India plans new security testing for smartphones, crackdown on pre-installed apps:** India plans to force smartphone makers to allow removal of pre-installed apps and mandate screening of major operating system updates under proposed new security rules. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**Bengaluru-Mysuru expressway important project, will contribute to Karnataka's growth - PM Modi:** Modi tagged a tweet by Minister of Road Transport and Highways Nitin Gadkari who said the construction of the Bengaluru-Mysuru Expressway, which encompasses a portion of NH-275, entails the development of four rail overbridges, nine significant bridges, 40 minor bridges, and 89 underpasses and overpasses. *[The Economic Times]*

**SIBC signs MoU in sustainable infra, defence manufacturing with Maha govt:** Sweden India Business Council has signed a memorandum of understanding with the Maharashtra government for cooperation in the area of waste to energy, sustainable infrastructure and transportation, defence manufacturing and investment. *[The Economic Times]*

**PM Modi, Hasina to launch Rs 377-cr cross-border oil pipeline on March 18:** India's first-ever cross-border oil pipeline with Bangladesh is set to be launched on March 18 by Prime Minister Narendra Modi and his Bangladeshi counterpart Sheikh Hasina by video conferencing. *[Business Standard]*

**Boeing, GMR Aero Technic to set up India's first freighter conversion line:** Boeing has selected GMR Aero Technic to carry out conversion of Boeing 737 passenger aircraft into freighters, giving a major fillip to the fledgling maintenance repair and overhaul industry in the country. *[Business Standard]*

**National highway construction faster than last year:** According to the centre, 8,064 kilometre (km) of NH have been constructed in the fiscal 2022-23 compared with 8,045 km in the comparable months of the previous fiscal. *[The Economic Times]*

**Gadkari flags poor quality of DPRs of road projects as major problem:** Union Road Transport Minister Nitin Gadkari said on Friday that the bad quality of Detailed Project Reports (DPRs) leads to a host of problems including cost escalation in road projects, and he was in the "mood to take a decision to allow international firms to make them." *[The Economic Times]*



## Sustainable Industrialisation

**New type of public-pvt partnership needed to fund green growth, reduce dependence on banks - World Bank Country Director:** World Bank Country Director Auguste Tano Kouame on Tuesday made a case for a new type of partnership between public and private sectors to fund green growth and also reduce dependence on banks for long term finances. *[The Economic Times]*

**India's solar open access installations up 92%, with 2.5 GW added in 2022:** India added 2.5 gigawatts (GW) of solar open access in 2022, an increase of 92% compared to the 1.3 GW installed in calendar year 2021, adding that this was the highest on record. *[Mint]*

**Central Railway achieves 100% electrification of entire Broad Gauge Network:** The Central Railways saves 5.204 lakh tons of carbon footprints annually. The last non-electrified section of Central Railway, that is, Ausa Road- Latur Road (52 route kilometres) on Solapur Division was electrified on February 23, 2023. *[Business Standard]*



## Sectoral News

**Domestic electronics production likely to reach Rs 8.42 lakh cr this fiscal - Ashwini Vaishnaw:** Indigenous electronics production is expected to reach Rs 8.42 lakh crore and export Rs 1.76 lakh crore in the current financial year, Parliament was informed on Wednesday. *[Financial Express]*

**Ray of hope for steel, aluminium firms:** Steel and aluminium producers continue to be plagued by subdued demand conditions that have resulted in lower price realizations. Even so, there is hope that the reopening of the key metals market, China, post the covid-induced lockdowns would boost demand for the two commodities. *[Mint]*

**Fragrance and flavour industry to touch over \$5 bn in 3-4 years - Industry body:** The fragrance and flavour industry of the country is likely to grow around 12 per cent each year and touch over USD 5.2 billion in three to four years. *[The Economic Times]*

**India, US, and Japan talk greater cooperation on 5G, telecom stacks:** Strengthening industry cooperation between companies in the private sectors was also on the agenda, a diplomatic source said. Japan is also interested in being a part of India's move to deploy its indigenous telecom stacks. *[Business Standard]*

**Unified tariff structure for gas pipelines to start from April 1:** More than a dozen gas pipelines that form the national gas grid are on track to come under a unified tariff structure from April 1, a top Petroleum and Natural Gas Regulatory Board (PNGRB) official said on Tuesday. *[Business Standard]*

**Private hospitals urged to set up medical colleges, Centre willing to relax norms:** The Union Health Minister, Mansukh Mandaviya, has met representatives of 62-odd prominent private hospitals or chains and urged them to start undergraduate and postgraduate medical courses. The Centre is also willing to make relaxations on issues like land or seat requirements. *[Business Line]*

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