

# Industry Matters

Weekly Updates

April 07, 2023



## Economy, Industry and Policy

**India's March manufacturing activity hits 3-month high even as job cuts resume:** India's manufacturing sector expanded at its quickest pace in three months in March on improved output and new orders, although firms shed jobs for the first time in over a year, a private business survey showed on Monday. *[The Economic Times]*

**GSTN performance improved steadily over time:** The performance of the Goods and Services Tax Network system has improved steadily over time, resulting in a steady increase in taxpayers in the country, Economic Advisory Council to the Prime Minister (EAC-PM) has said in a working paper. *[Financial Express]*

**Output of core sectors grows at 6% in February:** The eight sectors had grown at a four-month high of 7.8 per cent in January 2023 and 5.9 per cent in February 2022. *[The Economic Times]*

**Finance Ministry to meet chiefs of PSBs, key schemes' progress in focus:** The finance ministry has called a meeting of the managing directors (MD) & chief executive officers (CEOs) of public sector banks (PSBs) along with the CEO of National Payments Corporation of India (NPCI) on April 13 to review progress under financial inclusion and social security schemes. *[Business Standard]*

**8 policy changes that will affect your pocket from tomorrow:** New income tax slabs under the new tax regime will be applicable from April 1. For salary up to Rs 3 lakh, no income tax; for salary between Rs 3 lakh and Rs 6 lakh, tax is 5 per cent; for salary between Rs 6 lakh and Rs 9 lakh, 10 per cent; for salary between Rs 9 lakh to Rs 12 lakh, tax is 15 per cent; for Rs 12 lakh to Rs 15 lakh, tax is 20 per cent, while for those earning over 15 lakh, tax is 30 per cent. *[The Economic Times]*

**Foreign trade, a new pathway:** Govt has issued its Foreign Trade Policy (FTP), 2023. The earlier policy FTP 2015-20, which was to end on March 31, 2020 was extended till end-March this year due to the pandemic and volatile geopolitical conditions. *[The Economic Times]*

**MPC meet outcome - RBI raises India FY24 GDP growth forecast marginally to 6.5%:** The RBI's rate-setting panel has projected India's real GDP to grow at 6.5% in FY24 from 6.4 per cent forecast earlier, Governor Shaktikanta Das announced on Thursday. Real GDP in Q1 is forecast to grow at 7.8 per cent, Q2 at 6.2 per cent, Q3 at 6.1 per cent and Q4 at 5.9 per cent. *[The Economic Times]*

**Jan Dhan account balance nudging Rs 2 trillion:** Nine years and eight months since its launch, the balance in the Jan Dhan Yojana accounts is nudging the Rs 2-trillion mark, with nearly 486 million beneficiaries of these non-frills accounts at the end of last financial year, according to official data. *[Financial Express]*

**NREGS spending drops 5% in FY23:** Spending under the government's flagship rural job guarantee scheme dropped 5% in 2022-23 from a year before, reflecting a moderation in demand with improved economic activities. *[The Economic Times]*

**Govt's total liabilities rise 2.6% to Rs 150.95 lakh cr in Q3 FY23:** The government's total liabilities rose to Rs 150.95 lakh crore in December quarter from Rs 147.19 lakh crore in the three months ended September 2022, according to the latest public debt management report. *[The Economic Times]*

**Service sector expansion slows down in March, PMI at 57.8:** Even as input cost inflation eases, service sector output expanded at a slower pace in March, the results of a survey among purchasing managers of 400 firms by S&P Global, showed on Wednesday. *[Business Line]*

**Credit quality of India firms improve in FY'23:** For Crisil, In all, there were 460 upgrades and 210 downgrades across sectors in the second half of FY'2023. While the upgrade rate fell 320 basis points from the first half, and stood at 13.46%; however it was still higher than the 10-year average (up to fiscal 2022) of 10%. *[The Economic Times]*

**Windfall tax cut on crude products to nil:** The government has cut windfall tax on crude oil from ₹3,500 per tonne to nil effective from Tuesday and halved the tax on diesel to 0.5 rupee per litre, reported Reuters citing a government notification on Tuesday. *[Mint]*



## Foreign Investment

**Overseas assets of Indians rose in Dec quarter of 2022-23 - RBI data:** Overseas assets of Indians during the third quarter of 2022-23 rose, mainly due to an increase of \$30 billion in reserve assets, which had earlier declined by \$56.5 billion in the second quarter of the current fiscal. *[The Economic Times]*

**I&B industry got ₹1,535-crore FDI in October-December quarter - DPIIT:** The information and broadcasting industry received foreign direct investment (FDI) of Rs 1,535.2 crore during the quarter ended December 2022, data from the Department for Promotion of Industry and Internal Trade (DPIIT) show. *[The Economic Times]*

**FPIs close FY23 as net sellers; pulls over ₹37,000 crore from equities:** As per provisional data, FPIs have pulled out a net investment of ₹37,632 crore from Indian equities in FY23 followed by a massive outflow of ₹1.40-lakh crore in FY22. *[Business Line]*



## Trade Policy and Competitiveness

**India nears USD 300 million weapons deal with US:** India is moving towards clearing a proposal to buy American weapons including the Hellfire missiles and Mark 54 anti-submarine torpedoes for its MH-60 Romeo multirole helicopters. *[Mint]*

**India bought record 51.15 million barrels of crude oil from Russia in March:** India purchased a record 51.15 million barrels, or 1.65 million barrels per day (mbd), of crude oil from Russia making it the largest buyer of seaborne crude from the erstwhile Soviet Union, surpassing China for the fourth consecutive month. *[Business Line]*

**India, Malaysia can now trade in Indian rupee:** Trade between India and Malaysia can now be settled in Indian Rupee (INR) in addition to the current modes of settlement in other currencies. This follows the decision by the Reserve Bank of India in July 2022 to allow the settlement of international trade in Indian Rupee (INR). *[The Economic Times]*

**2022-23 trade deficit with China crossed \$71 billion by January:** India's trade deficit with China has touched \$71.56 billion in the first 10 months of 2022-23, just \$1.7 billion short of the record high of \$73.31 billion in 2021-22, as per data shared by the Commerce Ministry in the Lok Sabha. *[The Hindu]*

**India's foreign trade set to cross US\$ 1.6 trillion mark this fiscal:** India's foreign trade is expected to cross the USD 1.6 trillion mark this fiscal despite global economic uncertainties, economic think tank GTRI said in a report. *[The Economic Times]*

**India-Russia trade hit a record \$39.8 billion in 2022-23:** India is emerging as a key supplier of medicines, car and machine parts, textiles and clothing, and food products to Russia, said Alexey Valkov, director of the St. Petersburg International Economic Forum (SPIEF). *[The Economic Times]*

**India's external debt rises 1.2% to \$613.1 bn as of end-December, highlights govt:** The external debt of India rose 1.2 per cent quarter-on-quarter to \$613.1 billion as of end-December, the government stated on Friday. According to the data, country's external debt-to-GDP ratio stood at the same level as the September quarter at 19.1 per cent. *[The Economic Times]*

**India's surging services exports may shield economy from external risks:** Service exports are no longer being driven by IT services alone but also by more lucrative offerings such as consulting and research and development, analysts and economists told Reuters. *[The Economic Times]*

**Government to identify 100 districts to develop as export hubs - DGFT:** The government will identify close to 100 districts across the country to turn them into export hubs by adopting a "bottom-up approach", Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said on Friday. *[The Economic Times]*

**Russian Chamber of Commerce & Industry opens India office to bolster surging trade volumes:** The Russian Chamber of Commerce and Industry has opened its office in New Delhi eyeing to push trade and investment ties in the backdrop of huge surge in bilateral trade during the past year. *[The Economic Times]*

**India's CAD declines to 2.2% of GDP in Q3 on narrowing trade deficit- RBI:** India's current account deficit declined to US\$ 18.2 billion, or 2.2 per cent of GDP, in the third quarter of the ongoing fiscal on account of the narrowing merchandise trade deficit in Q2FY 23, coupled with robust services and private transfer receipts. *[The Economic Times]*

**Goods exports touch \$447 billion in FY23, says Minister Piyush Goyal:** India's goods exports touched \$447 billion till the last count for 2022-23 fiscal year against \$422 billion in 2021-22, commerce and industry minister Piyush Goyal said on Tuesday. *[The Economic Times]*



## Corporate Governance

**Adanis pace up ACC-Ambuja integration to unlock synergies:** The Adani Group has set in motion the background process for integrating the operations of ACC Ltd and Ambuja Cements, paving the way for the legal merger of the two big cement companies and bringing them under the umbrella Adani Cements entity. *[Business Line]*

**Apple india retail store: Apple's first-ever retail store in India to open gates for public this month:** iPhone-maker Apple is set to open its first-ever retail store in India and it revealed on Wednesday the barricade of its first retail store in India at Jio World Drive Mall, Mumbai. *[The Economic Times]*

**India Inc's CSR spend up at ₹25,715 crore in FY21, says MCA:** Corporate India spent as much as ₹ 25,715 crore towards various Corporate Social Responsibility (CSR) projects in 2020-21, Lok Sabha was informed on Monday. This was higher than CSR spend of ₹ 24,955 crore in 2019-20 and ₹ 20,197 crore in 2018-19, data available with Corporate Affairs Ministry (MCA) showed. *[Business Line]*

**M&A activity in India hits a seven-year low in Jan-Mar 2023 - Refinitiv:** India-involvement announced M&A activity fell to a seven-year low in January-March 2023 at \$10.8 billion, down 68.3 per cent from a year ago as number of announced deals dropped 3.3 per cent year-on-year, latest data from Refinitiv showed. *[Business Line]*

**MCA struck off 29,059 non-compliant cos in FY21 and FY22:** The Corporate Affairs Ministry (MCA) had struck off as many as 29,059 non-compliant companies in FY21 and FY22, Lok Sabha was informed on Monday. *[Business Line]*



## MSMEs and Start-ups

**More than Rs 40,700 crore sanctioned to over 1.8 lakh accounts under Stand-Up India Scheme:** To promote entrepreneurship at the grass root level, banks have sanctioned more than Rs 40,700 crore to over 1.80 lakh beneficiaries under Stand-Up India Scheme in seven years. *[Financial Express]*

**MSME sector's EBITDA margin to cross pre-pandemic levels this fiscal; revenue to grow 1.36x - Crisil:** The MSME sector's EBITDA (earnings before interest, tax, depreciation and amortisation) margin, which indicates earnings of an enterprise before factoring in non-operating expenses, will grow past the pre-pandemic level (FY20) to reach nearly 6 per cent this fiscal. *[Financial Express]*

**Rs 15.6 lakh crore deployed to micro, small enterprises in February under priority sector lending - RBI data:** Priority sector loans by value deployed to micro and small enterprises (MSEs) by scheduled commercial banks in February 2023 jumped by 13 per cent year-on-year (YoY) vis-a-vis 11.4 per cent YoY growth in February 2022. *[Financial Express]*

**Indian MSMEs' bottomlines hit by volatile commodity prices, exports face headwinds - CRISIL:** The profitability of Indian micro, small and medium enterprises (MSMEs) was impacted by volatile commodity prices in the previous financial year that ended March 31, leading to credit rating downgrades, rating agency CRISIL said on Monday. *[The Economic Times]*



## Employment and Industrial Relations

**3.1 million jobs shortfall in cybersecurity globally, skill shortage hits India firms badly:** An estimated 3.14 million professionals are needed to fill the global cybersecurity workforce gap globally and in India, the skill shortage has contributed to critical IT positions not being filled, increasing organisations' cyber risks such as breaches, a report warned on Tuesday. *[The New Indian Express]*

**Behind rising manufacturing employment:** According to the latest Periodic Labour Force Survey (PLFS) data, manufacturing employment increased by about 5% in 2020-21 and about 8% in 2021-22. This hike is remarkable because manufacturing employment has been falling since 2011. *[Financial Express]*

**Finance Ministry sets up panel to review pension system for government employees:** The committee would suggest whether in the light of the existing framework and structure of the National Pension System (NPS), as applicable to government employees, any changes therein are warranted. *[The Economic Times]*

**Global layoffs at Kyndryl hit India:** IBM's managed infrastructure services spin-off Kyndryl has globally laid off employees to achieve efficiency and profitability. One-third of Kyndryl's approximately 90,000 global employees are based in India. *[Business Line]*



## Industrial Finance

**Unclaimed deposits of Rs 35,012 crore with PSU banks transferred to RBI - MoS Finance Bhagwat Karad:** About Rs 35,000 crore unclaimed deposits as of February 2023 were transferred to the Reserve Bank by public sector banks (PSBs) in respect of deposits which have not been operated for 10 years or more. *[The Economic Times]*

**Reliance Industries, Jio Infocomm raise \$5 billion in largest syndicated loan in India:** Reliance Industries Ltd and its telecom arm Jio Infocomm have raised a total of USD 5 billion in back-to-back foreign currency loans, the largest syndicated loan in India's corporate history. *[Financial Express]*

**Banks' credit to NBFCs gallops at 30% for 6 months in a row:** Bank credit to the non-banking finance companies (NBFC) sector has registered a year-on-year (YoY) growth of over 30% in each of the past six months, the latest Reserve Bank of India (RBI) data showed. *[Financial Express]*



## Technology and Innovation

**Procurement through GeM portal surpasses Rs 2 lakh crore in FY23:** The total procurement in the fiscal ended March 31, 2023 stood at Rs 2,00,401 crore compared to Rs 1,06,547 crore in FY'22, registering a growth of 88.1%, the ministry of commerce and industry said on Saturday. *[The Economic Times]*

**Govt gives approval for 34 electronic components manufacturing proposals worth Rs 11,187 cr till March:** Under the scheme, the approved proposals include those from Tata Electronics, Samsung Display Noida Pvt Ltd, Salcomp Technologies, Sahasra Semiconductors, IdemiaSyscom, Deki Electronics, Molex India and Continental Device India Pvt Ltd. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**New PPP model on cards to woo infra sector investors:** The focus will be to turn the fortunes of sectors such as urban infrastructure, railways and roads, where private participation remains either minimal or far from reaching the true potential. *[The Economic Times]*

**IOCL's FY23 capex at all-time high of ₹35,205 crore:** The company invested ₹34,388 crore in its own projects and ₹817 crore in joint ventures and subsidiaries. At present, IOCL is overseeing 120 ongoing projects of various scales, with a total capital cost of around ₹2.4-lakh crore. *[Business Line]*



## Sustainable Industrialisation

**India may achieve self-sufficiency in solar module production by FY26:** India's cumulative module manufacturing nameplate capacity has more than doubled to 38 GW in March 2023 from 18 GW in March 2022, thanks to the government's Production Linked Incentive (PLI) scheme. *[Business Line]*

**EV sales on the rise in March; industry needs policy clarity, says FADA:** India saw a massive year-on-year surge in the demand for electric vehicles, with retail sales of electric two-wheelers rising by 58 per cent, passenger vehicles by 130 per cent, three-wheelers by 82 per cent and commercial vehicles by 171 per cent in March 2023. *[Business Standard]*



## Sectoral News

**India's power output grows at fastest pace in 33 years, fuelled by coal:** Power generation rose 11.5 per cent to 1,591.11 billion kilowatt-hours (kWh), or units, in the fiscal year ended March 2023, an analysis of daily load data from regulator Grid-India showed, the sharpest increase since year ended March 1990. *[The Economic Times]*

**Coal India exceeds annual output target of 700 mn tonnes for first time in 17 years:** The world's largest coal mining company will likely end the fiscal year ending on Friday with an output of 703.4 million tonnes, it said, 13% higher than the 622.6 million tonnes it produced the previous fiscal year. *[The Economic Times]*

**India looking to merge hydro power units to create single company - Power minister:** The government is considering selling state-owned NTPC Ltd's two hydro power firms to NHPC Ltd to create a single hydro power company that would improve efficiency and cut costs. *[The Economic Times]*

**Sales of FMCG products up 8%, electronics grow 25% in FY23:** Sales of daily essentials, groceries and home and personal care items grew 8% in the year ended March 31 while that of electronic products surged 25%, helped by a gradual recovery in the last quarter. *[The Economic Times]*

**Gold jumps Rs 1,025 to touch life-time high level; silver zooms Rs 1,810:** Gold price rallied Rs 1,025 to touch a life-time high of Rs 61,080 per 10 grams in the national capital on Wednesday amid strong global trends, according to HDFC Securities. In the previous trade, the precious metal had settled at Rs 60,055 per 10 grams. *[The Economic Times]*

**Firms can now claim PLI sops for 5G FWA gear made locally:** Telecom gear makers can now claim benefits for locally producing 5G fixed wireless access (FWA) equipment under the production linked incentive (PLI) scheme. *[The Economic Times]*

**Cost of 651 essential medicines down 7 pc from April as govt caps ceiling prices:** Cost of 651 essential medicines has come down by an average of 6.73 per cent from April with the government capping ceiling prices of a majority of the scheduled drugs, NPPA said on Monday. *[The Economic Times]*

**Indian pharma sector needs a dose of upskilling and reskilling:** The Indian pharmaceutical industry is the third largest in terms of volume globally. To stay competitive in the VUCA (volatile, uncertain, complex and ambiguous) world, there is a fundamental need for upskilling and reskilling. *[Business Line]*

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