

Industry Matters

Weekly Updates

June 23, 2023



Economy, Industry and Policy

Prime Minister Narendra Modi invites US chip maker Micron to boost semiconductor manufacturing in India: Prime Minister Narendra Modi has invited American chip maker Micron Technology to boost semiconductor manufacturing in India, a day after the Union Cabinet approved the company's \$2.7 billion plan. *[The Economic Times]*

Narendra Modi's US visit may encourage more American firms to invest in India: Indian Prime Minister Narendra Modi's visit to the United States may encourage more American companies to consider investing in the South Asian country as they look to reduce their reliance on China for manufacturing-related activities. *[The Economic Times]*

Fitch raises India's GDP forecast to 6.3% for current fiscal year: Fitch Ratings raised its forecast for India's economic growth to 6.3 per cent for the current fiscal year 2023–2024 from its prior prediction of 6 per cent. This is mostly due to near-term momentum and a stronger outturn in the first quarter. *[The Economic Times]*

Net direct tax collection rises 11 pc to Rs 3.80 lakh cr, so for in FY24 - FinMin: The Advance Tax collections for the April-June quarter of 2023-24 stood at Rs 1,16,776 crore as of June 17, reflecting a growth of 13.70 per cent over the same period last fiscal. *[The Economic Times]*

India plans more steel products in manufacturing incentive plan: India has already approved an investment of about 63 billion rupees (\$770 million) over five years to make high-grade specialty steel. "The government is keen that India becomes a country which can produce all grades of steel competitively," Sinha said. The nation is the biggest steel maker after China. *[Financial Express]*

Reboot likely for key PLIs: Short window kept large global players out: The government is considering reopening the windows for many of the production-linked incentive (PLI) schemes, primarily to let large global firms in. *[Financial Express]*

Indirect tax receipts rise 19% in April-May; Collections in line with Budget projections: Thanks to robust Goods and Service Tax (GST) collections and improvement in customs duty collections, the Centre's indirect tax receipts, before devolution to states, have increased by around 19% on-year in April-May as against the required rate of 10.6% to achieve the FY24 target. *[Financial Express]*

Asset monetisation plans for FY24 ready - Centre banks on roads, mines to meet Rs 1.8 trn goal: The public sector asset monetisation unlocked capital worth Rs 97,000 crore, 110% of the annual target. The achievement through accruals and private investment was Rs 1.32 trillion in FY23, which was 81% of the annual target of Rs 1.62 trillion. *[Financial Express]*

PLI Scheme - Govt may consider lowering eligibility norms to push manufacturing in Tier-2 and Tier-3 cities: To encourage manufacturing activity in smaller cities and towns, the government is likely to consider the option of lowering the minimum investment and turnover criteria under the ₹1.97 lakh crore Production Linked Incentive (PLI) scheme in Tier-2 and Tier-3 cities. *[Business Line]*

Govt likely to invite financial bids for privatising NMDC Steel after commissioning blast furnace this month: The government is likely to invite financial bids for privatising NMDC Steel only after the commissioning of the blast furnace at the company's steel plant in Chhattisgarh. *[The Economic Times]*

Almost 40% of surrendered Rs 2,000 return back in other denominations: Just about 40 percent of the total Rs 1.8 lakh worth of Rs. 2,000 denomination currency has returned to the market in the form of Rs. 500, Rs 200, Rs 100 currency notes and the remaining staying put in the banking system boosting liquidity, RBI data showed. *[The Economic Times]*

PE/VCs investment in India falls 44% to \$3.5 billion: The dedicated funds had invested USD 6.2 billion in May 2022 and USD 7.4 billion in the preceding month of April 2023, representing a dip of 44 per cent and 52 per cent, respectively, as per the report by industry lobby IVCA and consultancy firm EY. *[Business Standard]*



Foreign Investment

Yokohama to invest Rs 671 crore to bolster passenger tyre capacity in India: Yokohama Rubber Company, a Japan-based manufacturer, has revealed its plans to bolster its passenger car tyre capacity in India. The company is set to invest 671 crore rupees (\$80 million) in expanding its annual tyre production capacity in the Indian market through Yokohama India. *[The Economic Times]*

Tesla may soon set up manufacturing base in India - CEO Elon Musk: American electric car maker Tesla could soon be setting up a manufacturing base in India, CEO Elon Musk said after meeting Prime Minister Narendra Modi in New York. *[The Economic Times]*

Foreign companies are shifting investment out of China as confidence wanes, business group says Beijing: Foreign companies are shifting investments and their Asian headquarters out of China as confidence plunges following the expansion of an anti-spying law and other challenges. *[Financial Express]*

Google looks to assemble Pixel smartphones in India: Alphabet Inc's Google is in early talks with companies including Lava International and Dixon Technologies India as well as Foxconn Technology Group's India Unit Bharat FIH to manufacture its flagship device in India. *[The New Indian Express]*

Chinese company ZTE may make a comeback in India: Chinese telecom gear maker ZTE may make a comeback in India, according to industry insiders in the know of the matter. They said the US has cleared the Chinese tech giant on safety issues, and soon the company will start taking orders there. *[The New Indian Express]*

Battery maker IBC expresses interest in investing INR 8,000 crore to set up lithium cell battery plant in Karnataka: Representatives of battery maker International Battery Company (IBC), which is considering setting up a proprietary Lithium Nickel Manganese Cobalt prismatic cell manufacturing industry in Karnataka by investing Rs 8,000 crore. *[The Economic Times]*



Trade Policy and Competitiveness

India exported smartphones worth Rs 12,000 cr in May; 80% were iPhones: Out of the total smartphone exports of Rs 12,000 crore in May, Indian outward shipments of iPhones stood at Rs 10,000 crore, a report by *The Economic Times (ET)* stated, citing data from the India Cellular and Electronics Association (ICEA). *[Business Standard]*

India, Australia includes space, sports in 15 new areas for talks on comprehensive trade agreement: Collaboration in space, mining and sports are among 15 new areas mutually identified by India and Australia for negotiations under the comprehensive free trade agreement. *[The Economic Times]*

India examining recommendation to impose countervailing duty on Chinese steel imports: India's finance ministry is considering a proposal to impose countervailing duty on steel imports from China, Vivek Johri, chairman of the board of indirect taxes and customs. *[The Economic Times]*

India, UK seeking equal treatment for services sector companies under proposed free trade agreement: India and the UK are seeking equal treatment in each other's market for their respective companies engaged in the services sector under the proposed free trade agreement, which is under negotiations. *[The Economic Times]*

May textile exports dip over 12% as demand from Europe, US declines: India's textile and apparel exports for the month of May dipped by 12.2 per cent year-on-year, mainly due to the decline in demand in the Europe and the United States market. *[Business Standard]*



Corporate Governance

MCA to intensify crackdown on shell firms: The ministry of corporate affairs (MCA) is planning to harden a crackdown on non-functional (shell) companies, having already struck off hundreds of thousands of such firms that are often used to funnel black money. *[The Economic Times]*

Michelin to buy Flex Composite Group for 700 million euros, to strengthen its position in high-tech engineered fabrics and films solutions: French tyre major Michelin and IDI have reached an agreement on the terms by which Michelin would acquire 100% of Flex Composite Group (FCG) for an enterprise value of 700 million euros (Rs 6,151 crore). *[Financial Express]*

Indinfravit closes acquisition of Rs 8,270 cr roads from Brookfield: IndInfravit, the infrastructure investment trust (InvIT) set up by Larsen & Toubro, on Friday said it had completed the acquisition of four operational road projects managed by Brookfield Asset Management in an all-cash transaction valued at Rs. 8,270 crore. *[Business Standard]*

Patanjali Foods to invest up to Rs 1,500 cr on capex in next 5 years: The company (formerly Ruchi Soya Industries) has set a target of clocking a turnover between Rs 45,000-50,000 crore in the next five years as it expands its product offerings and distribution reach. *[The Economic Times]*

BEL & HFCL sign MoU to develop tech solutions for multiple sectors: Bharat Electronics Limited (BEL), and technology enterprise and communication products provider HFCL Limited (HFCL), have signed a two-year, non-exclusive memorandum of understanding (MoU) to indigenously develop and deploy emerging technologies and technical solutions to address the requirements of the defence, telecom, and railway sectors. *[Business Line]*

LIC pares 2% stake in NMDC for Rs 649 cr; brings down holding to 9.62%: Life Insurance Corporation (LIC) has reduced its stake in iron ore producer NMDC to 9.62 per cent by selling a little over 2 per cent stake for about Rs 649 crore. *[Business Standard]*



MSMEs and Start-ups

88% of MSMEs credit GST for cost reductions along with optimised supply chains: Deloitte: With large companies giving thumbs up to Goods & Services Tax (GST), nearly 88 per cent of Micro, Small and Medium Enterprises (MSMEs) have credited the reduction in cost to GST. *[Business Line]*

NBFCs expand MSME portfolios: An increasing number of non-banking financial companies (NBFCs) are looking to tap the MSME segment as competition from banks has intensified in vehicle, gold and home loans. Muthoot Finance on Tuesday launched small business loans to plug the gap of credit access to the MSME segment. *[Financial Express]*



Employment and Industrial Relations

Formal job creation under ESIC registers 2.8% growth in April on a monthly basis: Formal job creation under the Employees' State Insurance Scheme registered a month-on-month growth of 2.8% in April with the addition of 1.78 million net new employees compared to 1.73 million formal workers added in March. *[The Economic Times]*

Tata Power becomes most attractive employer brand; Amazon in second: Tata Power Company has emerged as the country's most 'attractive employer brand', followed by e-commerce giant Amazon and Tata Steel. *[The New Indian Express]*

PFRDA plans to introduce SWP under NPS by Sept - chairman Deepak Mohanty: A systematic withdrawal plan will allow NPS subscribers to opt for periodic withdrawal either monthly, quarterly, half-yearly, or annually till the age of 75 years. *[Business Standard]*



Industrial Finance

NabFID seeks to raise about \$1 billion from multilateral institutions: National Bank for Financing Infrastructure and Development (NaBFID) on Thursday said it was looking to raise about \$1 billion from multilateral institutions to reduce overall cost of funds and diversify funding. *[Business Standard]*

RIL gets RBI nod to retain extra \$2 billion from lenders: Reliance Industries, the country's biggest company by market value, has received the Reserve Bank of India's (RBI) permission to retain \$2 billion over and above the \$3 billion it had raised last fiscal in what was the largest syndicated loan facility in years. *[The Economic Times]*



Technology and Innovation

54% of Indian manufacturing companies adopt AI and analytics - PwC: Indian companies are developing the roadmap to adopt digital transformation with 54% of them implementing analytics and artificial intelligence (AI) for business functions. *[The Economic Times]*

Heading towards 'less cash society', payments to rise to \$106.2 tn in 2030: Payments (both P2P and P2C) remain perhaps the biggest use case for fintechs in India as of now. The country's payments landscape, which has already evolved due to both a favourable environment as well as enabling government policies, is set to grow, with transaction numbers likely to top USD 100 trillion by 2030. *[The Economic Times]*

91% of Indian organisations experienced ransomware attacks in 2023: A survey conducted by CyberArk, a global identity security company, revealed that 91 per cent of Indian organisations surveyed by the agency have experienced ransomware attacks in the past year. *[Business Standard]*

Public procurement from GeM portal may cross Rs 50,000 cr during April-June: Procurement of goods and services from government portal GeM is likely to cross Rs 50,000 crore during April-June this fiscal due to higher buying activities by different ministries and departments. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Global investors line up for 361-km highway asset: A clutch of global investors, including Canadian fund CDPQ, KKR, Cube Highways, and domestic road operator IRB Infrastructure Developers, is interested in acquiring a 361-km highway asset under ToT 12 auction by the National Highways Authority of India (NHAI). *[The Economic Times]*

Tata Steel plans Rs 16,000 cr consolidated capex for domestic, global operations in FY24: Tata Group's steel manufacturing arm, Tata Steel, is planning a consolidated capital expenditure (capex) of Rs 16,000 crore for its domestic and global operations during the current financial year. *[The Economic Times]*

Rs 10,500 crore in the pipeline for coal-fired thermal power project in UP: The Uttar Pradesh (UP) government will invest nearly Rs. 10,500 crore in a greenfield 1,320 megawatt (Mw) thermal power project in Etah district of Western UP. *[Business Standard]*

Gadkari dedicates 11 flyovers on eight-lane highway from Delhi to Panipat: Union Minister for Road Transport and Highways Nitin Gadkari on Tuesday dedicated 11 flyovers spread over 24 km on the eight-lane national highway from Delhi to Panipat completed at an outlay of about Rs 900 crore. *[Business Standard]*

2 substations soon, one for the airport: The substation in Sector 18 is expected to be ready by July end or mid-August and will also provide 93MW supply to Jewar Airport in the first phase. The second substation in Sector 24 will be ready by October. *[The Times of India]*



Sustainable Industrialisation

India needs another PLI scheme for grid-scale storage and RTC renewable energy: Power and New & Renewable Energy Minister R K Singh has said that since renewable energy storage is expensive, the government has launched a policy to encourage Pumped Hydro Power Projects and the country needs grid-scale storage. *[The Economic Times]*

CPSEs can now import Chinese solar modules; NTPC to benefit the most: In a move that reopens the gates for Chinese solar modules into the country, the Department of Expenditure has allowed their import by central government-owned public sector enterprises (CPSEs). The biggest beneficiary of the decision would be India's largest power producer NTPC. *[Business Standard]*

India, US likely to join forces on green H2, carbon capture and battery energy storage: Under the National Green Hydrogen Mission, India aims at a production capacity of at least 5 million metric tonnes a year by 2030. India and the US aim at a partnership on battery energy storage at the industry level. *[The Economic Times]*



Sectoral News

IndiGo places world's largest aviation order, how it is different from Air India: The year 2023 is already an eventful year for India's aviation industry as two of the country's airlines ordered the world's largest and second-largest order of passenger aircraft within a span of a few months. *[Mint]*

India's power sector transforms into surplus in nine years: RK Singh: The total installed power generation capacity currently is 416 GW. The installed capacity is now close to double the peak demand and India is exporting power to neighbouring countries. *[Financial Express]*

Trai pings OTT cos to form joint front against phishing, spams: The Telecom Regulatory Authority of India (Trai) is broadening its efforts to stop spam calls, messages and phishing by seeking cooperation from communication apps such as WhatsApp, Signal, Telegram, Google and Instagram. *[The Economic Times]*

India's petrol sales fall in first half of June: Sales of gasoline, used in passenger vehicles and two-wheelers, fell 3.8% to 1.31 million tonnes in the first half of June from the same period a month ago, the data showed. *[The Economic Times]*

Residential real estate sales to grow 8-10% in FY24, says CRISIL Ratings: Residential real estate developers across the top six cities of India are expected to clock 8-10% sales growth in the current financial year 2023-24, despite interest rates and home prices rising in the last financial year. *[The Economic Times]*

US drug shortage a shot in the arm for Indian pharmaceutical companies: Drug shortages in the US are at an all-time high, and price erosion has stabilised, which could benefit Indian pharmaceutical (pharma) companies with a US focus. *[Business Standard]*

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