

Industry Matters

Weekly Updates

March 08, 2024



Economy, Industry and Policy

Moody's raises India's 2024 growth forecast to 6.8 per cent: Global rating agency Moody's on Monday raised India's growth forecast for 2024 calendar year to 6.8 per cent, from 6.1 per cent estimated earlier. *[The New Indian Express]*

CRISIL raises India's GDP growth forecast to 6.8% from 6.4% for FY25: Rating agency CRISIL on Wednesday raised its economic growth forecast for India in the next financial year (FY25) to 6.8 per cent from 6.4 per cent estimated earlier, citing higher growth momentum. *[Business Standard]*

Feb GST revenue up 12.5% to Rs 1.68L cr; FY24 gross collection at Rs 18.40L cr: The gross goods and services tax (GST) revenue for the month of February stood at Rs 1.68 lakh crore, a rise of 12.5% compared to the same period in 2023. *[The New Indian Express]*

CPSEs meet 92% of annual capex target by Feb-end: Central public-sector entities – companies and undertakings (CPSEs) – achieved 92% of their combined capital expenditure target for FY24 in April-February by spending Rs 6.8 trillion, maintaining their acceleration in capex in the current financial year. *[Financial Express]*

Unspent Central funds to states to be settled in real time from Apr 1: Starting April 1, the settlement of unspent funds from the Centre to states through the single nodal agency (SNA) will occur within a day, eliminating the need to park it outside the government account for more than 24 hours. *[The Economic Times]*

India's February manufacturing PMI rises to 56.9, highest in 5 months: The manufacturing sector gathered momentum in February on the back of expansion in new export orders and easing of pricing pressures as the headline Purchasing Managers Index (PMI) climbed to a five-month high. *[Business Standard]*

In Aatmanirbhar push, MoD makes indigenous purchases worth Rs 40K cr: The Ministry of Defence (MoD) on Friday signed five major capital acquisition contracts worth Rs 39,125 crore as part of the 'Make-in-India' initiative to bolster indigenous capabilities and reduce dependency on foreign original equipment manufacturers (OEMs). *[Business Standard]*

Service activity eases to 60.6 in February; optimism dips: A slowdown in growth in new orders and output led to service activity easing to 60.6 in February compared with 61.8 in the previous month. *[The Economic Times]*



Foreign Investment

Indian Government Securities inclusion in Bloomberg EM Index to attract \$3-4 bn foreign investments: The proposed inclusion of Indian Government Securities (G-Secs) in the Bloomberg Emerging Market (EM) Local Currency Government Index and related indices could attract foreign portfolio investments of about \$3-4 billion in these securities. *[Business Line]*

DPIIT notifies changes in FDI norms in space sector: The Department for Promotion of Industry and Internal Trade (DPIIT) has notified changes in the foreign direct investment norms (FDI) in the space sector. *[The Economic Times]*

Expeditious roll-out of PM MITRA to help attract large investments, FDI in textiles: Expeditious implementation of the ambitious scheme to develop seven PM Mega Integrated Textile Regions and Apparel (PM MITRA) parks will help in attracting large investments, including FDI. *[The Economic Times]*

FDI inflows shrink by 21% to \$41.31 billion in 2023 - DPIIT: Foreign direct equity (FDI) investments contracted by 21 per cent Y-o-Y to \$41.31 billion during the calendar year 2023. *[Business Standard]*



Trade Policy and Competitiveness

India-US trade likely to top USD 200 billion this year - Ambassador Garcetti: India-United States trade is likely to surpass the previous record of USD 200 billion this year and huge opportunities exist for the two countries to expand cooperation in defence, space besides critical emerging technologies like semiconductors and artificial intelligence. *[The Economic Times]*

Apple, Samsung boost India's mobile phones exports to ₹1.2 trillion: India's mobile phone exports are expected to cross ₹1.2 trillion at the end of this financial year, reaching a major milestone propelled by the government's thrust on phone makers such as Apple and Samsung to manufacture locally. *[Mint]*

India poised to become largest member of World Trade Centers Association (WTCA) - John E. Drew, Chairman of the WTCA: India is poised to become the largest member of the World Trade Centers Association (WTCA), potentially surpassing China within five years. *[The Economic Times]*

Healthcare, education, fintech to be key beneficiaries of India-UAE pact - CII President: Sectors such as healthcare, education and fintech will be the key beneficiaries of the India-UAE Comprehensive Economic Partnership Agreement (CEPA) and attract investments. *[The Economic Times]*

RBI, Indonesia's central bank sign agreement for local currency trade: The Reserve Bank of India (RBI) and Indonesia's central bank on Thursday signed an agreement in Mumbai to promote cross-border local currency transactions. *[Business Standard]*

Kazakhstan pushes to increase trade with India via INSTC: Central Asia's biggest state Kazakhstan is keen to increase trade with India via the International North South Transport Corridor (INSTC). *[The Economic Times]*



Corporate Governance

CCI can now impose fines based on cos' global turnover: Fair trade regulator Competition Commission can now impose penalties on companies based on their global turnover for violations, with the government notifying the amended competition norms. *[The Economic Times]*

Tata Motors to split into 2 listed companies: Tata Motors Ltd will split into two listed businesses comprising the commercial vehicle and the passenger vehicle businesses that includes its British luxury car unit Jaguar Land Rover (JLR). *[The Economic Times]*

Singapore greenlights Air India-Vistara merger: Anti trust regulator of Singapore said on Tuesday that it has granted approval for the merger between Air India and Vistara, marking another step towards creation of India's second largest airline. *[The Economic Times]*

RBI approves AU-Fincare merger, to take effect on 1 April: The Reserve Bank of India has approved the proposed merger of Fincare Small Finance Bank Ltd with AU Small Finance Bank Ltd. *[Mint]*



MSMEs and Start-ups

UP govt to start 'MYUV Abhiyan' to foster entrepreneurship among youth: CM Yogi has directed officials of the Micro, Small, and Medium Enterprises (MSME) Department to promptly devise a comprehensive action plan for the initiative and submit it to the government as soon as possible. *[Financial Express]*

Nine states get nod for strategic investment plan for MSME units: The Centre Wednesday approved Strategic Investment Plans (SIPs) of nine states, including Rajasthan, West Bengal and Gujarat, that seek to bring down the cost of compliance and improve access to credit for micro, small and medium enterprises there. *[The Economic Times]*

New startup policy with focus to set up 2,000 startups by 2027 launched in J-K: Jammu and Kashmir LG Manoj Sinha on Sunday launched a new startup policy with a focus to establish 2,000 startups in the Union Territory by 2027. *[The Economic Times]*

Women-led startups see \$100 million in funding in first 2 months of 2024, Delhi-NCR tops list - Tracxn: India currently has over 8,000 tech-based startups that have a women founder, which have raised \$23 billion till date. *[Business Line]*



Employment and Industrial Relations

Unemployment rate declined to the lowest level of 3.1% in 2023, from 3.6% in 2022: India's unemployment rate declined to 3.1% in 2023 from 3.6% in the previous year, corresponding with the country recording stellar growth during the year. *[The Economic Times]*

Work demand under NREGS drops in Feb: Demand for work under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) fell marginally in February from a year before. *[The Economic Times]*

Women contribute only 18% to GDP despite 48% share in population: Indian women, despite constituting 48% of the population, contribute only 18% to the gross domestic product (GDP), found a study by the National Family Health Survey. *[The Economic Times]*

30% of salaried women in Bengaluru perceived gender bias at workplace - Survey: According to a joint survey conducted by CRISIL and DBS Bank India, some 30% of salaried women in Bengaluru perceived gender bias at their workplace, higher than the national average of 16%. *[The Hindu]*



Industrial Finance

Banks' NPAs at record lows as recoveries up: Banks' bad loans have fallen to record lows as recoveries from defaulters rise and many who missed payments have regularised, but lenders are looking at building buffers anticipating some stress. *[The Economic Times]*

Unclaimed insurance funds higher in agent-sold policies - Analysts: The unclaimed funds within the life insurance sector are higher from policies sold by agents as against other channels like bancassurance or a digital platform, said analysts and officials from insurance companies. *[Business Standard]*

Alok Ind raises Rs 7,000 cr from RIL, two banks for expansion & repayment of high cost debt: Alok Industries has raised Rs 7,000 crore from parent Reliance Industries and two lenders – Axis Bank and State Bank of India. *[The Economic Times]*

Banks must give customers choice to select credit card network - RBI: The Reserve Bank of India (RBI) on Wednesday asked banks and non-banking financial companies (NBFCs) to provide customers with the option to choose from multiple networks for credit cards. *[Business Standard]*

NARCL emerges winning bidder for Rs 17,000 cr debt: Government-backed National Asset Reconstruction Company of India (NARCL) emerged as the winning bidder for six distressed accounts with outstanding debt of more than ₹17,000 crore that banks have put on the block in the last three months. *[The Economic Times]*



Technology and Innovation

Cabinet approves ₹10,372 cr. corpus for AI infrastructure: The Union cabinet on Thursday approved a ₹10,371.92 crore corpus to fund Artificial Intelligence computing infrastructure and start-ups in the AI space in India. *[The Hindu]*

India's electronics industry meets targets; ranks 2nd in mobile phone production: The electronics manufacturing industry has met the targets it set a decade ago and has become the second largest manufacturer of mobile phones in the world, producing devices worth Rs4.1 lakh crore. *[The Economic Times]*

Majority of users to stop using UPI if it attracts transaction fee - Survey: According to a survey by LocalCircles, a majority of people will stop using UPI if a transaction fee is imposed. The survey also found that 1 in 2 UPI users conduct over 10 transactions every month. *[The Economic Times]*

NPCI joins hands with IISc to conduct joint research on blockchain, AI: National Payments Corporation of India (NPCI) on Wednesday announced the signing of a multi-year memorandum of understanding (MoU) with the Indian Institute of Science (IISc), Bangalore, for conducting joint research on blockchain and artificial intelligence (AI) technology. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Govt approves Rs 10,037 crore UNNATI scheme for Northeast industrial development: In a significant move to bolster industrial growth and employment opportunities in the northeastern states, the government has approved the Uttar Poorva Transformative Industrialization Scheme, 2024, with a budget of Rs 10,037 crore. *[The Economic Times]*

PM Modi launches development projects worth over Rs 19,500 crore in Odisha: Prime Minister Narendra Modi on Tuesday launched multiple development projects worth over Rs 19,600 crore in Odisha's Jajpur district. *[The Economic Times]*

PM Modi to unveil projects worth Rs 18,000cr in Assam - Himanta: Prime Minister Narendra Modi will inaugurate and lay foundation stones of projects worth around Rs 18,000 crore during his two-day tour of Assam starting Friday. *[The Economic Times]*

Road ministry sanctions Rs 2,675 cr for four-laning of NH 748A in Karnataka: The road ministry has sanctioned Rs 2,675.31 crore for the four-laning of the Belgaum-Hungund-Raichur section of National Highway-748A in Bagalkot and Belgavi districts of Karnataka on the hybrid annuity basis. *[The Economic Times]*

Hindustan Coca Cola Beverages announces Rs 350 cr investment in MP: Hindustan Coca-Cola Beverages (HCCB), the bottling arm of Coca-Cola, on Saturday announced a fresh investment of Rs 350 crore for its factory in Rajgarh, Madhya Pradesh. *[Business Standard]*



Sustainable Industrialisation

PM Modi lays foundation stone for mega floating solar power plant being executed by HARTEK in Himachal: Prime Minister Narendra Modi laid the foundation stone for North India's largest floating solar power plant, by Hartek Solar, a unit of Hartek Group. *[Financial Express]*

Adani Green Energy operationalises 448.95 MW solar projects at Khavda: Adani Green Energy subsidiary Adani Green Energy Twenty Four B has operationalised an additional 448.95 MW solar power projects at Khavda in Gujarat. *[The Economic Times]*

Rooftop solar installations rise 6.25 pc to 1.7 GW in 2023 - Mercom: Mercom Capital, a US-based research firm, reported a 6.25% growth in rooftop solar capacity addition to 1.7 GW in 2023, driven by reduced installation costs. *[The Economic Times]*

Uttar Pradesh govt to rake in Rs 80K crore through solar energy push: The Uttar Pradesh government has set an ambitious target of producing 22,000 megawatt (MW) through a slew of solar energy projects by 2027, a move that is expected to rake in investments to the tune of Rs 80,000 crore. *[Business Standard]*

Electric two-wheeler market sees huge 24% growth in February. Ola at top of sales chart: The electric two-wheeler (E2W) market in India saw a significant surge in registrations during February 2024, indicating a robust 24% year-on-year growth in high-speed scooters. *[The Economic Times]*

Green companies want solar module PLI deadline extended: Over half a dozen renewable energy companies that were planning to set up solar photovoltaic (PV) module manufacturing capacities under the government's Production Linked Incentive (PLI) scheme (Tranche-II), are seeking a deadline extension for the same. *[The Economic Times]*

Nexgen Energia to invest Rs 3,000 cr to set up CBG plant in Gujarat: Sustainable energy solutions company Nexgen Energia on Wednesday said it will invest around Rs 3,000 crore to set up a compressed biogas (CBG) plant in Gujarat. *[The Economic Times]*



Sectoral News

Expect India to be third largest market among 118 countries - Mercedes-Benz: German carmaker Mercedes-Benz expects India to become its third biggest market in its 'Region Overseas' over the next 2-3 years with demand anticipated to remain strong for luxury products. *[The Economic Times]*

Foreign tourist arrivals surge by 64% in 2023 - MoT: India's inbound tourism sector is experiencing a significant rebound, with foreign tourist arrivals (FTAs) in 2023 surging 64 per cent compared with 2022. *[Business Line]*

Nearly 66% greenfield units under PLI scheme for bulk drugs completed: Two-thirds of all greenfield plants planned under the Production-Linked Incentive (PLI) scheme for bulk drugs and medical devices have been completed so far. *[Business Standard]*

India's coal output reaches 881 MT in Apr-Feb: India produced 880.72 million tonne (MT) of coal in April-February this fiscal and is now just 119.28 MT away from its 1 billion tonne coal production target for FY24. *[Financial Express]*

Digital to overtake TV in revenues by the end of 2024 - FICCI-EY: It has been a slow year for the Indian media and entertainment (M&E) business. After two years of double-digit growth, it grew at just about 8 per cent in 2023 over 2022. *[Business Standard]*

Healthcare innovation to double at \$60 bn opportunity by FY28 in India: Healthcare innovation in India, currently valued at \$30 billion, is expected to double by FY28, according to a recent report by Bain & Company and HealthQuad. *[Business Standard]*

Govt likely to treat satellite broadband as telecom service, allow 100% FDI via automatic route: The government is likely to treat satellite broadband as a telecom service, and accordingly, the likes of Bharti-backed Eutelsat OneWeb, Elon Musk's Starlink, Jeff Bezos-led Amazon Kuiper and Canada's Telesat are set to be eligible for 100% foreign direct investment (FDI) through the automatic route. *[The Economic Times]*

Vehicle registrations increase by 13% to two million units in February - FADA: Vehicle registrations - a proxy for retail sales - increased in healthy double-digits by 13% to over two million units last month amid better supplies and sustained consumer demand across rural and urban markets. *[The Economic Times]*

Power sector to see ₹17 L cr investments in 5-7 yrs: Power and renewable energy minister RK Singh: The power sector will see an investment of around ₹17 lakh crore in the next 5-7 years amid growing capacities across segments and has already witnessed ₹20 lakh crore investment in the last nine years. *[The Economic Times]*

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