

# Industry Matters

Weekly Updates

March 22, 2024



## Economy, Industry and Policy

**S&P Global Market Intelligence revises India's FY25 growth upwards to 6.8%:** India's economy will likely grow 6.8% in FY25, up from 6.5% projected earlier, on the back of stronger growth momentum and improving global prospects. *[The Economic Times]*

**Government's dividend collection from CPSEs hits record Rs 61,149 crore:** The government's dividend mopup from non-financial central public sector enterprises (CPSEs) and entities in which it holds minority stakes has touched a record ₹61,149 crore, 22% higher than the revised estimate for 2023-24. *[The Economic Times]*

**India's net direct tax collection grows 20% to over Rs 18.90 lakh crore till March 17:** India's net direct tax collection recorded a growth of 19.88 per cent to over Rs 18.90 lakh crore till March 17. *[The Economic Times]*

**NHAI monetises 889 km of national highways to raise Rs 16,000 crore:** The National Highways Authority of India, on Tuesday, said it has successfully concluded monetisation of 889 km of national highway worth Rs 16,000 crore in the third round of road monetisation through National Highways Infra Trust, which is the largest monetization by NHAI. *[The Economic Times]*

**Pvt investments rise in India very visible - ADB:** ADB, under Dasgupta's leadership, aims to increase private investments in India, focusing on clean energy and financial inclusion. *[The Economic Times]*

**States plan to raise record Rs 50,206 crore next week through bonds:** Seventeen states and Union Territories plan to borrow Rs 50,206 crore next week through the auction of state government securities, marking the highest amount borrowed through state bonds in a single auction. *[Business Standard]*

**Sates' capex up more than a third, revenues strong:** Expenditure by state governments on asset creation may have risen more than a third on year in the first ten months of the current financial year, compared with a 7% rise in the year-ago period. *[Financial Express]*

**India composite PMI rises to 8-month high in March:** The HSBC Flash India composite Purchasing Managers' Index (PMI) rose to an eight-month high of 61.3 in March from 60.6 in February, amid buoyant demand conditions, which fuelled growth and accelerated aggregate sales. *[Financial Express]*

**India's March business activity ends fiscal year on strong note:** India's business activity ended this fiscal year on a high note, expanding at the fastest rate in eight months in March. *[The Economic Times]*

**States got ₹95,000 cr under special assistance for Capital Investment:** State governments have received over ₹95,000 crore during April-February as special assistance to states for Capital Investment. *[Business Line]*



## Foreign Investment

**Norway will invest half of \$100 billion under EFTA - Norwegian envoy May-Elin Stener:** India has signed a trade pact with EFTA countries — Switzerland, Norway, Iceland, and Liechtenstein — aiming to attract \$100 billion and to create one million jobs in 15 years in exchange for tariff concessions for their pharma, chemical and minerals. *[The Hindu]*

**Numerous Swiss companies keen on investing in India - Helene Budliger:** A number of companies from Switzerland including chocolate maker Barry Callebaut Group, and technology group Buhler are interested in investing in India. *[The Economic Times]*

**FPIs infuse over Rs 40,000 cr in equities on strong economic growth:** FPIs came back strongly to invest in the Indian equity markets, buying shares worth Rs 40,710 crore in the first fortnight of the month amid an improvement in the global economic landscape and robust domestic macroeconomic outlook. *[Financial Express]*

**Insurance sector attracted Rs 54,000 crore FDI in last 9 years - DFS Secretary:** The insurance sector has received close to Rs 54,000 crore as foreign direct investment (FDI) in the last 9 years on the back of further liberalisation of overseas capital flow norms by the government. *[The Economic Times]*

**India's outward FDI rises to \$3.47 billion in February - RBI:** India's outward foreign direct investment (FDI) commitments rose substantially to \$3.47 billion in February 2024, compared to over \$2.82 billion in February 2023. *[Business Standard]*

**Net FDI in India down to \$15.41 bn in Apr 2023-Jan 2024 - RBI:** The net foreign direct investment (FDI) in India, inflows minus outflows, declined 38.4 per cent year-on-year to \$15.41 billion in the first 10 months of this financial year due to an increase in the repatriation of capital. *[Business Standard]*

**Flows into NRI deposits up 70.35% in April-January - RBI:** The amount flowing into non-resident Indians' (NRIs') deposits surged 70.35 per cent to \$10.1 billion in the first 10 months of this financial year, from \$5.96 billion in the year-ago period. *[Business Standard]*



## Trade Policy and Competitiveness

**Modi's Bhutan trip this week to result in new initiatives in energy, infra & cross-border trade:** Prime Minister Narendra Modi's two-day trip to Thimphu from Thursday and Friday, days after his Bhutanese counterpart Tshering Tobgay visited India, will lead to several new initiatives in energy, infrastructure and cross-border trade. *[The Economic Times]*

**India's exports may reach \$450 billion this fiscal - FIEO president:** The country's merchandise exports are expected to reach USD 450 billion by the end of this fiscal despite geo-political challenges like the Red Sea crisis. *[The Economic Times]*

**Smartphone exports - India share in US market rises, while China, Vietnam cede ground:** India has quadrupled its share among smartphone exporters to the US, while the shares of China and Vietnam, the top two exporters of these items to the world's largest economy, declined. *[Financial Express]*

**India's forex reserves touch 2-year high, set to cross record levels:** Reserves rose \$10.47 billion during the week, recording the highest weekly increase since July 14, 2023, to touch a two-year high of \$636.1 billion as of March 8. *[Business Line]*

**US, UAE, Singapore, South Africa give a fillip to India's exports in Feb:** A turnaround in February shipments to key export destinations such as the US, United Arab Emirates (UAE), Singapore and South Africa led to double-digit export growth from India touching a 20-month high. *[Business Standard]*

**Global toy majors shifting focus from China to India, exports jumped 239%:** What may be a loss for China in toy manufacturing is turning out to be a gain for India. India's toy industry made rapid strides between FY15 and FY23 with exports increasing by a whopping 239 per cent and imports declining by 52 per cent. *[Business Standard]*

**Exporters seek exemption from 45-day payment to MSMEs rule:** Exporters across sectors have sought exemption from a new rule that requires them to pay any pending bills to micro and small units within 45 days. *[The Economic Times]*



## Corporate Governance

**CCI approves Ultratech's acquisition of Kesoram's cement unit:** The Competition Commission of India (CCI) has approved UltraTech's acquisition of the cement business of Kesoram Industries and also the purchase of a certain stake of Shriram Investment Holdings Private Ltd by Shriram Ownership Trust. *[The Economic Times]*

**Hinduja company taps Japanese banks to fund Reliance Capital buy:** Hinduja group company IndusInd International Holdings Limited (IIHL) has approached Japanese banks to raise up to ₹8,000 crore to finance a bid for Reliance Capital, formerly promoted by Anil Ambani, ahead of the May 27 deadline set by a bankruptcy court to close the deal. *[The Economic Times]*

**Direct selling industry grows 12%, crossing Rs 21,000 crore:** India's direct selling industry registered over 12% growth, with its turnover crossing Rs 21,000 crore in 2022-23. *[The Times of India]*

**Retailers clock 5 per cent growth in February – RAI:** Retailers clocked on an average a growth of 5 per cent in February this year compared to same period last year, indicating continued sluggishness in demand. *[Business Line]*



## MSMEs and Start-ups

**Unicorns to add \$1 trillion to economy by 2030, generate 50 million jobs - CII-McKinsey study:** New unicorns are likely to add \$1 trillion to the Indian economy, which would reach \$7 trillion size by 2030, and add 50 million new jobs. *[Financial Express]*

**India will have an upper hand in AI - PM Modi at Startup Mahakumbh:** India will lead the world in artificial intelligence (AI) capabilities, Prime Minister Narendra Modi said on Wednesday, asserting that the AI leadership should remain in the Indian hands. *[Business Standard]*

**India to host SCO Startup Forum 5.0 in January 2025:** The initiative is aimed at promoting startup interactions among the eight-member SCO which comprises China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, India, Pakistan and Uzbekistan. *[The Economic Times]*

**DBS Bank India announces \$250 million lending support for start-ups, 'new economy' companies:** DBS Bank India announced a lending commitment of \$250 million for new-age startups on Wednesday. The initiative is part of the bank's focus on fostering innovation and entrepreneurship within the country's thriving startup ecosystem. *[The Economic Times]*

**Top Indian unicorns continue to add talent despite funding, growth challenges:** Top Indian unicorn startups are continuing to add talent despite facing a protracted funding winter and growth challenges. *[The Economic Times]*



## Employment and Industrial Relations

**Govt should create centralised authority for gig workers:** The government should create a centralised coordination authority between Centre and state governments for social protection of the gig and platform workers in the country. *[Business Standard]*

**IT services companies may roll out 8.4-9% salary hikes this year:** India's \$250 billion information technology (IT) sector is expected to see flat salaries in 2024 underscoring the impact of global headwinds on companies' operations. *[The Economic Times]*

**2K doctors from India to plug UK's national health service shortage:** UK's National Health Service (NHS) will recruit 2,000 doctors from India on a fast-track basis as part of an initiative to address the acute shortage of medics in the country. *[Business Standard]*

**Women freshers placements grew 116% YoY in 2023:** Several corporate firms have reported a surge in the hiring of female freshers in 2023, according to a report. Female students in tier 2 and 3 colleges have bagged more jobs during campus hiring in 2023 than in 2022 and 2021. *[Mint]*

**Centre likely to notify MGNREGS wage revision, calls it 'routine' exercise:** The Rural Development Ministry may notify revision in wage rates under the Mahatma Gandhi National Rural Employment Guarantee Scheme and it has received a clearance from the Election Commission as the poll code is in force. *[The Economic Times]*



## Industrial Finance

**Govt contemplating changes in SARFAESI, DRT laws; to provide legal sanctity to e-notices:** To speed up the debt recovery process, the Finance Ministry has set up a panel to suggest amendments to the SARFAESI and DRT Acts, including a provision for granting legal sanctity to e-notices to debtors. *[The Economic Times]*

**Grasim Industries secures Rs 1,250 cr from International Finance Corp:** Aditya Birla Group's flagship company, Grasim Industries Limited, secured a Rs 1,250 crore (approximately \$150 million) investment from the International Finance Corporation (IFC), the private sector arm of the World Bank Group. *[Business Standard]*

**Public sector banks doing better in managing NPAs vis-a-vis their private counterparts: FICCI-IBA survey:** Public sector banks in India are doing better in comparison to their private sector counterparts in terms of non-performing assets. *[The Economic Times]*

**Banks' export credit at Rs 20489 crore surges to 12-month high amid global demand:** Bank loans to exporters late January reached their highest level in the past 12 months, in line with renewed global demand for Indian goods. *[The Economic Times]*

**Oil India to take external commercial loan route to raise \$550 million loans to fund expansion:** Oil India, the country's second-biggest state-owned oil and gas explorer, is set to raise \$550 million in a five-year external commercial loan facility through Bank of Baroda (BoB) to fund expansion into petrochemicals, ethanol, biogas, and renewable energy and run its operations. *[The Economic Times]*



## Technology and Innovation

**Meity revises AI advisory after push back from industry:** Facing backlash from the tech industry, the Ministry of Electronics and Information Technology (MeitY) has revised its advisory asking companies to take government permission before launching “under-tested” or “unreliable” AI platforms in the country. *[Business Line]*

**Musk-backed Swisspod eyes opportunity in India hyperloop feasibility study:** Elon Musk-backed Swisspod Technologies is eyeing an India footprint through collaboration in joint research, development, and construction of commercial hyperloop systems. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**Adani to invest \$14 bn in FY25: Green portfolio will see 70% of the chunk:** Adani group plans to invest more than Rs 1.2 lakh crore (about USD 14 billion) across its portfolio companies that range from ports to energy, airports, commodities, cement and media in fiscal year starting April 1. *[The Economic Times]*

**India's first battery storage gigafactory to start operating by October:** GoodEnough Energy said on Tuesday it will start operations at India's first battery energy storage gigafactory in the northern region of Jammu and Kashmir by October. *[The Economic Times]*

**Centre plans to introduce 50 additional Amrit Bharat trains in 2024-25:** To enhance the passenger experience on non-Vande trains, the Centre plans to introduce additional Amrit Bharat trains in the fiscal year 2024-25. *[Business Standard]*

**Road ministry amends model concession agreements for BOT and TOT projects:** The ministry of road transport and highways (MoRTH) have made over a dozen changes to the model concession agreement for build-operate-transfer (BOT) and tolling, operation, maintenance and Transfer (TOT) model to incentivise private sector. *[The Economic Times]*

**M&M, Adani Total Energies join hands to set up EV charging infra:** Mahindra & Mahindra on Thursday said it has tied up with a unit of Adani Total Gas to establish electric vehicle charging infrastructure across the country. *[The Economic Times]*



## Sustainable Industrialisation

**New scheme to boost EV adoption, manufacturing in India - Hanif Qureshi:** The newly-unveiled Electric Mobility Promotion Scheme or EMPS would promote the nascent electric vehicle (EV) industry including acceleration in adoption and manufacturing in line with Atmanirbhar Bharat (self-reliant India). *[The Economic Times]*

**NexGen Energia to invest Rs 1,000 cr for setting up EV manufacturing unit in J&K:** Sustainable energy solutions firm NexGen Energia on Monday said it will invest Rs 1,000 crore in setting up a manufacturing unit for electric vehicles (EVs) in Jammu and Kashmir. *[The Economic Times]*

**Oil companies jump into EV charging; Offer facilities at over 15,000 petrol pumps:** Oil companies are now offering electric vehicle (EV) charging facilities at more than 15,000 petrol pumps across India, helping build an ecosystem to spur the growth of low-emission vehicles. *[The Economic Times]*



## Sectoral News

**Steelmakers to be given incentives to use domestic coking coal:** The government plans to introduce a greenfield washery development policy to increase the use of domestic coking coal by private steelmakers. *[Mint]*

**India's dependence on LNG imports may fall to 45% in FY26:** With the increase in domestic natural gas production, India's dependency on imported liquefied natural gas (LNG) is expected to fall to about 45% of total consumption in 2025-26 after gradually declining from 53% in 2020-21. *[The Economic Times]*

**5G subscribers consuming 3.6-times more data than 4G users - Nokia:** Finnish telecom gear maker Nokia on Wednesday said that India has now over 131 million 5G users, and that they were consuming nearly 3.6-times more data than the 4G users. *[Business Standard]*

**TRAI issues new guidelines for mobile number portability, effective from July 1:** Telecom Regulatory Authority of India has recently announced changes to its mobile number portability (MNP) rules in an effort to reduce the SIM swap fraud in India. *[Mint]*

**India's mineral production grows nearly 6% in January:** India's mineral production from mining and quarrying grew 5.9% year-on-year, a Press Information Bureau (PIB) report said on Wednesday. The country produced over 99.8 million tonnes of coal in the period on the back of rising power demand. *[The Indian Express]*

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