

Industry Matters

Weekly Updates

March 29, 2024



Economy, Industry and Policy

Morgan Stanley raises India's GDP growth expectation for FY25 to 6.8%: Global Brokerage firm Morgan Stanley on Wednesday raised India's GDP growth estimates for FY25 to 6.8 per cent from 6.5 per cent earlier on the back on continued traction in industrial and capex activity. *[The Economic Times]*

Centre to borrow ₹7.5 lakh crore in H1FY25, eyes ₹12,000 crore via green bonds: The Centre will borrow ₹7.5 lakh crore from the market through dated securities in the first half of FY25, which makes up 53.1% of the full-year target of 14.13 lakh crore. *[The Economic Times]*

Growth of eight core sectors at 6.7% in Feb as against 4.1% in Jan: The index had grown by 4.1 per cent in January 2024 and 4.9 per cent in December 2023. Meanwhile, in February 2023 the growth stood at 7.4 per cent. *[The Economic Times]*

India's current account deficit declines to \$10.5 billion in Q3 - RBI: India's current account deficit (CAD) declined to \$10.5 billion in the third quarter of 2023-24 as compared to \$11.4 billion during the previous three months and \$16.8 billion a year back. *[Financial Express]*

India's April-February fiscal deficit at Rs 15.01 lk cr, hits 86.5% of FY24 target: India's fiscal deficit between April and February of FY24 stood at Rs 15.01 lakh crore, and was around 86.5 per cent of the target for the entire financial year. *[The Economic Times]*

India's fixed communication revenue to grow to \$13.2 bn in 2028 vs \$11.5 bn in 2023 - GlobalData: Revenue from fixed communication services in India is expected to grow at a rate of 2.9% compounded annually, to \$13.2 billion 2028 from \$11.5 billion in 2023, driven by fixed broadband services. *[The Economic Times]*



Foreign Investment

FDI into I&B sector drops 78% to ₹332 cr in Dec qtr: The foreign direct investment (FDI) inflow into the information and broadcasting (I&B) sector, including print media, dropped 78% to ₹332 crore during Q3 of FY24 compared with ₹1,535 crore in the corresponding period last year. *[The Economic Times]*

FPI flows into India hit record ₹3.33 lakh crore this fiscal year: India got overseas flows to the tune of ₹3.33-lakh crore, or \$40.4 billion, in equities, debt and hybrid instruments put together this financial year, a record for any year. *[Business Line]*

AI company Databricks finds India on a different trajectory, invests more: San Francisco-based data and AI company Databricks is allocating the largest chunk of its global investments in India to expand customer base, build core engineering teams and enable Indian startups to train language models on quality datasets. *[The Economic Times]*

FPIs invest over Rs 38K cr in equities in Mar so far amid positive outlook: FPIs have shown a significant resurgence in their investment activity within the Indian equity markets this month, injecting over Rs 38,000 crore, mainly driven by favourable shifts in the global economic scenario and strong domestic macroeconomic outlook. *[Business Standard]*



Trade Policy and Competitiveness

India-US successfully resolve all seven pending WTO disputes bilaterally: India and the United States (US) have informed the World Trade Organization (WTO) that both countries have been able to arrive at a mutually agreed solution regarding the dispute over poultry imports from Washington. *[Business Standard]*

India's trade dependence on China, EU rose in 2023 - UNCTAD: India's trade dependence on China and the EU increased in 2023 while it reduced on Saudi Arabia. *[The Economic Times]*

Miners urge government not to impose export duty on low-grade ore: Miners' body FIMI has urged the government not to impose any export duty on low-grade iron ore, stating that any such move would cause a significant loss of state revenues and employment and also affect foreign exchange earnings. *[The Economic Times]*

Brazil and India Strengthen Economic Ties - A Promising Partnership: Brazil and India are set to enhance their economic collaboration. Earlier this week, President Luiz Inácio Lula da Silva welcomed Natarajan Chandrasekaran, the chairman of Tata Sons, at Palácio do Planalto, Brazil's presidential palace and highlighted key sectors like healthcare and renewable energy as areas ripe for increased bilateral exchange. *[Financial Express]*

DGFT notifies policy for general authorisation for export of certain goods under SCOMET category: The commerce ministry on Wednesday notified a policy for general authorisation for the export of certain telecommunication-related and information security-related items under a SCOMET category to grant one-time bulk licences. *[The Economic Times]*

India initiates anti-dumping probe into import of aluminium foil from China: India has initiated an anti-dumping probe into the import of aluminium foil, used as a packaging material for conservation and preservation of edible and food products, from China. *[Business Line]*

Textile exports contract 4.2% on year in 11 months of FY24: India's textile exports shrank 4.2% year-on-year (yoy) in the first 11 months of the current financial year, hurt by adverse economic conditions in major destinations such as the European Union (EU), the US, and West Asian nations. *[Mint]*



Corporate Governance

M&A deals hit slow lane, drop 43% in deal value since January 2024: The merger and acquisitions (M&As) in India have moved into the slow lane, as they dropped 43 per cent in terms of deal value to touch \$13.37 billion since January this year to date, compared to the same period in the last year. *[Business Standard]*

Adani Ports acquires 95% stake in Gopalpur Port in Rs 3,350 cr deal: India's largest port operator Adani Ports and Special Economic Zone (APSEZ) has expanded its presence on India's coastline after buying 95 per cent in Odisha's Gopalpur Port Ltd (GPL) at an enterprise value of Rs 3,080 crore. *[Business Standard]*

Sterlite & GIC to set up \$1 billion JV for power transmission: Vedanta Group's privately held power transmission arm Sterlite Power Transmission Ltd (SPTL) and Singapore's sovereign wealth fund GIC are jointly setting up a \$1 billion platform for the power transmission sector in India. *[The Economic Times]*

Adani family invests another Rs 6,661 crore in Ambuja Cement: Billionaire Gautam Adani's family has infused fresh capital of Rs 6,661 crore in Ambuja Cement to increase stake by 3.6% in the company to 66.7%. *[The Economic Times]*

Retail brands flocking to religious cities with rise in spiritual tourism: Brands are aggressively expanding to religious cities as growing tourism is attracting retail brands to establish a footprint in these potential market. *[The Economic Times]*

Adani debuts in metal industry as Mundra's copper unit begins operations, co to invest \$1.2 billion in first phase: Adani Enterprises' subsidiary Kutch Copper on Thursday commenced operations through the first unit of its greenfield copper refinery project at Mundra. *[The Economic Times]*

Kotak Bank acquires Sonata Finance for Rs 537 cr: Kotak Mahindra Bank on Thursday said it has acquired NBFC Sonata Finance Pvt Ltd for Rs 537 crore. Sonata is operating in 10 states through 549 branches and has an Asset Under Management (AUM) of approximately Rs 2,620 crore as of December 31, 2023. *[The Economic Times]*

Varun Beverages completes acquisition of South African bottler BevCo: Varun Beverages Ltd, PepsiCo's largest franchise bottler, on Wednesday said it has completed the acquisition of South Africa-based Beverage Company (BevCo) along with its wholly-owned subsidiaries. *[The Economic Times]*



MSMEs and Start-ups

Starburst Accelerator SARL partners with IIT Madras to establish €100 million startup hub: French aerospace and defence firm Starburst Accelerator SARL is partnering with the Indian Institute of Technology Madras (IIT Madras) to set up an innovative hub for start-ups with €100 million in funding support. *[Business Line]*

Venture capital major Accel aims to invest in 25 Indian startups - Prashanth: Accel, the early-stage venture capital major, is planning to make investments in as many as 25 Indian startups this year, and may launch an India-focused fund in the next couple of years. *[Business Standard]*

Fundraising through SME IPOs hit a new high in FY24, Rs 5,579 crore raised: The initial public offerings (IPOs) by small and medium enterprises (SMEs) hit a new high in 2023-2024 (FY24). In this financial year, data from the Prime Database showed that 190 companies raised Rs 5,579 crore through the SME IPO route. *[Business Standard]*

CY24 trend so far - Two unicorns, but funding to startups down 29%: Indian startups received \$1.6 billion during January 1 to March 15, 2024, down 29 per cent compared to the same period last year. *[Business Standard]*

MSME credit jumps 19% to Rs 24 lakh crore in February under priority sector lending - RBI: Credit deployment to MSMEs under the priority sector lending by scheduled commercial banks in February 2024 grew by 19.3 per cent to Rs 24.42 lakh crore from Rs 20.46 lakh crore in February 2023. *[Financial Express]*



Employment and Industrial Relations

Centre notifies 3-10% hike in MGNREGA wage rates for FY25 ahead of polls: Ahead of the elections, the central government has announced a 3-10 per cent increase in the wage rate of MGNREGA workers in nominal terms for the financial year 2024-25. *[Business Standard]*

Centre to fast-track enrolment of unorganised workers on e-Shram: The Centre is looking to fast track onboarding of unorganised sector workers on e-Shram portal, which provides a universal account number (UAN) to unorganised sector workers and supports them with skilling and employment initiatives. *[The Economic Times]*

Formal job creation under EPFO up by 2.7% to 1.62 million in January - Payroll data: Formal job creation under the Employees' Provident Fund Organisation went up by 2.69% in January to 1.62 million as compared to 1.56 million formal jobs created in December. *[The Economic Times]*

India plans to shift from minimum wage to living wage by 2025: Formal job creation under the Employees' Provident Fund Organisation went up by 2.69% in January to 1.62 million as compared to 1.56 million formal jobs created in December. *[The Economic Times]*

India needs more employment intensive growth and good quality jobs - ILO: India needs to make its growth and production more employment intensive while improving the quality of jobs. *[The Economic Times]*

Top 20% of Urban Company partners earn 50% more than entry-level IT jobs: Service partners who deliver more than 30 services in a month (i.e., one service delivery a day), earned an average of Rs 33,469 per month, net of all commissions, fees, travel and product costs in H1 CY23 (up by over 3 per cent over H1 CY23). *[Business Standard]*



Industrial Finance

Bank direct lending to NBFCs to moderate at Rs 1.7-1.9 trn in FY25 - ICRA: With increased risk weights and exposure reaching sectoral limits, bank direct lending to non-banking finance companies (NBFCs) in the country is expected to be Rs 1.7-1.9 trillion in the next financial year (FY25). *[Business Standard]*

NTPC signs pact with Japanese agency for USD 200 million loan: State-owned power giant NTPC on Tuesday said it has inked a pact with a Japanese agency for sourcing foreign currency loans of USD 200 million (JPY 30 billion or around Rs 1,650 crore). *[The Economic Times]*

Adani Power consolidates ₹19,700-crore loans of 6 SPVs into single long-term debt: Adani Power on Thursday said it has consolidated standalone term loan facilities of its six Special Purpose Vehicles (SPVs) into a single long-term loan facility of ₹19,700 crore. *[Business Line]*

Microlending portfolio grows 31 pc in December quarter: Microlending portfolio across lenders of all categories grew 30.9 per cent to Rs 4.02 lakh crore during the December quarter. *[The Economic Times]*



Technology and Innovation

Only 4% of companies in India 'mature' to tackle cyber threats: Just 4 per cent of companies in India have a “mature” level of readiness needed to manage cybersecurity risks and 3 per cent are so prepared worldwide.

[Business Standard]

Google in talks to acquire 22.5-acre in Navi Mumbai for maiden India captive data centre: Alphabet Inc.'s Google is in advanced talks to buy a 22.5-acre land parcel in Navi Mumbai's Juinagar for building its first-ever captive data centre in India. *[The Economic Times]*

India data center capacity to double in 3 years, capex requirement Rs 50,000 crore: The Indian data center industry has entered a growth phase, and the capacity is expected to double in the next three years, from around 0.9 Gigawatts (GW) in 2023 to nearly 2 GW in 2026. *[The Economic Times]*

UPI goes to UAE - PhonePe users can pay via Neopay terminals: PhonePe users travelling to the United Arab Emirates (UAE) can make payments via the PhonePe app at Mashreq's Neopay terminals across retail stores, dining outlets, as well as tourist and leisure attractions. *[The Economic Times]*

Amazon pours an additional \$2.75 billion into AI startup Anthropic: Amazon said Wednesday it is pouring an additional \$2.75 billion into Anthropic, bringing its total investment in the artificial intelligence startup to \$4 billion. Amazon will maintain a minority stake in San Francisco-based Anthropic, a rival of ChatGPT maker OpenAI. *[The Hindu]*

Wipro aims to become AI-first firm; more than 220K trained in GenAI: Bengaluru-based IT major Wipro aims to train nearly all its employees in artificial intelligence (AI) and generative AI (GenAI) as it rushes to become an AI-first firm. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

ECB registrations in April-Jan surge 52% to reach 4-year high: Indian companies have turned on raising funds from overseas, with registrations for external commercial borrowing (ECB) reaching a four-year high of \$38.7 billion in the April-January period of the current fiscal year. *[Financial Express]*

Mahindra Lifespace to invest Rs 6,000 crore in residential business by FY28: Mahindra Lifespace Developers Limited (MLDL), the real estate and infrastructure development arm of the Mahindra Group, has said it was planning to invest around Rs 6,000 crore in residential business over the next four years. *[Business Standard]*

Wipro GE to invest ₹8,000 crore in India for manufacturing, R&D: Wipro GE Healthcare on Tuesday said it will invest over ₹8,000 crore in India over the next five years to increase local manufacturing and research and development (R&D). *[Business Line]*

Vedanta touts \$6 billion investment pipeline as growth driver: Mining conglomerate Vedanta Ltd will invest USD 6 billion across businesses that span from aluminium and zinc to iron ore, steel and oil and gas as it looks to add at least USD 2.5 billion to annual EBITDA. *[The Economic Times]*

Tata Motors unit, HPCL join hands to install 5,000 vehicle charging stations by 2024-end: Tata Passenger Electric Mobility on Wednesday said it has tied up with Hindustan Petroleum Corporation Ltd to set up 5,000 public charging stations across the country by the end of the year. *[The Economic Times]*



Sustainable Industrialisation

India aims for 30 percent of all vehicle sales to be electric by 2030 - Care Edge Ratings: The demand for vehicles powered by traditional fuels is shifting towards alternative fuels, with petrol vehicle sales declining from 86% in 2020 to 76% in 2023. *[The Economic Times]*

India's existing and upcoming solar power capacities expected to generate 600 kilotonnes of waste by 2030: India, which generated 99 kilotonnes of solar photovoltaic (PV) waste till FY23, is expected to generate around 600 kilotonnes (KT) of additional waste from existing and upcoming solar power projects by 2030. *[Business Line]*

Luminous Power Technologies inaugurates solar panel manufacturing factory in Uttarakhand: Energy solutions provider Luminous Power Technologies on Thursday announced the inauguration of its solar panel manufacturing factory at Rudrapur in Uttarakhand. *[The Economic Times]*

Gujarat plans green hydrogen policy; to float PNG blending projects: Having set a target to produce 60 per cent of the country's green hydrogen by 2030, Gujarat is working on launching a "green hydrogen policy" and is simultaneously working on pilot projects for blending hydrogen with Piped Natural Gas (PNG) in the state. *[Business Line]*

Delhi Airport slashes emissions by 90%; aims for Net Zero by 2025: GMR-owned Delhi International Airport Limited (DIAL), which operates the Indira Gandhi International Airport (IGIA), is accelerating its efforts to achieve net zero emissions. The initial target of 2030 has been moved up to a potential deadline of 2025. *[Business Line]*

India adds 24 GW of solar PV manufacturing capacity in 2023: India has added a whopping 24 GW of solar module and cell capacity in 2023. Gujarat led the total new capacity addition followed by Rajasthan and Tamil Nadu. *[Business Line]*

India, Bhutan explore setting up of new hydropower projects: The India-Bhutan joint vision document on energy launched during Prime Minister Narendra Modi's visit to Thimphu this week aims to explore new hydropower projects, besides green and solar energy projects. *[The Economic Times]*



Sectoral News

Tejas Networks formed partnership with Telecom Egypt: Tejas Networks Ltd. announced that it signed a Memorandum of Understanding with Telecom Egypt (TE), ITIDA (Information Technology Industry Development Agency), National Telecom Institute to replicate implementing Bharatnet (Rural Broadband Project) and NKN (National Knowledge Network) projects in Egypt. *[Business Line]*

Nissan to launch 16 EVs in next three years globally, plans to make India a hub for exports: Japanese auto major Nissan Motor Co Ltd plans to launch three all-new models in India by fiscal year 2026 and make the country a hub for exports under its new global business plan to drive value and strengthen competitiveness. *[The Economic Times]*

PLI investments falter: Companies have invested over Rs 1.07 trillion in two years through December 2023 under the 14 Production-Linked Incentive (PLI) schemes, or about 40% of the Rs 3 trillion committed. [*Financial Express*]

Car shipments shifting back to pre-Covid gear; Maruti, Hyundai at the top: According to industry estimates, Indian carmakers are set to ship more than 675,000 vehicles in the fiscal year that ends March 31, recovering from a low of 404,000 reported in the aftermath of the pandemic in FY21. [*The Economic Times*]

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