

Industry Matters

Weekly Updates

April 26, 2024



Economy, Industry and Policy

Morgan Stanley forecasts strong Indian GDP growth amid robust domestic demand: Morgan Stanley, a global investment banking firm, has expressed optimism about India's economic growth prospects, citing robust domestic demand. *[The Economic Times]*

Nearly 6% growth in productivity needed for India, China to catch up with developed nations: McKinsey Global Institute predicts that emerging market economies like India and China will achieve faster productivity growth and living standards if they maintain a 6% annual growth rate. *[The Economic Times]*

India growth story to benefit Japan's firms - Nomura: Japan, Asia's second-biggest economy long hobbled by a shrinking home consumer base, is increasingly looking toward India for viable investment choices – both in physical and financial assets. *[The Economic Times]*

India's business activity surges to 14-year high in April - PMI data: The HSBC Flash India PMI indicated positive job growth and a decline in input inflation, suggesting India is positioned to maintain its status as the fastest-growing major economy this year. *[Business Standard]*

Net direct tax collections surge 17.7% YoY to Rs 19.58L cr in FY24: India's net direct tax collections surged 17.7% year-on-year to ₹19.58 lakh crore in the fiscal year ended March 2024, surpassing the revised estimates. *[The Economic Times]*

India ranks 4th in global military spending at \$83.6 bn in 2023: India was the world's fourth-largest military spender in 2023, making an expenditure of \$83.6 billion to modernise a range of weapons and combat systems. *[Business Standard]*

REITs, InvITs mobilise Rs 1.3 lakh crore in four years - RBI: Investment vehicles for realty and infrastructure sectors -- REITs and InvITs -- have garnered Rs 1.3 lakh crore in the past four years till March-end. *[The Economic Times]*

Saving through DBT in FY23 rises to over ₹63000 crore: Saving through Direct Benefit Transfer (DBT) during FY22-23 crossed ₹63,000 crore as against ₹50,000 crore of FY22. *[Business Line]*

Mop up from divestment, asset sale beats FY24 RE of Rs 30,000 crore: The government's "miscellaneous capital receipts", which include realisation from disinvestment and asset monetisation, exceeded the revised estimate of Rs 30,000 crore in fiscal 2024. *[The Economic Times]*

PLI - Automobile, auto parts cos invested INR 13,000 cr in past one year in EV, EV parts making: Automobile and auto parts makers in India invested a total INR 13,000 crore in the past year for manufacturing green vehicles and related parts under the government's Production Linked Incentive (PLI) scheme. *[The Economic Times]*



Foreign Investment

FDI reform 2.0 - Banking, defence, insurance reforms on table: The government is examining if foreign direct investment norms (FDI) for banking, insurance and defence can be further liberalised, after rules were relaxed for the space and satellite sectors recently. *[The Economic Times]*

ANZ Bank in talks with Australia Pensions on India investments: ANZ Group Holdings Ltd. is in discussions with Australian pension funds about investing in India's infrastructure assets and its debt market. *[The Economic Times]*

Macquarie sets up \$1.5-billion EV platform: Australia's diversified financial group Macquarie has launched its electric vehicle (EV) financing and end-to-end solutions platform Vertelo in India. *[Business Line]*

Flows into NRI deposits up 84.4% to \$11.8 bn in April 2023-February 2024: The money flowing into Non-Resident Indians' (NRIs) deposits rose by 84.4 per cent to \$11.8 billion in April 2023-February 2024, from \$6.40 billion in the same period a year ago. *[Business Standard]*

Outward remittances hit new high at \$29 billion in April 2023-February 2024: Outward remittances under the liberalised remittance scheme (LRS) jumped 21.7 per cent to touch a new high of \$29 billion during the April 2023-February 2024 period. *[Business Standard]*

Net FDI in India dips to \$14.55 billion in April 2023-February 2024: The net foreign direct investment (FDI) in India, inflows minus the outflows, dropped sharply by 45.5 per cent in the 11 months of Financial Year 2024 (April 2023 to February 2024). *[Business Standard]*



Trade Policy and Competitiveness

Russia nudges Azerbaijan to play active role in INSTC that would boost trade with India: Russia has nudged Azerbaijan to play an active role to boost the International North South Transport Corridor (INSTC) that is a key trade link between India and Russia. *[The Economic Times]*

India, 7 other WTO members slam EU & UK over steel duty: India, China and Russia, along with five other World Trade Organization (WTO) members, on Monday criticised the European Union's decision to extend its existing safeguard measure on certain steel products beyond June 30. *[The Economic Times]*

RoDTEP - Verification mechanism to help establish payouts are input duty remissions, not subsidies: Rattled by anti-subsidy duties imposed last year by the US and the EU on certain Indian exports benefiting under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme especially designed to be WTO compatible. *[Business Line]*

India's engineering exports up 10.7% in March - EEPC: India's engineering goods including steel and machinery exports rose 10.7% year-on-year in March to \$11.28 billion, growing in double digits for the second straight month, despite ongoing supply issues caused by disruption to shipping through the Red Sea. *[The Economic Times]*

Despite uncertainties, services exports grow 11.4% in 2023 - UNCTAD: India's services exports jumped 11.4 per cent to \$345 billion in 2023 despite global economic uncertainties, while China's shipments from the sector contracted by 10.1 per cent to \$381 billion. *[Business Standard]*

Gem, jewellery exports shrink 14% to \$32-b on weak demand: Export of gems and jewellery last fiscal declined 14 per cent to \$32.28 billion against \$37.74 billion logged in the same period last year due to weak demand. *[Business Line]*

New agri export policy soon, to focus on unregulated products: The government has identified 20 farm products whose global imports are over \$ 405 billion for focussed push in the coming years. *[Financial Express]*

India's pharma exports rise 10% to USD 27.9 bn in FY24: The country's drugs and pharmaceuticals exports increased 9.67 per cent year-on-year to USD 27.9 billion in 2023-24, even as the total exports dipped by 3 per cent in the last fiscal. *[The Economic Times]*



Corporate Governance

Tata in talks to buy Pegatron's iPhone operations as soon as May: Tata Group may strike a deal to take control of Pegatron Corp.'s iPhone manufacturing operations in India as soon as May, cementing Apple Inc.'s relationship with one of the country's most influential conglomerates. *[The Economic Times]*

M&A activity likely to rebound despite global challenges: Amidst global economic challenges, India's mergers and acquisitions (M&A) market in 2023 showcased adaptability and resilience. With transactions worth \$136 billion, a 27 per cent decrease from the previous year. *[Business Line]*

Nestlé India, Dr Reddy's to form joint venture for nutraceutical brands: Nestlé India and Dr. Reddy's Laboratories announced today that they have entered into a definitive agreement to form a joint venture (JV) to bring innovative nutraceutical brands to consumers in India and other agreed territories. *[Business Standard]*

RIL, JSW Neo, Amara Raja among 7 bidders for gigawatt battery production: The Ministry of Heavy Electricals (MHI) announced on Tuesday that seven bids had been received under a global tender for the rebidding of Production Linked Incentives (PLI) aimed at supporting the manufacturing of Electric Vehicle (EV) batteries, specifically 10 GigaWatt hours (GWh) Advanced Chemistry Cells (ACC). *[Business Standard]*

M&A deal value surged 60% q-o-q to \$19.6 billion in Q1 2024 - PwC India: Merger and acquisition (M&A) deal value soared by 60 per cent to USD 19.6 billion in January-March 2024, while that of private equity (PE) experienced a slight dip. *[The Economic Times]*

GAIL plans to expand LNG trading business to global markets: India's top gas marketer GAIL aims to become a global liquefied natural gas (LNG) trader as the expanding market fuels new business opportunities. *[The Economic Times]*

ITC exploring hotel business expansion opportunity in Nepal, Sri Lanka, Middle East: ITC Ltd is exploring expansion opportunities for its hotel business in Nepal, Sri Lanka and the Middle East while investing Rs 700-Rs 1,000 crore annually over the next few years on greenfield projects and renovating existing properties in India. *[The Economic Times]*



MSMEs and Start-ups

RBI's mandate on KFS to address MSME credit gap, promote equitable lending: In order to assist borrowers in navigating the complexities of loan terms and conditions while upholding regulatory standards, the Reserve Bank of India (RBI) has asked all lenders to provide key fact statements (KFS), with effect from 01 October, 2024. *[The Economic Times]*

MSME exporters are worst hit due to increased freight charges and doubled turnaround time: The prolonged Russia-Ukraine and Iran-Israel conflicts coupled with the economic instability in American and European markets have had a crippling impact on the MSME sector. *[Financial Express]*



Employment and Industrial Relations

IT sector's rising contractual hiring shows demand uptick: The tide seems to be slowly turning for India's information technology companies, as staffing and recruitment services firms say they are witnessing a pickup in contractual hiring in the sector after almost a year of subdued demand. *[The Economic Times]*

Jobs listed on govt's NCS portal surge threefold to 10.9 million in FY24: The number of jobs listed on the government's job portal surged threefold to 10.9 million in FY24 from 3.48 million in 2022-23. *[Business Standard]*

Over 70% workers globally exposed to excessive heat, India's manual labour at risk - ILO: Over 70 per cent of all workers globally are exposed to excessive heat due to rising temperatures and a growing labour force, marking an increase of 34.7 per cent in exposure estimates in the 20-year period between 2000 and 2020. *[The Indian Express]*

Unemployment biggest worry in India, world's fastest growing economy - Poll: The biggest economic challenge for the government after the ongoing election is unemployment, according to economists polled by Reuters who expected the world's most populous country to grow a healthy 6.5 per cent this fiscal year. *[Business Standard]*



Industrial Finance

Arcelormittal Nippon Steel India in talks for \$1 bn loan: Arcelormittal Nippon Steel India Ltd., a joint venture between two of the world's leading steel makers, is in talks with banks to raise about 85 billion rupees (\$1 billion). *[The Economic Times]*

AdaniConneX in talks with banks to raise \$900-950 million: AdaniConneX is in the final stage of discussions to raise \$900-950 million (₹7,500-7,920 crore) through a six-year offshore loan from a group of eight lenders, including MUFG Bank, Sumitomo Mitsui Banking Corp (SMBC) and Standard Chartered Bank. *[The Economic Times]*

REC to extend Rs 1,869 cr loan for Kiru hydro project in J&K: State-owned REC Ltd on Wednesday said it will provide a term loan of Rs 1,869 crore for 624 MW Kiru Hydro Electric Project in Kishtwar, Jammu & Kashmir. *[Business Standard]*

Credit card spends rise 27% to Rs 18.26 trillion in FY24 - RBI: Credit card spends surged 27 per cent year-on-year (Y-o-Y) to Rs 18.26 trillion in financial year 2023-24 (FY24) from nearly Rs 14 trillion in the year-ago period. *[Business Standard]*

REC Ltd secures Japanese green loan of Rs 3,200 crore: REC Ltd on Thursday said it has secured a green loan for JPY 60.536 billion (about Rs 3,200 crore) to finance eligible clean energy projects. *[The Economic Times]*



Technology and Innovation

TCS setting up four large BSNL data centres in Rs 15,000 crore 4G deal: Tata Consultancy Services is setting up large data centres in the four regions of the country as part of its Rs 15,000-crore deal with state-owned telco Bharat Sanchar Nigam Ltd. *[The Economic Times]*

Lulu Group's sky-high aspirations - Twin towers to bolster Kerala's IT hub status: The development of IT infrastructure in Kerala has got a shot in the arm with both state and private sector lugging it in unison to new heights. *[The New Indian Express]*



Industrial Infrastructure, Clusters and SEZs

Centre studying innovative ways to boost infrastructure funding: The government is exploring policy mechanisms to capture the increase in land value resulting from road projects, including auctioning exits at greenfield expressways and 'betterment' levy, as it looks to ramp up funding for infrastructure creation. *[The Economic Times]*

ONGC plans June drilling for India's first geothermal project in Ladakh: Oil and Natural Gas Corp (ONGC) is planning to mount a fresh drilling campaign in June for India's first geothermal project after suffering a setback two years ago. *[The Economic Times]*

THDC India aims to make Rs 12,000-crore coal-based thermal power project operational by September: State-owned THDC India Ltd aims to make its coal-based power plant operational by September 2024, marking an entry into the domestic thermal energy sector. *[The Economic Times]*

SEZ units exempt from IGST on certain services from DTA players - AAR ruling: Units operating within special economic zones (SEZs) could potentially be exempt from paying the integrated goods and services tax (IGST) on specified services taken from the domestic tariff area (DTA) through the reverse charge mechanism. *[Business Standard]*



Sustainable Industrialisation

India overtakes China in electric three-wheeler sales: India overtook China in sale of electric three-wheelers in 2023, at over 5.8 lakh units, according to a report by the International Energy Agency (IEA). Electric 3W sales grew 65 per cent year-on-year. *[Business Line]*

India's first multi-purpose green hydrogen pilot project inaugurated: India's first multi-purpose green hydrogen pilot project at 1,500 MW Nathpa Jhakri Hydro Power Station (NJHPS) in Himachal's Jhakri was inaugurated on Wednesday. *[The Economic Times]*

India seeks overseas help for lithium processing to avoid relying on China: India is engaging in discussions with various countries to seek technical assistance for lithium processing, aiming to bolster its emerging lithium mining and electric vehicle industries and reduce dependence on China. *[The Economic Times]*

Nepal aims to export 10,000 MW hydroelectricity to India - President Paudel: The Nepal government has accorded top priority to the development of the hydropower sector and aims to export 10,000 MW of hydropower to India in the next decade. *[Business Standard]*

Capex for EV components to exceed INR 25,000 cr in 3-4 years - ICRA: Spurred by Government subsidies, enhanced awareness, and increasing product launches, the electric vehicle (EV) segment in India has seen a significant upturn in prospects over the past two years. *[The Economic Times]*



Sectoral News

IRDAI abolishes age restriction on health insurance product: With a view to widen the market and foster adequate protection from healthcare expenses, insurance regulator IRDAI has removed the age limit of 65 years for individuals buying health insurance policies. *[The Indian Express]*

Trai proposes telecom infra sharing for telcos to reduce cost: The Telecom Regulatory Authority of India (Trai) on Wednesday said the department of telecommunications (DoT) should allow sharing of all types telecom infrastructure between the operators, to reduce costs, improve quality of services, avoid duplication of investment, and provide timely services, among other things. *[Financial Express]*

Medical devices companies to soon have 'unique' pricing model: India's drug pricing regulator is working on a new pricing framework for medical devices. *[The Economic Times]*

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