

# Industry Matters

Weekly Updates

May 24, 2024



## Economy, Industry and Policy

**RBI's Rs 2.1 lakh crore payout - When it all adds up to deliver a windfall to govt:** At a time when some of the central banks in the advanced world have reported losses and negative equity, RBI will hand over a dividend cheque of more than ₹2.1 lakh crore to its sole owner, the government. *[The Economic Times]*

**Household income, employment outlook returns to pre-pandemic levels:** The households' outlook on income and employment scenario has returned to pre-pandemic levels. *[The Economic Times]*

**Net financial savings rose to 6% in FY24 - Goldman Sachs:** A faster increase in household deposit growth likely pushed net financial savings to 6% of GDP in FY24 from 5.1% in the previous year. *[The Economic Times]*

**GDP growth likely to be 6.7 pc in Q4; 7 pc in FY24 - Ind-RA:** India Ratings and Research expects the country's GDP growth rate for the March quarter at 6.2 per cent and around 6.9-7 per cent for the 2023-24 fiscal. *[The Economic Times]*

**Govt recovers Rs 852 crore under amnesty scheme for exporters:** The government has recovered about Rs 852 crore under the amnesty scheme for exporters for one-time settlement of default in export obligation by the holders of advance and EPCG authorisations. *[The Economic Times]*

**India to get rating support if it uses RBI dividend to reduce fiscal deficit - S&P analyst:** India can get 'rating support' over time if it utilises the highest-ever dividend of over Rs 2 lakh crore received from the Reserve Bank to reduce fiscal deficit. *[The Economic Times]*

**UN raises India's 2024 growth forecast to 6.9%:** The United Nations raised India's 2024 growth forecast to 6.9% from 6.2% projected earlier, on the back of a strong domestic economy. *[The Economic Times]*

**Private sector activity picks up to 61.7 in May, according to HSBC Flash PMI:** A sharp upturn in services and expansion of new export orders led to India's private sector activity picking up in May, recording the third strongest increase since July 2010. *[The Economic Times]*

**PE exits in India surge 355% in first quarter of 2024, hit 50 deals:** Private equity (PE) exits in India witnessed a phenomenal surge in Q1 2024, marking a significant shift in the investment landscape. *[Business Standard]*

**Extreme deprivation, once synonymous with India, is set to become extinct - RBI:** Noting that the global economy is cognisant of the fact that the Indian economy is on the cusp of a long-awaited takeoff. *[The Economic Times]*

**India only nation among top 5 to see growth in steel production:** India is the only country, among the top five steel producing nations, to have seen a growth in production in April, with the others seeing production drop by as much as 7% during the month. *[The Economic Times]*

**NHAI's road assets monetisation can fetch up to Rs 60,000 cr for govt this fiscal:** Rating agency ICRA on Thursday said state-owned NHAI's targeted asset monetisation of road assets could fetch the government up to Rs 60,000 crore in the current fiscal year. *[The Economic Times]*



## Foreign Investment

**Google picks southern Indian state for smartphone production:** Google plans to invest billions of dollars in India's Tamil Nadu state to set up smartphone production, picking the southern industrial province for its manufacturing push in the country. *[The Economic Times]*

**Industry must gear up for lower tariffs, looking at further easing of FDI norms - DPIIT Secretary:** With a whole bunch of free trade agreements (FTA) under discussion, India could shed its conservative approach and look to lower tariffs and ease Foreign Direct Investment norms going forward. *[The Indian Express]*

**Jio Financial seeks shareholder nod to up foreign investments to up to 49%:** Jio Financial Services on Thursday said it has sought shareholder approval to increase the share of foreign investments in its equity capital to up to 49% post-conversion into a core investment company (CIC). *[Mint]*

**Net FDI declines by 62% to \$10.5 billion in FY24 – RBI data:** Net foreign direct investment (FDI) flows into India dropped 62.17 per cent to \$10.58 billion in 2023-24 (FY24) — the lowest since 2007 — from \$27.98 billion the previous year. *[Business Standard]*



## Trade Policy and Competitiveness

**India, Eurasian Economic Union to soon start FTA negotiations:** India will soon start negotiations for concluding a free trade agreement (FTA) with Russia-led Eurasian Economic Union (EAEU) that will give the country a smooth access to markets of five resource-rich post-Soviet states. *[The Economic Times]*

**IMEC - Indian team in UAE discusses start of work on trade route:** An Indian delegation visited three ports in the United Arab Emirates this week, including the Port of Fujairah in the Indian Ocean Region, and held discussions with the customs authorities on kickstarting the India-UAE leg of the proposed India-Middle East-Europe Economic Corridor (IMEC). *[The Economic Times]*

**BIS certification must for sale of used imported electronic products - DGFT:** The import of used, repaired, refurbished and reconditioned electronic products will now need to be certified by the Bureau of Indian Standards (BIS) if they are to be sold in India. *[The Economic Times]*

**Singapore and Kazakhstan plan Eurasia to ASEAN trade & transit corridor:** India's closest partner in SE Asia -- Singapore and Central Asia's biggest state Kazakhstan are the leading transit hubs in their regions. *[The Economic Times]*



## Corporate Governance

**Competition Commission of India to soon bring new set of merger regulations:** Competition Commission of India (CCI) will soon come out with a new set of merger regulations, giving effect to competition law amendments enacted last year. *[Mint]*

**NCLT okays Metalysts Forgings' acquisition by Deccan value-led group:** After a delay of nearly seven years, lenders of Amtek Auto's listed subsidiary Metalysts Forgings are likely to recover part of their dues, as the bankruptcy court has approved the company's acquisition. *[The Economic Times]*

**Disney said to sell 30% stake in Tata Play to Tata Group, valuing co at \$1 billion:** Walt Disney Co. has struck a deal to sell its minority stake in a subscription television broadcaster to Tata Group. *[The Economic Times]*

**Sebi tweaks methodology for calculating market cap-based rankings:** The Securities and Exchange Board of India (Sebi) has changed the methodology for calculating market capitalisation-based rankings of listed companies. Instead of a single-day market cap, the rankings will now be based on the average market cap for six months. *[Business Standard]*

**Google Pixel phones might soon be made in India as company reportedly partners with Dixon Technologies:** Google is reportedly partnering with Dixon Technologies to manufacture Pixel smartphones in India, according to a report by Tol. While neither company has officially confirmed the collaboration. *[BusinessToday]*



## MSMEs and Start-ups

**Shiprocket to upskill 100,000 Indian MSMEs through e-commerce learning:** With a goal of amplifying the potential of MSMEs in the country, e-commerce enablement platform Shiprocket has launched Shiprocket Growth Academy to enhance the learning of e-commerce sellers. *[The Economic Times]*

**Banks may seek waiver of provisioning for loans to MSMEs:** Banks are planning to write to the Reserve Bank of India (RBI) and the finance ministry to exempt loans given to micro, small and medium enterprises (MSMEs) from proposed rules for provisioning for infrastructure project financing. *[Mint]*

**ONDC crosses 5 lakh sellers on its platform with over 70% SMEs:** The ONDC (Open Network for Digital Commerce) platform by the government now has more than 5 lakh sellers, of which over 70 per cent are small or medium-sized sellers. *[Financial Express]*



## Employment and Industrial Relations

**India needs to create 115 million jobs by 2030, research shows:** India needs to create 115 million jobs by 2030 as more people enter the workforce, a study showed, suggesting the South Asian nation has to boost services and manufacturing to keep the economy expanding. *[The Economic Times]*

**112th International Labour Conference - India and other countries to come up with legal framework on bio hazards:** The International Labour Organisation will soon come up with a comprehensive legal framework for protection of the global workforce against biological hazards. *[The Economic Times]*

**Most states out with draft rules under new labour codes, about 3 cr job opportunities in 2022-23 - Labour secretary:** Labour secretary Sumita Dawra Saturday said that most states have brought out draft rules under the new labour codes, ensuring there is harmonisation of standards for the industry to move from one state to another. *[The Economic Times]*

**Compensation gap between private & public sector widens in FY23:** Compensation in the private sector reached a new high of 22% of gross domestic product (GDP) in 2022-23, up from 21.2% in FY22, widening the gap with government sector compensation. *[The Economic Times]*



## Industrial Finance

**Bank of Maharashtra tops among PSU banks in business growth in FY24:** State-owned Bank of Maharashtra recorded the highest growth rate last fiscal in terms of total business and deposit mobilisation among public sector lenders at a time when most banks are facing difficulty in achieving double-digit growth. *[The Economic Times]*

**India's bad bank aims at ₹2 trillion stressed assets by September:** State-owned Bank of Maharashtra recorded the highest growth rate last fiscal in terms of total business and deposit mobilisation among public sector lenders at a time when most banks are facing difficulty in achieving double-digit growth. *[Mint]*

**NHAI's infra trust got \$217.13 mn in FY24 from Canada Pension Plan Investment Board:** Canada Pension Plan Investment Board (CPP Investments) on Thursday said it has invested USD 217.13 million in 2023-24 in the National Highways Infra Trust (NHIT). *[The Economic Times]*

**PSBs, led by SBI and PNB, hold bulk of unclaimed deposits:** Money with banks in India for which there are no takers has gone up 2.5x times in the post-Covid period. Driven largely by savings accounts turning inoperative or dormant and fixed deposits not redeemed, unclaimed deposits with scheduled banks crossed ₹42,000 crore as of March 2023. *[Business Line]*



## Technology and Innovation

**Need two more PLIs for wearables and components - MAIT:** The Manufacturers' Association of Information Technology (MAIT), a key electronics hardware body, has urged the government to roll out two more production-linked incentive (PLI) schemes covering electronics components and wearables manufacturing. *[The Economic Times]*

**Elon Musk arrives in Indonesia's Bali to launch Starlink satellite internet service:** Elon Musk arrived in Indonesia's resort island of Bali on Sunday to launch Starlink satellite internet service in the world's largest archipelago nation. *[The New Indian Express]*

**NSDC, AVPL International ink pact to establish 70 skills and incubation hubs:** The National Skill Development Corporation (NSDC) and AVPL International have signed a memorandum of understanding (MoU) to establish 70 skills and incubation hubs for global employment in drone, IoT, agriculture and allied sectors across India. *[Business Line]*

**Maldives to launch India's RuPay service amid turbulence in bilateral ties:** Notwithstanding the turbulence in their bilateral ties, the Maldives will soon launch India's RuPay service. *[Business Standard]*

**Govt needs to expand PLI scheme to make India 'global drone hub':** The government needs to expand the production-linked incentive (PLI) scheme and develop an ecosystem to realise the goal of making India a global drone hub. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**JSW Cement to invest Rs 3,000 cr for new manufacturing unit in Rajasthan:** JSW Cement will invest around Rs 3,000 crore to set up a new cement manufacturing factory in Nagaur district of Rajasthan. *[Business Standard]*

**Gail may line up Rs 50,000 crore capex in big petrochemical bet:** Gail (India) plans to invest up to ₹50,000 crore to build a 1.5 million tonnes per annum ethane cracking unit at Sehore, Madhya Pradesh. *[The Economic Times]*

**Revamping of BOT model is tactical move to attract private capex - Ind-Ra:** India Ratings and Research (Ind-Ra) on Tuesday said the revamping of the built-operate-transfer (BOT) model is a tactical move to attract private capex, which is estimated to surpass Rs 1 trillion by 2030. *[The Economic Times]*

**Ind-Ra expects stable operating performance for most infrastructural projects in FY25:** India Ratings and Research (Ind-Ra) expects stable operating performance for most infrastructure projects in the current financial year. *[The Economic Times]*



## Sustainable Industrialisation

**Expect good response on EV policy, FDI reforms in new govt; prepare for low tariff regime - DPIIT Secretary:** India is expecting a good response from many automobile companies for its policy on electric vehicles (EV). *[The Economic Times]*

**Orb Energy launches its first 35 MW ground-mounted solar park in Karnataka:** Orb Energy, a key player in the Indian solar power industry has launched its first 35 MW (DC) ground-mounted solar park in Arsikere in Hassan district. *[The Economic Times]*

**Support to three EV 2-wheeler makers may be restored:** The Centre may restore financial support to electric two-wheeler makers Revolt Motors, Greaves Electric Mobility, and Amo Mobility under its Electric Mobility Promotion Scheme 2024 (EMPS 2024) but may bar others such as Hero Electric, Okinawa Autotech, and Benling India from all government schemes in future. *[The Economic Times]*

**Israel's EVR Motors sets up plant in Haryana:** EVR Motors, an Israel-based company specialising in high power-density electric motors, on Monday inaugurated its new greenfield plant in Manesar, Haryana, under its subsidiary, I.EVR Motors Pvt Ltd. *[The New Indian Express]*





## Sectoral News

**Vodafone to prioritise 4G network growth over 5G; to spend Rs 55,000 crore:** Even as other telecom service providers have been rolling out 5G, Vodafone Idea Limited (Vi), the country's third-largest telecom operator, is still prioritising expanding its 4G networks. *[The New Indian Express]*

**Peak power demand hovering near projected 235 GW this month amid severe heat wave:** India's peak power demand is hovering near the projected 235 GW level in May, following excessive use of cooling appliances like air conditioners and desert coolers amid severe heat waves in the country. *[The Economic Times]*

**Leather exporters seek national policy to attract investments, create jobs:** Apex body for leather and footwear exporters CLE has asked the government to formulate a national policy for the sector with a view to attract investments, boost India's shipments and create jobs. *[Business Standard]*

**India in talks with Sri Lanka to acquire graphite mine block:** India is in talks with Sri Lanka to acquire a graphite mine block in the island nation, pushing ahead with its plan to forge global alliances to secure critical mineral supplies. *[The Economic Times]*

**India slips 10 spots since 2019 on WEF's travel & tourism ranking despite growth:** Despite a burgeoning travel sector and a sharp rebound in economic growth from covid lows, India has slipped ten places to 39 in the World Economic Forum's Travel and Tourism Development Index 2024 (TTDI) rankings since 2019. *[Mint]*

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