

Industry Matters

Weekly Updates

July 12, 2024



Economy, Industry and Policy

Industrial policy agenda for the new government: With the new government sworn in, the focus should now be on adopting a new industrial policy (NIP). The policy thrust at present is on manufacturing, given the need to create decent jobs. It is also driven by the realisation that a high degree of dependence on imports can compromise the country's strategic autonomy. [*Hindustan Times*]

Union Budget 2024 - Goldman Sachs forecasts 'golden' fiscal future for India: India will likely peg its FY25 fiscal deficit target 5.1% of GDP in the upcoming budget, which could make an overarching statement about long-term economic policy towards 2047. [*The Economic Times*]

Retail inflation for industrial workers eases to 3.86% in May - Govt: Retail inflation for industrial workers eased to 3.86 per cent in May compared to 4.42 per cent in the same month a year ago. [*Business Standard*]

India's PMI surges in June, steel and services sectors drive economic growth - SBI: The manufacturing Purchasing Managers' Index (PMI) soared in June 2024, driven by robust demand and the highest hiring activity in 19 years. [*The Economic Times*]

PLI scheme for white goods - Application window to be open for third time: The Department for Promotion of Industry and Internal Trade (DPIIT) on Monday said that the government will reopen the application window for the production-linked incentive (PLI) scheme for white goods—ACs and LED lights—for 90 days, starting July 15. [*Business Standard*]

Govt in a bind over extension of PLI scheme to new sectors: The demand from the industry for expansion of the ₹1.97-lakh crore production linked incentive (PLI) scheme in the forthcoming Budget to incorporate new sectors and products is growing but the government is in a dilemma over whether it should immediately enlarge its scope or instead focus on successfully completing the schemes in the existing 14 sectors. [*Business Line*]

Govt plans PLI scheme for underground mining equipment: The government is likely to come up with a Production Linked Incentive (PLI) scheme for underground mining equipment and heavy earth-moving machinery by 2025-26. [*Financial Express*]

Centre likely to roll out electric vehicle policy guidelines by Sept-end: Policy guidelines on the Centre's "Scheme to Promote Manufacturing of Electric Passenger Cars in India" (SPMEPCI), which include provisions for reduced customs duties on imported cars if there is a concomitant investment commitment in India, are expected to come by September. [*Business Standard*]

Union Budget 2024-25 likely to go vocal for higher local procurement: To boost domestic manufacturing under the Make in India initiative and reduce dependency on imports, the government is expected to announce in the Budget an increase in the minimum local content requirement for public procurement, with certain sectors being granted exceptions. [*Business Standard*]

Four PSU banks pay Rs 6,481 cr dividend to Govt: Four public sector banks, including Canara Bank and Indian Bank, on Wednesday presented dividend cheques worth Rs 6,481 crore to Finance Minister Nirmala Sitharaman for financial year 2023-24. *[The Economic Times]*



Foreign Investment

Mercedes ready to invest \$500 mn in Indian EV biz but it has a condition: In a big boost to govt's EV policy, German luxury carmaker Mercedes-Benz has said that it is ready to invest the mandated \$500 mn in Indian business. *[The Economic Times]*

Budget 2024 - FDI makeover on the horizon? Govt eyes major overhaul in defence, insurance and plantation: The government is likely to review foreign direct investment (FDI) caps for critical sectors like defence, insurance, and plantations, examining processes that could be streamlined for a more efficient investment regime. *[The Economic Times]*

Brookfield to invest \$550 million in India's Leap Green Energy: Brookfield has announced an equity investment of \$550 million in Tamil Nadu-based Leap Green Energy, with an upfront commitment of \$200 million and the option to infuse the remaining \$350 million to support future growth of the business. *[Business Line]*

Govt looks at easing FDI rules further: The government is looking at a multi-pronged strategy to address the decline in foreign direct investment (FDI) inflows. "Internal discussions are on for further liberalisation of FDI. *[Financial Express]*

Mauritius slips to fifth place on preferred FPI destinations list: Mauritius, once among the leading destinations for foreign portfolio investors (FPIs) routing funds into India, has now slipped to the fifth position, behind Ireland, in terms of assets under custody (AUC) as of June 30. *[Business Standard]*

Record inflows, equity rally drive MF AUM past Rs 60 trillion - Amfi data: Net inflows into equity mutual funds (MFs) surged 17 per cent sequentially to a record high of Rs 40,608 crore in June, supported by a Rs 14,370-crore mop up by 11 new equity fund offerings (NFOs) during the month. *[Business Standard]*

Gujarat received FDI worth USD 7.3 billion in 2023-24, jump of 55 pc over previous fiscal: Gujarat has attracted a Foreign Direct Investment (FDI) of USD 7.3 billion in the financial year 2023-24, a jump of 55 per cent over the previous fiscal. *[The Economic Times]*



Trade Policy and Competitiveness

India, Russia target \$100 billion bilateral trade by 2030, FTA with EAEU: India and Russia are looking to raise bilateral trade to \$100 billion by 2030, balance the lopsided trade, eliminate non-tariff trade barriers, and explore the possibility of a Eurasian Economic Union (EAEU)-India Free Trade Area. *[Business Standard]*

India can be key partner in diversifying critical mineral supply chains - US: India has the potential to be a key partner in diversifying critical mineral supply chains globally, a senior US official has said at a conference that discussed the potential and opportunities to advance the respective clean energy agendas of the two countries. *[Business Standard]*

India's defence exports soar to Rs 21,083 crore, SIDM: India's defence sector has seen remarkable growth, with domestic production reaching a record Rs 1.27 lakh crore in FY 2023-24. *[The Economic Times]*

India-EFTA FTA - Goyal to meet investors in Switzerland on FDI commitment: Commerce and Industry Minister Piyush Goyal is set to travel to Switzerland on Sunday to meet investors, in line with the \$100-billion investment commitment under the India-European Free Trade Association (EFTA) trade deal signed earlier this year. *[Business Standard]*

Govt caps interest equalisation at Rs 1.66 crore per IEC for July-August: The commerce ministry on Wednesday clarified that the interest equalisation will be capped at Rs 1.66 crore per IEC (import-export code) for the July 1-August 31 period. *[The Economic Times]*

UK trade body opens review into duties on Indian imports of PET plastics: The UK's Trade Remedies Authority (TRA) has initiated a transition anti-subsidy review of a countervailing measure on imports of polyethylene terephthalate (PET) plastics from India, to assess whether the nearly 13 per cent duties should continue to be applied. *[The Economic Times]*

Surging - Russia-India trade USD 57 bn in 2023; goes up 23 pc in Jan-April 2024: Russian First Deputy Prime Minister Denis Manturov has underlined the strategic importance of the India-Russia strategic partnership, noting that the trade turnover between the two nations saw a remarkable increase in recent years, reaching USD 57 billion in 2023. *[The Economic Times]*

India, Taiwan pact to facilitate trade of organic agri goods comes into force: An agreement between India and Taiwan to facilitate trade in organically-produced goods, including tea and medicinal plants, has come into force from July 8. *[The Economic Times]*



Corporate Governance

Govt to diversify socioeconomic surveys, 13 more in 2024-2025 alone: The country's socioeconomic survey architecture is set for a major upgrade. Apart from the conventional surveys like those to track household consumption expenditure, labour force participation, and the annual survey of industries, a whole new set of activities is going to be surveyed on a periodic basis. *[Financial Express]*

M&As in India soar to new heights - Here are the top deals of Q2 2024: Indian dealmaking activity soared to new heights in the second quarter of 2024 (Q2 2024), according to Grant Thornton Bharat Dealtracker. *[Business Standard]*

Tech drives India's M&A market in first half of 2024 - Top 10 deals decoded: India's mergers and acquisitions (M&A) activity witnessed a mixed performance in the first half of 2024, with deal value rising slightly but the number of deals declining significantly compared to the same period last year. *[Business Standard]*

Accenture buys Bengaluru-based chip design company Excelmax Technologies: In its first acquisition in India in the silicon design space, IT consulting and services major Accenture announced the acquisition of Bengaluru-based Excelmax Technologies. *[Business Standard]*

Kesoram's cement business demerger may be completed by December 2024: The demerger of Kesoram Industries' cement business into UltraTech Cement is expected to be completed by December 2024. *[Business Standard]*

Govt makes ISI mark mandatory for stainless steel, aluminium utensils: The government has made it mandatory for stainless steel and aluminium kitchen utensils to conform to national quality standards, the Bureau of Indian Standards (BIS). *[The Economic Times]*



MSMEs and Start-ups

In the making - Govt plans to launch new portal for all MSMEs queries: The central government is working on a web portal, Udyami Bharat, where entrepreneurs of micro, small and medium enterprises (MSMEs) can access details of all schemes related to the sector run by different ministries. *[Business Standard]*

Budget 2024 - DPIIT seeks Angel tax, inverted duty removal in Budget: Ahead of the Budget 2024 later this month, the Department for Promotion of Industry and Internal Trade (DPIIT) has recommended the removal of the contentious Angel Tax for startups. *[The Economic Times]*

Funding into AI-focused startups more than doubles to \$24 bn in Q2: Investments in artificial intelligence (AI) startups surged to \$24 billion from April to June, more than doubling from the previous quarter. *[Business Standard]*

Electronics manufacturing offers MSMEs huge opportunity to succeed - IT secy: Electronics component manufacturing in India offers MSMEs a "huge opportunity to succeed", IT Secretary S Krishnan said on Wednesday asserting that Meity is looking at ways to spur the electronics components ecosystem in the country. *[Business Standard]*

Budget 2024 - For micro, small & medium cos, a major funding boost: The upcoming budget could unveil a scheme aimed at bridging the credit gap and other financing issues for the micro, small and medium enterprises (MSME) sector. *[The Economic Times]*



Employment and Industrial Relations

India will fail to plug jobs gap even with 7% growth - Citi: India will struggle to create enough jobs for its growing workforce over the next decade even if the economy grows at a rapid pace of 7%. *[The Economic Times]*

IT firm TCS adds over 5,000 employees in the first quarter of FY25: Tata Consultancy Services (TCS), India's largest information-technology services company, on Thursday announced a net headcount addition of 5,452 employees in the first quarter of 2024-25 (FY25). *[Business Standard]*

Budget 2024-Atal Pension may double minimum payout to Rs 10k: The government could double the minimum guaranteed amount under its key social security scheme, Atal Pension Yojana, to Rs 10,000 in the upcoming budget. *[The Economic Times]*

India generates 46.7 million jobs in 2023-24 fiscal - RBI data: The employment growth rate for the fastest growing major economy stood at 6% in FY24 against 3.2% in the preceding fiscal. *[The Economic Times]*

West Bengal lost 3 million jobs in informal sector in 7 years - NSO data: West Bengal lost 3 million jobs while Maharashtra added 2.4 million workers in unincorporated enterprises during the seven years from 2015-16 to 2022-23, thus topping the chart among the worst- and best-performing states. *[Business Standard]*



Industrial Finance

Reliance Industries' unit plans over \$500 million offshore loan: A unit of India's largest company Reliance Industries Ltd. is planning to borrow at least \$500 million to refinance debt, in what could be the conglomerate's first offshore loan this year. *[The Economic Times]*

Tata Realty gets Rs 825 cr from IFC for advancement in Chennai green asset: Tata Realty has secured a Rs 825 crore loan from the International Finance Corporation (IFC). This funding is earmarked for the strategic refinancing of Ramanujan Intellion Park in Chennai, a landmark development in sustainable real estate. *[Business Standard]*

Banks' deposit growth dips to 10.6%; credit growth at 13.9% as on June 28: According to the data, scheduled commercial banks' credit rose by 13.88 per cent year-on-year (Y-o-Y) to Rs 163.8 trillion as on June 28. The deposit base of banks expanded by 10.64 per cent Y-o-Y to Rs 211.95 trillion. *[Business Standard]*

Adani Green Energy raises \$400 mn for its solar power projects in Raj, Guj: Adani Green Energy (AGEL), India's largest renewable energy firm, has raised \$400 million in financing from a consortium of international lenders for its under-construction 750 megawatt (Mw) solar power projects in Rajasthan and Gujarat. *[Business Standard]*

ED arrests Amtek's Arvind Dham in Rs 25,000 crore bank 'fraud' case: The Enforcement Directorate (ED) has arrested Arvind Dham, promoter of Amtek Group, in connection with a money laundering probe for alleged bank fraud to the tune of Rs 25,000 crore. *[Business Standard]*



Technology and Innovation

India plans a Rs 44,000-crore boost to become electronics powerhouse: A task force set up by the Ministry of Electronics and Information Technology (MeitY) to bolster India's capabilities in electronic and semiconductor products is likely to recommend an allocation of Rs 44,000 crore from 2024 to 2030. *[Money Control]*

Indians can now pay via UPI in Qatar: Indians in Qatar will be able to scan a QR code and make payments via UPI as NPCI International Payments (NIPL) has signed an agreement with QNB. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

2,500 general railway coaches being manufactured, nod for another 10,000 granted - Ashwini Vaishnaw: Railway Minister Ashwini Vaishnaw on Friday apprised about a special drive in which around 2,500 new general passenger train coaches are being manufactured and approval has been granted for manufacturing another 10,000 such coaches. *[The Economic Times]*

JSW MG Motor joins hands with Shell for EV charging infra: JSW MG Motor India on Wednesday said it has tied up with Shell India to enhance public charging infrastructure for electric vehicles across the country. *[The Economic Times]*

HRIDC to conduct feasibility study for Eastern Orbital Rail Corridor: The Haryana Rail Infrastructure Development Corporation (HRIDC) will conduct a feasibility study for the Eastern Orbital Rail Corridor (EORC) project. The proposed 135-km EORC will run parallel to the Eastern Peripheral Expressway, connecting Palwal in Haryana with Sonipat through Ghaziabad, Noida, and Baghpat in Uttar Pradesh. *[The Economic Times]*

Relief in sight for Bengaluru's traffic nightmare with greenfield corridor set for ahead of schedule December launch: Union Minister for Road Transport and Highways, Nitin Gadkari, on Thursday announced that Bengaluru will see the inauguration of two major infrastructure projects by the end of the year. *[The Economic Times]*



Sustainable Industrialisation

MNRE issues incentive guidelines for green hydrogen producers under SIGHT scheme: The renewable energy ministry has issued guidelines for providing incentives to green hydrogen producers under SIGHT scheme. *[The Economic Times]*

Centre plans to push for more renewable energy connectivity in states: With the dual purpose of enhancing power transmission infrastructure in states and boosting renewable energy (RE) connectivity across all regions, the ministry of power is planning to push states to connect upcoming RE projects to state grids and not the national grid. *[Business Standard]*

ONGC unveils Rs 2 trillion decarbonisation road map for net-zero 2038: As part of its net-zero emissions road map, state-owned Oil and Natural Gas Corporation (ONGC) plans to offset 9 million tonnes (mt) of carbon dioxide (CO₂) equivalent emissions (tCO₂e) by 2038 at a total cost of Rs 2 trillion. *[Business Standard]*

Rajasthan plans 30 Gw solar power by FY25-end; aims to become self-reliant: The Rajasthan government aims to produce 30 gigawatt (Gw) of solar power by the end of FY25 to become self-reliant in the power and energy sector. *[Business Standard]*

H2GO - Reliance Industries, L&T, Adani and John Cockerill to manufacture electrolyzers by 2025: Over half the eight companies that won bids in January for electrolyser manufacturing under the production-linked incentive (PLI) scheme, have conveyed to the government that they will be able to commission their units by next year, ahead of the 2026 deadline. *[The Economic Times]*

India races to build hydropower plants in region claimed by China: India plans to spend \$1 billion to expedite the construction of 12 hydropower stations in the northeastern Himalayan state of Arunachal Pradesh. *[Business Standard]*

India, Turkey, Indonesia raise concerns over EU's regulation on waste shipments: India, Indonesia and Turkey have raised concerns on the EU's proposed regulation on shipments of waste which some allege goes beyond the legitimate aim of environmental protection by subjecting hazardous waste and waste used for recycling industry to the same measures. *[Business Line]*

NexGen Energia plans to invest Rs 15,000 cr over 10 yrs to open 5,000 green diesel, CBG pumps: Green energy solutions company NexGen Energia plans a Rs 15,000 crore investment to open 5,000 green diesel and compressed biogas (CBG) pumps in the country over the next 10 years. *[The Economic Times]*

DVC to invest Rs 20,000 cr in solar energy projects by 2030: Damodar Valley Corporation (DVC) on Friday announced that it has planned to invest Rs 20,000 crore by 2030 to install nearly 4,000 MW of solar capacity. *[The Economic Times]*



Sectoral News

UP tax sops recognise hybrid vehicles role in cutting emissions - Maruti: Maruti Suzuki India Chairman RC Bhargava on Tuesday said the reported 100 per cent registration waiver for hybrid vehicles by the Uttar Pradesh government recognises the fact that multiple technologies are required to reduce carbon emissions and oil imports. *[Business Standard]*

Govt's infra push to steer steel demand to 221 - 275 million tonnes by FY 34: With a sustained momentum of investment across different sectors, overall steel demand in India is projected to grow at a CAGR of 5 per cent to 7.3 per cent over the next decade leading to a steel demand of 221-275 million tonnes by FY 34. *[The Economic Times]*

India's telecom equipment manufacturing sales cross Rs 50,000 cr under PLI scheme: Sales of telecom equipment have surpassed the Rs 50,000 crore milestone under the Production Linked Incentive (PLI) scheme. *[The Economic Times]*

Budget 2024 - Hospitality players seek infra status for hotels: Hospitality industry advocates urge the government to classify hotels as infrastructure in the upcoming Union Budget. *[The Economic Times]*

Total value of India's top 100 realty companies soars 70% in 1 year: The cumulative valuation of the top 100 real estate companies in India rose by 70 per cent in the 12 months ending on May 31, 2024. *[Business Standard]*

No recharge for MTNL, calls to be routed to BSNL: State-run Mahanagar Telephone Nigam is nearing the end of its independent existence with the government close to finalising a Rs 30,000-crore debt restructuring, after which the entire operations will be transferred to Bharat Sanchar Nigam (BSNL). *[The Economic Times]*

IRCTC, DMRC, CRIS collaborate to promote 'One India - One Ticket' initiative: Indian Railway Catering and Tourism Corporation, Delhi Metro Corporation (DMRC), and Centre for Railway Information Systems (CRIS) have collaborated to promote the 'One India - One Ticket' initiative, enhancing the travel experience for Main Line Railway and Metro passengers in the Delhi National Capital Region area. *[The Economic Times]*

Indian food services sector to grow by 8.1% from 2024 to 2028: Indian food services sector is expected to grow at a CAGR (compounded annual growth rate) of 8.1 per cent between 2024 and 2028 on the back of rapid urbanisation, robust GDP growth, a rising younger population, and greater exposure among consumers. *[Business Standard]*

Drug regulator to crack down on pharma companies not using barcodes: India's drug regulatory authority will take action against pharma companies that have failed to implement barcodes or QR codes on top 300 medicine brands. *[The Economic Times]*

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