

Industry Matters

Weekly Updates

March 04, 2022



Economy, Industry and Policy

PM Modi calls for 'zero defect, zero effect on environment' manufacturing, says quality matters in a competitive world: Prime Minister Narendra Modi on Thursday said that infinite opportunities await the manufacturers in the changing post-pandemic global supply chain. The Prime Minister said that the world today is looking at India as a manufacturing powerhouse. *[The Economic Times]*

Core sector growth slows down to 3.7% in January; restrictions to rein in Omicron cases impacted economic activity: The core sector output grew 3.7% in January, lower than 4.1% in the previous month, pulled down by natural gas, refinery, fertiliser and electricity, official data released on Monday showed. *[The Economic Times]*

Threat to global peace a challenge for economic revival - FM Sitharaman: Finance Minister Nirmala Sitharaman said on Friday that global peace was necessary for all countries, including India, to recover from the pandemic-induced economic slowdown. *[Business Standard]*

Sales of manufacturing cos grow 27.3 pc in December quarter - RBI data: Aggregate sales of 1,701 listed manufacturing companies recorded a growth of 27.3 per cent in the third quarter of 2021-22 on an annual basis, aided by high sales growth in petroleum, non-ferrous metals, iron and steel, chemicals and textiles industries, according to RBI data released on Monday. *[The Economic Times]*

FMCG sales value up, but volume dips as price hikes bite: India's packaged fast-moving consumer goods witnessed volume consumption degrow 2.6% due to inflationary pressures and price hikes taken by companies for the quarter ended December 2021, NielsenIQ said in its quarterly FMCG update. *[The Economic Times]*

Factory activity grows in February on better demand: The IHS Markit India Manufacturing Purchasing Managers' Index (PMI) rose to 54.9 in February from 54 in January. A reading above 50 on the index shows expansion and below that indicates contraction. *[The Economic Times]*

LIC IPO to be delayed or not? GoM likely to take a call tomorrow: A group of ministers is likely to meet on March 4 to decide whether the initial public offering (IPO) of Life Insurance Corporation of India (LIC) can be deferred to next year, considering the volatility in stock markets due to an ongoing war between Russia and Ukraine. *[Business Standard]*

Biz with over Rs 20 cr turnover to mandatorily generate e-invoice from April 1: Businesses with turnover of over Rs 20 crore will have to generate electronic invoice for B2B transactions from April 1, the Central Board of Indirect Taxes and Customs has said. *[The Economic Times]*



Foreign Investment

FDI equity inflows dip 16% during Apr-Dec 2021 to \$43.17 bn – Data: The total FDI inflows (which includes equity inflows, re-invested earnings and other capital) aggregated at USD 60.34 billion during the nine month period of the current fiscal year as against USD 67.5 billion in the year-ago period. *[Business Standard]*

FDI in Oct-Dec shrank 44%: Foreign direct investment (FDI) equity inflows into India in the third quarter of FY22 shrank almost 44% to \$12 billion from \$21.46 billion in the year-ago period, as per official data. *[The Economic Times]*

Cabinet gives nod for up to 20% FDI in LIC under auto mode: Since, as per the present FDI policy, the foreign inflows ceiling for public sector banks is 20% under the government approval route, it has been decided to allow foreign investment of up to 20% for LIC and such other corporate bodies, another person said. *[The Economic Times]*

Jaipur Rugs aims to be Rs 1,000-cr firm next fiscal; to open new stores in Europe, Southeast Asia: The firm has opened a flagship store in Milan, Italy, considered to be one of the fashion capitals of the world, in December 2021 moving in the direction of its vision to be a global brand in the segment, said Jaipur Rugs Director Yogesh Chaudhary. *[The Economic Times]*



Trade Policy and Competitiveness

India's oil import bill to top \$100 bn in current fiscal: India's crude oil import bill is set to exceed \$100 billion in the current fiscal year ending March 31, almost double its spending last year, as international oil prices trade at seven-year highs. *[The Economic Times]*

Exports of Electronic Goods sees a jump of 88% since 2013-14: India's export of electronic goods rose by almost 88% from USD 6600 Million in 2013-14 to USD 12,400 Million in 2021-22. Mobile phones, IT hardware (laptops, tablets), consumer electronics (TV and audio), industrial electronics and auto electronics are key exports in this sector. *[Press Information Bureau]*

Trade deficit widens in February, exports up 22.36%: India's exports rose 22.36% to \$33.81 billion in February, led by engineering, petroleum and chemicals, preliminary data released by the commerce and industry ministry Wednesday showed. *[The Economic Times]*

High net exports signal rising pressure on India's current account deficit: India's current account deficit (CAD) is set to widen in Q3 with net exports ratio touching the highest level in three years — at -3.9 per cent of gross domestic product (GDP) in the October-December quarter of FY22, GDP data has shown. *[Business Standard]*

Engineering exports in April-January period surpasses target - EEP data: As per the Quick Estimates of Foreign Trade for January 2022 released by the Department of Commerce, Government of India, the share of engineering in total merchandise export was 26.67 percent in January 2022 as against 25.89 percent in December 2021 and 26.89 percent in November 2021. *[The Economic Times]*

India and Japan renew bilateral swap arrangement of \$75 billion: Japan and India believe that the BSA, which aims to strengthen and complement other financial safety nets, will further deepen financial cooperation between the two countries and contribute to regional and global financial stability, the RBI statement said. *[Business Standard]*

Govt seeks stakeholder inputs on IPR issues in proposed trade pact with Canada: The department has asked stakeholders to furnish details on the IPR areas which are of "prime considerations" such as patent, trademark, copyright, design, geographical indications, enforcement, commercialization and technology transfer, and regulatory approval. *[The Economic Times]*

Govt to accept RCMC application from exporters via online mode only: According to the Foreign Trade Policy, a Registration-cum-Membership Certificate (RCMC) is required for exporters in order to avail benefits under the policy. Holding the certificate can also help exporters in availing benefits with respect to customs and excise. *[The Economic Times]*

Exporters want China route revived for shipments to CIS countries: Indian exporters have sought resumption of exports to the Commonwealth of Independent States (CIS) countries through China, following Russia's invasion of Ukraine. *[The Economic Times]*

Western sanctions on Russia to have marginal impact on India's trade: The sanctions on Moscow by the West are unlikely to have a material impact on most sectors of Indian economy and large sections of businesses, but it could lead to a taming of India's state-run oil companies' ambition to acquire more hydrocarbon assets in Russia. *[Financial Express]*

Cloud over \$500 million exports to Russia, CIS countries: Indian exporters to Russia and CIS countries face uncertainty over goods worth \$500 million due to the withdrawal of credit guarantee cover on items bound for the region, sanctions on Russian banks and feared disruptions at ports in the Baltic region. *[The Economic Times]*

Pharma companies worried as exports to Russia, Ukraine may get hit: The Russia-Ukraine crisis and sanctions against Russia by many western countries including the US may cause some damage to Indian pharmaceutical exports, executives of pharma industry told ET. *[The Economic Times]*



Corporate Governance

Future Retail suspends supermarket operations as Reliance plans takeover: Future Retail Ltd, India's second-largest retailer, suspended most of its online and offline operations as stores remained shut on Sunday, after rival Reliance bid to take over its flagship supermarkets for missed lease payments. *[The Economic Times]*

MCA to enter all complaints against cos in electronic registry; seeks to curb possible unauthentic communications: The system has been put in place to prevent possible harassment of stakeholders by fraudulent elements. Since all such communications will have the SRN, the stakeholders will be able know that the communication received by them is authentic, a senior official said. *[The Economic Times]*

RIL, Adani Power among companies bidding for Lanco Amarkantak: Reliance Industries, Adani Power, Oaktree Capital's fund, O P Jindal promoted Jindal Power Ltd and a consortium of three state-owned entities - Power Finance Corporation, REC Ltd and NTPC Ltd - have submitted expressions of interest for Lanco Amarkantak Power - the distressed thermal power company undergoing insolvency proceedings, said people aware about the development. *[The Economic Times]*

Mankind Pharma to acquire Panacea's formulation brands for India, Nepal: Through this acquisition Mankind Pharma will be able to explore new therapeutic areas and create visibility in lifestyle, oncology and transplant business, he added. *[The Economic Times]*



MSMEs and Start-ups

Indian startups second to US on Y Combinator's top companies list: Fintech unicorn Razorpay, which was valued at \$7.5 billion in December last year, topped the charts amongst Indian startups in Y Combinator's top startup list, which featured over 260 startups from the accelerator's portfolio. *[The Economic Times]*

Govt extends deadline for feedback on draft MSME policy: The MSME Ministry has extended the deadline for submission of feedback on the draft national policy for micro, small and medium enterprises (MSMEs) by two weeks to March 15 for greater participation of MSME stakeholders with their inputs. *[Financial Express]*

Accel raises \$650 mn fund to invest in Indian and SE Asian start-ups: Venture capital (VC) firm Accel, an early investor in unicorns like Flipkart, Swiggy, Zetwerk, Cultfit, Acko and others, has raised its seventh fund for India and SE Asia with a corpus of \$650 million. *[Business Standard]*

Union Bank, NPCI launch credit card for MSME borrowers to meet biz expenses: The 'Union MSME RuPay Credit Card' is a new digital payment tool available to the MSME customers of Union Bank of India for meeting their business-related operational expenses with interest-free credit for up to 50 days. *[The Economic Times]*



Employment and Industrial Relations

Formal job creation surged to 1.5 mn in December 2021, shows data: Around 15.26 lakh new members joined the ESIC-run social security scheme in December 2021 against 10.39 lakh in the previous month, official data showed on Friday, giving a perspective on formal sector employment in the country. *[Business Standard]*

States without MGNREGA ombudsperson in 80% districts won't get funds: From the next fiscal, the Centre will not give funds for employment guarantee scheme MGNREGS to states that do not appoint ombudspersons in 80 per cent of their districts where the scheme has been applied, a top government official said on Sunday. *[Business Standard]*

Fall in rural wage, labour crunch in urban areas hit construction sector: Industry veterans feel a dip in rural wages, unemployment, unprecedented rains and labour shortage in urban areas are the key reasons for the contraction of 2.8 per cent in the construction sector during Q3. *[Business Standard]*

Payroll Reporting in India – MOSPI: The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation has released the press note on Employment Outlook of the country covering the period September, 2017 to December, 2021 based on the administrative records available with selected government agencies to assess the progress in certain dimensions. *[Press Information Bureau]*

Government to pay Rs 12,000 crore extra for rural jobs scheme: The rural employment guarantee scheme will require additional funds beyond the upwardly revised Rs 98,000 crore in the Budget presented on February 1. *[The Economic Times]*

We are in talks with HR heads of companies on wage code - Labour Minister Bhupender Yadav: According to labour and employment minister Bhupender Yadav, India's labour codes are futuristic. India is one of the few countries in the world that has recognised gig and platform workers in our Codes and they have been registered on the e-Shram portal. *[The Economic Times]*



Industrial Finance

NBFCs likely to report 14% loan growth in FY23 - Ind-Ra: Non-banking finance companies (NBFCs) are likely to report a 14% year-on-year loan growth in the next financial year because of higher demand in the secured asset class segment, India Ratings & Research said in its FY23 outlook for non-bank lenders. *[Financial Express]*

Russia-Ukraine conflict triggers delay in fund-raising offshore and onshore: Mumbai International Airport (MIAL) and Indian Railway Finance Corporation (IRFC) are among some of the local companies seeking to raise global money via loans or bonds in the range of \$500-\$1 billion each, sources said. *[The Economic Times]*

Microfinance's contribution to India's GVA likely to grow - NCAER: The microfinance sector contributed about 2% of India's gross value added (GVA), the productivity metric for the economy, while the overall contribution of the entire financial sector is about 5.5% in 2018-19, according to a study by the (NCAER). *[The Economic Times]*

FM holds meeting with hospitality, tourism sectors; discusses credit-related issues: It is to be noted that Budget 2022-23 had proposed to open an additional Rs 50,000 crore window under the Emergency Credit Line Guarantee Scheme (ECLGS) to support hospitality and related services sector. *[The Economic Times]*



Technology and Innovation

PM Modi makes strong pitch for self-reliance in technology sector: The prime minister said science and technology was not an isolated sector as it was closely connected with the digital economy and based on advanced technology, which is now focusing on fast delivery and empowering citizens. *[Mint]*

ERGO Technology & Services sets up captive technology hub in India: ERGO, a global insurance major, has set up a captive technology hub in India to develop technology solutions in the insurance space for the entire 18-billion euro ERGO Group, which operates in about 30 countries. *[The Hindu BusinessLine]*

YouTube's creative ecosystem contributed ₹6,800 cr to Indian economy in 2020: According to the report, the Google-owned video-sharing platform helped generate 683,900 full-time equivalent jobs in India. Further, over 80% of creative entrepreneurs said the platform has had a positive impact on their professional goals. *[The Hindu BusinessLine]*

IPR plays important role in strengthening growth, focus on development - FM: Finance Minister Nirmala Sitharaman on Saturday said India is at a stage where growth and the focus on development have got to be strengthened from every side and intellectual property rights (IPRs) have an important role in it. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Multi-crore waterway project to be developed in Mizoram to aid southern districts: A multi-crore inland waterway transport project would be developed across a 23-km stretch on Mizoram's Khawthlangtuipui-Tuichawng rivers to cater to the needs of the southern districts, a senior official said. *[The Economic Times]*

European Union to fund urban infrastructure programme for Indian cities: The EU funded International Urban and Regional Cooperation (IURC) Asia & Australasia programme in India was officially launched in a virtual event last week. *[The Economic Times]*

Steps to boost NHA's fiscal position in next few months - Giridhar Aramane, secretary, MoRTH: NHA secretary Giridhar Aramane said that the finance ministry has allocated much more to NHA in the budget 2022-23 than what was expected. In 2021-22, he said, NHA has a target of around 10,000-11,000 km. *[The Economic Times]*

443 infrastructure projects show cost overruns of Rs 4.45 lakh crore: The Ministry of Statistics and Programme Implementation monitors infrastructure projects of Rs 150 crore and above. Of 1,671 such projects, 443 projects reported cost overruns and 514 projects were delayed. *[The Economic Times]*



Sustainable Industrialisation

India adds record 10 gigawatt solar capacity in 2021 - Report: Cumulative solar installed capacity in India was approximately 49 GW at the end of December 2021, the report titled 'Annual 2021 India Solar Market Update' said. "India added a record 10 GW of solar in 2021, the highest ever in a year. *[Financial Express]*

Niti Aayog to roll out EV battery swapping policy in four months: Public policy think tank Niti Aayog plans to roll out a 'battery swapping policy' – which will give electric vehicle buyers an option not to own its battery thereby bringing down the upfront cost and fast-tracking EV adoption – in the next 3-4 months. *[The Economic Times]*

SECI, HPCL sign MoU to work together in RE, electric mobility, alternative fuels: State refiner Hindustan Petroleum Corporation Ltd (HPCL) and Solar Energy Corporation of India Ltd has inked a pact for cooperation and collaboration in the field of renewable energy, electric mobility, and alternative fuels including the development of ESG Projects. *[The Economic Times]*

India slips 3 spots to rank 120 on 17 SDG goals adopted as 2030 agenda - Report: According to the Centre for Science and Environment's State of India's Environment Report, 2022, released by Union Environment Minister Bhupender Yadav on Tuesday, India's rank dropped primarily because of major challenges in 11 SDGs including zero hunger, good health and wellbeing, gender equality and sustainable cities and communities. *[The Economic Times]*



Sectoral News

Power consumption grows 2.2 pc to 105.54 billion units in February: India's power consumption growth remained subdued at 2.2 per cent year-on-year in February to 105.54 billion units (BU), showing the impact of local restrictions imposed by the states due to the third wave of COVID-19. *[The Economic Times]*

Top pharma firms to hike R&D spend next 5 yrs as mkt eyes \$130 bn revenue: Leading pharma companies in the country are looking at increasing their research spend over the next five years as the Indian pharmaceutical market eyes a \$130 billion turnover in the next ten years. *[Business Standard]*

Dairy industry's revenue to rebound 12% this fiscal to Rs 1.6 lakh crore: Revenue of India's organised dairy industry will rebound by 12% this fiscal to Rs 1.6 lakh crore, compared with a decadal low growth of 1% last fiscal, riding on strong demand recovery in most value-added dairy products (VAP), steady liquid milk sales, and retail price hikes during the fiscal, according to Crisil Ratings. *[The Economic Times]*



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Team Members: Satyaki Roy, Swati Verma, Sangeeta Ghosh, B. Dhanunjai Kumar, Amitava Dey & Rakesh Gupta.
Compiled by: Rakesh Gupta. Edited by Sangeeta Ghosh

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