



December 23, 2022 – Friday

Economy

Govt clears 24 proposals worth ₹84,328 crore for armed forces

The Defence Acquisition Council (DAC) headed by Defence Minister Rajnath Singh has approved a total 24 capital acquisition proposals worth ₹84,328 crore for the tri-services and Indian Coast Guard. 21 of these proposals, worth ₹82,127 crore, were approved by the DAC at its Wednesday's meeting for procurement from indigenous sources. The Defence Ministry said in an official statement that "these proposals include six for Indian Army, six for Indian Air Force, 10 for Indian Navy and two for Indian Coast Guard for a total value of ₹84,328 crore". These acquisitions will not only modernise the Armed Forces but will give a boost to the defence industry to achieve the goal of 'Aatmanirbhar Bharat'.

<https://www.thehindubusinessline.com/news/national/govt-clears-24-proposals-worth-84328-crore-for-armed-forces/article66293583.ece>

Nomura bullish on India, says it is the most attractive proposition and a long-term compelling growth story

Calling democracy and demography as India's biggest strengths, Jim McCafferty, Head of Asia (ex-Japan) Research at Nomura said that India is a compelling long-term growth story and by far the most attractive proposition for investors. In an exclusive interview with ET's Anand JC, McCafferty also said that from a stock market point of view, valuations are almost priced to perfection and this is an issue. He added that with inflated PE multiples India cannot afford to disappoint and if we see a disappointment in terms of earnings delivery that could have a negative impact on the stock market. Edited excerpts:

<https://economictimes.indiatimes.com/news/economy/indicators/nomura-bullish-on-india-says-it-is-the-most-attractive-proposition-and-a-long-term-compelling-growth-story/articleshow/96421663.cms>

Banking and Finance

Taxonomy and clear definitions needed to prevent 'greenwashing': RBI deputy governor M Rajeshwar Rao

Reserve Bank Deputy Governor M Rajeshwar Rao on Thursday called for a taxonomy on green finance to avoid the risk of "greenwashing". Green financing refers to lending to environmentally sustainable economic activities. Speaking at an event organised by the Business Standard here, Rao said a formal definition of green finance along with a taxonomy "is the need of hour" and added that it will enable more precise tracking of finance flows to green sectors in India. "A taxonomy would also help banks and financial institutions in better assessing the climate risk in their loan portfolio, scaling up green and sustainable finance and mitigating the risk of greenwashing," he said.

<https://www.financialexpress.com/economy/taxonomy-and-clear-definitions-needed-to-prevent-greenwashing-rbi-deputy-governor-m-rajeshwar-rao/2923548/>

What RBI MPC minutes reveal: Pausing repo rate hike would be costly error, warned Guv Das amid divided opinion

A premature pause in monetary policy action would be a costly policy error at this juncture, said Reserve Bank of India (RBI) Governor Shaktikanta Das, the minutes of the last MPC meeting showed. In the meeting held between December 5-7, the Monetary Policy Committee hiked interest rates by 35 basis points to 6.25% while remaining focused on 'withdrawal of accommodation.' While Shashanka Bhide, Ashima Goyal, Rajiv Ranjan, Michael Debabrata

Patra and Shaktikanta Das voted to increase the policy repo rate, only Jayanth R Varma voted against the rate hike. RBI has raised key interest rates by 225 basis points since May this year to tame rising inflation. "Considering the prevailing policy repo rate, liquidity conditions and the expected trajectory of inflation over the next several months, it is essential to persist with the stance of withdrawal of accommodation. Core inflation (CPI excluding food and fuel) is exhibiting persistence at around 6% for the past few months. Hence, there is no room for complacency and the battle against inflation is not over. This necessitates a constant vigil on prices," Governor Das added.

<https://www.financialexpress.com/economy/what-rbi-mpc-minutes-reveal-pausing-repo-rate-hike-would-be-costly-error-warned-guv-das-amid-divided-opinion/2923475/>

Insurers settled over 2.25 lakh death claims on account of Covid: Irdai report

Over 2.25 lakh death claims due to the Covid-19 pandemic were settled by insurance companies up to March 2022, the Insurance Regulatory and Development Authority of India (Irdai) said in its annual report released on Thursday. It further said the general insurers and stand-alone health insurers received a huge number of Covid treatment related claims which the industry handled "quite efficiently" and settled claims approximating to Rs 25,000 crore.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/insurers-settled-over-2-25-lakh-death-claims-on-account-of-covid-irdai-report/articleshow/96433590.cms>

India projected to be sixth largest insurance market by 2032: Irdai member

India has a huge untapped population which doesn't have facilities for financial aid and insurance, and it is perhaps plausible to look at the option of having niche players catering to smaller sectors akin to non-banks and microfinance institutions in lending, said Rakesh Joshi, member (Finance & Investment), Insurance Regulatory and Development Authority of India (Irdai). Speaking at the Business Standard BFSI Insight Summit, Joshi said, "Today, most of our insurance companies operate at a national level. There is arguably a case for having differentiated operations, which cater to niche sectors the same way we have non-banking financial companies (NBFC) and microfinance institutions in lending".

https://www.business-standard.com/article/specials/rakesh-joshi-story-bfsi-summit-122122200795_1.html

Budget 2023 | Widen tax base, do away with cess and surcharges: Experts

Widening of the tax base, doing away with cess and surcharge, improvement in compliance and moderation in tax for emerging sectors are some of the suggestions submitted to the Finance Ministry ahead of the Budget by Think Change Forum (TCF). Experts are of the opinion that there is a need to grow tax revenues for the government to drive economic growth and make investments in developmental activities, TCF, the think tank said in a statement. Towards this end, poor compliance was identified as a weak link in achieving targeted collections leading to complex issues like overtaxing, complicated tax structures, rising litigation, among others. Experts during the deliberation stressed on better compliance processes to be put in place backed by technological support which in turn will enable tax widening and need for strategies to strengthen tax collections from Tier 2 towns and cities to widen the tax net.

<https://www.financialexpress.com/economy/budget-2023-widen-tax-base-do-away-with-cess-and-surcharges-experts/2923319/>

Budget likely to drop PAN for some financial transactions with Aadhaar

The upcoming budget may drop the requirement of quoting the Permanent Account Number (PAN) for certain financial transactions if Aadhaar is available, as financial institutions have been making a case for simplified rules. Banks have approached the government, saying that since accounts are seeded with Aadhaar, there is no need for PAN as well. "We have received representations in this regard, and they are being examined," said an official aware of the matter.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/budget-likely-to-drop-pan-for-some-financial-transactions-with-aadhaar/articleshow/96434832.cms>

Industry

FMCG rural demand shows signs of green shoots after 2 years

Rural demand for packaged fast-moving consumer goods (FMCG) has begun showing signs of revival after nearly two years of slowdown, companies said. "The month of November saw rural volumes growing 6-7%, compared to 2-

3% in the previous two quarters," said Mayank Shah, senior category head at Parle Products, which crossed \$2 billion in annual revenue in FY22. "We believe this is on account of a good harvest season and inflation tapering off." India's villages, which contribute more than 35% to overall annual FMCG sales, are crucial for overall revival of the sector. Executives said good seasonal harvests, resulting in improved liquidity in the hands of farmers, higher government spending on infra, and the wedding season are aiding consumer sentiment in India's villages.

<https://economictimes.indiatimes.com/industry/cons-products/fmcf/fmcf-rural-demand-shows-signs-of-green-shoots-after-2-years/articleshow/96438528.cms>

House panel seeks to rein in Big Tech firms with digital competition law

The Parliamentary Standing Committee on Finance has presented a set of recommendations to rein in Big Tech companies through a digital competition law for regulating anti-competitive practices on their platforms. The report underlined the need for ex-ante regulations — which are cautionary and based on anticipated changes or activity — and said the government must frame a definition for Systemically Important Digital Intermediaries (SIDIs) that need tighter regulations. The classification could be based on revenues, market capitalisation, and the number of active users. Technology behemoths such as Alphabet (which owns Google), Meta (which owns Facebook), and Amazon are among those recognised the world over as Big Tech companies that act as crucial digital intermediaries. The panel said a top tech company must not "favour its own offers over the offers of its competitors" when acting as mediators.

https://www.business-standard.com/article/current-affairs/parliamentary-panel-wants-to-rein-in-big-tech-with-digital-competition-law-122122201080_1.html

MSME ministry: No information on whether GST badly affected MSMEs

Even as MSMEs have been critical of the government's Goods and Services (GST) tax on multiple occasions since its launch in 2017, the MSME ministry said it hasn't come across any information related to the negative impact of the tax system. "No such information has been received by this ministry," minister of state for MSMEs Bhanu Pratap Singh Verma informed the Lok Sabha on Thursday in a written reply to a question about whether the MSME sector has been affected badly due to GST. Verma, however, shared "numerous measures in respect of GST" taken by the government to encourage MSMEs such as first, no requirement of GSTIN on the Udyam Registration Portal up to the ceiling of Rs 40 lakh turnover; second, no registration required for the inter-state and intra-state supply of services up to Rs 20 lakhs in a year; third, no registration required for the intra-state supply of goods up to Rs 40 lakh in a year, etc.

<https://www.financialexpress.com/industry/sme/msme-eodb-msme-ministry-no-information-on-whether-gst-badly-affected-msmes/2923701/>

Agriculture

India tweaks gas procurement norms for fertiliser firms to cut cost: Report

India has tweaked the gas procurement policy for fertiliser companies, allowing them to buy about a fifth of their monthly needs through the local spot market to help the government cut its subsidy bill, two government sources told Reuters. The government has amended the 2015 gas procurement guidelines under which fertiliser plants had to procure 80% of their gas needs through long-term contracts and the balance through three-month tenders. "Three-month prices are high as there is lot of padding and hedging by suppliers, more so since there is so much volatility in the global gas prices," one of the sources said.

https://www.business-standard.com/article/economy-policy/india-tweaks-gas-procurement-norms-for-fertiliser-firms-to-cut-cost-report-122122200514_1.html

Govt sees bright prospect of wheat; current temp conducive for high yields

Agriculture Secretary Manoj Ahuja on Thursday said there is a bright prospect of wheat crop in key growing states as the current temperature remains conducive for plant growth and higher yield. Till last week, there was a 3 per cent increase in wheat acreage at 286.5 lakh hectares in the ongoing rabi season that began in October, according to the agriculture ministry's data. "Wheat crop prospect is bright. The current weather remains conducive for the plant growth and better yields," Ahuja told PTI on the sidelines of a millet luncheon organised by the Union Agriculture Minister at his residence ahead of the 2023 International Year of Millets.

https://www.business-standard.com/article/economy-policy/govt-sees-bright-prospect-of-wheat-current-temp-conducive-for-high-yields-122122200738_1.html

Infrastructure

Vision 2047: Port handling capacity to be raised by 4X

India is working out a plan to ramp up cargo handling capacity of its ports four fold to 10,000 million tonnes per annum (mtpa). A comprehensive ports master plan will spell out the target to be achieved by 2047, coinciding with 100 years of India's Independence, a senior government official told ET. "The goal under Vision 2047 is to increase the port handling capacity to 10,000 MTPA. Contours of the plan will soon be spelled out. There will be avenues for private participation that are being worked upon," the official said.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/vision-2047-port-handling-capacity-to-be-raised-by-4x/articleshow/96434963.cms>

India mulls rules for quicker resolution of builders' insolvency

India plans to introduce new rules for handling real estate bankruptcies, which would help homebuyers even as their builders wind down, people familiar with the matter said. The proposed change to the nation's Insolvency and Bankruptcy Code will permit resolution of the cases on a project-wise basis, the people said, asking not to be named, as the information is not public. That will allow handing over completed apartments to the home buyers even when the developer's insolvency process is underway, they said.

<https://economictimes.indiatimes.com/industry/services/property/-/cstruction/india-mulls-rules-for-quicker-resolution-of-builders-insolvency/articleshow/96415931.cms>

Energy

Renewable energy sector to boom with likely investments of over USD 25 billion in 2023

With an oil price shock threatening to derail economies globally, the focus has shifted to renewable energy with over USD 25 billion or Rs 2 lakh crore investment planned in India for using sunlight, water and air to produce energy. Oil and gas prices shooting through the roof in 2022 in the aftermath of Russia's war in Ukraine sent governments in import-dependent nations like India scrambling for options. Not just imports but a shift to renewables is also seen as a way to cut carbon footprint and meet net-zero targets. And so the government in 2022 aggressively pushed for the adoption of electric vehicles, the production of green hydrogen, manufacturing of solar equipment and energy storage in pursuit of its ambitious 500 GW renewable capacity target by 2030.

<https://www.financialexpress.com/industry/renewable-energy-sector-to-boom-with-likely-investments-of-over-usd-25-billion-in-2023/2923430/>

CIL can pursue overseas acquisition of coal mines after detailed study of blocks: Parliamentary Panel

With state-owned CIL not buying out of any coal blocks abroad at present, a Parliamentary panel on Thursday said the PSU can still pursue overseas acquisition of mines after detailed study and analysis of the blocks, especially low ash coking coal. The committee is of the view that this will not only reduce import of fossil-fuel but also open new avenues of mining abroad. "Considering the existing coal resources in the country, the committee would like the coal ministry/CIL to explore acquisition of coal blocks abroad. They would like to be apprised of any developments in this regard," the Standing Committee on Coal, Mines and Steel in its report tabled in Parliament said.

<https://www.financialexpress.com/industry/cil-can-pursue-overseas-acquisition-of-coal-mines-after-detailed-study-of-blocks-parliamentary-panel/2923568/>

Rooftop solar installations fall due to supply chain disruptions: MNRE Min

The rooftop solar capacity installations fell to 1.09 gigawatt during January-September 2022 due to reasons like supply chain disruption in solar modules and delay in tenders by state implementing agencies, Parliament was informed Thursday. At 1.09 GW, the installation was over 4 per cent lower compared to 1.14 GW in the nine-month period of 2021, according to the data shared by Minister for New and Renewable Energy R K Singh in Lok Sabha. "The reduction in rooftop solar capacity installation during 2022 compared to installations during 2021 as mentioned above is due to various factors including present supply chain disruption in solar modules, delay in tenders by state

implementing agencies under Rooftop Solar Programme Ph-II, delays in approvals and installation of net-meters by DISCOMs, etc," Singh said in a written reply to a question.

https://www.business-standard.com/article/current-affairs/rooftop-solar-installations-fall-due-to-supply-chain-disruptions-mnre-min-122122200762_1.html

Telecom

DoT forms 4 task forces to boost domestic telecom mfg, remove hurdles

The Department of Telecom (DoT) has formed four task forces to recommend to the government measures that will boost the domestic telecom manufacturing ecosystem and remove the bottlenecks, an official memorandum said. The development follows a round table between Communications Minister Ashwini Vaishnaw and 42 chiefs of telecom gear makers early this month where he identified the need for creating a task force to resolve issues that the companies raised before him. Under one of the task forces, the DoT has sought recommendation for a phased manufacturing programme for telecom gear manufacturing to boost domestic component supply chain ecosystem as well as attract global players. This task force will be co-chaired by state-run research arm C-DoT CEO RK Upadhyay, the memorandum dated December 20 said.

https://www.business-standard.com/article/economy-policy/dot-forms-4-task-forces-to-boost-domestic-telecom-mfg-remove-hurdles-122122200739_1.html

States

Karnataka Start-up Policy 2022-27 gets Cabinet nod

The Karnataka Cabinet has approved the Karnataka Start-up Policy 2022-27 with an objective to stimulate the growth of 25,000 start-ups by 2027. The State cabinet held its meeting in the Belagavi Suvarna Vidhana Soudha on Thursday. The policy has proposed to establish 50 New Age Innovation Network (NAIN) centres (35 in IT/ Electronics and 15 in Biotechnology) to be set up in technology institutions of higher learning located outside Bengaluru Urban District. It will also provide annual financial support of up to ₹12 lakh towards operational expenditure per NAIN centre. CN Ashwath Narayan, Minister for IT/BT said, "Currently the State houses around 15,000 start-ups and the new policy has a goal to add at least 10,000 start-ups in 5 years. The new policy framed by the Department of Electronics, IT/BT and S&T has an overarching aim of positioning Karnataka as the 'Champion State' for start-ups and further increase the number of high growth start-ups by 2027."

<https://www.thehindubusinessline.com/news/national/karnataka-start-up-policy-2022-27-gets-cabinet-nod/article66293296.ece>

Healthcare

Mandaviya to hold meeting with state health ministers over Covid surge

Union Health Minister Mansukh Mandaviya will hold a meeting with health ministers of states and Union territories on Friday over rising COVID-19 cases in some parts of the world. Mandaviya made a suo motu statement in the Rajya Sabha on Thursday on India's preparedness. "We are constantly monitoring the situation. There are no direct flights between China and India but people come via other routes," he said. He said the focus is to ensure that no unknown variant of the virus enters India and at the same time there is no impediment to travelling. As China and some other countries witness a surge in Covid cases, Prime Minister Narendra Modi on Thursday cautioned against complacency, called for strict vigil and directed that the ongoing surveillance measures, especially at international airports, be strengthened.

https://www.business-standard.com/article/current-affairs/mandaviya-to-hold-meeting-with-state-health-ministers-over-covid-surge-122122300009_1.html

Pharmaceutical companies step up hiring of sales representatives to expand market share

Pharmaceutical companies have stepped up hiring of medical representatives and field managers, as they focus on increasing their market share and sales in the highly fragmented domestic formulation market. Industry executives and headhunters told ET that salesforce is needed as they launch more products targeting chronic therapeutic

segments such as diabetes, heart failure, central nervous system and respiratory. In addition, they said, companies are focusing on going beyond metro and tier-1 cities and engaging as many prescribers and chemists as possible.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharmaceutical-companies-step-up-hiring-of-sales-representatives-to-expand-market-share/articleshow/96434377.cms>

External

Sixth round of India-UK FTA ends with detailed draft treaty talks

The sixth round of negotiations between India and the UK to finalise a free trade agreement (FTA) concluded last week with detailed draft treaty discussions across 11 policy areas over 28 separate sessions, the British government said on Thursday. The UK's Department for International Trade (DIT) issued a joint outcome statement to confirm that the latest round, initiated by UK Trade Secretary Kemi Badenoch and Commerce Minister Piyush Goyal on December 12, concluded last Friday. The seventh round of talks, expected to be held in the UK, is due to take place in early 2023. "Technical discussions were held across 11 policy areas over 28 separate sessions. They included detailed draft treaty text discussions in these policy areas, the DIT statement reads.

As with the previous five official-level rounds, the DIT said the latest round was conducted in a hybrid fashion during which a number of UK officials travelled to New Delhi for negotiations and others attended virtually.

https://www.business-standard.com/article/pti-stories/round-6-of-india-uk-fta-ends-with-detailed-draft-treaty-talks-122122200992_1.html

Toy exports jump over 200% from FY15, imports drop nearly 70%: MoS MSME Bhanu Pratap Singh Verma

The export of toys from India has increased by around 240 per cent from \$96.17 million in the financial year 2014-15 to \$326.63 million in FY22 while imports have dropped by approximately 67 per cent from \$332.55 million in FY15 to \$109.72 million in FY22, according to the latest data shared by the minister of state for MSMEs Bhanu Pratap Singh Verma in a written reply in the Lok Sabha on Thursday. Verma said the government has taken several steps to restrict the import of sub-standard and unsafe toys and to promote the domestic toy industry. "As a result of various steps taken by the Government, the volume of import of toys into the Indian market has shown a consistently decreasing trend," he added. Importantly, to promote domestic toys, the government had formulated a comprehensive National Action Plan for Toys to promote the designing of toys based on Indian values, culture and history.

<https://www.financialexpress.com/industry/sme/msme-exim-toy-exports-jump-over-200-from-fy15-imports-drop-nearly-70-mos-msme-bhanu-pratap-singh-verma/2923755/>