



January 06, 2023 – Friday

### Key Developments

#### **Fresh KYC process can be done through video, says RBI**

The Reserve Bank of India has released fresh guidelines for the know your customer (KYC) processes that allow for them to be completed remotely. "Fresh KYC process can be done by visiting a bank branch, or remotely through a Video based Customer Identification Process (V-CIP) (wherever the same has been enabled by the banks), as provided in Section 18 of the Master Direction on KYC," the RBI said in a statement. In addition the RBI has advised banks to provide non-face-to-face channels to self-declare a KYC in case there is no change in the information. "If there is no change in KYC information, a self-declaration to that effect from the individual customer is sufficient to complete the re-KYC process," read the statement.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/fresh-kyc-process-can-be-done-through-video-says-rbi/articleshow/96768980.cms>

#### **SEBI extends relaxation on dispatching hard copies of financial statements**

The Securities and Exchange Board of India (Sebi) on Thursday extended the relaxation to listed companies from dispatching of physical copies of financial statements till September 30, 2023. "Sebi has been receiving representations from listed entities seeking extension of the relaxations provided," said the capital markets regulator in a circular. The earlier extension was till December 31, 2022. Sebi's extension comes after the Ministry of Corporate Affairs has also provided similar relaxations to companies dispatching physical copies of financial statements, including board's report, auditor's report or other documents to shareholders through a circular on December 28, 2022. However, firms will be required to send hard copy of annual reports to those shareholders who request for the same. Sebi also requires companies to disclose the web-link to the annual report so as to enable shareholders to have access to the full annual report.

[https://www.business-standard.com/article/markets/sebi-extends-relaxation-on-dispatching-hard-copies-of-financial-statements-123010501237\\_1.html](https://www.business-standard.com/article/markets/sebi-extends-relaxation-on-dispatching-hard-copies-of-financial-statements-123010501237_1.html)

### Economy

#### **India's FY24 growth to dip to 5.5% from 6.8% in FY23, says HSBC economist**

India's economy is expected to grow 5.5% in the next financial year, a notch below the expected potential rate of 6%, as growth momentum in the country was slowing gradually, an economist at HSBC said on Thursday. "While both exports and imports have slowed over the last few months, the former has slowed more sharply than the latter, indicating a sharper fall in the global growth momentum," Pranjul Bhandari, chief India and Indonesia economist at HSBC Securities and Capital Markets (India) said in a note to clients. Economists at the brokerage expect domestic demand to remain stronger as compared to global demand, the note said, adding that demand for goods - higher than services demand during the pandemic - has fallen in recent months.

[https://www.business-standard.com/article/economy-policy/india-s-fy24-growth-to-dip-to-5-5-from-6-8-in-fy23-says-hsbc-economist-123010500658\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-fy24-growth-to-dip-to-5-5-from-6-8-in-fy23-says-hsbc-economist-123010500658_1.html)

#### **Chennai, Southern cities top in terms of women employment: Report**

Chennai is India's best city for women's employment and it is followed by Pune, Bengaluru, Hyderabad and Mumbai, said a report by Avtar, a firm specialising in workplace inclusion. The report ranks 111 cities on parameters nurturing a conducive ecosystem for women's employment. Ahmedabad, Visakhapatnam, Kolkata, Coimbatore and Madurai form the rest of the Top 10 cities—each has a population of more than one million—in terms of women's employment. "The fact that the South and West regions are more women-friendly in terms of employment is not a surprise, given the politico-historic context of these regions. The rise of cities like Hubli, Nagpur, Ahmedabad, and Coimbatore as promising hubs of women's employment, due to their high Industrial Inclusion scores is very heartening," said Saundarya Rajesh, founder-president, Avtar Group.

[https://www.business-standard.com/article/economy-policy/chennai-southern-cities-top-in-terms-of-women-employment-report-123010500672\\_1.html](https://www.business-standard.com/article/economy-policy/chennai-southern-cities-top-in-terms-of-women-employment-report-123010500672_1.html)

## Banking and Finance

### 59-minute loan scheme: Loans disbursed grew 2.59% YoY as of Dec 1, shows Govt data

The government and SIDBI's 59-minute loan approval scheme for MSMEs — PSB Loans in 59 Minutes disbursed 2,25,700 loans involving Rs 67,246 crore as of December 1, 2022, out of 2,43,630 loans involving Rs 83,168 crore sanctioned, according to the latest data by the MSME ministry on its dashboard. The disbursed loan volume grew only by 2.59 per cent year-on-year (YoY) from 2.20 lakh loans disbursed during the year-ago period while sanctioned loans increased by 3.2 per cent YoY as of December 1, 2022, from the corresponding period in the preceding year. Month-on-month, sanction loans as of December 1, 2022, were up by 0.20 per cent from 2,43,140 loans sanctioned as of November 1, 2022, while disbursement volume also grew by 0.20 per cent from 2,25,236 loans disbursed.

<https://www.financialexpress.com/industry/sme/msme-fin-59-minute-loan-scheme-loans-disbursed-grew-2-59-yoy-as-of-dec-1-shows-govt-data/2937975/>

### Budget 2023-24: Govt may go easy on capital expenditure growth in FY24

The Central government may not expand its capital expenditure (capex) for the next fiscal year (FY24) to as large a degree as the increase in the previous two Budgets in the belief that private-sector capex is recovering strongly.

[https://www.business-standard.com/budget/article/budget-2023-24-govt-may-go-easy-on-capital-expenditure-growth-in-fy24-123010501124\\_1.html](https://www.business-standard.com/budget/article/budget-2023-24-govt-may-go-easy-on-capital-expenditure-growth-in-fy24-123010501124_1.html)

## Industry

### Govt to release norms to support startups' innovation in technical textiles

The government will soon release guidelines to support startups interested in undertaking research and innovation in the technical textiles segment and is contemplating a grant of up to Rs 50 lakh for approved proposals, a top official said on Thursday. Responding to a query by PTI, Secretary in the Textiles Ministry Rachna Shah said that she is hopeful that the norms will be unveiled in a month's time. "We would have an evaluation committee which would decide on approving grant for that, so the grant would be up to Rs 50 lakh, that is what we are looking at," Shah said.

[https://www.business-standard.com/article/companies/govt-to-release-norms-to-support-startups-innovation-in-technical-textiles-123010500753\\_1.html](https://www.business-standard.com/article/companies/govt-to-release-norms-to-support-startups-innovation-in-technical-textiles-123010500753_1.html)

### Auto retail sales dip 5% in December after two-month cruising: FADA

Automotive (auto) retail sales in India saw a 5 per cent dip in December 2022 after a two-month good run, mainly due to a 11 per cent decline in two-wheeler sales, reveals data released by the Federation of Automobile Dealers Associations (FADA). The downer comes at a time when FADA's wholesale numbers revealed better figures earlier this month. Other than two-wheelers, FADA numbers showed all other categories being in the green in December, with three-wheeler, passenger vehicle (PV), tractor, and commercial vehicle during the same period posting growth of 42 per cent, 8 per cent, 5 per cent, and 11 per cent, respectively.

[https://www.business-standard.com/article/companies/after-festive-season-good-show-vehicle-retail-sales-dip-by-5-in-dec-fada-123010500933\\_1.html](https://www.business-standard.com/article/companies/after-festive-season-good-show-vehicle-retail-sales-dip-by-5-in-dec-fada-123010500933_1.html)

### FMCG companies likely to see recovery in volume growth by next fiscal

Consumer goods companies and analysts expect volume growth recovery only by next fiscal year as rural demand is still under pressure while urban and premium products have shown consistent growth. "Recovery in rural demand remains a concern as inflation stays at elevated levels," Marico said in its investor update, adding that the India business logged mid-single-digit volume growth during the December quarter. "Easing of commodity inflation, higher crop realisations, ongoing government interventions and likely stimulus from the upcoming Union budget augurs well for the sector in the forthcoming calendar year." In the past few months, companies have been reversing grammage cuts in biscuits and soaps to bolster volume growth amid easing inflationary pressures to help drive margin improvement. While growth has improved sequentially due to the festive season, it is still lower than a year ago.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/fmcg-companies-likely-to-see-recovery-in-volume-growth-by-next-fiscal/articleshow/96773785.cms>

#### **FSSAI likely to consider 'warning' stickers on front-of-pack labels**

The Food Safety and Standards Authority of India (FSSAI) may consider adding warning labels, along with its recommendations, to its existing proposed draft policy for front-of-pack labels (FoPL) before it submits the proposal to the government for its final approval.

[https://www.business-standard.com/article/economy-policy/fssai-may-consider-warning-labels-to-existing-front-pack-labelling-norm-123010501069\\_1.html](https://www.business-standard.com/article/economy-policy/fssai-may-consider-warning-labels-to-existing-front-pack-labelling-norm-123010501069_1.html)

#### **20,000 jobs lost in Surat as diamond demand fades**

Plummeting demand for cut and polished diamonds in the West and China has pushed some 20,000 workers out of work in the last one month in Surat, where 80% of the diamonds sold globally are polished. Surat, the main centre of India's diamond industry, offers employment to some 800,000 workers in its 4,000-odd cutting and polishing units. But work has been drying up, forcing the units to work at 60-70% capacity, said Damji Mavani, secretary of Surat Diamond Association (SDA). It also means fewer workers are needed.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics-/jewellery/20000-jobs-lost-in-surat-as-diamond-demand-fades/articleshow/96773814.cms>

#### **As demand revives, cement companies go on an expansion spree**

Cement companies are on an expansion spree and are expected to add 80-100 million tonnes (mt) of fresh capacity by FY25 despite the looming challenges on rising input cost and uncertainty on the demand front. With a well deleveraged balance sheet, the industry will add an incremental capacity of 33 mt this fiscal with Aditya Birla Group's UltraTech Cement accounting for a chunk. Gearing for growing demand and intense competition from new entrant Adani Group in the cement business, UltraTech Cement has drawn plans to increase its installed capacity to 159 mtpa by FY25 by adding 42 mtpa of capacity across the country along with grinding units and bulk terminals. The company's capacity has already increased 41 per cent to 120 mtpa in the last fiscal from 85 mtpa in FY18.

<https://www.thehindubusinessline.com/markets/commodities/as-demand-revives-cement-companies-go-on-an-expansion-sprees/article66342157.ece>

#### **IT set for modest growth in Q3 on global headwinds**

Indian IT companies are expected to report modest numbers for the fiscal third quarter, on tightening tech spending by clients due to macroeconomic and geopolitical concerns. The October-December quarter is a seasonally weak one for IT firms due to the lower number of working days and more holidays (furloughs). According to an ET poll of five brokerage houses, the top five Indian IT service providers will grow in the range of 0.1-3.7% sequentially in terms of constant currency revenue, with HCLTech leading the pack.

<https://economictimes.indiatimes.com/tech/technology/it-set-for-modest-growth-in-q3-on-global-headwinds/articleshow/96771699.cms>

#### **Indian startups take 5 yrs to scale from zero to \$100 mn revenue: Report**

The Indian startups are now taking around five years' time to scale from zero to \$100 million in revenue, a report showed on Thursday. With the ecosystem maturing in the last decade, the time taken to reach the \$100 million mark has decreased significantly. What took 18 years in 2000 to reach \$100 million revenue has come down to five years,

according to data by Redseer Strategy Consultants. There are about 100 unicorns and 170 soonicorns in India. Of these 270 shining stars, 40+ startups in FinTech, eCommerce, and logistics have crossed \$100 million revenue as of FY22.

[https://www.business-standard.com/article/companies/indian-startups-take-5-yrs-to-scale-from-zero-to-100-mn-revenue-report-123010500248\\_1.html](https://www.business-standard.com/article/companies/indian-startups-take-5-yrs-to-scale-from-zero-to-100-mn-revenue-report-123010500248_1.html)

#### **Govt to recover wrongly claimed sops by EV makers**

The Centre plans to initiate recovery of wrongly claimed subsidies by electric vehicle (EV) makers under a dedicated ₹10,000-crore programme that was created to promote local manufacturing and adoption of transport choices that don't leave tailpipe emissions. Officials privy to the development told ET that the Ministry of Heavy Industries (MHI) has begun the process to ascertain the quantum of subsidy used by manufacturers without adhering to the specified degree of localisation committed for availing monetary benefits from the scheme called Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles in India, or FAME India.

<https://economictimes.indiatimes.com/industry/renewables/govt-to-recover-wrongly-claimed-sops-by-ev-makers/articleshow/96773861.cms>

### **Agriculture**

#### **Policy changes likely to push low-cost urea production**

The government is mulling policy changes to push low cost production of urea to promote efficiency and lower its subsidy bill, said a government official. "The companies producing urea at a higher cost should be at a loss against those companies producing urea at a lower cost," said the official, who did not wish to be identified. The Department of Fertilizers is in talks with the industry and other stakeholders to frame a new legislation. The chemicals and fertilisers ministry is trying to rework the mechanism of how gas is procured by fertiliser plants. Recently it revised the gas procurement policy for fertiliser companies, allowing plants to buy about a fifth of their monthly needs through the domestic spot market.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/chem-/-fertilisers/policy-changes-likely-to-push-low-cost-urea-production/articleshow/96773859.cms>

### **Infrastructure**

#### **India Inc beats US firms in office leasing for first time in 2022; domestic firms' share at 50 pc: CBRE**

Indian companies have overtaken American firms in gross leasing of office space for the first time, with almost a 50 per cent share in the total demand, according to CBRE India. In its report released on Thursday, CBRE said that the gross leasing of office space rose 40 per cent in 2022 to 56.6 million square feet across nine major cities from 40.5 million square feet in the previous year. Out of the total absorption of office space in 2022, 27.73 million square feet area was leased by domestic firms while 20.37 million square feet by American companies, according to CBRE. The total gross leasing of office space in 2022 was the second-highest leasing activity ever after it touched the peak in 2019 with a 65 million square feet area.

<https://www.financialexpress.com/industry/india-inc-beats-us-firms-in-office-leasing-for-first-time-in-2022-domestic-firms-share-at-50-pc-cbre/2937787/>

### **Energy**

#### **Green hydrogen manufacturing to come under PLI scheme: R K Singh**

The Centre will bring in a production-linked incentive (PLI) scheme in coming months to give impetus to manufacturing of green hydrogen and its key component electrolyser, Union Power, New, and Renewable Energy Minister R K Singh said on Thursday. The minister was speaking a day after the Union Cabinet approved an initial outlay of Rs 19,744 crore for the National Green Hydrogen Mission. One of the key tenets of the mission is allocation of Rs 17,490 crore for strategic interventions for green hydrogen transition (SIGHT) programme. Under SIGHT, there will be two financial incentive mechanisms for the domestic manufacturing of electrolysers and the production of green hydrogen.

[https://www.business-standard.com/article/economy-policy/pli-like-scheme-for-green-hydrogen-and-electrolyser-manufacturing-on-cards-123010501017\\_1.html](https://www.business-standard.com/article/economy-policy/pli-like-scheme-for-green-hydrogen-and-electrolyser-manufacturing-on-cards-123010501017_1.html)

#### **Coal production rises by 9% in December 2022 to 82.87 MT: Govt data**

India's coal production increased by 9.2 per cent to 82.87 million tonnes in December 2022, from 75.87 million tonnes recorded during November 2022. On year-on-year basis, domestic coal production went up by 10.8 per cent in December 2022 from December 2021, when it was 74.79 million tonnes. According to Coal Ministry data, in December 2022, Coal India Ltd registered a growth of 10.30 per cent, whereas Singareni Collieries Company Ltd (SCCL) and captive mines recorded a growth of 19.12 per cent and 9.01 per cent, respectively.

[https://www.business-standard.com/article/economy-policy/coal-production-rises-by-9-in-december-2022-to-82-87-mt-govt-data-123010501080\\_1.html](https://www.business-standard.com/article/economy-policy/coal-production-rises-by-9-in-december-2022-to-82-87-mt-govt-data-123010501080_1.html)

### **Telecom**

#### **Govt rolls out high-speed 5G telecom services in Odisha; Rs 5,600-cr outlay**

Union Minister for Communication and Information Technology Ashwini Vaishnaw along with Union Education Minister Dharmendra Pradhan on Thursday launched high-speed fifth generation (5G) telecom services in Odisha. Bhubaneswar and Cuttack became the first cities in Odisha to get 5G services starting Thursday. Earlier, during its nation-wide launch, 5G services were provided to President Droupadi Murmu's village Pahadpur in Mayurbhanj district of Odisha. The 5G services have been unveiled in Odisha in the first phase of the national launch, much before the first phase deadline of March, 2023, Vaishnaw said.

[https://www.business-standard.com/article/economy-policy/govt-rolls-out-high-speed-5g-telecom-services-in-odisha-rs-5-600-cr-outlay-123010501190\\_1.html](https://www.business-standard.com/article/economy-policy/govt-rolls-out-high-speed-5g-telecom-services-in-odisha-rs-5-600-cr-outlay-123010501190_1.html)

#### **Revenue growth of telcos likely to be sluggish in Q3**

Bharti Airtel, Reliance Jio and Vodafone Idea (Vi) are likely to report sluggish sequential mobile revenue growth for the October-December 2022 quarter, as users discarded multiple SIMs, conversion from 2G to 4G slowed and the impact of late 2021 tariff hikes petered out with no fresh increases, said analysts. ICICI Securities estimates that Bharti Airtel, Jio Platforms (JPL) and Vi will report Rs 35098.5 crore (0.6% on quarter growth), Rs 24653.2 crore (1.6% on quarter growth) and Rs 10628 crore (on quarter growth 0.1%) respectively in their India mobile revenue for the third quarter of this financial year.

<https://economictimes.indiatimes.com/industry/telecom/revenue-growth-of-telcos-likely-to-be-sluggish-in-q3/articleshow/96773693.cms>

### **States**

#### **Logistics, defence see MoUs worth Rs 16,400 crore in Uttar Pradesh**

The Uttar Pradesh (UP) government has signed memorandums of understanding (MoUs) worth nearly \$2 billion (about Rs 16,400 crore) with North American companies in the logistics, defence, and aerospace sectors. The agreements were inked recently with the companies incorporated in the US and Canada, a senior government official said. US-based Mobility Infrastructure Group will invest Rs 8,200 crore in logistics projects, expected to generate 100 fresh employment opportunities. Canada-based QSTC will also pump in Rs 8,200 crore in defence and aerospace projects, creating 200 jobs.

[https://www.business-standard.com/article/economy-policy/logistics-defence-see-mous-worth-rs-16-400-crore-in-uttar-prades-123010501417\\_1.html](https://www.business-standard.com/article/economy-policy/logistics-defence-see-mous-worth-rs-16-400-crore-in-uttar-prades-123010501417_1.html)

#### **Govt okays Rs 12,882-cr for continuation of Northeast's development schemes**

The Centre has approved the continuation of schemes of the Ministry of Development of North Eastern Region (DoNER) with an outlay of Rs 12,882 crore for the balance period of the 15th Finance Commission (2022-23 to 2025-26). Addressing a press conference here, Minister for DoNER G Kishan Reddy said the decision to extend the approved schemes for the balance period of the 15th Finance Commission was taken at a meeting of the Union Cabinet chaired by Prime Minister Narendra Modi on Wednesday. This would enable better planning for the

implementation of the schemes in terms of project selection and front-loading of projects during the scheme period, he said.

[https://www.business-standard.com/article/economy-policy/govt-okays-rs-12-882-cr-for-continuation-of-northeast-s-development-schemes-123010500900\\_1.html](https://www.business-standard.com/article/economy-policy/govt-okays-rs-12-882-cr-for-continuation-of-northeast-s-development-schemes-123010500900_1.html)

## Healthcare

### On G20 health meet agenda: work on future pandemics, Ayushman Bharat

Preparing the world to tackle future pandemics better, a more equitable distribution of the global pandemic fund, seeking more cooperation among countries on pharma research and improving the availability of digital public goods in developing countries are some of the priority areas that the health ministry has decided to pursue days before it kickstarts its set of meetings for G20 presidency. Union Health Minister Mansukh Mandaviya on Thursday said that during its G20 Presidency, India will focus on health emergencies prevention, preparedness, and response through the 'One Health' approach and antimicrobial resistance (AMR) surveillance. He said strengthening cooperation in the pharmaceutical sector for availability and access to safe, effective and affordable vaccines, therapeutics, diagnostics, digital health innovations and solutions to aid universal health coverage is an important focus.

<https://economictimes.indiatimes.com/news/india/on-g20-health-meets-agenda-work-on-future-pandemics-ayushman-bharat/articleshow/96773841.cms>

## External

### Trade dispute: India likely to propose out-of-court settlement to US

India may propose an out-of-court settlement to the United States (US) in a case relating to the provision of export subsidies, which the World Trade Organization's (WTO's) dispute panel said violated its rules.

[https://www.business-standard.com/article/economy-policy/india-may-propose-out-of-court-settlement-to-us-in-trade-dispute-123010501298\\_1.html](https://www.business-standard.com/article/economy-policy/india-may-propose-out-of-court-settlement-to-us-in-trade-dispute-123010501298_1.html)

### Govt hopeful of rise in FDI inflows in coming months

The government is hopeful of an increase in foreign direct investment (FDI) inflows in the coming months despite global headwinds, a senior official of the industry department said on Thursday. The official said the number of pending FDI proposals from China are lowest at present. "Foreign inflows have an effect because of the global slowdown that we are seeing for the last 18 months... but we are hopeful (as) India has shown very great numbers compared to the rest of the countries. So, we are hoping that we would be making up for all that," said Manmeet K Nanda, joint secretary, Department for Promotion of Industry and Internal Trade (DPIIT).

<https://economictimes.indiatimes.com/news/economy/indicators/govt-hopeful-of-rise-in-fdi-inflows-in-coming-months/articleshow/96773873.cms>

### Centre mulling lower import duties on electrolyser for 2-3 years

The government is contemplating on providing an incentive in the form of lower duties on importing electrolysers for an initial period of around 2-3 years, in an effort to expand the nascent domestic ecosystem for manufacturing green hydrogen and green ammonia. "What we are thinking is that we will announce a date until which the domestic industry will be allowed to import electrolysers at lower import duties. Let's say, by 2025-26. We expect domestic manufacturing capacity to come up by then. Thereafter, heavy import duties will kick in and we don't expect anybody to import electrolysers," Power Minister RK Singh told reporters on Thursday. Electrolysers account for around 40-55 per cent of the cost of producing green hydrogen, while the rest is on power and storage. At present, electrolysers cost around ₹4 crore per megawatt (MW). The present cost of producing green hydrogen is about \$4-7 per kg.

<https://www.thehindubusinessline.com/economy/centre-mulling-lower-import-duties-on-electrolyser-import-for-2-3-years/article66342839.ece>