



February 07, 2023 – Tuesday

Key Developments

SEBI puts in place operational guidelines on green bonds

Capital market regulator Sebi on Monday came out with operational guidelines on green bonds asking issuers to make additional disclosure, pertaining to environmental sustainability objectives of such debt securities in the offer document. In addition, issuers of green bonds will have to disclose brief details of decision-making process followed for determining the eligibility of projects, for which the proceeds are being raised through issuance of green debt securities, Sebi said in a circular. Apart from disclosure in the offer document, the Securities and Exchange Board of India (Sebi) has asked the issuer, who has listed green debt securities, to provide certain additional disclosures along with its annual report and financial results. Also, the issuer will have to appoint a third party reviewer for a green debt security for the post-issue management of the use of proceeds from the green debt security, and verification of the internal tracking and impact reporting. Listing out responsibilities of the issuer, Sebi said that an issuer of green debt securities will have to maintain a decision-making process which it uses to determine the continuing eligibility of the project.

<https://www.financialexpress.com/market/sebi-puts-in-place-operational-guidelines-on-green-bonds/2973098/>

Economy

Centre sets up inter-ministerial Panel for drafting Digital Competition Act

In a crucial decision, the Centre on Monday constituted a 16-member inter-ministerial committee to examine the need for a separate law on competition in digital markets. The panel has been tasked with submitting its report, including a draft Digital Competition Act, within three months, sources close to the development said. The Standing Committee on Finance, headed by BJP MP Jayant Sinha, recently recommended the enactment of the Digital Competition Act.

<https://www.thehindubusinessline.com/economy/centre-sets-up-inter-ministerial-panel-for-drafting-digital-competition-act/article66477768.ece>

Here's how 'Blockbuster Budget' will help India become \$5 trillion economy; massive boost to these key sectors

Widespread sentiment among analysts is that the Union Budget 2023 struck a healthy balance between growth-based and welfare-based policies. Coupled with the fact that India is expected to maintain its economic stability during the anticipated global recession, experts view a bright future ahead. FM Nirmala Sitharaman, last week, underlined the 7 main priorities of the government for the year 2023-24 – inclusive development, reaching the last mile, infrastructure and investments, unleashing potential, green growth, youth power and financial sector. According to Arun Prabhu, Partner & Head – TMT, Cyril Amarchand Mangaldas, "All the investments in the public sector will see a cyclic effect and give rise to an economic output multiplier. The Rs 10 lakh crores allocated to the public sector is a significant boon for the economy. India is clearly headed toward becoming a \$5 trillion economy and should surpass Japan as the 3rd largest economy within the next 8-10 years."

<https://www.financialexpress.com/economy/heres-how-blockbuster-budget-will-help-india-become-5-trillion-economy-massive-boost-to-these-key-sectors/2972719/>

Four out of 10 households feeling pinch of higher milk prices, survey shows

Milk prices have soared over the past one year with hikes of over Rs 12 a litre in some brands. Rising food and fodder cost and difficulty in sourcing milk for companies due to low supplies even during the flush season are some reasons for the steep rise in prices. Almost 80 per cent of the price that the consumer pays for milk is passed on to the farmers as purchase cost. A recent survey by Local Circles showed that four out of 10 Indian households are feeling the pinch of higher milk prices. Among them, almost 59 per cent of the households surveyed said they are paying higher prices and buying the same quantity of milk from their preferred brand, while 19 per cent said they are cutting down on milk consumption. Around 16 per cent of the respondents accepted having switched on to some cheaper alternative of the same brand.

https://www.business-standard.com/article/economy-policy/4-out-of-10-households-feeling-pinch-of-sky-high-milk-prices-survey-123020601037_1.html

PLI scheme attracted Rs 45,000 crore investment, created 3 lakh jobs: NITI Aayog

India's production-linked incentive (PLI) scheme, which aims to make domestic manufacturing globally competitive, has attracted investment worth over Rs 45,000 crore and has also created three lakh jobs, NITI Aayog CEO Parameswaran Iyer said on Monday. The government has rolled out the scheme with an outlay of about Rs 2 lakh crore for as many as 14 sectors, including automobiles and auto components, white goods, pharma, textiles, food products, high efficiency solar PV modules, advanced chemistry cell and speciality steel. "The PLI programme has already started showing results. About Rs 800 crore have already been paid by way of incentives. "We are expecting (incentives) to go close to Rs 3,000 crore to Rs 4,000 crore before March," Iyer told PTI.

<https://www.financialexpress.com/industry/pli-scheme-attracted-rs-45000-crore-investment-created-3-lakh-jobs-niti-aayog/2973157/>

Budget maintained fiscal balance, says CEA V Anantha Nageswaran

Chief economic adviser V Anantha Nageswaran on Monday said the budget has taken many decisions which will further improve the ease of doing business, and despite the challenges, the budget had maintained the fiscal balance, focussing on utilisation of allocation. He defended the lower allocation in the social sector saying the centre was focussing on the outcome, and while in the budget allocation was lower, the money in the hands of the beneficiary has doubled, without any leakage.

<https://economictimes.indiatimes.com/news/economy/policy/govt-trims-budget-for-mgnregs-as-pmay-jal-jeevan-get-more-funds-says-cea-v-anantha-nageswaran/articleshow/97649992.cms>

India growth prospects strongest among emerging market economies: S&P

India has the strongest growth prospects among emerging market economies and the fiscal 2024 budget will support productivity and higher growth which will be the bulwark for the economy amid the global downturn, according to S&P. The international ratings firm expects India to grow 6% on a real basis in FY24. "In the emerging market economies universe, India has the strongest growth prospects and that's true in the current fiscal year and we believe that is going to be true in the next year and 3-4 years too," S&P's sovereign analyst Andrew Wood told ET in an interview.

<https://economictimes.indiatimes.com/news/economy/indicators/india-growth-prospects-strongest-among-emerging-market-economies-sp/articleshow/97664198.cms>

Banking and Finance

RBI's 3-day long MPC meeting starts amid expectations of lower rate hike

RBI Governor Shaktikanta Das-headed Monetary Policy Committee (MPC) started its three-day meeting on Monday amid expectations of a smaller 25 basis points rate increase or a pause on the rate hiking spree that started in May last year to check inflation. The decision of the six-member rate setting panel will be announced by the Governor on Wednesday. With retail inflation showing signs of moderation and remaining below the Reserve Bank of India's 6 per cent upper tolerance level, and projected slowdown in GDP growth in the next fiscal starting April, experts are of the opinion that the central bank may only opt for a 25 basis points hike in the key interest rate.

https://www.business-standard.com/article/finance/rbi-s-3-day-long-mpc-meeting-starts-amid-expectations-of-lower-rate-hike-123020600902_1.html

Banks want funds in dormant accounts taken as CRR

Banks have reached out to the Reserve Bank of India (RBI) with a suggestion to count funds in unclaimed deposits and inoperative or dormant accounts towards the cash reserve ratio, or CRR, people familiar with the matter told ET. They said about ₹50,000 crore is locked up in such accounts under the central bank's oversight.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-want-funds-in-dormant-accounts-taken-as-crr/articleshow/97663936.cms>

Q3 results: PSBs' net profit jumps 66% on healthy interest margins

Eleven public-sector banks (PSBs) reported an average of 65.7 per cent year-on-year (YoY) growth in net profit at Rs 28,620 crore in the third quarter ended December 2022 (Q3FY23). Growth came primarily on the back of a steady rise in net interest income (NII).

https://www.business-standard.com/article/finance/psbs-post-65-7-rise-in-q3-net-profit-on-healthy-interest-margins-123020601352_1.html

India will not merge GST tax rates in 2023-24: Revenue Secretary Malhotra

India will not overhaul its Goods and Services Tax (GST) regime in the next fiscal year, a senior official said on Monday, delaying a move it has been considering for more than a year to simplify its tax structure and reduce the burden on consumers. The country currently has five tax rates for GST, which was introduced in 2017, bringing numerous state taxes under one umbrella. They range from 0% to 28%. India will not overhaul its Goods and Services Tax (GST) regime in the next fiscal year, a senior official said on Monday, delaying a move it has been considering for more than a year to simplify its tax structure and reduce the burden on consumers. The country currently has five tax rates for GST, which was introduced in 2017, bringing numerous state taxes under one umbrella. They range from 0% to 28%.

https://www.business-standard.com/article/economy-policy/india-will-not-merge-gst-tax-rates-in-2023-24-revenue-secretary-malhotra-123020600954_1.html

Finance Ministry asks depts, CPSEs to refund 95% of performance/bid security forfeited from MSMEs till March 2022

The Finance Ministry on Monday asked all departments and public sector entities to refund 95 per cent of the performance or bid security and liquidated damages forfeited/deducted from small and medium businesses in government tenders for over two years till March 31, 2022. To give relief to MSMEs, Finance Minister Nirmala Sitharaman in 2023-24 Budget announced 'Vivad se Vishwas-I' scheme which provides that in cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the forfeited amount relating to bid or performance security will be returned to them by government and government undertakings. The Finance Ministry's Expenditure Department on Monday issued an office memorandum stating that all contractors or suppliers registered as micro, small and medium enterprises (MSME) with the Ministry of MSME as on March 31, 2022, would be eligible to claim a refund of the forfeited amount for contracts which had an original delivery or completion period between February 19, 2020, and March 31, 2022.

<https://economictimes.indiatimes.com/news/economy/finance/finance-ministry-asks-depts-cpses-to-refund-95-of-performance/bid-security-forfeited-from-msmes-till-march-2022/articleshow/97657667.cms>

Industry

India's retail vehicle sales up 14% to 1.8 million units in January: FADA

Retail vehicle sales in India jumped 14% to about 1.8 million units in January, the Federation of Automobile Dealers Associations (FADA) said on Monday, adding that a reopening of factories in China would help improve the supply of vehicles. After strict COVID lockdowns in China, the country is seeing an uptick in factory activity, improving global supplies of parts and semiconductors, and helping better vehicle supplies and lower waiting period in future. This improvement would fuel growth in an already healthy passenger vehicle category, the automobile dealers' body said.

https://www.business-standard.com/article/companies/india-s-retail-vehicle-sales-up-14-to-1-8-million-units-in-january-fada-123020600564_1.html

International brands return to local apparel makers after four months

Global brands like Guess, Tommy Hilfiger, Zara, Mango, H&M and others have started sending enquiries and placing orders, though in lower quantities compared to last fiscal, with the Indian apparel manufacturers after a gap of four months. Apparel manufacturers from Tiruppur said brands are keen to buy garments in the price range of \$5-\$7 and are shying away from fashionable items. "The apparel exporters are witnessing some movement in the US and Europe unlike the previous months. A clearer picture on order position will emerge in March and April," said Narendra Goenka, MD of Texport Industries and chairman of Apparel Export Promotion Council.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/international-brands-return-to-local-apparel-makers-after-four-months/articleshow/97667739.cms>

Agriculture

Agri Ministry mulls new certification system for organic cotton, derivatives

The Ministry of Agriculture and Farmers Welfare plans to come up with a new certification system for organic cotton and its derivatives as part of its efforts to promote Indian export.

<https://www.thehindubusinessline.com/economy/agri-business/agri-ministry-mulls-new-certification-system-for-organic-cotton-derivatives/article66477562.ece>

Assam tea planters flag effects of climate change, global warming

Tea planters felt that climate change and global warming have adversely affected tea plantation in Assam for last few years. Tea plantation is highly climate dependent. Climate change and global warming have adversely affected tea plantation in Assam for last few years. It has reached to such a level that without irrigation, tea plantations are finding it difficult to survive. Climate change is one of the top five challenges of the tea industry in Assam.

<https://economictimes.indiatimes.com/news/economy/agriculture/assam-tea-planters-flag-effects-of-climate-change-global-warming/articleshow/97650388.cms>

Infrastructure

Industrial & Logistics sector leasing grew 8% YoY: CBRE South Asia Report

Industrial and Logistics (I&L) sector leasing grew by 8 per cent YoY to touch 31.6 million sq. ft. in 2022 despite global headwinds, and a slowdown in e-commerce demand and dissipation of the post-pandemic need to hold additional inventories, a report said on Monday. "This is the second-highest leasing activity recorded in the I&L sector after the 2019 peak of 32 million sq. ft.," the report released by CBRE South Asia said. As per the report, Delhi-NCR led the absorption with 7.3 million sq. ft., followed by Mumbai and Bengaluru with 6.1 million sq. ft. and 5.2 million sq. ft. in 2022, respectively.

https://www.business-standard.com/article/economy-policy/industrial-logistics-sector-leasing-grew-8-yoy-report-123020600962_1.html

Energy

Focused on green shift despite war-led scramble for conventional fuel: Puri

Despite the war in Ukraine having led to a scramble for securing traditional hydrocarbons, India has kept its commitment to green transition, Petroleum Minister Hardeep Singh Puri said at the India Energy Week 2023. "No matter what the global turbulence, we have not taken the eye off the ball. Green transition is the most important focus, and we have remained steadfast on that," Puri said. He added that despite the existing challenges, the Centre has pushed for policy stability and innovation for green energy.

https://www.business-standard.com/article/economy-policy/have-kept-focus-on-green-transition-petroleum-minister-hardeep-singh-puri-123020601322_1.html

India's coal production target fixed at 1,017 million tonnes for next fiscal: Pralhad Joshi

The country's coal production target has been fixed at 1,017 million tonnes for the next fiscal, Parliament was informed on Monday. In a written reply to the Rajya Sabha, coal minister Pralhad Joshi said the steps were being

taken by the Centre to augment the coal output in the country by engaging mine developers and operators. "The target of all India coal production has been fixed at 1,017 million tonnes (MT) for the financial year 2023-24," the minister said. State-owned CIL has identified 15 projects having a total project rated capacity of 168.58 million tonnes per year for implementation through MDO mode.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-coal-production-target-fixed-at-1017-million-tonnes-for-next-fiscal-pralhad-joshi/articleshow/97657036.cms>

Telecom

DoT, states using NMP to identify suitable street furniture for installation of 5G

The department of telecommunication and state governments are using PM GatiShakti National Master Plan (NMP) to identify suitable street furniture for installation of 5G cells, the commerce and industry ministry said on Monday. Last year in October, the PM Gati Shakti-NMP was launched with an aim to develop and plan integrated infrastructure to reduce logistic costs. All logistics and connectivity infrastructure projects, entailing investment of over Rs 500 crore, are routed through the network planning group, constituted under the PM GatiShakti initiative. Different departments of the central government and states are using the NMP portal for integrated infrastructure projects. "For rollout of cutting edge 5G network, department of telecom and state governments are using NMP to identify suitable street furniture for installation of 5G cells," the ministry said.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-states-using-nmp-to-identify-suitable-street-furniture-for-installation-of-5g/articleshow/97661138.cms>

Government expects Vodafone Idea to begin 5G rollout to meet licence obligations

The government expects Vodafone Idea (Vi) to soon start 5G rollouts as the company has to meet the minimum rollout obligations after having bought 5G spectrum in last year's auction. To provide relief, the government has converted the cash-strapped company's accrued interest on deferred adjusted gross revenue (AGR) dues worth ₹16,133 crore into equity last week. "We have sold the spectrum to them, and we expect them to roll out because there are minimum rollout obligations," telecom secretary K Rajaraman told ET when asked about Vi's pending 5G rollout. He added that the government has implemented what was approved in the reforms package, in response to a query on the equity conversion.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/government-expects-vodafone-idea-to-begin-5g-rollout-to-meet-licence-obligations/articleshow/97668104.cms>

States

Punjab govt approves a new industrial and EV policy for the state

The Punjab Cabinet has approved a new policy for industries and the electric vehicles effective from October 17, 2022 – when the earlier policy period expired – for a period of five years, reported PTI. The industrial policy of the state focuses particularly on the three key sectors – Micro, small and medium enterprises (MSMEs), infrastructure and power. The approval for the new industrial policy came ahead of the state's investors' summit scheduled for the last week of this month (February 23-24) in Mohali. Other major focus areas of the policy are startup and entrepreneurship, large enterprises, innovation, skill development, ease of doing business, fiscal and non fiscal incentive, export promotion logistics, stakeholder engagement and grievance redressal, the statement added.

<https://www.financialexpress.com/industry/sme/msme-eodb-punjab-govt-approves-a-new-industrial-and-ev-policy-for-the-state/2972895/>

Tamil Nadu lags on capex despite robust revenue growth

Despite a strong growth in revenue receipts and buoyant tax collections in the current fiscal, Tamil Nadu has tightened the purse strings on capital expenditure, which is essential to spur economic activity and create more jobs. According to the provisional figures from the Comptroller and Auditor-General (CAG), Tamil Nadu has spent ₹21,476 crore on capital expenditure between April and December. The spending, in the first nine months, accounts for 48 per cent of the State's budgeted capital expenditure of ₹44,863 crore for FY23. In contrast, the State spent 57 per cent of its budgeted capital expenditure during the same period in FY22.

<https://www.thehindubusinessline.com/news/tamil-nadu-lags-on-capex-despite-robust-revenue-growth/article66478324.ece>

Healthcare

Centre plans to roll out research-linked incentive scheme for pharma sector

To create a research-driven pharmaceutical (pharma) and lifesciences ecosystem, and move up the value chain in the global pharma scene, the Centre is working actively on rolling out a research-linked incentive (RLI) scheme for the sector.

https://www.business-standard.com/article/economy-policy/fine-print-of-a-pharma-research-linked-incentive-scheme-being-worked-out-123020601280_1.html

External

India's unwavering appetite for Russian crude oil lifts January inflows to record high

India's appetite for Russian crude oil in January rose to unseen levels, continuing to remain above traditional middle eastern suppliers for the fourth month in a row, as refiners rushed to snap up plentiful cargoes available at a discount to other grades. From a market share of less than 1 per cent in India's import basket before the start of the Russia-Ukraine conflict, Russia's share of India's imports rose to 1.27 million barrels per day in January, taking a 28 per cent share, according to energy cargo tracker Vortexa. India, the world's third-largest crude importer after China and the United States, has been snapping Russian oil that was available at a discount after some in the West shunned it as a means of punishing Moscow for its invasion of Ukraine. From a market share of just 0.2 per cent in India's import basket before the start of the Russia-Ukraine conflict, Russia's share of India's imports rose to 28 per cent in January 2023.

<https://www.financialexpress.com/market/commodities/indias-unwavering-appetite-for-russian-crude-oil-lifts-january-inflows-to-record-high/2972258/>

G20 working group meeting to discuss climate change, land degradation

India will use its term as G20 president to talk about land degradation, biodiversity loss, marine pollution and other such issues, said environment minister Bhupender Yadav on Monday. "India's G20 presidency aims to bring an integrated, comprehensive and consensus-driven approach to address climate change and pursue sustainable growth," Yadav said, adding that the country will promote its development concept of LiFE--Lifestyle for Environment. G20's first meeting of the Environment, Climate & Sustainability Working Group (ECSWG) under the Sherpa Track will focus on arresting land degradation, accelerating ecosystem restoration, and enriching biodiversity. The meeting will be held in Bengaluru from February 9-11, 2023.

https://www.business-standard.com/article/economy-policy/land-degradation-blue-economy-circular-economy-priority-areas-for-ecswg-123020601327_1.html

India, Qatar discuss ways to strengthen maritime cooperation

Union Ports, Shipping and Waterways (MoPSW) minister Sarbananda Sonowal on Monday met Minister of Transport of Qatar Jassim Saif Ahmed Al-Sulaiti and discussed ways to strengthen the bilateral maritime cooperation, according to an official statement. The statement said India-Qatar cooperation in diverse sectors has been steadily growing in an excellent framework led by historical close ties, regular and substantive engagement. "Fruitful discussions were held on commitment to strengthen the bilateral maritime cooperation, including interaction between Indian ports and Qatari ports to share best practices in areas of port operations, logistics, supply chain management, and digitalisation," the statement said quoting Sonowal. India's bilateral trade with Qatar in 2021-22 was USD 15.03 billion. India's export to Qatar during 2021-22 was USD 1.83 billion and India's import from Qatar was USD 13.19 billion.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-qatar-discuss-ways-to-strengthen-maritime-cooperation/articleshow/97662167.cms>

India & EU to create 3 working groups under Trade & Technology council to boost ties

India and the EU on Monday announced the establishment of the three Working Groups under the India-EU Trade and Technology Council and their Terms of Reference. TTC was launched by Prime Minister Narendra Modi and President of the European Commission Ursula von der Leyen during the latter's visit to India in April 2022. The TTC is a strategic coordination mechanism that will allow both partners to tackle challenges at the nexus of trade, trusted technology and security, and thus deepen cooperation in these fields between India and the EU. The TTC with India is only the second such Council for the EU and the first such mechanism for India.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-eu-to-create-3-working-groups-under-trade-technology-council-to-boost-ties/articleshow/97653256.cms>

Agri exports up 12% to \$19.7b in Apr-Dec, to top \$26 b in FY23

A 12 per cent increase in the export of major agriculture and processed products during the first three quarters of the current fiscal has buoyed the Agricultural and Processed Food Products Export Development Authority (APEDA) to target a record \$26-29 billion in this fiscal, against \$24.76 billion in 2021-22. "Since our (APEDA products) exports have already reached nearly \$20 billion, we will exceed the target and also increase from the previous year's level. Unless there is a global slowdown, we are set to cross \$27 billion this year and may reach up to \$29 billion," said M Angamuthu, Chairman, APEDA. The agency, which contributed half of the \$50.21 billion in the total export of agriculture and allied sectors during 2021-22, is responsible for all agri products, divided into 27 categories, excluding tea, coffee, spices and marine products.

<https://www.thehindubusinessline.com/economy/agri-business/agri-exports-up-12-to-197b-in-apr-dec-to-top-26-b-in-fy23/article66477457.ece>

Coking coal imports from Indonesia, Russia, US up as steel mills explore alternatives to Australia

Indian steel mills have increased sourcing of "cheaper" coking coal from countries other than Australia, the largest supplier. While Russia emerged as one of the key sourcing nation with supplies for April – December period increasing by 133 per cent year-on-year, Indonesian supplies were the highest for the period under review trebling to 2.21 million tonne (mt) compared to 0.7 mt in the same period last year.

<https://www.thehindubusinessline.com/companies/coking-coal-imports-from-indonesia-russia-us-up-as-steel-mills-explore-alternatives-to-australia/article66474082.ece>