



December 22, 2023 – Friday

Key Developments

Bills to repeal and replace IPC, Code of Criminal Procedure, Evidence Act passed

Parliament has passed the Bharatiya Nyay Sanhita, Bharatiya Nagrik Suraksha Sanhita and Bharatiya Sakshya Bill replacing the Indian Penal Code, Criminal Procedure Code and the Evidence Act, respectively. The Rajya Sabha gave its assent to the three bills on Thursday. The bills were passed a day earlier by the Lok Sabha. Piloting the bills, home minister Amit Shah claimed the new laws were 'purely indigenous' and would give priority in providing justice in place of 'earlier British laws that gave primacy to penal action'. "These three bills are made by Indians, for Indians and by an Indian Parliament... They give primacy to providing justice in place of punishment," Shah said.

<https://economictimes.indiatimes.com/news/india/bills-to-repeal-and-replace-ipc-code-of-criminal-procedure-evidence-act-passed/articleshow/106191469.cms>

Economy

Centre needs to extend policy focus beyond 'roti, kapda, makaan', says the office of CEA

The Centre needs to extend policy attention beyond "roti, kapda, makaan" (food, clothes, housing) to keep the growth engine up and running, even as equality of opportunity and universal access to basic amenities are non-negotiable as they ensure the dignity of an individual, the office of the chief economic advisor said in a recent publication, titled 'Re-examining Narratives - A Collection of Essays'. High growth is imperative for a developing country like India, it said, as it increases the size of the pie for shared equitable economic progress. "For a developing country such as India, where the growth potential is high and the scope for poverty reduction is also significant, the focus needs to continue to be on growing the size of the economic pie rapidly, at least for the foreseeable future," it said.

<https://economictimes.indiatimes.com/news/economy/policy/centre-needs-to-extend-policy-focus-beyond-roti-kapda-makaan-says-the-office-of-cea/articleshow/106191217.cms>

Finance

RBI announces draft norms for setting up SROs, proposes to audit its books

The Reserve Bank of India (RBI) on Thursday announced draft omnibus norms for setting up self-regulatory organisations (SROs) by its regulated entities and in those it has proposed to audit the books of such institutions.

The framework prescribes the broad objectives, functions, eligibility criteria, and governance standards, which will be common for all SROs irrespective of sectors they belong to. The framework lays down the broad membership criteria and other terms and conditions to be followed by SROs for grant of recognition by the regulator.

https://www.business-standard.com/economy/news/rbi-announces-draft-norms-for-setting-up-sros-proposes-to-audit-its-books-123122100850_1.html

Indian banks' liquidity deficit at near 8-year high

Indian banking system is facing a widening liquidity deficit, reaching levels last seen in 2016, that may prompt the central bank to provide another round of short-term cash infusion. The Reserve Bank of India (RBI) pumped one

trillion rupees (\$12.01 billion) through a seven-day variable rate repo (VRR), marking the first such auction in six months, with one more anticipated on Friday, 10 traders and economists said.

<https://economictimes.indiatimes.com/news/economy/policy/indian-banks-liquidity-deficit-at-near-8-year-high/articleshow/106180772.cms>

Gold financiers to benefit from unsecured lending curbs, elevated prices

Gold loan financiers are seen benefiting from elevated gold prices and the slowdown in unsecured lending following the increase in certain risk weights by the central bank. As banks and NBFCs look to cut their unsecured retail exposure, borrowers are expected to opt for more secured options such as gold loans to meet their funding requirements, industry participants said.

<https://www.thehindubusinessline.com/money-and-banking/gold-financiers-to-benefit-from-unsecured-lending-curbs-elevated-prices/article67663030.ece>

Industry

Iron ore may be pegged to global prices

The Centre plans to overhaul the iron ore pricing mechanism in the country, which could include linking domestically produced ore to prices on global indices and developing a national benchmark, in a bid to plug grade misclassifications and make pricing transparent and efficient. "It's a step towards trying to resolve the average price and monthly accounts-based system to an international indexing system," V L Kantha Rao, secretary at the mines ministry told ET. The government is looking at pegging ore prices to either London Metal Exchange (LME) or Platts Iron Ore Index (IODEX) and developing a National Mineral Index, officials said. The existing policy of allowing mining companies to self-declare iron ore prices is fraught with inefficiencies as well as loopholes that allow companies to suppress royalty payment to states by declaring the ore grade wrongly, they said. Thus, the proposed revamp will have significant ramifications for the states of Odisha, Chhattisgarh, Jharkhand and Karnataka, which produce around 96% of India's iron ore.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/iron-ore-may-be-pegged-to-global-prices/articleshow/106191007.cms>

Construction, PV segments to boost tyre industry: JK Tyre MD Raghupati Singhania

Strong growth in the construction equipment and mining segments will be "a shot in the arm" for the tyre industry, in addition to continuing firm demand in the passenger vehicle market, JK Tyre & Industries chairman and managing director Raghupati Raj Singhania said. All the three segments — construction and mining where the vehicles use the more expensive large tyres and passenger cars where premiumisation is benefitting demand for radial tyres — "could be big contributors in terms of value addition" for the tyre market, he told ET Wednesday on the sidelines of an automobile industry awards event. Singhania expects the passenger vehicles market, which is likely to end the calendar year with record sales of 4 million units, to remain on the growth path and boost tyre sales. "The car segment is unlikely to cool off and will continue to grow. It's likely to be 6-8% growth in FY24. When the base goes up, even a small increase in percentage terms helps," he said.

<https://economictimes.indiatimes.com/industry/auto/tyres/construction-pv-segments-to-boost-tyre-industry-jk-tyre-md-raghupati-singhania/articleshow/106188449.cms>

Agriculture

Cotton output may decline by 8% to 29.4 mn bales in 2023-24 season: CAI

Cotton production may decline by around 8 per cent to 29.4 million bales in the 2023-24 season due to lower yields in most growing regions, according to the Cotton Association of India (CAI) estimates released on Thursday. The total cotton production during the 2022-23 season (October-September) stood at 318.90 lakh bales of 170 kg each, according to CAI data. "The production this year is expected to lower by 24.8 lakh bales at 29.4 million bales following infestation of pink boll worms in the northern region, while the yield in the southern and the central regions will be affected due to no rainfall for 45 days from August, 1 till September 15," CAI president Atul Ganatra told PTI.

https://www.business-standard.com/industry/news/cotton-output-may-decline-by-8-to-29-4-mn-bales-in-2023-24-season-cai-123122101114_1.html

Around 3.46 LMT wheat and 13164 MT rice were sold during 26th e-auction under OMSS

As a part of the government's initiative for market intervention to control the retail price of rice, wheat and atta, 3.46 LMT wheat and 13164 MT rice were sold during 26th e-auction under Open Market Sale Scheme (OMSS) by the Food Corporation of India (FCI), the ministry of consumer affairs said in a statement. "In the e-auction, 3.46 LMT wheat and 13164 MT rice was sold at a weighted average of Rs 2178.24/Qtl for wheat and Rs. 2905.40/Qtl for rice," it said in a statement.

<https://economictimes.indiatimes.com/news/economy/agriculture/around-3-46-lmt-wheat-and-13164-mt-rice-were-sold-during-26th-e-auction-under-omss/articleshow/106184563.cms>

Infrastructure

National Infrastructure Pipeline outlay stands at Rs 109 trillion: FinMin

National Infrastructure Pipeline (NIP) was launched with 6,835 projects and has expanded to capture over 9,288 projects with a total outlay of Rs 108.88 trillion between 2020-25, the finance ministry said on Thursday. "NIP comprises brownfield and greenfield infrastructure projects of above Rs 100 crore across both economic and social infrastructure," the Finance Ministry said in a post on X. NIP consists of projects implemented by all the states and Union Territories of India and 22 infrastructure ministries, it said. NIP is a first-of-its-kind initiative to provide world-class infrastructure across the country and improve the quality of life for all citizens.

https://www.business-standard.com/finance/news/national-infrastructure-pipeline-outlay-stands-at-rs-109-trillion-finmin-123122101247_1.html

Shipping companies revenue may decline by 5-7 per cent in next fiscal: CRISIL

Domestic shipping companies are likely to see a further 5-7 per cent decline in revenue in the next financial year amid normalisation of the rates, a report said on Thursday. This follows a steep 23-25 per cent fall in their revenue in the current fiscal (2023-24) after a 35 per cent growth in the last financial year when charter rates had surged because of geopolitical conflicts (including the Russia-Ukraine war) and higher demand from China post-pandemic, credit rating agency CRISIL said on Thursday.

<https://www.financialexpress.com/business/industry-shipping-companies-revenue-may-decline-by-5-7-per-cent-in-next-fiscal-crisil-3344315/>

PE inflow in real estate declines 44 pc to USD 3 bn so far this year: Knight Frank

Global investors have been cautious this year to put money into Indian real estate, as private equity inflow is down 44 per cent till December 12 to USD 3 billion compared to the entire previous year, according to Knight Frank. Real estate consultant Knight Frank India on Thursday released its data showing that the Indian real estate market received USD 3,024 million in PE investments from 23 deals between January 1 and December 12 this year, as against USD 5,357 million recorded in 2022.

<https://www.financialexpress.com/business/industry-pe-inflow-in-real-estate-declines-44-pc-to-usd-3-bn-so-far-this-year-knight-frank-3344169/>

Sales of apartments in top 7 cities may rise 20% to 2.6 lakh units this year: Report

Sales of apartments across seven major cities are estimated to rise by 20 per cent to around 2.6 lakh units, the highest since 2008, on better demand, according to JLL India. Sales stood at 2,15,621 units in the last calendar year in Delhi-NCR, Mumbai, Chennai, Kolkata, Hyderabad, Bengaluru and Pune. Real estate consultant JLL India on Thursday said sales in the first nine months of 2023 reached 1,96,227 units as against 1,61,575 units in the year-ago period.

<https://economictimes.indiatimes.com/industry/services/property/-construction/sales-of-apartments-in-top-7-cities-may-rise-20-to-2-6-lakh-units-this-year-report/articleshow/106186222.cms>

Energy

DRI initiates probe into parts imports by wind energy companies

The Directorate of Revenue Intelligence (DRI) has initiated a probe into imports of equipment by wind energy companies over possible misdeclaration and underpayment of customs duty, said people with knowledge of the matter. It authorised a search at the Delhi office of Ostro Bhesada Wind Pvt Ltd, a subsidiary of ReNew Power, they said. The agency has also made enquiries at other companies, including Siemens Gamesa, which operates in wind energy space, the persons said.

<https://economictimes.indiatimes.com/industry/renewables/dri-initiates-probe-into-parts-imports-by-wind-energy-companies/articleshow/106191801.cms>

PowerMin asks BEE to bring in India's own standards for carbon credits

The Ministry of Power has brought in amendments to the carbon credits trading scheme (CCTS) which paves the way for India to have its own standards for carbon trading and also allows non-obligated entities to generate carbon credits. The amendment notification dated December 19 asks the carbon credits administrator, the Bureau of Energy Efficiency (BEE), "to develop the standards and register the project under offset mechanism." It also tasks the Bureau with "validation" of carbon credits, as opposed to only "verification" in the original 'carbon credits trading scheme' notification of June 28.

<https://www.thehindubusinessline.com/books/reviews/business-economy/power-min-asks-bee-to-bring-in-indias-own-standards-for-carbon-credits/article67663162.ece>

Telecom

Telecom Bill to fast track allocation of spectrum in various sectors

The Department of Telecommunication (DoT) will now be able to better process requests for spectrum allotment from a long list of government agencies as the Telecom Bill has specified the sectoral uses for which such allocation is allowed, officials said on Thursday. Apart from satellite communication, 18 other sectors have been listed in the First Schedule of the Bill where administrative allocation will be mandatorily made. In many of these areas, there was no clear process for allocating spectrum, which often led to a lengthy application and evaluation process and disputes.

https://www.business-standard.com/india-news/telecom-bill-to-fast-track-allocation-of-spectrum-in-various-sectors-123122101003_1.html

Healthcare

India's big hospital chains think small to expand in booming market

India's prominent hospital chains are shifting their focus to smaller centres and facilities as they chase growth in the booming healthcare market while coping with higher real estate costs and a dearth of land space in its cities. Though healthcare facilities are still in short supply in most parts of India, and especially so in its towns and smaller cities, patients in the world's most populous nation are showing a greater preference for specialised-but-accessible amenities in the post-COVID pandemic era.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/indias-big-hospital-chains-think-small-to-expand-in-booming-market/articleshow/106176653.cms>

External

India's agri exports may stay flat in FY24 due to ban on wheat, rice, sugar

India's agricultural exports may remain flat this financial year because export curbs on commodities such as wheat, non-basmati rice, and sugar may result in a decline in outbound shipments worth \$4.5-5 billion. "We expect we will (maintain) that level in spite of a \$4.5-5 billion impact due to the restrictions," Additional Secretary Rajesh Agrawal told reporters on Thursday. India exported agricultural products worth \$53 billion in the previous financial year.

The decline in exports of these items could be balanced by promoting shipments of new products such as bananas and value-added millet products to new countries.

https://www.business-standard.com/economy/news/india-s-agri-exports-may-remain-flat-in-fy24-due-to-ban-on-wheat-rice-123122101163_1.html

India-Oman free trade agreement to help boost apparel exports: AEPC

A free trade agreement with Oman will help boost apparel exports as huge business opportunities are there in the Gulf nation for Indian exporters, AEPC said on Thursday. Negotiations for the pact, officially dubbed as the Comprehensive Economic Partnership Agreement (CEPA), are moving at a fast pace. The Apparel Export Promotion Council (AEPC) said that the swift movement towards CEPA is encouraging and will be a game changer for India–Oman bilateral trade. The bilateral trade between the two countries stood at USD 12.39 billion in 2022-23, up from USD 9.99 billion in the previous year.

<https://www.financialexpress.com/policy/economy-india-oman-free-trade-agreement-to-help-boost-apparel-exports-aepc-3344336/>