



January 25, 2023 – Wednesday

Economy

Cabinet approves revamped Competition Bill

The Union Cabinet, on Tuesday, approved the reworked Competition (amendment) Bill that seeks to bring comprehensive changes to the current competition law, official sources confirmed. This revamped Bill is likely to be taken up in upcoming Budget session of Parliament starting on January 31. Reworking has been done after the Standing Committee on Finance gave its report on the Bill last month. This is the first time the government is going in for comprehensive changes to the Competition law since its coming into force in 2009. Although the government is not bound to accept and incorporate the recommendations given by the Standing Committee, indications are that the government may find merit in some. However, no details were available about the specific amendments or provisions that are being introduced in the Bill as it has to be first moved in Parliament. The Competition (amendment) Bill 2022 — which proposes many substantive, procedural and institutional changes — was introduced in Parliament on August 5 last year.

<https://www.thehindubusinessline.com/economy/cabinet-approves-revamped-competition-bill/article66428883.ece>

Govt should scrap windfall profit tax on domestic crude oil: FICCI

The government should scrap the windfall profit tax on domestically produced crude oil as the levy is adversely impacting the capex-intensive exploration of oil and gas, the industry said in its recommendation for the forthcoming annual budget. Industry chamber FICCI in its recommendations for the Budget, said such levy is in addition to all other existing levies. "It is recommended that the Special Additional Excise Duty (SAED) on petroleum crude should be removed or if there is a need to continue the levy for some time as an extraordinary measure then the rate be changed to an ad-valorem levy of 20 per cent of incremental crude price over USD 100," it said.

https://www.business-standard.com/article/economy-policy/govt-should-scrap-windfall-profit-tax-on-domestic-crude-oil-ficci-123012400598_1.html

Banking and Finance

Sebi likely to challenge SAT ruling in SC

The Securities and Exchange Board of India (Sebi) is likely to approach the Supreme Court challenging the Securities Appellate Tribunal's order on Monday setting aside the disgorgement amount against National Stock Exchange (NSE) in the co-location case. Sources close to the development said Sebi will argue in the apex court that the tribunal's order is inconsistent with its earlier order against audit firm PWC in the matter of Satyam Computers. SAT had upheld Sebi's order directing PWC to disgorge the fees charged by it. "In the present case (NSE), the disgorgement out of revenue by NSE has not been upheld," said a person close to the development.

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-likely-to-challenge-sat-ruling-in-sc/articleshow/97293759.cms>

Banks relying on costly market borrowings for lending

Banks are relying more on costly market borrowings instead of deposits to meet credit demand. Experts say that banks are yet to turn aggressive in mobilising deposits on concerns of getting stuck with expensive long-tenor term deposits when the interest rate cycle turns. An ET analysis shows that market borrowings by banks doubled to Rs 4.4 lakh crore in 2022. "At this point in time, we are watching the next central bank move on the repo rate, so raising funds from the market makes sense because we can tweak the tenure. But with term deposits, there is no scope of repricing," said a senior official at a private sector bank. "You don't want to get stuck with really expensive deposits. Also, at high deposit rates a lot of CASA deposits are also getting converted to term deposits, so it's a wait and watch mode in switching toward aggressive raising of deposits."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-keen-to-avoid-fd-lock-in-raise-market-borrowings-sharply-for-lending/articleshow/97290005.cms>

States' interest cost inches up as borrowing grows 8%: IcrA Ratings

After remaining stable for many weeks, the cost of borrowing for states inched up by 5 basis points to 7.64 per cent at Tuesday's auction when 15 of them raised Rs 25,700 crore from the market. The amount of debt raised today is a 13-week high and for the first time shows an annualised growth of 8 per cent year-to-date -- a first as throughout the year, the weekly borrowing has been below the year-ago weeks, yet 15 per cent lower than the indicated amount in the borrowing calendar, according to a note by IcrA Ratings. The weighted average cut-off on state government loans rose 5 basis points to 7.64 per cent over the previous week, and the weighted average tenor rose to 13 years from 11 during the week.

https://www.business-standard.com/article/economy-policy/states-interest-cost-inches-up-as-borrowing-grows-8-icra-ratings-123012401112_1.html

Industry

Indian SaaS firms to have 8% of world market, get \$35 bn in revenue: Study

Indian companies will command 8 per cent of the global Software as a Service (SaaS) market by 2027 as they generate \$35 billion in annual recurring revenue (ARR), said a report on Wednesday. Indian SaaS companies are growing 20–25 per cent annually despite market headwinds, according to Bain & Company's 'India SaaS Report 2022--Remaining steady through turbulence'. Indian companies' ARR of \$12–\$13 billion formed 5 per cent of the global SaaS market in 2022, increasing four-fold in five years. India's SaaS ecosystem has become a global leader, behind only the US in scale and maturity. Arpan Sheth, partner at Bain & Company and lead of the private equity and alternative investor practice in India, said the Indian SaaS ecosystem has seen tremendous progress in three years, growing by 3–4x on every parameter--from ARR to funding.

https://www.business-standard.com/article/companies/indian-saas-firms-to-reach-35-bn-in-5-years-command-8-of-global-market-123012401223_1.html

IT companies see continued recovery in new deals for Q3FY23

Contrary to the macroeconomic situation, the top four IT companies saw some recovery in IT deals. On a quarter-on-quarter level, client additions increased across every deal size category. However, client additions in Q3FY23 are still lower than additions in Q3FY22. According to the data provided by CareEdge, the top four IT companies namely, Tata Consultancy Services (TCS), HCL, Infosys and Wipro added 81 new clients in the + \$1 million band, 19 new clients in the +\$10 million band, 11 new clients in the +\$50 million band and 4 new clients in the \$100 million category, in Q3FY23. The recovery in the large deal category is especially notable, especially as the IT companies lost four clients in this category in the previous quarter.

<https://www.thehindubusinessline.com/news/it-companies-see-continued-recovery-in-new-deals-for-q3fy23/article66428565.ece>

Gold hits all-time high of Rs 57,000, demand declines

Gold touched an all-time high of ₹57,000 per 10 gm on Tuesday, which is ₹800 more than in August 2020 when the rate had peaked at ₹56,200 per 10 gm during the covid pandemic. Jewellers said only those who have marriages in the family are buying gold now and the volume of gold jewellery consumption has dropped by 25%. Prices of gold have rallied 14% since Diwali last year. The sudden surge in prices has resulted in plain gold jewellery for gifting

purposes taking a back seat with people preferring diamond jewellery as gold content is less. Industry executives said there was an immediate need to reduce import duty on gold, which is now 15%, in the upcoming budget for the industry to survive.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/gold-hits-all-time-high-of-rs-57000-demand-declines/articleshow/97289596.cms>

Copper demand back on growth track in FY22

Propelled by strong policy reforms across sectors, the post-pandemic demand for copper is back on the growth track in FY22 registering a YoY growth of over 27.5 percent in India. The demand for red metal stood at 12.5 lakh tonnes in FY22, compared to 9.78 lakh tonnes in FY21 on the back of the growth across power infrastructure, real estate, consumer durables, and the industrial sectors in the country. The findings are part of the Annual Report on Copper Demand in India (FY22) which was released by the International Copper Association India (ICA India) today.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/copper-demand-back-on-growth-track-in-fy22/articleshow/97279723.cms>

Indian leather industry to grow three-fold by 2025: IFLMEA Chairman

The Indian leather manufacturing and trade industry is expected to witness a three-fold jump in the next 2-3 years due to strong domestic demand and exports due to China plus one strategy adopted by major export markets like the US and Europe. "The Indian leather industry will see a three-fold jump by 2025," said KR Vijayan, Chairman, Indian Finished Leather Manufacturers & Exporters Association (IFLMEA). He added that the earlier share of the US in total business was less than one per cent but it is currently over 5 per cent. "The growth is there, the industry only needs to invest and equip ourselves to meet the growing demand," Vijayan said. He was addressing a press conference to announce the Leather Fashion Show and the 36th edition of the Indian International Leather Fair (IILF) to be held in Chennai on February 1. The fair will feature 450 exhibitors from India and 20 other countries. SK Sabapathy, Chairman, Saba Group said that post the Covid-19 pandemic and other global challenges, there has been an increased focus on India by major export markets like the US and Europe.

<https://www.thehindubusinessline.com/economy/indian-leather-industry-to-grow-three-fold-by-2025-iflmea-chairman/article66428782.ece>

Entry-level smartphones' market share declines steeply between 2018 and 2022

The market share of entry-level smartphones, priced below ₹8,000, has declined faster than expected in the last five years. According to an analysis done by Counterpoint Research, the market share for smartphones in this price band has declined from 36 per cent in 2018 to 12 per cent in 2022. In 2018, it was the leading price band according to Counterpoint. However, as consumers move towards more features or high-end specifications, the market share of entry level smartphones has declined significantly. The most precipitous drop came in 2020 when the market share declined by 8 per cent from 30 per cent in 2019 to 22 per cent in 2020. "During 2020, the segment was impacted by the Covid-19 pandemic and was felt most at the bottom of the pyramid. They postponed their purchases to save money for necessities. In 2021 there were supply issues due to the global component shortage which affected this segment the most," the report said.

<https://www.thehindubusinessline.com/info-tech/entry-level-smartphones-market-share-declines-steeply-between-2018-and-2022/article66428108.ece>

Agriculture

GM mustard not developed as herbicide-tolerant, Centre tells SC

The government on Tuesday told the Supreme Court that genetically modified (GM) mustard was not developed as herbicide-tolerant (HT). "It is neither necessary nor desirable for a farmer to use herbicides in the cultivation of GM mustard. A crop is referred to as an HT variety if its commercial trait is HT. DMH-11(Dhara Mustard Hybrid-11) is not such a crop since the HT trait in DMH-11 is of no commercial utility," Attorney General R Venkataramani said in court. The court has asked all the parties in the case to finish their arguments next week. Venkataramani said the HT trait in DMH-11 was useful only at the selection event during the development phase and was of no utility during

cultivation. Moreover, the use of herbicides by farmers is not permitted in cultivating GM mustard and will attract punitive action under the Environment Protection Act and Central Insecticides Act, he said.

https://www.business-standard.com/article/economy-policy/gm-mustard-is-not-developed-as-a-herbicide-tolerant-technology-sc-123012401342_1.html

Record-high wheat prices may impact government buying

Record-high wheat prices, which are ruling 50% higher than the minimum support price (MSP) of Rs 2,125 per quintal for the ongoing 2022-23 rabi marketing season, pose a challenge for replenishing the depleted government granaries, said traders and industry executives. New wheat crop will be harvested in two months, gaining pace after Baisakhi (April 14). The warehouses of the Food Corporation of India (FCI) used to overflow with wheat till the previous year as farmers preferred selling wheat to the FCI at MSP over the open markets, which offered a price lower than the MSP. However, in 2021-22, the FCI's wheat procurement plunged 56% as farmers sold their produce to private traders.

<https://economictimes.indiatimes.com/news/economy/agriculture/record-high-wheat-prices-may-impact-government-buying/articleshow/97289572.cms>

Infrastructure

Nitin Gadkari chairs meeting of infrastructure committee group to address inter-ministerial issues

Road Transport and Highways Minister Nitin Gadkari on Tuesday chaired the 10th meeting of the Group of Infrastructure Committee to address existing inter-ministerial issues on the implementation of various infrastructure projects, an official statement said. According to the statement, Gadkari said an action plan has been introduced to accelerate PM Gati Shakti scheme's progress. Several issues were placed on the agenda for deliberation to expedite the progress of ongoing infrastructure projects, it added. These included issues related to pending forest and environment clearances, facilitation of working permissions/approvals, and ensuring land allocation/transfer and release of funds, it noted. The statement said discussions were also held on policy matters related to environment/forest/wildlife clearance, railways and power, among others.

<https://economictimes.indiatimes.com/news/economy/infrastructure/nitin-gadkari-chairs-meeting-of-infrastructure-committee-group-to-address-inter-ministerial-issues/articleshow/97284933.cms>

Sarbananda Sonowal inaugurates projects worth Rs 270 crore at Gujarat's Deendayal Port to boost logistics

Union Minister for Shipping, Ports, and Waterways, Sarbananda Sonowal laid the foundation stones of various projects at the Deendayal Port in Kandla, Gujarat, worth an estimated Rs 270 crore. The minister was present at the inauguration of oil jetty no. 7 worth Rs 73.92 crore at Deendayal Port, Kandla in the presence of Shantanu Thakur, MoS, MoPSW, Shripad Naik, MoS, MoPSW and other senior government officials. The Ministry of Ports, Shipping and Waterways said in a statement that "The jetty will enhance the liquid handling capacity by 2.00 MMTPA, fulfill future requirements and will reduce the turnaround time of the vessels. This T-shaped jetty is 110 m long and 12.40 m wide and can handle large vessels up to 65,000 DWT and 14 m depth. The project has led to indirect employment of around 1,000-plus and direct employment of about 250-plus, during the construction phase."

<https://www.financialexpress.com/infrastructure/sarbananda-sonowal-inaugurates-projects-worth-rs-270-crore-at-gujarats-deendayal-port-to-boost-logisticsnbs/2958888/>

Mumbai Ahmedabad High-Speed Rail Corridor to soon get 320-metre-long river bridge

A 320-metre-long river bridge on the Mumbai Ahmedabad High-Speed Rail Corridor (MAHSRC) is being built by the National High-Speed Rail Corporation Limited (NHSRCL). As confirmed by the NHSRCL officials, the first river bridge on the Mumbai Ahmedabad High-Speed Rail Corridor is being built on the Par river in the Valsad district of Gujarat. The bridge consists of 8 full span girders which will be 40 metres each, confirmed the sources. According to NHSRCL, the height of the piers will be from 14.9 to 20.0 metres while the circular piers will have a diameter of four to five metres.

<https://economictimes.indiatimes.com/industry/transportation/railways/mumbai-ahmedabad-high-speed-rail-corridor-to-soon-get-320-metre-long-river-bridge/articleshow/97295928.cms>

Energy

Policy in works to draw private sector into coal gasification

The coal ministry is planning a policy framework to incentivise private sector companies for developing coal-gasification projects. The policy, aimed at providing capital subsidy, tax exemption and assured availability of coal, could be ready in two months, a senior government official told ET. While the current coal production in India is somewhat in line with demand, it is expected that with the augmented production at commercial coal mines, the supply of the fuel will increase in the next couple of years. "As the production increases, surplus will come, which will go to coal-to-chemical initiatives. So, it is an advance preparation," the official said.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/policy-in-works-to-draw-private-sector-into-coal-gasification/articleshow/97290047.cms>

Telecom

Facing user complaints, DoT considers launching 5G service quality test

Jolted into action by increasing reports of call drops and poor audio connectivity from 5G users across circles, the Department of Telecommunications (DoT) may soon launch an independent quality of service (QoS) test for 5G, officials said.

https://www.business-standard.com/article/economy-policy/govt-to-soon-launch-first-ever-quality-of-service-test-for-5g-services-123012401076_1.html

External

Impasse broken to get India FTA talks back on track, says UK trade minister

Britain's trade minister in charge of negotiating a free trade agreement (FTA) with India on Tuesday admitted the talks had hit a "bit of an impasse", which she broke by flying to New Delhi last month. UK Trade Secretary Kemi Badenoch said the deal is now "back on track", in an apparent reference to the Diwali 2022 deadline for the FTA set by former prime minister Boris Johnson being missed last October amid political turmoil in Britain. Addressing Lancaster House in London in a speech laying out her "Top five priorities for trade", the minister insisted that she was a problem solver at heart and is confident a "high quality" deal will be struck with India. "Some of you will know I was a software engineer and a systems analyst before I became a politician. That means I'm a problem solver at heart," Badenoch told the business gathering.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/impasse-broken-to-get-india-fta-talks-back-on-track-says-uk-trade-minister/articleshow/97288699.cms>

Govt allows fertiliser marketing entities to file bill of entries for urea imports

Fertiliser marketing entities (FME), authorised by the government, have been allowed to file bill of entries at Indian ports for import of urea for agriculture purpose on government account, according to a notification of the commerce ministry issued on Tuesday. This new provision was added in the import policy condition of urea. "FMEs, authorised by the department of fertilisers, have been allowed to file bill of entries at Indian ports for import of urea (for agriculture purpose) on government account," the directorate general of foreign trade (DGFT) said in notification.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/chem/-/fertilisers/govt-allows-fertiliser-marketing-entities-to-file-bill-of-entries-for-urea-imports/articleshow/97287864.cms>

Morocco comes to India's rescue in fertilisers as China bans export of key component

Morocco, one of the key African states, has come to New Delhi's rescue, after China suspended exports of a key component to manufacture fertilisers essential for Indian farmers. India has turned to Morocco to secure fertilizers after China suspended the export of ammonium phosphate, a key component in the manufacturing of fertilizer. Over the weekend during the visit of Fertiliser Minister Mansukh Mandaviya Morocco, Morocco's phosphate giant OCP Group announced signing a deal with India to supply New Delhi with 1.7 million metric tonnes of phosphate-based fertilizer over the coming 12 months.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/morocco-comes-to-indias-rescue-in-fertilisers-as-china-bans-export-of-key-component/articleshow/97283542.cms>