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Banks seek incentives for sustainability-linked loans from RBI and Centre.

Banks in India are seeking incentives from the Reserve Bank of India (RBI) and the government for issuing sustainability-linked loans. These loans are integral to addressing climate change challenges, but they carry higher commercial risks due to their novel nature. Proposed incentives include relaxed norms on risk-weighted assets (RWA) and allowances on cash reserve ratio (CRR) requirements specifically for funds allocated as sustainability-linked loans. In these loans, interest rates are tied to the borrower's achievement of sustainability targets, thereby encouraging adherence to environmental, social, and governance (ESG) criteria. While the RBI did not respond to requests for comment, a government official acknowledged ongoing discussions regarding ESG lending, including the potential classification of loans for electric vehicles, solar panels, and green hydrogen as priority sector lending. The RBI and the government are increasingly focusing on green financing as part of their commitment to renewable energy transitions.

India ranks 3rd in USGBC's list on green building certification for 2023.

India maintained its third position in the US Green Building Council's (USGBC) 2023 ranking of the top 10 countries and regions for LEED (Leadership in Energy and Environmental Design) certification, excluding the United States. LEED is a widely recognized global green building rating system, denoting excellence in sustainable building practices. The country saw 248 projects covering 7.23 million gross square meters (GSM) receive LEED certification. China and Canada were ranked first and second, with over 24 million GSM and 7.9 million GSM certified, respectively. The US, although not listed, is the largest LEED market with more than 51 million GSM certified. The USGBC list underscores the adoption of sustainable and resilient building practices worldwide. In India, LEED certification processes are overseen by the Green Business Certification Inc (GBCI).

LS passes Finance Bill, completes exercise for interim budget 2024-25

The Lok Sabha has passed the Finance Bill for 2024, completing the process for the interim budget of the financial year 2024-25. This bill does not introduce any changes to the existing tax structure, as the final budget is scheduled for presentation in July post-elections. Minister of State for Finance, Pankaj

Chaudhary, emphasized the government’s focus on development despite the upcoming elections. Additionally, the Lok Sabha sanctioned the interim Budget of approximately ₹47.66 lakh crore, along with the authorization for the government to incur expenses for the first four months of the next financial year. The budget for the Union Territory of Jammu and Kashmir was also approved at ₹1.8 lakh crore.

Rooftop solar programme to be gamechanger: SBI chairman at BS IML Conclave

The State Bank of India (SBI) views the rooftop solar program, introduced in the interim Budget by the finance minister, as a significant opportunity for its home loan business, according to SBI Chairman Dinesh Khara. Speaking at the India Mortgage Leadership Conclave, Khara highlighted SBI’s commitment to promoting solar energy, noting successful adoption in Gujarat and Kerala. The program aims to provide 10 million households with 300 units of free electricity monthly, potentially saving Rs 18,000 crore. It is part of a larger initiative, the **Pradhanmantri Surodaya Yojna**, announced by Prime Minister Modi to install rooftop solar panels in one crore homes. Khara also anticipates potential post-election incentives for homebuyers in the final budget to encourage solar adoption. Furthermore, he discussed SBI’s technological advancements, particularly with YONO, SBI’s digital banking platform, which has facilitated over Rs 1 trillion in asset underwriting, showing a 30% annual growth. SBI’s total loan book stands at Rs 35 trillion, with home loans accounting for Rs 7 trillion.

India needs robust policies for ethanol to sustain distillery investments.

Triveni Engineering & Industries (TEIL) has decided to postpone the expansion of a new distillery at Sabitgarh in Uttar Pradesh due to the current government policy and the scarcity of economically viable grains for distillery operations. This suspension reflects the uncertainty created by state policies last year. TEIL’s Vice-Chairman and Managing Director, Tarun Sawhney, emphasized that project payback depends on raw material costs and ethanol sale prices. The company is advocating for a long-term policy on ethanol production inputs and suggests that allowing the corporate sector to manage feedstocks like maize could enhance biofuel production efficiency. However, the ethanol business has seen a decline in margins due to increasing input costs.

CRISIL notes that this cessation of ethanol production is likely to reduce EBITDA margins in the distillery segment of integrated sugar mills. Furthermore, the overall EBITDA margins of these mills may decrease by about 100 basis points in the 2023-24 sugar season. Meanwhile, the Indian Oil Corporation has been promoting ethanol-blended petrol, aiming to reach 20% blending by 2025. However, the recent ban on ethanol production from sugarcane juice and subsequent regulatory changes are causing complications. The scarcity of rain in key sugarcane-producing states like Maharashtra and Karnataka has led to lower crop yields, further challenging the industry.

Ethanol production is projected to decrease by 20%, which may hinder the government’s goal of achieving 20% ethanol-blended petrol by the 2024-25 ethanol supply year (ESY) and 30% by the 2029-30 ESY, keeping the blending rate below 10% for ESY 2023-24.

IRDAI moots change in rural, social, and motor third party norms.

The IRDAI is set to revise norms related to insurers' obligations in rural areas, social sectors, and motor third-party coverage. The proposed changes, detailed in the Exposure Draft on IRDAI Regulations 2024, suggest using the gram panchayat as the unit for assessing rural sector obligations. For life insurers, the focus will be on the number of individuals covered under both individual and group policies. General insurers will consider the number of dwellings with fire insurance and vehicles with motor insurance.

In the initial year, life insurers must cover a minimum of 30% of lives in each gram panchayat, across at least 25,000 gram panchayats, with this responsibility led by a designated lead insurer. The target increases annually, reaching 50% coverage across a minimum of 75,000 gram panchayats by the third year. General insurers have similar targets for covering dwellings and vehicles.

These revisions aim to ease business operations for insurers, reduce compliance burdens, and ensure policyholder protection, aligning to achieve 'Insurance For All' by 2047. This move is seen as a step towards enhancing insurance penetration in the country's rural and underserved areas.

The RBI has set the final redemption date for the first tranche of Sovereign Gold Bonds (SGB 2016-I) as February 8, 2024. The redemption price is Rs 6,271 per gram of gold, based on the average gold price from January 29 to February 02, 2024. Investors who initially purchased the bond at Rs 2,600 per gram will now realize significant gains.

Sovereign Gold Bonds: These SGB investors will earn 141% on maturity this month.

For example, an investor who bought 35 grams at launch for Rs 91,000 will receive Rs 219,485 at maturity, equating to a compound annual growth rate (CAGR) of 11.63% and a total return of 141% before considering the interest. The SGBs also accrue annual interest—initially set at 2.75%, now at 2.5%—paid semi-annually, with the final interest paid at maturity.

Upon maturity after eight years, both the principal and final interest are credited to the investor's bank account. The RBI issues SGB tranches each financial year with a maximum limit of 4 kg per individual. The investment amount is determined by the issuance price set by the RBI.

For taxation, interest on Gold Bonds is taxable as per the Income-tax Act, 1961, but redemption of SGBs is exempt from capital gains tax for individuals. Long-term capital gains from bond transfers are subject to indexation benefits.

NPCI working on a Digital Payments Score to scale up the credit economy in India.

The National Payments Corporation of India (NPCI) is planning to introduce a Digital Payments Score (DPS) to enhance India's credit scoring system. This new metric aims to foster growth and efficiency in the financial sector. The DPS will be tested through a pilot program with selected lenders. Praveena Rai, COO of NPCI, emphasized the need to improve the current credit scoring models in India, which lag behind those of more developed markets. The DPS will consider financial stability indicators such as timely and periodic payments and the correlation between high-value transactions and income levels. The initiative is part of broader efforts to formalize and expand India's credit economy and to integrate digital payment behaviors into the credit evaluation process, potentially leading to the development of a new kind of credit bureau that incorporates these modern scoring methods.

Cognizant Technology Solutions reported a 7% increase in net profit for Q4 2023, reaching $558 million compared to $521 million in the same period the previous year. However, there was a slight drop in quarterly revenue to $4,758 million from $4,839 million. The full-year net profit saw a reduction to $2.12 billion from $2.29 billion, with revenue slightly down at $19.35 billion from $19.42 billion.

Standing Committee on Finance proposes 'open architecture' for insurance agents

The company has projected a cautious outlook for 2024, with Q1 revenue expected to decline by 2.7% to 1.2%, and the full-year revenue projected to be between $19 billion and $19.8 billion, indicating a potential decline of 1.8% or a growth of up to 2.2%.

This conservative guidance is attributed to a softening global demand for IT services, as evidenced by a reported decline in the Americas' IT and business services market due to economic and geopolitical concerns.

Bookings in Q4 decreased by 6%, but there was a 9% growth in full-year bookings to $26.3 billion, achieving a book-to-bill ratio of approximately 1.4X.

Employee headcount slightly increased by 1,100 from Q3 2023 to 347,700 in Q4 2023, though there was a decrease of 7,600 from the previous year's same quarter. Notably, voluntary attrition in tech services decreased to 13.8% for the year ended December 31, 2023, from 25.6% for the previous year.

CEO Ravi Kumar S highlighted the achievement of Q4 revenue within the targeted range and a year-over-year increase in bookings, crediting new clients and large deals. Cognizant is continuing to invest in key areas like generative AI, cloud, data modernization, digital engineering, and IoT to enhance its solutions delivery and help clients adapt to future challenges amidst current economic pressures.

IRDAI greenlights Axis Bank's ₹1,612 crore infusion into Max Life Insurance, pending CCI nod.

Max Financial Services Limited (MFSL) has disclosed that the IRDAI has sanctioned a ₹1,612 crore capital boost from Axis Bank into its key subsidiary, Max Life Insurance. As part of this investment, Max Life Insurance will issue 14.25 crore shares to Axis Bank, raising Axis Bank's ownership from 13% to 19%. The acquisition price for the additional 6% stake is set at ₹113 per share. While PFRDA has already approved the revised shareholding structure of Max Life, the deal awaits clearance from the Competition Commission of India (CCI).

This capital injection is intended to support Max Life's growth plans, bolster its capital base, and enhance solvency margins. Previously, in August last year, Axis Bank's Board had authorized a ₹1,612 crore investment in Max Life, which would increase its direct stake in the insurer to 16.22% and the collective stake of Axis entities to 19.02%. Following this transaction, MFSL's holding in Max Life will decrease from 87% to 81%. This follows a transaction in April 2021 where Axis Bank and its affiliates acquired a 12% stake in Max Life from MFSL.

HDFC Bank raises $300 million through maiden sustainable finance bond issue.

HDFC Bank has successfully issued its first sustainable finance bond, raising $300 million. This issuance is part of a broader $750 million fundraising through Regulation S Bonds. The bank secured $300 million for a three-year term with a spread of 95 basis points over the US Treasury, and an additional $450 million for five years at 108 basis points over the US Treasury, marking the narrowest credit spreads achieved by an Indian issuer for bonds of this nature and size.

The funds from the sustainable finance bond are designated for green and social loans, specifically promoting electric vehicles, small and medium-sized enterprises (SMEs), and affordable housing projects, in line with the bank's commitment to building a green and social investment portfolio.

These bonds will be listed on the India International Exchange (India INX) in the Gujarat International Finance Tec-City (GIFT IFSC) and have been rated Baa3 (stable) by Moody's and BBB- (stable) by S&P. Barclays, BofA Securities, J.P. Morgan, MUFG, and Standard Chartered Bank were appointed as joint global coordinators and joint lead managers for the transaction.

India plans to protest EU's carbon tax at WTO meeting: Sources.

India is set to challenge the European Union's proposed carbon tax on imports of steel, iron ore, and cement at the upcoming World Trade Organization (WTO) meeting, viewing it as a potential trade barrier. The protest is in response to the EU's planned Carbon Border Adjustment Mechanism (CBAM), which could impose tariffs of 20-35% on high-carbon imports, aiming to equalize the carbon price between European products and imports to prevent carbon leakage and promote global decarbonization.

New Delhi, in concert with South Africa and other aligned nations, intends to present its objections during the WTO's Ministerial Conference in Abu Dhabi. India argues that unilateral climate change measures should not result in unfair discrimination or a veiled restriction on international trade. The EU, however, asserts that its CBAM is structured to comply with WTO regulations, applying an equivalent carbon price to both imported and domestically produced goods.

India is considering extending parboiled rice tax at risk to world supply.

India, along with China and several other countries, has previously expressed concerns within the WTO about the EU's carbon tax, stressing that while climate change is a critical global issue, the response should not adversely affect international commerce. Moreover, Indian officials have highlighted that developed nations have not met the agreed funding target of $100 billion per year by 2020 to support climate action in developing countries. India has also taken issue with EU regulations that ban imports based on deforestation concerns, potentially affecting a significant value of Indian exports. The Indian commerce ministry, responsible for WTO negotiations, has not provided a statement on this matter.

India is considering extending a 20% export tax on parboiled rice to combat domestic food inflation ahead of the national elections. While there are no plans to outright ban exports, maintaining the tax, which is set to expire on March 31, may strain the global supply and increase rice prices, already near a 15-year high. This could particularly impact countries in West Africa and the Middle East that depend on India for this staple.

The continued export levy is part of broader government measures under Prime Minister Narendra Modi to control food inflation, which reached nearly 10% in December year-on-year. India has already restricted exports of wheat, sugar, and most rice varieties and taken steps to prevent hoarding. Additionally, the government has been selling wheat flour and chickpeas at subsidized rates and has now initiated a program to sell rice at reduced prices to manage the elevated retail rice costs in Delhi.

Parboiled rice makes up about 30% of India's total rice exports and involves partially boiling the paddy before milling to enhance nutritional content and alter texture. India's contribution to the global rice trade was around 40% in 2022-23. The decision on the export tax is part of India's strategic efforts to ensure food affordability for its population while navigating the pressures of global trade.

Govt directs ECGC to maintain the moratorium on insurance rates for exporters.

The Indian government has instructed the Export Credit Guarantee Corporation (ECGC) to extend the moratorium on insurance rates for Indian exporters in response to the Red Sea crisis. ECGC, a state-run entity, provides credit insurance covers to enhance the competitiveness of Indian exports. Commerce and Industry Minister Anupriya Patel confirmed that ECGC is still offering insurance coverage for exports passing through the Red Sea based on risk assessments and the creditworthiness of overseas buyers.

In her written response to the Lok Sabha, Patel mentioned that the government's directive aims to stabilize insurance rates for exporters. She also acknowledged a reported increase in freight costs by the industry.

Addressing another query, Patel stated that fruits for export to the U.S. undergo irradiation at Indian facilities approved by the United States Department of Agriculture (USDA). The USDA inspectors, along with Indian Plant Quarantine Inspectors, inspect these fruits, which are then exported to the U.S.

Furthermore, the government is staying vigilant regarding the current geopolitical climate, with consultations ongoing among partners of the India-Middle East-Europe Economic Corridor (IMEC) initiative. This initiative, announced alongside the G20 Leaders' Summit on September 9, 2023, involves India, the European Union, and several Middle Eastern countries. The IMEC will feature two corridors: one connecting India to the Arabian Gulf and another linking the Arabian Gulf to Europe. It promises a ship-to-rail network aimed at complementing current maritime and road transport routes, thus facilitating the transit of goods and services across these regions.

Financial Services Secretary Vivek Joshi states RBI is primed to handle the Paytm issue.

Financial Services Secretary Vivek Joshi clarified that the recent regulatory actions against Paytm Payments Bank Ltd (PPBL) are within the Reserve Bank of India's (RBI) jurisdiction, indicating the government's non-involvement. The RBI's measures include restrictions on accepting new customers and certain services like deposits and e-wallets starting February 29.

The actions taken by the RBI, as Joshi stated, are independent of government intervention and are aimed at protecting consumer interests and maintaining economic stability. He also addressed concerns about the impact of these measures on financial stability, noting that PPBL's scale does not pose systemic risks. However, affected customers are expected to transfer their accounts independently.

In relation to foreign investments, Joshi mentioned an ongoing inter-ministerial review of a pending FDI application from China in Paytm's payment aggregator subsidiary. Meanwhile, Paytm's founder Vijay Shekhar Sharma has met with Finance Minister Nirmala Sitharaman, where he was advised to engage directly with the RBI regarding their actions.

Compliance issues at PPBL, such as non-KYC compliant accounts and potential money laundering risks, have come to light, emphasizing the need for stringent regulatory compliance within the financial sector. The situation continues to develop as stakeholders anticipate further actions from the RBI and Paytm's response.

Will Sitharaman's 'fiscally prudent' Budget prompt RBI's MPC to make moves, and re-adjust stance?

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) is expected to maintain the repo rate at 6.5% for the sixth time in a row during its last bi-monthly meeting of FY24, which began on February 6. However, there is speculation among economists that the RBI might change its stance from 'withdrawal of accommodation' to 'neutral'. This anticipated shift is based on India's fiscally prudent interim budget and global monetary easing signs, which might prompt the RBI to soften its stance on tight liquidity conditions, contributing to high borrowing costs.

The transition to a 'neutral' stance would give the RBI more flexibility in adjusting liquidity to meet economic conditions. Since April 2022, the RBI has been moving away from an accommodative stance, resulting in a funds shortage in the banking system, with banks borrowing heavily from the RBI.

Despite a decrease in retail inflation to 5.69% in December 2023, which is within the RBI's target range of 4-6%, concerns persist over high food prices and inflationary pressures. The RBI is thus expected to continue its cautious approach toward inflation.

In line with Finance Minister Nirmala Sitharaman's budget announcement aiming to reduce the fiscal deficit to below 4.5% of GDP by 2025-26, the RBI's actions will also reflect fiscal prudence. The budget for 2024-25 sets the deficit at 5.1%, lower than the revised 5.8% for 2023-24, with a focus on strong tax revenue projections and controlled spending in the lead-up to the national elections. The budget also proposes increased capital expenditure to stimulate economic demand and growth.

RBI conducts two VRRR auctions again to balance liquidity within the system.

The Reserve Bank of India (RBI) has conducted two variable rate reverse repo (VRRR) auctions, each worth ₹50,000 crore, in an attempt to address the uneven liquidity distribution within the banking system. Despite the liquidity deficit narrowing due to government spending, banks offered nearly double the notified amount in the first auction, signaling excess liquidity for some banks. The second auction, however, saw a significantly lower bid amount of ₹11,829 crore at a weighted average rate of 6.49%.

Market participants interpret these auctions as the RBI's strategy to prevent money from going into the Standing Deposit Facility (SDF) at lower rates and to indicate the central bank's continued focus on combating inflation by not allowing yields to soften.

With money market rates recently falling below the repo rate of 6.50%, the RBI's VRRR auction on Friday aimed to realign market rates with the policy rate. The outcome of the upcoming monetary policy committee meeting is highly anticipated for insights into the RBI's approach to the current liquidity conditions and potential changes in its monetary policy stance. Some market players speculate a shift to a neutral stance given the easing of money market rates below the repo rate, influenced by the RBI's VRRR auctions.

India to overtake China as biggest driver of global oil demand in 2027: IEA

According to the International Energy Agency (IEA), India is expected to surpass China as the leading driver of global oil demand by 2027, with its demand projected to rise from 5.48 million barrels per day (bpd) in 2023 to 6.64 million bpd in 2030. Despite India's accelerated moves towards clean energy and electrification, the demand for oil, particularly in the transportation and industrial sectors, will continue to grow.

This growth will come even as oil demand is set to slow or reverse in developed countries and China. Diesel is anticipated to contribute significantly to this increase, accounting for half of India's demand growth and a fifth of the global demand increase by 2030. The rising demand for oil comes despite the country's efforts to increase electric vehicle adoption, which is currently more prevalent in the two- and three-wheeler segments than in four-wheelers.

India is the third-largest oil consumer globally, reliant on imports for 85% of its needs—a figure expected to grow as domestic production declines. Despite ambitious targets for ethanol blending in petrol, the IEA notes potential challenges due to feedstock constraints.

India's refining expansions aim to meet domestic needs and maintain its export status. However, the lack of major discoveries means domestic production may drop to 540,000 bpd by 2030, with imports predicted to rise from 4.6 million bpd in 2023 to 5.8 million bpd in 2030. India maintains an oil stock sufficient for 66 days, including strategic reserves, compared to the IEA member nations' 90-day stockpile.

With a significant industrial expansion forecasted, jet-kerosene demand is expected to grow, while petrol growth will be moderated by vehicle electrification. The petrochemical industry will also drive demand for liquefied petroleum gas (LPG) as a feedstock.

This burgeoning demand poses challenges for India's energy supply security. As the world's second-largest crude oil net importer in 2023, India's reliance on foreign oil is set to increase, underscoring the importance of resilience in the face of market disruptions and the country's ongoing efforts to attract foreign investment in its upstream sector.

Govt bond yields settle lower ahead of RBI's policy outcome.

Indian government bond yields dipped as market participants expected a dovish stance from the Reserve Bank of India (RBI) in its upcoming policy decision. The benchmark 10-year yield closed slightly lower at 7.0723% compared to its previous 7.0904%.

Analysts predict the RBI will maintain the status quo, especially considering the liquidity concerns, and expect that the central bank will not change the key interest rate, which has been held steady at 6.50% in the last five policy announcements.

Positive market sentiment is bolstered by the government's commitment to reduce the fiscal deficit and lower its gross borrowing for the next financial year. Some market experts believe that India's benchmark bond yield could drop below the key policy rate before the RBI starts easing monetary policy later in the year, making a case for investing in long-term bonds currently.

In contrast, U.S. yields have eased but remain high due to strong economic indicators and hawkish remarks from Federal Reserve Chair Jerome Powell, which have postponed expectations of rate cuts in the U.S. Consequently, the probability of a Fed rate cut in May has decreased significantly.

Investors are closely watching for any signals from the RBI that could indicate a shift in monetary policy or provide guidance on the future liquidity framework.

Developing nations need $ 6 trillion by 2030 in climate finance: COP29 president designate.

Mukhtar Babayev, the Azerbaijani environment minister and president of the upcoming UN climate conference (COP29), highlighted that developing countries require almost $6 trillion by 2030 to effectively combat and adapt to climate change. During the conference, the host country aims to drive nations toward firm commitments, with a particular goal of doubling adaptation finance by 2025. Babayev emphasized Azerbaijan's dedication to bolstering climate finance, especially in support of developing nations, and stressed the need for innovative financing mechanisms, such as new public-private sector partnerships, to ensure transparency and tangible progress.

COP29 will prioritize establishing a definitive, actionable roadmap to significantly increase global renewable energy capacity and enhance energy efficiency rates by 2030. A central agenda item for COP29 will be climate finance, setting a new target for post-2025 funding to aid developing countries in emissions reduction and coping with climate change impacts.

This ambitious financial goal arises amid historical challenges, as wealthier nations have not fulfilled their 2009 pledge to provide $100 billion annually by 2020 to assist developing countries. Simon Stiell, the Executive Secretary of the UN Framework Convention on Climate Change, recently noted the need for at least $2.4 trillion to maintain the possibility of restricting global warming to 1.5 degrees Celsius above pre-industrial levels.

With Earth's surface temperature already approximately 1.15 degrees Celsius above pre-industrial times, primarily due to CO_2 emissions from burning fossil fuels since the Industrial Revolution, there is an urgent call to cut CO_2 emissions by 43% by 2030. Without substantial changes, the current trajectory predicts a temperature rise of around 3 degrees Celsius by the century's end, which scientists warn would significantly worsen climate impacts.

Govt eyes deal with EU countries that could draw $100 billion investment.

India is on the brink of finalizing a groundbreaking trade agreement with the European Free Trade Association (EFTA), which includes Switzerland, Norway, Iceland, and Liechtenstein. This pact could lead to these European nations investing up to $100 billion in India over a span of 15 years, offering them easier trade access to the South Asian market.

The investment commitment, part of the trade deal negotiations, is still being discussed, particularly regarding its binding nature. India is advocating for a legally enforceable investment obligation, whereas the European side prefers setting it as a target without legal enforceability.

This trade agreement, once concluded, would be unprecedented for India, as it's the first time such an investment pledge has been incorporated into a free trade arrangement. Details, such as patent protection and a novel chapter on investment promotion, have been agreed upon. The agreement aims to be finalized before India's upcoming elections, likely to commence in April.

While the Indian commerce ministry has yet to respond to inquiries, Switzerland has confirmed the deal's progress without revealing specifics. The EFTA deal has been 16 years in the making and would enable EFTA countries to export various products, including processed food and beverages, to India's vast market while potentially benefiting India's pharmaceutical and medical devices industry.

The proposed investments from EFTA would primarily fund manufacturing projects in India, potentially creating over a million jobs. The deal is also expected to facilitate the movement of Indian professionals to EFTA countries and provide market access for certain Indian agricultural products, with the possibility of Indian rice entering the Swiss market, given Switzerland's minimal domestic rice production.

EPFO mulls reinvesting 50% of ETF redemption proceeds in equity market.

The Employees' Provident Fund Organisation (EPFO) is considering a strategic move to reinvest half of its exchange-traded funds (ETFs) redemption proceeds back into equity markets, aiming to boost the returns for its approximately 65 million members. This proposal was deliberated in the EPFO's investment committee meeting in October and has been forwarded to the Central Board of Trustees (CBT) for final approval. The decision is pending and expected to be discussed in the upcoming CBT meeting.

In the fiscal year to October, the EPFO has invested over Rs. 27,105 crore in ETFs, with its cumulative investment in ETFs over the past seven years surpassing Rs. 2.5 trillion. The CBT will also review a proposition to extend the redemption period from the current four years to seven years over the next six years for improved yields.

Moreover, the EPFO's investment committee has recommended guidelines for investing in units of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) sponsored by public sector undertakings, suggesting a cap of up to 3% of EPFO's total portfolio.

EPFO began its equity investment journey in August 2015, starting with 5% of its investible funds in ETFs based on market indices. This allocation has since increased to 15%. The organization's corpus saw significant growth of 16.7% in the 2022-23 fiscal year, amounting to Rs. 21.3 trillion. The investment breakdown includes state development loans, central government securities, corporate bonds of public sector enterprises, and central government public accounts.

Yes Bank shares jump 23% in two days after RBI allows HDFC Bank to pick 9.5% stake

Yes Bank's shares experienced a surge, climbing about 23% over two consecutive sessions, with a significant 10% intraday increase to a 52-week high, following RBI's approval for HDFC Bank to acquire up to 9.50% of Yes Bank's paid-up share capital or voting rights. Trading volumes were robust, with a value of Rs 2,063.38 crore on the NSE at one point.

The RBI stipulates that if HDFC Bank doesn't secure a major shareholding within a year from the notification, the approval will be revoked. HDFC Bank is also required to ensure its holding in Yes Bank does not surpass 9.50% at any time and must seek prior RBI approval to increase its stake beyond 5% if it falls below that threshold.

Yes Bank's positive financial performance for the December quarter further buoyed investor sentiment. The bank reported a fourfold year-on-year increase in profits to Rs 231 crore, a modest rise in net interest income, and a significant reduction in provisions. However, there was a slight decrease in pre-provision operating profit. Asset quality remained stable with gross non-performing assets (NPA) at 2.0% and net NPA at 0.9%, consistent with the previous quarter and year.

India, Israel discuss agro-tech collaboration; grape, and date farming in focus.

Rajasthan's Agriculture Minister, Kirodi Lal Meena, engaged in discussions with Israeli Ambassador Naor Gilon and a delegation to explore technical collaborations in agriculture and horticulture. They focused on the cultivation of grapes and dates using advanced techniques and expressed interest in processing guavas from Sawai Madhopur. Progress was reviewed at excellence centers established with Israeli expertise, which have educated about 15,000 farmers and distributed planting material to 770,000 farmers. These centers, covering 2,500 hectares, implement Israeli agricultural technology. The Israeli delegation confirmed their ongoing support and invited Minister Meena to Israel to observe their agricultural practices.