

PSBs Plan to Set up 'Green Cells' for Climate Funding

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New Delhi: State-run lenders will look to set up specialised 'green cells' with dedicated employees for climate-specific initiatives. These measures are part of the Enhanced Access and Service Excellence (EASE) reform version 7.0, which was rolled out last week.

A senior bank executive said that one of the major focus areas of PSBs in FY25 will be developing capabilities for raising green funds and increasing their green lending portfolios. "Banks will set up specialised cells that will also focus on physical and transition risk in the existing loan portfolio and new loan opportunities," he said, adding that other responsibilities include assessment of the environmental, social and governance (ESG)-related risks of borrowers through data.

According to a report by the Reserve Bank of India, the country's green financing requirement is estimated to be at least 2.5% of GDP annually until 2030. Earlier this year, the banking regulator came out with draft guidelines on the disclosure framework for climate-related financial risks in 2024. The draft also proposes a glide path for detailed disclosures by regulated entities (REs) in the areas of governance, strategy, risk management, and metrics and targets.

Bankers have been making demands for more incentives in order to promote green financing, including deposits. Earlier this year, State Bank of India chairman Dinesh Kumar Khara had said that they have approached the RBI seeking relaxation in the cash reserve ratio (CRR) requirement for green deposits.

"We have put across the ask. One, of course, is a reduction in CRR for green deposits, and second, if at all as a policy, it can be incorporated into the regulatory policy mechanism," he had said.

In April 2023, the RBI issued detailed guidelines for the acceptance of 'green deposits' by banks and non-banking financial companies (NBFCs), wherein the funds could be used for financing activities like renewable energy, green transport and green buildings. The framework, which came into effect on June 1, 2023, allows green deposits to be denominated in Indian rupees only.

According to a World Bank blog, emerging market governments have raised \$74 billion, representing 2% of total green, social and sustainability bonds issued globally.



DEMAND BUOYANT, BUT...

Manufacturing Activity Eases from 16-year High

New orders expand at second-fastest pace since 2021, with contributions from Asia, Australia, Europe and Americas

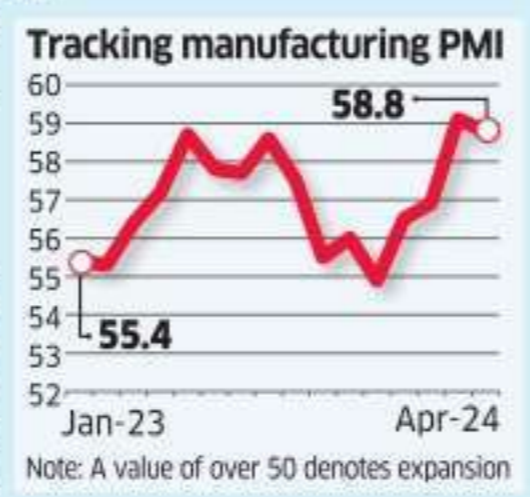
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Improving Optimism

Domestic demand leads to improved optimism

Manufacturers report fastest job additions since September 2023

IMPROVED OPTIMISM ALSO CONTRIBUTES TO HIGHER EMPLOYMENT ADDITIONS IN APRIL



New Delhi: India's manufacturing activity rose to 58.8 in April, easing slightly from a 16-year high of 59.1 in the previous month, clocking the second-fastest improvement in operating conditions in three-and-a-half years propelled by buoyant demand, showed a private monthly survey released on Thursday.

The HSBC India Manufacturing Purchasing Managers' Index (PMI) remained above the 50-level, which separates expansion from contraction, and even above the long-run average of 53.9.

Pranjul Bhandari, chief India economist at HSBC said strong demand conditions propelled further expansion of output, albeit slightly slower than in March.

New orders also expanded at the second-fastest pace since 2021, with contributions from Asia, Australia, Europe and Americas.

India's merchandise exports fell 3% to \$437 billion in FY24. But the government expects merchandise export performance to improve this fiscal year as the global economy and trade show signs of recovery. A total of 400 manufacturing firms surveyed in April also exhibited

more optimism for the year ahead. "Business confidence strengthened in April on the back of expectations that demand will remain buoyant. Advertising and brand recognition were also reported as opportunities to the outlook," the report noted.

Firms also pointed to higher buying levels in April, leading to stock purchases rising to one of the strongest levels seen since 2005.

This fiscal, the Indian economy is likely to perform better than expected previously, with most international organisations raising their projections.

The International Monetary Fund, in its latest outlook, raised India's FY25 growth forecast to 6.8% from 6.5% projected earlier. Improved optimism also contributed to higher employment additions in

April, and the quickest pace of job creation since September 2023. "Improvements in suppliers' delivery times contributed to increased purchasing activity. Additionally, a positive outlook for the year ahead prompted firms to expand their staffing levels," Bhandari said.

On the cost front as well, there was good news for manufacturers as robust demand helped retain pricing power.

"On the price front, higher costs of raw materials and labour led to a modest uptick in input costs, but inflation remains below the historical average. However, firms passed these increases onto consumers through higher output charges, as demand remained resilient, resulting in improved margins," Bhandari said.

'MSME Productivity only a Quarter of Large Cos'

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New Delhi: Micro, small, and medium enterprises in India constitute a third of the business economy and 60% of employment, but their productivity is only a quarter of large companies, according to a McKinsey Global Institute study. As per the report titled 'A microscope on small businesses: Spotting opportunities to boost productivity', improving MSME productivity could change the industry structure within the sector as micro firms may transition into small or medium or medium enterprises scaling up to become large companies, the report highlighted.

In India, around 98% of MSME enterprises are in the micro category. Average MSME productivity compared to large companies is 29%

among emerging economies and 60% among advanced economies, with the productivity gap being largest in the ICT sector, while MSMEs surpass large companies in administrative services.

The report points out that B2B MSMEs have a narrower productivity gap with large firms compared to B2C MSMEs selling predominantly to individuals.

"The superior performance of B2B MSMEs can be attributed to customers having higher expectations of their providers, and MSMEs benefitting from lessons learned in the course of working with larger enterprises and also larger enterprises incentivising MSMEs to

become productive," according to the report. MSMEs across sixteen countries, including 10 advanced economies were surveyed for this report.

OECD Raises India's Growth Outlook to 6.6% for FY25

Projection comes on the back of strong investment & improving biz confidence

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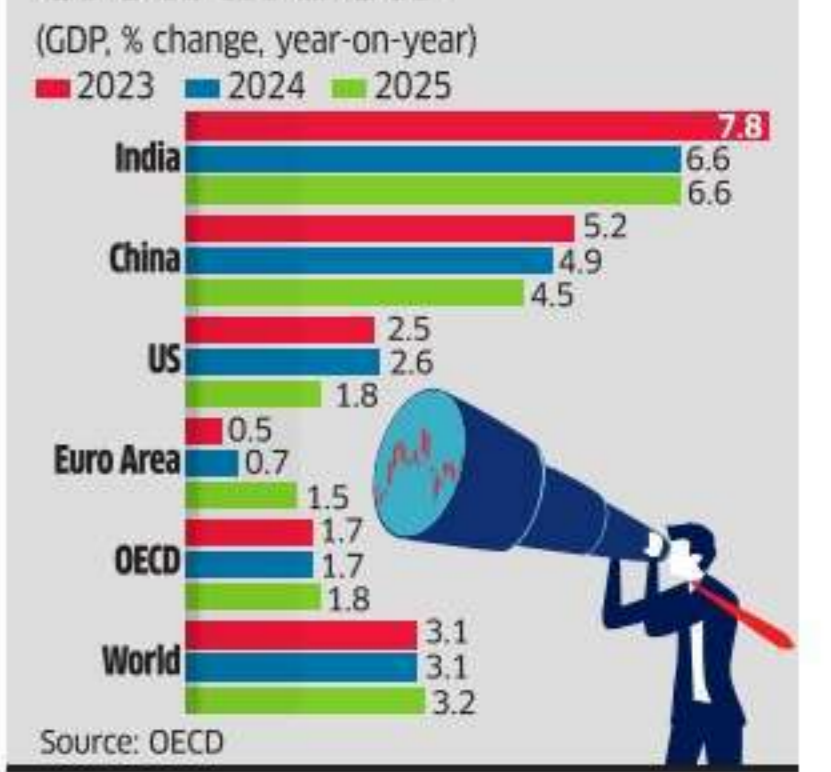
New Delhi: The Organisation for Economic Co-operation and Development (OECD) on Thursday bumped up India's growth projection for this financial year to 6.6% from 6.2% projected earlier on the back of strong investment and improving business confidence. "Strong investment and improving business confidence in India are projected to sustain real GDP (gross domestic product) growth of just over 6% per cent in both FY25 and FY26, despite relatively sluggish private consumption growth," said an OECD report.

The inter-governmental group of 38 high-income economies said growth is likely to be led by public investment, just as in the previous fiscal. "Domestic demand will be driven by gross capital formation, particularly in the public sector, with private consumption growth remaining sluggish," it said. The international group expects the Indian economy to register 7.8% growth in 2023-24, higher than 7.6% estimated by the government.

"Growth was stronger than expected in the second half of FY24, driven by strong public investment in transport and energy infrastructure, as well as exports of services. Private real estate demand is also strong. On the other hand, private consumption has been less vigorous," the OECD said. The revision followed similar upward revisions by other international agencies, spurred by strong domestic fundamentals of the Indian economy.

Last month, the International Monetary Fund raised India's 2024-25 growth forecast to 6.8% from 6.5% projected earlier. The World Bank now expects India's economy to expand by 6.6% in this fiscal, whereas ADB is more optimistic with a 7% estimate. "New supply chain disruptions generated by geopolitical turmoil, food inflation stickiness due to extreme weather episodes, and negative spillovers from fluctuations in global financial markets" were cited as downside risks by the OECD. It was optimistic about India's inflation prospects, projecting 4.3% inflation in 2024-25 and

Growth Bets



a further fall to 4.2% in the next fiscal. "Headline inflation will decline gradually, although uncertainty about food inflation remains elevated," it said.

India's inflation declined below the 5% level for the first time in five months in March, but food inflation remained sticky at more than 8%. Given its low inflation outlook, the OECD said the Reserve Bank of India (RBI) is likely to cut interest rates from the second half of 2024, with cuts of 125 basis points projected before March 2026. A basis point is a hundredth of a percentage point. "The RBI will only switch the stance to neutral during 2025," it said.

While the organisation was confident of the government meeting its fiscal deficit target of 5.1% in 2024-25, it said more is needed to be done to address indebtedness in increasing revenue, improving spending efficiency and stronger fiscal rules.

The OECD highlighted that "renewed consideration should be given to divestiture of government assets, including public banks and utilities". The organisation also advocated more reforms in agriculture, which supports 44% of the workforce. On the global front, it maintained its forecast of 3.1% growth in 2024.

"The impact of tight monetary conditions continues being felt, particularly in housing and credit markets, but global activity is proving relatively resilient, the decline in inflation continues, and private sector confidence is improving," the OECD said.

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NATIONAL COMPETITIVE BID
NIT No. 1/2024-266 SC (S&C)

A Tender Commencement Date	03/05/2024 11:00 Hrs
B Tender Forms request Last Date	31/05/2024 11:00 Hrs
C Tender Closing Date (CAT-1 e-submission)	03/06/2024 11:00 Hrs
D Tender Closing Date (CAT-2 Manual submission)	03/06/2024 17:00 Hrs

Cost of Tender form including GST Rs 3,540/- to be paid only at www.tenderwizard.com/ASRTU for more details of Tender Notice Visit www.asrtu.org

CHITTARANJAN LOCOMOTIVE WORKS
E-Open Tender Notice

E-Open Tender invited for and on behalf of the President of India for the following work: Sl. No.: 1011. Tender No.: MW_ELM_S_AMC_3_MORARA. Name of the Work: Annual Maintenance contract for CNC Cylindrical Axis Grinding Machine (M/C No. 09/4626/02), Make: MORARA, shop-09, pertaining to Loco Works, CLW, Chittaranjan for a period of two (02) years. Advertisement Value (Rupees): ₹3418519.44. Cost of Earnest Money/Bid security (Rupees): ₹68400.00. Cost of Tender Document (Rupees): ₹600.00. Period of completion: 24 Months (02 Years). Note: (i) Tender Closing Date & time: 17/05/2024 13:00 (ii) Contact Number: 0341-2525566/9163340351. (iii) Email id: seecersclw@gmail.com / dycmeplantclw@yahoo.com. (iv) Complete details can be seen in the Railway website www.ireps.gov.in

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NIT No. -177PPPC/2024-08 PPP/2024 Vol-13 Dated 02.05.2024

CORRIDGUM DEVELOPMENT OF BUS STATIONS ON PPP MODEL

Uttar Pradesh Road Transport Corporation (UPRTC) is pleased to announce the publication of a corrigendum in the tender for selection of developers for the development of bus stations under UPRC on a PPP model.

Prospective bidders can download the corrigendum document containing responses to the queries received during Pre Bid Meeting. The corrigendum is available for download on the official website: <https://www.uprtc.gov.in> or <https://etender.up.nic.in>

Submission Deadline
All interested and competent bidders are requested to submit their proposals no later than 5:00 PM IST on June 14th, 2024.

Managing Director

SBI
Internal Audit Department, Corporate Centre, State Bank Nireekshan Bhavan, Lingampally Post, Hyderabad-500019, Telangana

Empanelment of Chartered Accountant Firms as Concurrent Auditors

Applications are invited from eligible Chartered Accountant Firms for empanelment as Concurrent Auditors in Bank branches/outlets. Proforma for application, eligibility criteria and other details are available in Bank's website under the page <https://bank.sbi/web/sbi-in-the-news/empanelment-of-vendors>

Note: Any Wait list of CA Firms empanelled as Concurrent Auditors will get cancelled with this publication.

Place: Hyderabad Sd/-
Date: 03.05.2024 Dy. General Manager (HR, Admin. & Operations)

RAIL COACH FACTORY KAPURTHALA

On-line bids are invited by PCMM, RCF on behalf of President of India for following items:-

Sr. No.	Tender No. & Due Date	Description	Quantity	EMD (Rs.)
1.	14241041 22.05.2024	SOUND INSULATING WOOD PANELS (02 TYPES).	22308 Nos. 10900 Nos.	2000000
2.	05241296 30.05.2024	Roof Flange	1634 Nos	55140/-
3.	17241122 10.06.2024	i) Guard-Room/Crew-Room Door ii) Crew-Room/Generator Room Door	120 Nos 126 Nos	2,94,810/-
4.	14241058 22.05.2024	SOUND DAMPING/INSULATION PAINT	272 Nos.	7,31,780/-
5.	02241225 30.05.2024	PUMP EQUIPMENT WITH PLC CONTROLLER	934 Sets	445260/-
6.	02241251 12.06.2024	24V STARTER BATTERY CHARGER FOR 500KVA DA SET	193 Nos	115690.00
7.	05241194 29.05.2024	AXLE MOUNTED DISC BRAKE SYSTEM (4 Types)	1782 SET	5000000.00
8.	02241260 31.05.2024	FIVE TYPES OF THIN WALLED FLEX ELAST CABLE IN 2.5 SQMM	94300 MTR.	67320.00
9.	02241265 03.06.2024	THIRTEEN TYPES OF THIN WALLED FLEX ELAST CABLE IN 4 & 6 SQMM	224100 MTR.	260150.00
10.	02241281 14.06.2024	FOUR TYPES OF THIN WALLED FLEX ELAST CABLE IN 95 & 150 SQMM	93100 MTR.	2000000.00
11.	02241285 04.06.2024	FOUR TYPES OF THIN WALLED FLEX ELAST CABLE IN 95 & 120 SQMM	1900 MTR.	52290.00
12.	04241036 04.06.2024	70 AH 110V VRLA BATTERY	332 SET	7,22,430.00
13.	05241262 03.06.2024	SET OF SIDE WALL ASSLY AND ROOF COMPLETE FOR LHB COACHES	909 Set	5000000/-
14.	05241219 31.05.2024	EMERGENCY BRAKE PULL BOX	16863 Nos.	2000000.00
15.	01241150 10.06.2024	TRACTION CENTER	2000 Nos.	278240

CORRIDGUM

1. Tender No. 13245022; Due date: To be read as 13.05.2024 instead of 02.05.2024; 2. Tender No. 14241002; Due date: To be read as 06.05.2024 instead of 30.04.2024; MDTS: To be read as MDTS-28001 Rev.3 instead of MDTS-28001 Rev.5; 3. Tender No. 17231475; Due date: To be read as 07.05.2024 instead of 30.04.2024; for SUPPLY INSTALLATION, TESTING AND COMMISSION OF AUTOMATIC SMOKE, FIRE DETECTION WITH ALARM SYSTEM ON RETRO FITMENT BASIS IN EXISTING/FIRE 3 PHASE EMU/MEMU RAKES OVER INDIAN RAILWAYS 4. Tender No. 17241079; MDTS: To be read as MDTS-214 REV-12 WITH ADDENDUM AS PER LNO. MD46111 DATED 16.04.2024 AND CORRIGENDUM-1 AS PER LNO. MD46111 DATED 18.04.2024 instead of MDTS214 REV. 12 WITH ADDENDUM AS PER LNO. MD46111 DATED 21.03.2024; 5. Tender No. 17241075; Due date: To be read as 06.05.2024 instead of 29.04.2024; Drawing no: of PL No. 33601276, To be read as MIO07106 Alt d instead of MIO07106 Alt b

1. For details and making On-line Tender, visit Website <http://ireps.gov.in>. Drawings/specifications, wherever required can be downloaded from RCF Website <http://www.rcf.indianrailways.gov.in> Class II/bid digital signature certificate required for on-line bidding, can be obtained from licensed certifying agencies listed at Website <http://www.cce.gov.in> 2. Tenders will close at 14.25 hrs. on due date and tender will be opened at 14.30 HRS. S.No 1,3,4 Tenders will be opened at Kapurthala New Delhi, and S.No. 2,5 to15 Tender will be opened at Tilak Bridge; 3. For queries, contact IREPS Helpdesk at 011-24102855, 011-24105180 or RCF helpdesk at 011-23370897

PCMM
NO. 15-S/2024-25 Dated: 02.05.2024

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THE ECONOMIC TIMES

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