



April 06, 2023 – Thursday

## Economy

### India's services PMI rises for 20th consecutive month but lower than Feb

India's service sector expanded for the twentieth successive month in March, but the Purchasing Managers' Index (PMI) fell to 57.8 from February's 59.4, data released by S&P Global on Wednesday showed. "India's service sector built on to the momentum gained in February with further increases in new business intakes and output at the end of the 2022/23 fiscal quarter. However, manufacturing has retaken the mantle as the main driver of growth," said Pollyanna De Lima, economics associate director at S&P Global Market Intelligence. "Input price pressures in the service economy continued to subside, alongside the trend seen in manufacturing. Hence, the aggregate rate of input cost inflation moderated to a two-and-a-half-year low," Lima added.

[https://www.business-standard.com/economy/news/india-s-services-pmi-rises-for-20th-consecutive-month-but-lower-than-feb-123040500288\\_1.html](https://www.business-standard.com/economy/news/india-s-services-pmi-rises-for-20th-consecutive-month-but-lower-than-feb-123040500288_1.html)

### New projects hit Rs 12.3 trillion in March quarter on large orders

Large investment plans in some sectors might have driven a record surge in new projects in the March quarter of financial year 2022-23 (Q4FY23). The value of new projects soared in the three months ended March 31 to Rs 12.3 trillion, or more than the previous two quarters combined, according to data from capital expenditure (capex) numbers from project tracker Centre for Monitoring Indian Economy (CMIE). New projects rose 42.6 per cent year-on-year (YoY) from Rs 8.64 trillion in Q4FY22 and 78 per cent over the Q3 figure of Rs 6.9 trillion. Much of this might have been driven by large orders placed in certain sectors, even as overall private sector capital expenditure plans continued to reflect a more cautious outlook amid slowing economic growth, said analysts. New projects could include government road projects as well as companies setting up factories, or otherwise enhancing capacity to provide goods or services.

[https://www.business-standard.com/economy/news/new-projects-at-record-rs-12-3-trn-in-march-quarter-shows-cmie-data-123040500994\\_1.html](https://www.business-standard.com/economy/news/new-projects-at-record-rs-12-3-trn-in-march-quarter-shows-cmie-data-123040500994_1.html)

### More than Rs 40,700 crore sanctioned under Stand-Up India Scheme in 7 years

The scheme aims to promote entrepreneurship at the grassroot level focusing on economic empowerment and job creation and has been extended up to the year 2025. Union Finance Minister Nirmala Sitharaman said that the scheme has touched numerous lives by ensuring access to hassle-free affordable credit to the unserved/underserved segment of entrepreneurs. She added that the scheme has provided wings to aspiring entrepreneurs to showcase their entrepreneurial acumen and the potential entrepreneurs hold in driving economic growth and building a strong ecosystem by being job creators is immense.

[https://www.business-standard.com/economy/news/more-than-rs-40-700-crore-sanctioned-under-stand-up-india-scheme-in-7-years-123040500318\\_1.html](https://www.business-standard.com/economy/news/more-than-rs-40-700-crore-sanctioned-under-stand-up-india-scheme-in-7-years-123040500318_1.html)

## Banking and Finance

### Rs 15.6 lakh crore deployed to micro, small enterprises in February under priority sector lending: RBI data

Priority sector loans by value deployed to micro and small enterprises (MSEs) by scheduled commercial banks in February 2023 jumped by 13 per cent year-on-year (YoY) vis-a-vis 11.4 per cent YoY growth in February 2022, showed the latest monthly data on sectoral deployment of bank credit by the Reserve Bank of India (RBI). MSEs were deployed Rs 15.61 lakh crore in bank credit in February this year vis-a-vis Rs 13.81 lakh crore in February last year and Rs 15.34 lakh crore in January 2023.

<https://www.financialexpress.com/industry/sme/msme-fin-rs-15-6-lakh-crore-deployed-to-micro-small-enterprises-in-february-under-priority-sector-lending-rbi-data/3034668/>

#### **RBI should prioritise inflation over growth, say FinMin officials**

Finance ministry officials are of the view that the Reserve Bank of India (RBI) should prioritise bringing inflation down within the mandated range of 2-6 per cent, even if economic growth is adversely impacted in the process. "The central bank should focus on combating inflation until it is within the tolerance level of 6 per cent, even if it pares (down) growth," a senior government official told Business Standard. He said that inflation is still elevated, which could have an impact on low-income strata. The comments come ahead of the bi-monthly monetary policy review of the RBI on Thursday. Eight of the 10 respondents in a Business Standard poll have said that the monetary policy committee (MPC) is expected to lift policy rate by another 25 basis points (bps) to 6.75 per cent before hitting pause. Retail inflation — the main yardstick of the central bank for policy-making purposes — eased only marginally in February to 6.44 per cent, from 6.52 per cent in January.

[https://www.business-standard.com/economy/news/rbi-should-focus-on-taming-inflation-over-growth-say-finmin-officials-123040501030\\_1.html](https://www.business-standard.com/economy/news/rbi-should-focus-on-taming-inflation-over-growth-say-finmin-officials-123040501030_1.html)

#### **Investment bankers get USD 261.5 million in Q1 despite fall in deal making activities: Report**

Despite a massive fall in deal making in the March quarter, deal makers laughed their way to the bank with USD 261.5 million in investment banking fees during the same period, according to a report. The amount is 2 per cent higher compared to the year-ago period. In the three months ended March, deal-making activities declined for the third consecutive quarter, making it the slowest start to a year since 2016 amid multiple headwinds. Geopolitical tensions, supply chain disruptions, rising interest hikes and global recession fears continue to dampen boardroom confidence and investor sentiment, Refinitiv, which is an LSEG business unit and among the world's largest providers of financial markets data and infrastructure, said in the report.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/investment-bankers-get-usd-261-5-mln-in-q1-despite-fall-in-deal-making-activities-report/articleshow/99273782.cms>

#### **Irdai to insurers: Cut costs, pass on gains to customers**

India's insurance regulator has asked insurers to slash expenses and pass on those savings to their customers, potentially helping lower policy costs in one of the world's less penetrated but rapidly expanding markets for cover products. The Insurance Regulatory and Development Authority of India (Irdai), in its latest published guidelines, has directed insurance companies to draw up clear plans for reducing expenses and transferring those savings to policyholders in the form of lower premiums. Irdai has sought a "well-documented policy" outlining the manner in which benefits arising from cost reductions and directly sourced business will be transferred to customers. Each insurer's board must approve this 'policy' annually.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-to-insurers-cut-costs-pass-on-gains-to-customers/articleshow/99281700.cms>

#### **Employers must seek employees preferred tax regime for deducting TDS: CBDT**

The Income Tax Department on Wednesday said employers will have to seek details from employees about their preference for tax regime in the current fiscal and deduct TDS accordingly. In case an employee does not intimate his/her employer about the preferred tax regime, then the employer would be required to deduct TDS from salary income as per the new revamped tax regime announced in Budget 2023-24. Individual taxpayers have the option to select whether they want to be in the old tax regime, which provides for exemptions and deductions or switch to the new tax regime which offers low tax rates but no exemptions. The Budget 2023-24 unveiled on February 1 tweaked the optional exemption-free tax regime, which is available under section 115BAC of the I-T Act to push

salaried-class taxpayers to switch to the new tax regime. The revamped concessional tax regime was made the default regime for an individual taxpayer.

[https://www.business-standard.com/india-news/employers-must-employees-about-preferred-tax-regime-for-deducting-tds-cbd-123040501203\\_1.html](https://www.business-standard.com/india-news/employers-must-employees-about-preferred-tax-regime-for-deducting-tds-cbd-123040501203_1.html)

### **States may be allowed to settle off-budget borrowings by FY27**

The Centre is considering relaxing the borrowing norm for states to give them one more year till FY27 to bring their 'off-budget' borrowing within the annual budget by repaying such loans. Many states have already started the clean-up, helping reduce the consolidated off-budget borrowings of the states to ₹18,500 crore in FY23 from ₹67,000 crore in FY22. The Centre cleaned up its own budget last year when it paid off all the off-budget borrowings by repaying loans such as those taken by the Food Corporation of India. "The off-the-budget borrowings have come down considerably after strict scrutiny last year," a senior official told ET. "So (states) are being given one more year to adjust their off-the-budget borrowings."

<https://economictimes.indiatimes.com/news/economy/finance/states-may-be-allowed-to-settle-off-budget-borrowings-by-fy27/articleshow/99276816.cms>

## **Industry**

### **From mobiles to TVs, Indians are buying 'smart' gadgets**

Indian consumers are shifting towards the purchase of smart electronic products, be it smartphones, smart televisions, or smart appliances - a trend that accelerated during the pandemic with premiumisation and longer time spent at home. As per data by market tracker Counterpoint Research, the share of smartphones in total mobile phone sales increased from 59% in 2019 to 72% in 2022, while that of smart televisions from 52% to a whopping 90% in the same period. Even for smart appliances like smart AC, smart water purifier and smart washing machines - which can connect to the internet and be controlled through smartphone apps - purchases have gone up in the same period when overall premium products outsold the mass range. The share of smart appliances has doubled in total sales compared to pre-pandemic days, as per industry estimates.

<https://economictimes.indiatimes.com/industry/cons-products/electronics/from-mobiles-to-tvs-indians-are-buying-smart-gadgets/articleshow/99277636.cms>

### **Despite high base, residential air-conditioner segment to see 15-20% volume growth this fiscal**

The residential air-conditioner (RAC) segment is expected to post 15-20 per cent volume growth in FY24, despite a high base, due to robust growth of 26-28 per cent in FY2023, according to ratings agency ICRA Limited. It added that the Centre's production-linked incentive (PLI) scheme for AC components has received a strong response with a committed capital outlay of ₹4,806 crore from both global and domestic RAC companies, which will help reduce imports and support industry margins through backward integration. Sheetal Sharad, Vice-President and Sector Head-Corporate Ratings, ICRA Limited, says, "ICRA foresees a healthy 15-20 per cent jump in RAC volumes in FY2024 supported by an under-penetrated market and expected harsh summers this year. The industry has significant growth potential considering its low penetration of 7-9 per cent of total urban Indian households, compared to 90 per cent in developed countries. Increasing urbanisation, growing disposable income, improving consumer finance availability, and increasing RACs per household are further expected to support the volume, as well as revenue growth."

<https://www.thehindubusinessline.com/economy/ac-segment-to-see-10-15-volume-growth-this-fiscal-icra/article66702128.ece>

### **Electric passenger vehicle market share doubled in March: FADA**

Electric passenger vehicle market share doubled in March 2023. According to the Federation of Automobile Dealers Association (FADA), the year-on-year (YoY) market share of electric passenger vehicles has doubled to 2.6 per cent in March, against 1.3 per cent in March 2022. FADA is the apex national body of the automobile retail industry in India engaged in the sale, service and spares of two- or three-wheelers, passenger cars, utility vehicles, commercial vehicles and tractors. According to FADA's data for electric vehicles, retail sales of electric passenger vehicle (PV) in March 2023 has seen a YoY growth of 130 per cent.

<https://economictimes.indiatimes.com/industry/renewables/electric-passenger-vehicle-market-share-doubled-in-march-fada/articleshow/99272021.cms>

## Agriculture

### **Sugar output falls 3 pc to 299.6 lakh tonnes in October-March of 2022-23 market year**

India's sugar production fell 3 per cent to 299.6 lakh tonnes in the first six months of the 2022-23 marketing year ending September, according to industry body ISMA. Sugar output stood at 309.9 lakh tonnes in the corresponding period of the previous year. The sugar marketing year runs from October-September. As per the data, sugar production in Uttar Pradesh rose to 89 lakh tonnes during October 2022-March 2023 period from 87.5 lakh tonnes in the year-ago period. Maharashtra's sugar production fell to 104.2 lakh tonnes from 118.8 lakh tonnes, while output in Karnataka declined to 55.2 lakh tonnes from 57.2 lakh tonnes.

<https://economictimes.indiatimes.com/news/economy/agriculture/sugar-output-falls-3-pc-to-299-6-lakh-tonnes-in-october-march-of-2022-23-market-year/articleshow/99269209.cms>

## Telecom

### **DoT to allocate 10 MHz spectrum in 806-824 Mhz band to MHA for communication needs**

The Department of Telecommunications (DoT) has decided to allocate 10 MHz spectrum in 806 to 824 Mhz band to the Ministry of Home Affairs (MHA) for its connectivity requirements. As per officials aware of the details, the MHA requires spectrum for its connectivity needs including for walkie talkie operations and setting up of an exclusive captive mobile network. These airwaves could not have been put to auction since the spectrum band to be reserved was not identified for international mobile telecommunications (IMT) usage, they added.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/dot-to-allocate-10-mhz-spectrum-in-806-824-mhz-band-to-mha-for-communication-needs/articleshow/99266265.cms>

## Energy

### **India's power output grows at fastest pace in 33 years, fuelled by coal**

India's power generation grew at the fastest pace in over three decades in the just-ended fiscal year, a Reuters analysis of government data showed, fuelling a sharp surge in emissions as output from both coal-fired and renewable plants hit records. Intense summer heatwaves, a colder-than-usual winter in northern India and an economic recovery led to a jump in electricity demand, forcing India to crank up output from coal plants and solar farms as it scrambled to avoid power cuts. Power generation rose 11.5% to 1,591.11 billion kilowatt-hours (kWh), or units, in the fiscal year ended March 2023, an analysis of daily load data from regulator Grid-India showed, the sharpest increase since year ended March 1990.

<https://economictimes.indiatimes.com/industry/energy/power/indias-power-output-grows-at-fastest-pace-in-33-years-fuelled-by-coal/articleshow/99261699.cms>

### **Piped gas network in India increased 10 times under Modi govt**

Piped gas network in India increased by about 10 times during the incumbent government's tenure, official data showed. From just 66 districts in 2013-14, coverage rose to 630 in 2022-23, Union Minister for Petroleum and Natural Gas Hardeep Singh Puri shared on his Twitter timeline. In terms of connections, it increased from 25.4 lakh to 103.93 lakh, an increase of over four times."City Gas Distribution Network takes massive strides to offer convenient and affordable fuel. From just 66 districts in 2014, CGD network covers 630 districts in 2023; taking the number of domestic PNG connections from merely 25.40 lakhs in 2014 to a whopping 103.93 lakhs now," Puri tweeted.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/piped-gas-network-in-india-increased-10-times-under-modi-govt/articleshow/99257416.cms>

## States

### **J-K's unemployment rate declines from 6.7% in 2019-20 to 5.2% in 2021-22: Economic Survey Report**

The unemployment rate in Jammu and Kashmir declined from 6.7 per cent in 2019-20 to 5.2 per cent in 2021-22 while the urban unemployment rate dipped by 1.1 percentage points, according to the Economic Survey Report 2022-23. The report, released by Jammu and Kashmir Chief Secretary Arun Kumar Mehta recently, stated that the labour force participation rate was 61.5 per cent in 2021-22 as against 56.3 per cent in 2019-20, while the worker population ratio has increased to 58.3 per cent in 2021-22 from 52.5 per cent in 2019-20.

<https://economictimes.indiatimes.com/news/economy/indicators/j-ks-unemployment-rate-declines-from-6-7-in-2019-20-to-5-2-in-2021-22-economic-survey-report/articleshow/99269063.cms>

## External

### India has trade deficit with China in electronics, computer hardware

The major commodities in which India has a trade deficit with China include electronic components, computer hardware, telecom instruments, industrial machinery for dairy and organic chemicals, Parliament was informed on Wednesday. Some of the services in which India has a trade deficit with China include construction, telecommunication, computer and information services, maintenance and repair services, Minister of State for Commerce and Industry Anupriya Patel said in a written reply to the Lok Sabha. She said the commodities exhibiting trade deficit with China constituted 86.7 per cent of the total trade in 2014-15, which has reduced to 83.8 per cent of the total trade with China in 2021-22.

[https://www.business-standard.com/economy/news/india-has-trade-deficit-with-china-in-electronics-computer-hardware-123040500642\\_1.html](https://www.business-standard.com/economy/news/india-has-trade-deficit-with-china-in-electronics-computer-hardware-123040500642_1.html)

### India's export outlook remains bright: FIEO's Ajay Sahai

Notwithstanding a dip in exports in February, the outlook for exports remains bright for the country, according to Federation of Indian Export Organisations (FIEO) Director-General and Chief Executive Officer Ajay Sahai. "We are going to end with exports to the tune of \$447 billion in merchandise and \$320 billion in services. While the services sector exports witnessed a growth of 30 per cent, the merchandise segment registered a growth of 6 per cent," he told businessline.

<https://www.thehindubusinessline.com/economy/indias-export-outlook-remains-bright-fieos-ajay-sahai/article66702925.ece>

### India's 2022-23 steel exports slump to five-year low, imports at four-year high

India's steel exports slumped to a five-year low in the financial year that ended in March, as slowing global demand and an export tax hampered shipments, government data compiled by Reuters showed on Wednesday. India, the world's second-biggest producer of crude steel, shipped 6.7 million tonnes of finished steel in 2022/23, a decline of 50.2% on the year and the lowest since 2018/19, the data showed. Major steelmakers had reported a drop in profits in the December quarter, in part because the government had in May last year imposed the export tax, which was withdrawn in November.

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/indias-2022/23-steel-exports-slump-to-five-year-low-imports-at-four-year-high/articleshow/99268885.cms>

### India may consider dairy products' import on tight supply amid stagnant milk output: Govt

The country may look at importing dairy products if needed as there is a supply constraint for such items due to milk production remaining stagnant in the last fiscal, a top government official said on Wednesday. The government will intervene to import dairy products like butter and ghee, if required, after assessing the stock position of milk in Southern states, where the flushing (peak production) season has started now, he added. Addressing a press conference, Animal Husbandry and Dairy Secretary Rajesh Kumar Singh said the country's milk production remained stagnant in the 2022-23 fiscal due to lumpy skin disease in cattle, while the domestic demand grew by 8-10 per cent in the same period because of a rebound in the post-pandemic demand.

<https://www.financialexpress.com/economy/india-may-consider-dairy-products-import-on-tight-supply-amid-stagnant-milk-output-govt/3035193/>