



February 06, 2024 – Tuesday

## Economy

### 'Marginal' dip in manufacturing jobs during Covid-19 pandemic: ASI

The number of people engaged in the manufacturing sector and the amount of wages earned by them bounced back in FY22 after a “marginal fall” in FY21 due to the Covid pandemic, the latest annual survey of industries (ASI) data for the years 2020-21 & 2021-22 released on Monday said. According to ASI data, the employment in the manufacturing sector during the Covid pandemic year (FY21) declined by 3.2 per cent (year-on-year) to 16.08 million. Similarly, their total earnings slightly fell 1.6 per cent to Rs 4.83 trillion in FY21. However, in FY22, the total number of people engaged in the manufacturing industries rose by 7 per cent (Y-o-Y) to 17.21 million and the total emoluments earned by them rose by 15.9 per cent to Rs 5.6 trillion compared to the preceding year. “The ASI results for the year 2021-22 exhibit the resilience shown by the Indian manufacturing sector and tell the unique turnaround story of the Indian manufacturing sector after the adverse effect of the pandemic witnessed in 2020-21 in terms of output and input contraction and also a marginal fall in employment,” the Ministry of Statistics and Programme Implementation (MoSPI) said in a statement.

[https://www.business-standard.com/industry/news/covid-year-saw-marginal-decline-in-manufacturing-jobs-shows-asi-data-124020501540\\_1.html](https://www.business-standard.com/industry/news/covid-year-saw-marginal-decline-in-manufacturing-jobs-shows-asi-data-124020501540_1.html)

### Buoyant demand pushes India's services PMI to 6-month high in January

An increase in new business activity due to the buoyant demand from domestic and external clients pushed growth in India's dominant services sector to a six-month high in January, as the headline Purchasing Managers' Index (PMI) figure rose to 61.8 in January from 59 in December, showed the survey released by S&P Global in partnership with HSBC on Monday. "The upturn was cemented by the quickest increase in new business since last July, which stemmed from buoyant demand from domestic and external clients. New export sales rose at the fastest pace in three months," the survey said.

[https://www.business-standard.com/industry/news/buoyant-demand-pushes-india-s-services-pmi-to-6-month-high-in-january-124020500726\\_1.html](https://www.business-standard.com/industry/news/buoyant-demand-pushes-india-s-services-pmi-to-6-month-high-in-january-124020500726_1.html)

### OECD marginally raises India's GDP growth forecast to 6.2% for FY25

The Organization for Economic Co-operation and Development (OECD), in its latest interim economic outlook released on Monday, raised India's growth outlook for 2024-25 (FY25) to 6.2 per cent from the 6.1 per cent estimated earlier in its November outlook. “The emerging-market (EM) economies have generally continued to grow at a solid pace, despite tighter financial conditions, reflecting the benefits of improved macroeconomic policy frameworks, strong investment in infrastructure in many countries, including India, and steady employment gains,” the outlook notes.

[https://www.business-standard.com/economy/news/oecd-marginally-raises-india-s-gdp-growth-forecast-to-6-2-for-fy25-124020501321\\_1.html](https://www.business-standard.com/economy/news/oecd-marginally-raises-india-s-gdp-growth-forecast-to-6-2-for-fy25-124020501321_1.html)

## Finance

### House approval sought for extra spending of Rs 78,673 cr in FY24

The government on Monday sought parliamentary approval for an extra net expenditure of ₹78,673 crore in the second and final batch of supplementary demands for grants for 2023-24, on top of the ₹58,378 crore additional spending approved in the first batch in December last year. Despite the additional expenditure, the government expects to rein in its fiscal deficit for this financial year at 5.8% of gross domestic product, bettering the 5.9% budgeted goal, as revenue mop-up is estimated to breach the initial projections, according to the interim budget for 2024-25. The latest set of demands involves gross additional spending of more than ₹2 lakh crore in this fiscal. However, nearly ₹1.22 lakh crore of it will be met through savings or enhanced receipts of various ministries and departments, showed the papers tabled in Parliament.

<https://economictimes.indiatimes.com/news/economy/finance/govt-seeks-parliament-nod-for-net-additional-spending-of-rs-78673-crore-this-fiscal/articleshow/107428440.cms>

### **FinMin releases Rs 66,745 cr loan to 28 states for capital investment in Apr-Jan**

The Ministry of Finance has released loans worth Rs 66,745 crore to 28 states under the Scheme for 'Special Assistance to States for Capital Investment'. In a written reply to Lok Sabha, Minister of State for Finance Pankaj Chaudhary said the scheme is aimed at boosting capital expenditure by states. Under the scheme, special assistance is being provided to the state governments in the form of a 50-year interest-free loan up to an overall sum of Rs 1.3 lakh crore during the financial year 2023-24. Between April 1, 2023, and February 1, 2024, Rs 66,745.21 crore has been released to 28 states under the Scheme for 'Special Assistance to States for Investment', Chaudhary said.

<https://economictimes.indiatimes.com/news/economy/finance/finmin-releases-rs-66745-cr-loan-to-28-states-for-capital-investment-in-apr-jan/articleshow/107435745.cms>

### **Next govt's fiscal moves key to sovereign rating: S&P Global Ratings**

S&P Global Ratings on Monday said India's sovereign rating support may strengthen over time if the next government — post general elections — could fund large infra projects without widening the country's current account deficit and can shrink the fiscal deficit significantly. "Our sovereign ratings on India will still depend on economic growth trending above average and strong external metrics. Success of the next government in funding large infrastructure investments without widening the country's current account deficit will remain important," S&P said in a report summarising sovereign credit issues in elections in Asian economies in 2024.

[https://www.business-standard.com/economy/news/next-govt-s-fiscal-moves-key-to-boost-sovereign-rating-s-p-global-ratings-124020501456\\_1.html](https://www.business-standard.com/economy/news/next-govt-s-fiscal-moves-key-to-boost-sovereign-rating-s-p-global-ratings-124020501456_1.html)

### **Four PSBs may get approval to raise funds in H1 of FY25**

India may allow at least four state-owned banks to raise funds or expand their public float in the first half of the next fiscal year to accelerate their lending business and improve public participation, said people familiar with the development. The four lenders include Punjab National Bank (PNB), which is targeting a follow-on public offer (FPO) by September, and Central Bank of India, which is seeking approval for an offer for sale (OFS) to expand public float, the people said. An official and one of the persons cited above told ET that the government had received a proposal from the Central Bank of India to launch an offer for sale. The government currently holds a 93.08% stake in the state-owned lender.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/four-psbs-may-get-approval-to-raise-funds-in-h1-of-fy25/articleshow/107441465.cms>

### **Ahead of RBI deadline, most banks make AIF provisions in Q3**

Amid few options for existing investments and the hope of some easing in guidelines by the regulator, most private banks made provisions against their investments in alternative investment funds (AIFs) during the quarter ended December 2023. In October-December, five private banks made provisions of ₹2,334 crore against their AIF portfolios, leading with HDFC Bank, which had the maximum provisions of ₹1,220 crore, and ICICI Bank, with provisions of ₹627 crore. In the earnings call, HDFC Bank CFO Srinivasan Vaidyanathan said that the fair value of the investments was about ₹500 crore higher, which reflects that there is good value in the assets, but the bank has chosen to make 100 per cent provisioning on a prudent basis. He added that if the RBI makes any concessions in the future, the bank will accordingly take a call.

<https://www.thehindubusinessline.com/money-and-banking/banks-provide-few-liquidation-options-in-aifs-in-the-hope-of-easing-norms/article67814954.ece>

### **SEBI may enhance large-cap stocks categorisation**

Capital market regulator SEBI will soon widen the ambit of large, mid and small cap stocks based on their market capitalisation after the dizzying rally in equity markets last year.

<https://www.thehindubusinessline.com/markets/sebi-may-enhance-large-cap-stocks-categorisation/article67814580.ece>

### **Industry**

#### **Only 38% of Fame 2 subsidy used so far in FY24, shows govt data**

The Ministry of Heavy Industries (MHI) has stated that the total utilisation of the FAME-II subsidy fund electric vehicles (EVs) till January 31 for FY24 was Rs 1,980.83 crore, which is only 38 per cent of its total allocation. In 2023-24, according to MHI, the budgeted allocation was Rs 5,171.97 crore. Responding to an unstarred question in the Rajya Sabha, the MHI has revealed that the entire budgeted allocation was used up in the first three years, beginning from 2019-20, falling marginally in 2022-23, but in 2023-24, there is still a huge gap, with just two months left for the completion of the FAME-II scheme. Under phase II, a subsidy amounting to Rs 5,790 crore has been given to manufacturers on the sale of 1.3 million EVs as on January 31, 2024. This is based on details of claims on the FAME-II portal as on January 31, 2024. The MHI has also sanctioned 6,862 e-buses for various cities, state transport undertakings, and state governments for intracity operations. It has supplied 6,862 e-buses in addition to 3,487 e-buses to state transport undertakings as on November 29, 2023.

[https://business-standard.com/industry/auto/only-38-of-fame-2-subsidy-used-so-far-in-fy24-shows-govt-data-124020501503\\_1.html](https://business-standard.com/industry/auto/only-38-of-fame-2-subsidy-used-so-far-in-fy24-shows-govt-data-124020501503_1.html)

#### **Hybrid vehicles seen racing ahead in auto battle on possible tax sop**

In the latest bitter battle in motown, the one between electric vehicles (EVs) and hybrids, the latter seem to be getting their nose ahead, with the government setting up a panel to examine whether hybrid cars deserve policy support in the form of lower taxation. Recently, missives have floated across the top tier of policymaking, as a result of which the Ministry of Heavy Industries has formed an internal committee to examine whether the cess on hybrid cars should be reduced. Speaking unofficially, officers confirmed the move.

[https://www.business-standard.com/industry/auto/hybrid-vehicles-seen-racing-ahead-in-auto-battle-on-possible-tax-sop-124020501751\\_1.html](https://www.business-standard.com/industry/auto/hybrid-vehicles-seen-racing-ahead-in-auto-battle-on-possible-tax-sop-124020501751_1.html)

#### **BIS, AGMARK certification no longer must for food products: FSSAI**

The Food Safety and Standards Authority of India (FSSAI) in its 43rd meeting decided to do away with the need for Bureau of Indian Standards (BIS) or AGMARK certification for food products which have FSSAI license with them. This means that once a Food Business Operator (FBO), from a small seller to a big firm, has received a FSSAI certification, they won't be required to get a separate certification from Agmark or BIS for quality standards. "After the amendments are finalized, food businesses would not have to go to different authorities for mandatory certification with only FSSAI certification being made mandatory for food products," an official statement said.

[https://www.business-standard.com/india-news/only-fssai-certification-would-be-mandatory-for-food-products-124020501517\\_1.html](https://www.business-standard.com/india-news/only-fssai-certification-would-be-mandatory-for-food-products-124020501517_1.html)

#### **India Inc to press the capex pedal with Budget push, shows BS CEO poll**

With the Interim Budget indicating the road ahead for the economy, Indian companies are planning to invest more in coming months as they expect consumer demand to revive substantially. A dipstick poll of 12 chief executive officers (CEOs) after the Interim Budget shows 66.67 per cent of the respondents are planning to spend on creating fresh capacities because the Budget has given clear directions to companies to be ready for government orders.

Interestingly, 25 per cent of the respondents do not expect consumer demand to revive though an overwhelming number of them (75 per cent) expect it to pick up.

[https://www.business-standard.com/economy/news/india-inc-to-press-the-capex-pedal-with-budget-push-shows-bs-ceo-poll-124020501330\\_1.html](https://www.business-standard.com/economy/news/india-inc-to-press-the-capex-pedal-with-budget-push-shows-bs-ceo-poll-124020501330_1.html)

### **Quick commerce platforms surge rocks neighborhood grocery stores**

India's neighbourhood grocery stores numbering around 12 million witnessed an intensified slowdown in sales in the last quarter of 2023, even as quick-commerce firms gained market share for not just impulse products but also large packs of staples, consumer goods companies and analysts said. Packaged goods makers Marico, Dabur, Emami and Parle, as well as sector analysts, said general trade, or the kirana stores, faced slower growth and challenges in profitability and liquidity in the past quarter. Ecommerce, however, recorded strong growth, they added.

<https://economictimes.indiatimes.com/industry/cons-products/fmcg/quick-commerce-platforms-surge-rocks-neighborhood-grocery-stores/articleshow/107438198.cms>

### **FMCG companies betting on gradual rural demand recovery this year**

Leading FMCG companies are betting on a gradual recovery in rural demand this year on the back of improving macroeconomic conditions, continued government spending and price cuts. Many companies said the industry continued to witness sluggish rural demand in the December quarter with the urban consumption continuing to outpace rural demand.

<https://www.thehindubusinessline.com/companies/fmcg-companies-betting-on-gradual-rural-demand-recovery-this-year/article67814721.ece>

## **Agriculture**

### **Mustard acreage up by 5 per cent, says trade body SEA**

The acreage under mustard, the biggest oilseed crop of the rabi season has increased by 5% over the previous year, said trade body Solvent Extractors' Association (SEA). Industry and trade are expecting the cooking oil prices to soften after the harvest begins starting March. "All India mustard crop acreage was reported at 100.39 lakh hectare which is 5% more than the last year's remote sensing-based estimate of 95.76 lakh hectare. In the current year mustard crop acreage has reduced in many states and districts due to socio-economic reasons. The farmers in many districts in Gujarat and Rajasthan have opted for other crops instead of mustard due to the price offered which is even lower than MSP," said SEA in a release.

<https://economictimes.indiatimes.com/news/economy/agriculture/mustard-acreage-up-by-5-per-cent-says-trade-body-sea/articleshow/107434493.cms>

### **India issues grading rules for Bengal's five premium non-Basmati rice varieties**

The Agriculture Ministry has notified grading and marketing rules for five premium non-Basmati rice varieties of West Bengal — Gobindabhog, Tulaipanji, Kataribhog, Kalonunia and Radhunipagal. Under this, the authorised packers have to either set up their own laboratory or use an approved laboratory for testing the quality of rice, which will be for the first time done for any non-Basmati variety. For domestic trade, packers have to follow FSSAI standards and for export, they need to comply with the residual limits fixed by the Codex Alimentarius Commission or importing countries, according to a notification issued by the Agriculture Ministry last week. Issuing the Non-Basmati Aromatic Rice Grading and Marking Rules, 2024, the Ministry said objections and suggestions received from the stakeholders have been duly considered. The draft rules were notified in October last year and stakeholders were asked to submit their views in 45 days.

<https://www.thehindubusinessline.com/economy/agri-business/india-issues-grading-rules-for-bengals-five-premium-non-basmati-rice-varieties/article67814500.ece>

### **Weak demand impacts agro-chem players in December quarter**

The December quarter has been a mixed bag for the agro-chemical companies with many of them witnessing poor offtake due to weak and erratic monsoon and inadequate residual soil moisture for the rabi season. Also, the declining trend in prices of generic products impacted the performance of some companies. While weak demand impacted sales volume and profitability of large companies such as Bayer CropScience and UPL among others, smaller peers such as Dhanuka Agritech and Insecticides (India) witnessed marginal growth.

<https://www.thehindubusinessline.com/economy/agri-business/weak-demand-impacts-agro-chem-players-in-december-quarter/article67814823.ece>

## **Infrastructure**

### **Of 14 rail projects taken up to boost coal evacuation, 5 have been commissioned: Govt**

Of the 14 rail projects taken up for implementation to boost coal evacuation, five have already been commissioned and the remaining are at different stages of construction, Parliament was informed on Monday. In addition, coastal shipping and inland waterways are also being promoted for evacuation of coal, Coal Minister Pralhad Joshi said in the Rajya Sabha on Monday. Replying to a query, Joshi said, "14 rail projects have been taken up for implementation for improving coal evacuation... Of these, five rail lines have already been commissioned and others are at various stages of construction."

<https://economictimes.indiatimes.com/industry/transportation/railways/of-14-rail-projects-taken-up-to-boost-coal-evacuation-5-have-been-commissioned-govt/articleshow/107431419.cms>

## **States**

### **Uttar Pradesh FM Suresh Kumar Khanna presents record budget of Rs 7.46 lakh crore for FY 2024-25**

Uttar Pradesh Finance Minister Suresh Kumar Khanna presented a record budget for the financial year 2024-25 in the state assembly with an outlay of Rs 7.36 lakh crore, which is higher than the current fiscal year's budget of Rs 6.90 lakh crore. The total outlay for the next fiscal includes new schemes worth Rs 24,863.57 crore, according to the state finance minister. The budget for the previous fiscal year, 2023-24, was Rs 6.90 lakh crore and included new schemes worth Rs 32,721 crore. The state government's budget for the next fiscal year estimates total receipts at Rs 7,21,233.82 crore, with revenue receipts estimated at Rs 6,06,802.40 crore and capital receipts at Rs 1,14,531.42 crore. The share of tax collection in revenue receipts is estimated at Rs 4,88,902.84 crore, including the state's own tax revenue of Rs 2,70,086 crore and its share in the central tax pool at Rs 2,18,816.84 crore. The total expenditure is estimated at Rs 7,36,437.71 crore, with Rs 5,32,655.33 crore allocated for the revenue account and Rs 2,03,782.38 crore for the capital account.

<https://economictimes.indiatimes.com/news/economy/policy/uttar-pradesh-fm-suresh-kumar-khanna-presents-record-budget-of-rs-7-46-lakh-crore-for-fy-2024-25/articleshow/107419473.cms>

### **Sitharaman proposes Rs 1.18 lakh cr interim Budget for J&K for 2024-25**

Finance Minister Nirmala Sitharaman on Monday proposed an interim Budget of Rs 1.18 lakh crore for fiscal 2024-25 for the Union Territory of Jammu & Kashmir. The interim Budget envisages a fiscal deficit of Rs 20,760 crore and a 7.5 per cent growth in gross state domestic product (GSDP). The capital expenditure for the fiscal has been proposed at Rs 38,566 crore, which is 14.64 per cent of the GSDP, as per the interim Budget tabled by Sitharaman in Parliament. The revenue receipts for the next fiscal stood at Rs 97,861 crore.

<https://economictimes.indiatimes.com/news/economy/policy/sitharaman-proposes-rs-1-18-lakh-cr-interim-budget-for-jk-for-2024-25/articleshow/107432832.cms>

## **External**

### **Banks to expedite resolution with exporters for trade facilitation**

The finance ministry has asked banks to engage with exporters and importers and expedite resolution of their problems while appropriately examining compliance requirements. In a statement the finance ministry noted that banks will work closely with Department of Commerce and export promotion councils for trade facilitation and early resolution of problems. On Monday, financial services secretary Vivek Joshi held a review meeting to address banking and insurance related issues faced by exporters and importers. "To ensure a seamless process, banks were advised to engage with clients to expedite resolution of their problems while appropriately examining compliance requirements," the ministry noted in a statement.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/banks-to-expedite-resolution-with-exporters-for-trade-facilitation/articleshow/107436862.cms>

### **India's January palm oil imports hit 3-month low as soyoil shipments rise -dealers**

India's palm oil imports fell to a three-month low in January, as refiners increased buying of rival soyoil due to negative refining margins for crude palm oil (CPO), five dealers told Reuters on Monday. Lower purchases by the

world's biggest importer of vegetable oils could keep palm oil inventories elevated in top producers Indonesia and Malaysia and weigh on benchmark futures.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-january-palm-oil-imports-hit-3-month-low-as-soyoil-shipments-rise-dealers/articleshow/107422786.cms>

#### **India-Costa Rica Joint Economic and Trade Committee likely to meet soon**

Focussed on diversifying trade and expanding beyond its traditional markets, the Department of Commerce is set to soon participate in the first meeting of India-Costa Rica Joint Economic and Trade Committee (JETCO), which will identify ways to increase bilateral trade and investments, and is collecting industry inputs on areas of opportunities as well as existing non-tariff barriers.

<https://www.thehindubusinessline.com/economy/india-costa-rica-joint-economic-and-trade-committee-likely-to-meet-soon/article67814725.ece>