



April 05, 2024 – Friday

Economy

Record demand for exports spurs India's services PMI to 61.2 in March

Growth in India's dominant services sector resumed in March after decelerating in February, helped by a record rise in exports. Healthy demand, efficiency gains and sales pushed the headline Purchasing Managers' Index (PMI) figure to 61.2 from 60.6 in February, said a survey by HSBC Bank on Thursday. "Buoyant demand for Indian services created a cascade of positivity for the sector at the end of the fiscal year. March saw one of the strongest expansions in total sales and business activity in close to 14 years, helped by a series record upturn in new export orders," said the survey.

https://www.business-standard.com/economy/news/record-demand-for-exports-spurs-india-s-services-pmi-to-61-2-in-march-124040400460_1.html

India to lose 5.8% of daily working hours amid heat stress in 2030: UNESCAP

India is expected to lose around 5.8 per cent of daily working hours due to rising temperatures by 2030, leading to erosion in productivity and lower collection of fiscal revenue, said a recent report released by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) on Thursday. "The problem is most severe for outdoor workers, particularly those employed in agriculture and construction, but also relevant for indoor factory workers. With falling labour productivity and economic output, rising temperatures are expected to result in the collection of lower fiscal revenues," states the report titled 'Economic and Social Survey of Asia and the Pacific 2024'.

https://www.business-standard.com/industry/news/india-to-lose-5-8-of-daily-working-hours-amid-heat-stress-in-2030-unescap-124040401018_1.html

Onion, tomatoes makes average veg food plate costlier in March by 7%

An average home-cooked vegetarian meal plate has become more expensive backed by the surge in the price of onion, tomato and potato. The cost of the representative home-cooked veg plate rose 7% in March against the same month last year, while that of the non-veg plate declined 7%, as per CRISIL Market Intelligence and Analytics report. Compared to last month, however, the cost of the veg plate declined 1% and non-veg food plate rose 2%, due to higher demand amid Ramadan.

<https://economictimes.indiatimes.com/news/economy/indicators/onion-tomatoes-makes-average-veg-food-plate-costlier-in-march-by-7/articleshow/109036265.cms>

Skills ministry notifies draft guidelines for setting up of the Academic Bank of Credits

The ministry of skills development and entrepreneurship has notified draft guidelines for setting up the Academic Bank of Credit (ABC), paving way for implementation and operationalization of the National Credit Framework as envisaged under the National Education Policy 2020. The Academic Bank of Credit is a digital repository that stores credit information earned by students or learners throughout their educational journey. Under this, all recognised awarding bodies are required to register both their credentials and the students or learners. The ministry has sought comments on the draft guidelines by April 30 following which it will finalise them.

<https://economictimes.indiatimes.com/news/economy/policy/skills-ministry-notifies-draft-guidelines-for-setting-up-of-the-academic-bank-of-credits/articleshow/109041689.cms>

Finance

RBI defers implementing rules on exchange-traded forex derivatives to May 3

The Reserve Bank of India (RBI) Thursday deferred the implementation of norms on exchange-traded currency derivatives (ETCDs) linked to Indian rupee until May 3 following concerns by investors. The norms were scheduled to take effect starting Friday. "In view of the feedback received and recent developments, it has been decided that these directions will now come into effect from May 3," according to a press release issued by the RBI post market hours.

https://www.business-standard.com/economy/news/rbi-defers-implementing-currency-derivatives-regulations-till-may-3-124040401233_1.html

Annual securitisation volumes for FY24 estimated at Rs 1.88 lakh crore, volume to comfortably cross Rs 1 lakh crore in FY25, says ICRA

The overall securitisation volumes originated mainly by financial institutions, stood at ~Rs 1.88 lakh crore in FY2024, in line with ICRA's projections for the year. The securitisation volumes in Q4 FY2024, ICRA said, witnessed a growth of 26 per cent over the preceding quarter, rising to ~Rs 48,000 crore. Nonetheless, the volumes were much lower in comparison to Q4 FY2023, when securitisation had touched ~Rs 63,000 crore; 10 per cent of the latter in volume terms was attributed to wholesale loan securitisation, which has not been repeated subsequently. The overall annual volumes for FY2024, however, was up ~4 per cent YoY despite the exit of previous year's largest originator, viz HDFC Limited, following the entity's merger with a bank.

<https://www.financialexpress.com/business/industry-annual-securitisation-volumes-for-fy24-estimated-at-rs-1-88-lakh-crore-volume-to-comfortably-cross-rs-1-lakh-crore-in-fy25-says-icra-3446117/>

In Q4, private banks post robust credit growth; deposits, too, pick up pace

Credit growth for most banks remained robust in the last quarter of FY24, maintaining a steady growth rate of 15-25 per cent, as per provisional quarter-end numbers declared by lenders so far.

<https://www.thehindubusinessline.com/money-and-banking/private-banks-advances-growth-robust-in-q4-deposit-growth-picks-up-pace/article68029095.ece>

CBDT enables ITR e-filing portal for FY24; 23,000 returns filed in 4 days

The Income Tax department on Thursday said ITRs 1, 2, 4 and 6 have been made available on e-filing portal from April 1, 2024, and about 23,000 returns have already been filed for the 2023-24 fiscal year. This is for the first time in recent years that the Income Tax department has enabled taxpayers to file their I-T Returns on the first day of the new financial year and, is a step towards ease of compliance and seamless taxpayer services.

https://www.business-standard.com/economy/news/cbd-t-enables-itr-e-filing-portal-for-fy24-23-000-returns-filed-in-4-days-124040400951_1.html

Certificates of deposit issuances by banks up 34% in FY24, hit Rs 9.56 trn

Amid tight liquidity conditions and sluggish growth in deposits, banks turned to mobilising funds through issuing certificates of deposit (CDs) in the financial year 2023-2024, which saw a surge of 31 per cent in CD issuance compared to the previous year. Banks issued CDs worth Rs 9.56 trillion in FY24 against Rs 7.28 trillion in the previous financial year, according to Prime Database. However, the net amount raised was Rs 71,300 crore as banks issued short-term CDs to roll them over on maturity. The outstanding amount on CDs stood at Rs 3.04 trillion as of March 24.

https://www.business-standard.com/industry/banking/certificates-of-deposit-issuances-rise-by-31-in-fy24-amid-tight-liquidity-124040401215_1.html

Centre seen to have met FY24 gross tax target

The year 2023-24 not only witnessed multi-year high tax buoyancy levels – mainly on the direct taxes front – but also higher level of compliance from taxpayers, and strict enforcement measures against tax evaders. Total tax receipts (before devolution to states) of the Centre in FY24 “slightly exceeded” the revised estimate (RE) of Rs 34.37 trillion in the year, an official source told FE on condition of anonymity, even as the figures are being computed. As per data on the Controller General of Accounts, in April-February FY24, the Centre’s gross tax revenue had stood at Rs 28.9 trillion, accounting for 84% of the RE of Rs 34.4 trillion. The March advance tax mo-up was robust on the direct tax front, and the GST receipts have surpassed expectations.

<https://www.financialexpress.com/policy/economy-centre-seen-to-have-met-fy24-gross-tax-target-2-3445436/>

Industry

India has given over \$1 bn to private firms under PLI scheme: Official

India has paid \$1.02 billion as incentives to boost local manufacturing, following over \$13 billion in investments from private firms under a scheme introduced in 2020, a top government official said on Wednesday. The 1.97-trillion-rupee (\$24 billion) production-linked incentive scheme (PLI) is India's key industrial policy and covers 14 sectors ranging from electronic products to drones.

https://www.business-standard.com/economy/news/india-has-given-over-1-bn-to-private-firms-under-pli-scheme-official-124040400389_1.html

Over half of GCCs in India 'actively' adopting ESG agenda: Report

As many as 52 per cent of global capability centres (GCCs) in India have “proactively” adopted environmental, social and governance (ESG) policies and are refining processes to anchor them, said a report on Thursday, referring to facilities set up by large companies to provide a range of services. EY India’s survey, ‘ESG GCC Report 2024’, took data from more than 45 GCCs in the country. It said that around 70 per cent of GCCs are “actively looking” for technology collaborations to implement ESG norms evaluating the sustainability and ethical impact of a company or an investment.

https://www.business-standard.com/industry/news/over-half-of-gccs-in-india-actively-adopting-esg-agenda-report-124040400510_1.html

FMCG companies to face Q4 volume pressure amid sluggish rural demand

Fast-moving consumer goods (FMCG) companies anticipate sustained volume pressures in the January-March quarter (Q4) coupled with sluggish rural growth during the period. Brokerages estimate top-line growth to be in low single digits in the quarter. Also, the late onset of winter had an impact on demand for winter products which range from moisturisers to hot beverages. While brokerages expect no respite in rural sales, Dabur India said in its pre-quarterly update ahead of its Q4 results that it noticed a pick-up in rural growth fuelled by price rollbacks in staples which led to the gap between rural and urban narrowing. But, it also pointed out, “Demand trends remained sluggish during the quarter.”

https://www.business-standard.com/industry/news/fmcg-companies-to-face-q4-volume-pressure-amid-sluggish-rural-demand-124040401096_1.html

Battery cell demand for EVs to rise, India's reliance on imports continues

Tata Motors leads the electric passenger vehicle market with over 70 per cent share, making them the largest consumer of batteries. However, snapping at their heels is Maruti Suzuki India (MSIL), which is projected to match Tata’s demand for battery cells by 2035, powered by the launch of electric vehicles (EVs) later this year. In a presentation on the Indian EV battery market for light vehicles, S&P Mobility stated that while MSIL currently holds a small EV market share, its demand for battery cells is expected to reach 20 per cent by 2035, slightly trailing Tata at 22 per cent.

https://www.business-standard.com/economy/news/battery-cell-demand-for-evs-to-rise-india-s-import-dependence-to-persist-124040401005_1.html

Meity chips away at doubts, defends its domestic semiconductor policy

The domestic market demand for 28 nanometre (nm) and above semiconductor chips in 2023 is in the range of \$17-20 billion annually, according to estimates by the Ministry of Electronics and Information Technology (Meity), said a

top official in the ministry. This accounts for around half of the total domestic semiconductor chip market requirement, which is pegged between \$35 million and \$40 billion in 2023.

https://www.business-standard.com/economy/news/meity-chips-away-at-doubt-defends-its-domestic-semiconductor-policy-124040400962_1.html

GenAI, GCCs to help boost Indian economy in coming years: Deloitte

India could see a substantial growth of \$ 359-438 billion in GDP through adoption of GenAI and the country's Global Capability Centres (GCC) market would exceed \$ 100 billion by 2030, Deloitte India said in a report. The Technology Trends 2024 report: India perspective said GCCs are taking the lead in 2024, showcasing India's growing prowess in catering to international technology needs.

https://www.business-standard.com/economy/news/genai-gccs-to-help-boost-indian-economy-in-coming-years-deloitte-124040400990_1.html

Countries showing interest in GeM model for public procurement: Govt

The “scorching growth” of India’s public procurement portal Government e Marketplace (GeM) has drawn the attention of many other countries in Africa and Asia and many of them are looking to replicate the model, an official source said. “There is a huge amount of interest expressed by other countries on how India has achieved this success in public procurement. We have had queries from several quarters,” he said.

<https://www.financialexpress.com/business/industry-countries-showing-interest-in-gem-model-for-public-procurement-govt-3446638/>

Agriculture

Govt steps up wheat purchase, says food inflation under check

The government has decided to expand the wheat procurement drive to more regions, to bolster the stocks that are hovering around the buffer level. However, it won't lift the export restrictions on rice anytime soon or allow shipments of sugar this season, as it remains focussed on containing food inflation. Food secretary Sanjeev Chopra on Thursday said on Thursday: “While the inflation in wheat has been largely curbed, price rise in rice has plateaued.” However, since edible oil prices have declined, there is currently no proposal to reduce its import duties, he said.

<https://www.financialexpress.com/policy/economy-govt-steps-up-wheat-purchase-says-food-inflation-under-check-3446759/>

No proposal to resume sale of subsidised rice for ethanol production: Food Secy

The government has no proposal to resume sale of subsidised rice to grain-based distilleries for the production of ethanol, Food Secretary Sanjeev Chopra said on Thursday. "Since July last year, rice has not been diverted for ethanol production. There is no proposal as of now to revisit that policy," Chopra told reporters. He was responding to questions on whether the government plans to resume the sale of subsidised rice for ethanol in the near future amid reports of likely fall in sugar production in the 2024-25 season (October-September). The rice sale for ethanol makers was discontinued for various reasons, including apprehensions about domestic output and high retail prices, and economic unviability, he said.

<https://economictimes.indiatimes.com/news/economy/agriculture/no-proposal-to-resume-sale-of-subsidised-rice-for-ethanol-production-food-secy/articleshow/109044303.cms>

India's mustard seed output may touch all-time high of 12 million tonnes this year: SEA

Mustard seed production is likely to touch an all-time high of 12 million tonnes in the 2023-24 season in view of a record sown area of 10 million hectares, according to the industry body SEA. Mustard seed is an important oilseed crop grown during the rabi (winter) season during September-October and harvested in February-March. In a statement, the Solvent Extractors' Association of India (SEA) said the concerted efforts to expand the area through the mustard model farm project, coupled with favourable weather and prices, India has witnessed a remarkable increase in mustard production year after year.

<https://economictimes.indiatimes.com/news/economy/agriculture/indias-mustard-seed-output-may-touch-all-time-high-of-12-million-tonnes-this-year-sea/articleshow/109033805.cms>

Infrastructure

Kolkata Port profit jumps 65pc to Rs 501cr in FY'24, records all-time high cargo handling

The 154-year-old Syama Prasad Mookerjee Port or Kolkata Port records Rs 501.73 crore profit in FY'24, a 65 per cent jump compared to that in the previous fiscal. The port said its net surplus in 2022-23 was Rs 304.07 crore. It also recorded an all-time high of 66.4 million tonnes of cargo handling in 2023-24. The port which has Kolkata Dock System (KDS) and Haldia Dock Complex (HDC) under its command recorded a combined growth was 1.11 per cent owing to trade disruptions in sea freight due to geopolitical reasons. In 2022-23, the port had handled 65.66 million tonnes.

<https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/kolkata-port-profit-jumps-65pc-to-rs-501cr-in-fy24-records-all-time-high-cargo-handling/articleshow/109045022.cms>

With Rs 6500 cr dedicated budget in 2024-25, railway can achieve 100% electrification: Officials

A dedicated budget of Rs 65,00 crore as allocated in 2024-25 can help achieve complete electrification of the rail network, senior railway officials said, highlighting the recent achievement of 95 per cent electrification of Broad Gauge. "With a dedicated budget of Rs 6,500 Crores during FY 2024-25 for further electrification projects, India remains committed to achieving complete electrification. This will not only revolutionise the railway system but also contribute significantly to the country's sustainability goals," a senior railway official said. He added, "The electrification programme is not just about environmental benefits. It's a catalyst for economic growth. It creates jobs during construction, reduces dependence on imported fossil fuels, and positions Indian Railways as a modern and efficient engine of the nation's economy."

<https://economictimes.indiatimes.com/industry/transportation/railways/with-rs-6500-cr-dedicated-budget-in-2024-25-railway-can-achieve-100-electrification-officials/articleshow/109044316.cms>

Homes priced above Rs 1 cr corner highest share ever in total sales: Report

Homes priced above Rs 1 crore had the highest share ever (40 per cent) in total sales in the quarter that ended on March 31, said a report on Thursday, noting that units cheaper than Rs 50 lakh retreated businesswise. It was 39 per cent in the previous quarter. The share of such homes in total sales has been increasing each quarter, according to real estate consultancy Knight Frank. The share was 29 per cent in Q1 of calendar year 2023. It was 31 per cent in Q2 and 35 per cent in Q3.

https://www.business-standard.com/industry/news/homes-priced-above-rs-1-cr-corner-highest-share-ever-in-total-sales-report-124040400349_1.html

Energy

Govt pulls all stops to ensure smooth power supply this summer: R K Singh

The government has asked all power plants to operate at full capacity as it pulls all the stops to meet peak electricity demand in the searing summer season, Power Minister R K Singh said on Thursday. With the meteorological department forecasting a harsh and long summer, the government has asked all plants that are shut for maintenance or other reasons, to quickly start operating and harness surplus power available at generating stations dedicated to specific users.

https://www.business-standard.com/industry/news/govt-pulls-all-stops-to-ensure-smooth-power-supply-this-summer-r-k-singh-124040400710_1.html

Telecom

TRAI begins consultation on pricing, terms for new spectrum bands

Telecom regulator Trai on Thursday sought stakeholder views on the auction of new three spectrum bands-- 3737.5 GHz, 37.540 GHz and 42.543.5 GHz for mobile services, as it released a consultation paper to discuss issues related to pricing, validity and payment terms of these radiowaves. This is the first time three spectrum bands in 37-37.5 Ghz, 37.5-40 Ghz and 42.5-43.5 Ghz are being proposed for the auction. The proposal will make available 4,000 Mhz spectrum for 5G services in the future.

https://www.business-standard.com/industry/news/trai-begins-consultation-on-pricing-terms-for-new-spectrum-bands-124040400512_1.html

DoT rejects telcos' proposal for refunds on spectrum surrender

The Department of Telecommunications (DoT) has rejected a proposal from telecom firms suggesting they be offered a refund for part or full payments in case of spectrum surrender. The demand was raised by one or more telecom firms while seeking clarifications on the notice inviting application (NIA) for the upcoming spectrum auction now scheduled to start from June 6. While DoT has put out the queries raised by telcos, it has not mentioned names of the firms. "Refund can't be allowed as it is not mentioned in the recently notified Telecom Act as well as in the spectrum surrender guidelines issued in June 2022. Telcos are not mandated to pay the entire amount upfront. If they want to surrender after 10 years, they can stop paying EMIs," an official told ET.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-rejects-telcos-proposal-for-refunds-on-spectrum-surrender/articleshow/109045410.cms>

States

Telangana govt holds discussions with Tesla to set up electric car plant

The Telangana government is holding discussions with Tesla by putting in all efforts to establish their plant in the state, Industries Minister D Sridhar Babu said on Thursday. In a message on X Sridhar Babu said since December 2023 the state government has been actively focusing on major investment opportunities by global giants, and as part of its focus, Tesla's planned investment initiatives in India are also being tracked.

https://www.business-standard.com/pti-stories/national/telangana-govt-in-talks-with-tesla-to-set-up-electric-car-plant-124040400881_1.html

Tamil Nadu govt plans fourth auto cluster in Thoothukudi, to set up two more centres for EV industry

The Tamil Nadu government plans to develop a new auto cluster from scratch at Thoothukudi in southern Tamil Nadu due to the EV manufacturing project of VinFast and to support future auto investments. "Chennai is a very big cluster in the automotive sector. We are also focusing on Coimbatore and Hosur. There will be a 4th cluster that the government is forming. With VinFast coming in and many other industries making investments, we are developing Thoothukudi to be another auto cluster and we're starting from the ground up there, Thiru Srinivasan, Senior Advisor – Electric Vehicle Sector, FameTN said at a conference here.

<https://www.thehindubusinessline.com/info-tech/tamil-nadu-govt-plans-4th-auto-cluster-in-thoothukudi-to-set-up-2-more-centres-for-ev-industry/article68028484.ece>

Healthcare

Sanofi gets nod for injectable Polio vaccine

French drugmaker Sanofi has said it obtained approval for IMOVAX-Polio, an injectable vaccine, from the Indian authorities. The announcement comes a day after ET reported that the company had ceased production of its ShanIPV vaccines in India, which may lead to a potential shortage in the country.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/sanofi-gets-nod-for-injectable-polio-vaccine/articleshow/109045430.cms>

External

Apparel exports to go up by 8-9% in FY2025 led by replenishment of stock in US and EU regions, says ICRA

Following the tepid demand environment in FY2024, Indian apparel export industry is expected to report a muted 8-9 per cent recovery in revenues, to Rs 28,150 crore in FY2025 from Rs 26,000 crore in FY2024, ICRA said. In a survey of its sample companies, ICRA said that this recovery will be driven by low base and replenishment of stock in the US and the EU regions. The retail apparel brands in the US and the EU, which together account for close to 55 per cent of global apparel trade, are expected to liquidate the high inventory build-up and book their orders for the Summer 2024 season in H1 FY2025.

<https://www.financialexpress.com/business/industry-apparel-exports-to-go-up-by-8-9-in-fy2025-led-by-replenishment-of-stock-in-us-and-eu-regions-says-icra-3446424/>

RBI, NPCI push for UPI adoption at WTO, urge for cutting remittance costs

Senior officials of the RBI and the National Payments Corporation of India (NPCI) have made a presentation to the WTO members on reducing cost of remittances on March 25, an official said. India is pressing for the adoption of open and inter-operable payment systems like UPI, among WTO (World Trade Organisation) members with a view to cut the cost of money transfers or remittances. To cut the cost, India is suggesting to encourage digital transfers, fostering inter-operable systems, promoting competition, streamlining regulations, and enhancing pricing transparency.

https://www.business-standard.com/industry/news/rbi-npci-push-for-upi-adoption-at-wto-urge-for-cutting-remittance-costs-124040400693_1.html

India not asked to reduce its imports of Russian crude oil, says US

India has not been urged to reduce its imports of Russian crude oil, with senior officials from the US Department of the Treasury emphasising a desire to see Russia offer higher negotiated discounts to buyers, they said on Thursday. Additionally, they highlighted that Indian buyers can procure Russian crude above the \$60 per barrel price cap if they opt out of Western shipping and maritime services. Speaking to journalists at the Ananta Aspen Centre in Delhi, Anna Morris, assistant secretary for terrorist financing and financial crimes, and Eric Van Nostrand, assistant secretary for economic policy of the US Department of the Treasury, explained that the existing price cap regime aims to limit Russia's ability to sell oil at inflated prices.

https://www.business-standard.com/industry/news/have-not-asked-india-to-cut-russian-oil-imports-senior-us-officials-124040400914_1.html

India's rice rates grind to 2-month low on soft demand

Prices of parboiled rice exported from top hub India slipped to their lowest level since early February this week, pressured by sluggish demand, while Thai rates declined for the fourth consecutive week due to a weaker baht. Top exporter India's 5% broken parboiled variety was quoted at \$540-\$548 per ton this week, down from last week's \$550-\$558. Prices hit a record high of \$560 last month after customs officials changed the calculation method for the 20% export duty, resulting in a higher levy. Demand from Asian buyers was subdued, which brought down prices from the last month's highs, said Himanshu Agarwal, executive director at Satyam Balajee, a leading exporter.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-rice-rates-grind-to-2-month-low-on-soft-demand/articleshow/109040389.cms>