



Public Finance

NREGS spending drops 5% in FY23

Spending under the government's flagship rural job guarantee scheme dropped 5% in 2022-23 from a year before, reflecting a moderation in demand with improved economic activities. Expenditure under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in FY23 at ₹1.01 lakh crore still remained close to 12% higher than the Centre's actual fund release for the year, showed the data from the rural development ministry as of April 5 (*The Economic Times*).

SC asks Finance Ministry to respond to PIL seeking mechanism on unclaimed deposits

The Supreme Court on Thursday asked the Union Ministry of Finance to file its response in three weeks to a PIL seeking a mechanism to inform the legal heirs of deceased depositors about the unclaimed deposits lying dormant in bank accounts. A bench comprising Chief Justice D Y Chandrachud and Justice J B Pardiwala took note of the submissions of a lawyer, representing the Centre, that a reply to the PIL has been filed by the Ministry of Corporate Affairs and some more time may be granted to the Finance Ministry (*The Economic Times*).

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 Economic Times*).

Fiscal Deficit till Feb Hits 83% of FY23 Target at ₹14.5 L crore

The Centre's fiscal deficit hit 82.8% of the revised estimate (RE) until February this fiscal year, just a notch higher than the 82.7% a year before, according to the official data released on Tuesday. In absolute terms, the fiscal deficit hit ₹14.54 lakh crore in the first 11 months of FY23, against Rs 13.17 lakh crore a year earlier. Net tax revenues grew at a healthy pace of 17% until February this fiscal year, blunting the impact of a 20% drop in non-tax revenues. (*The Economic Times*)

States may Fall Short of Meeting Capex Targets

States may fall short of achieving their capex target, even when they have set a higher target in their revised estimates by around ₹25,000 crore for the current fiscal year, said a report by SBI Research. A comprehensive analysis of finances of 18 major states reveals that many large states have not achieved even 50% of the capex target by January. (*The Economic Times*)

Health Spend Growth Dips as Covid Fades

The combined health expenditure of the Centre and 17 large states is expected to log 9.6% growth in 2023-24, down sharply from an average of 16.1% between 2020-21 and 2022-23. As a proportion of GDP, health spending has declined post-pandemic, dropping from 1.23% in 2020-21 to 1.19% in FY23 and is expected to slip further in the coming year to 1.17%. The Centre's health spending eased from 0.41% of GDP to 0.3% of GDP over this period. *(The Economic Times)*

Stand Up India: ₹40.7k cr Loans Sanctioned in 7 Yrs

The government said Wednesday that loans of ₹40,710 crore have been sanctioned under Stand Up India Scheme since its inception in April 2016. Loans were sanctioned to about 18 million accounts till March 21, 2023, under the scheme which has been extended till 2025, said a finance ministry statement. "It is matter of pride and satisfaction for me to note that more than 1.8 lakh women and SC (scheduled caste) or ST (scheduled tribe) entrepreneurs have been sanctioned loans for more than ₹40,600 crore," finance minister Nirmala Sitharaman said in a statement on the seventh anniversary of the scheme. *(The Economic Times)*



Taxation

Finance Act 2023: How your income from Reits and InvITs will be taxed

The amendments to the Finance Bill 2023, passed by Lok Sabha and that received the President's assent, include changes to the budget proposal pertaining to taxation of real estate investment trusts (Reits) and infrastructure investment trusts (InvITs). *(Mint)*

Net direct tax collections For FY 23 at Rs 16.61 lakh crore, exceeds RE by Rs 11,000 crore

The centre mopped up Rs 16.61 lakh crore as direct tax, net of refunds, marking a growth of 17.63%, provisional data released on Monday said. The collections are Rs 2.41 lakh crore or 16.97 % higher than budget estimates Rs 11,000 crore or 0.69% higher than the revised estimate. *(The Economic Times)*



National Accounts and State of the Economy

Inflation in India seen easing in March on softening food price rises

India's consumer inflation likely eased in March to 5.80% thanks to softer food price rises, dipping below the Reserve Bank of India's upper tolerance limit for the first time this year, a Reuters poll of economists found. The data is due at 1200 GMT on April 12, less than a week after the RBI surprised markets and analysts by holding its key interest rate steady at 6.50% when most expected a 25 basis point rise *(The Economic Times)*.

Small Savings Interest Rates Raised by Up to 70 bps

The government on Friday increased the interest rates on various small savings schemes by up to 70 basis points for the June quarter. However, it kept the rates unchanged on investment under the popular public provident fund (PPF) scheme, which offers tax

benefits, and on the savings deposit at 7.1% and 4%, respectively, for the April-June period. The rate on the National Savings Certificate has been raised the most—by 70 bps to 7.7%.*(The Economic Times)*

World Bank cuts India GDP outlook to 6.3%

The World Bank on Tuesday lowered India's FY24 economic growth forecast to 6.3% from its December estimate of 6.6%, citing a slowdown in consumption and challenging external conditions. The multilateral agency said that rising borrowing costs and slower income growth will weigh on private consumption growth while government consumption is projected to grow at a slower pace due to withdrawal of pandemic related fiscal measures. The World Bank's forecast is near the Reserve Bank of India's FY24 forecast of 6.4% economic growth. *(Mint)*

Unemployment rate rises to 3-month high of 7.8% in March, says CMIE

India's unemployment rose to a three-month high in March to 7.8 per cent as the country's labour markets deteriorated, according to data from the Centre for Monitoring Indian Economy (CMIE). Unemployment rate in the country surged in December 2022 to 8.30 per cent but declined in January to 7.14 per cent. It edged up again in February to 7.45 per cent, the CMIE data released on Saturday showed. During March, the unemployment rate in urban areas was at 8.4 per cent while in the rural areas it was at 7.5 per cent *(Business Standard)*

Cost of 651 Essential Drugs Down

Cost of 651 essential medicines has come down by an average of 6.73 percent from April with the government capping ceiling prices of a majority of the scheduled drugs, NPPA said on Monday. In a tweet, the national drug price regulator said the government has been able to fix the ceiling prices of 651 medicines so far out of the total 870 scheduled drugs listed under National List of Essential Medicines (NLEM). The health ministry had amended NLEM in September 2022 and it now has a total 870 scheduled drugs listed under National List of Essential Medicines (NLEM).*(The Economic Times)*

ADB Lowers Estimate to 6.4%

Global slowdown, tight monetary conditions, and elevated oil prices are expected to moderate India's growth to 6.4% in 2023-24 from 6.8% in FY23, Asian Development Bank's latest outlook indicated. The Manila-based organisation revised its growth forecast for the current year downwards to 6.4% from 7.2% projected earlier.*(The Economic Times)*

Unorganised Workers' Pension Scheme Sees Drop in Enrolments

Four years after its launch, the government's flagship pension scheme for unorganised workers registered a dip in total enrolments. Government data shows enrolments under the PM Shram Yogi Maan Dhan (PM-SYM) scheme fell for the first time in the last fiscal year to 4.4 million as on March 31, 2023, compared to 4.6 million on March 31, 2022, a 5.5% drop.*(The Economic Times)*

Create ecosystem that nurtures women's entrepreneurship: Minister

Union Minister of State for Women and Child Development Munjapara Mahendrabhai has called for efforts to create an ecosystem that nurtures women's entrepreneurship and leadership, ensuring greater access to mentoring, capacity building, and financing to help them scale up their businesses.*(The Hindu)*

Liberal State funding is crucial for a vibrant education system: expert

Liberal State funding of education is important to ensure development of an education system that is vibrant, accessible, and equitable, Jandhyala B.G. Tilak, former Vice-Chancellor of the National University of Educational Planning and Administration, has said. *(The Hindu)*



Banking and Monetary Policy

'Small savings to nudge up govt. interest cost'

Bank of Baroda economists see interest cost on borrowings from these instruments rising to 6.75% from 6.47%; still expect costs on those borrowings will be significantly lower than the estimated average cost range of 7.29%-7.35% for the Centre's planned ₹8.88 lakh crore market borrowings in H1 *(The Hindu)*

'Just 9.3% of loans under PM SVANidhi given to vendors from minority communities'

A total of 42.7 lakh loans amounting to ₹5,152.37 crore had been disbursed to street vendors under the PM SVANidhi scheme out of which only 3.98 lakh or 9.3% were to hawkers from the minority communities, the Ministry of Housing and Urban Affairs told the Rajya Sabha. *(The Hindu)*

Unclaimed deposits of Rs 35,012 crore with PSU banks transferred to RBI: MoS Finance Bhagwat Karad

"As per information available with the RBI, as of the end of February 2023, the total amount of unclaimed deposits transferred to RBI by PSBs in respect of deposits which have not been operated for 10 years or more was Rs 35,012 crore," Minister of State for Finance Bhagwat Karad said in a written reply in the Lok Sabha. *(The Economic Times)*



External Sector

Government to identify 100 districts to develop as export hubs: DGFT

The government will identify close to 100 districts across the country to turn them into export hubs by adopting a "bottom-up approach", Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said on Friday. "Our idea is to involve more youngsters at the district level (like collectors) so that they see the initiative to boost export as a core function, and not a peripheral function," Sarangi said. The phase one of the plan will cover 75-100 districts, which could go up in the next leg. *(The Economic Times)*

Diamond exports may fall up to 15% in FY24, says ICRA

Indian cut and polished diamond exports are expected to decrease by 10-15% to \$19-20 billion in FY24, following an 8-10% contraction in the previous year, due to a global recession, according to rating agency ICRA. Tighter liquidity and macroeconomic

headwinds are impacting overall revenues, while a price differential between rough and polished diamonds is hurting operating profit margins. *(The Economic Times)*

India, Malaysia can now trade in Indian rupee

India and Malaysia can now settle trade in Indian rupee (INR) in addition to other currencies, according to the Ministry of External Affairs. The decision follows Reserve Bank of India (RBI) approval last year for international trade settlements in INR. The move aims to support trade growth, with Kuala Lumpur's India International Bank of Malaysia having opened a Rupee Vostro account with India's Union Bank of India to facilitate the INR settlements. *(The Economic Times)*

India's foreign trade set to cross US\$ 1.6 trillion mark this fiscal: Report

The Global Trade Research Initiative (GTRI) said the USD 1.6 trillion would be about 48 per cent of India's nominal GDP of USD 3.4 trillion for the fiscal year ending March 2023. The higher trade-to-GDP ratio also speaks of high trade openness which the country practices, GTRI co-founder Ajay Srivastava said. *(The Economic Times)*

India-Russia trade hit a record \$39.8 billion in 2022-23: SPIEF director

India is emerging as a key supplier of medicines, car and machine parts, textiles and clothing, and food products to Russia, said Alexey Valkov, director of the St. Petersburg International Economic Forum (SPIEF), who organised a mega Indo-Russia business meeting in Delhi. *(The Economic Times)*

India's surging services exports may shield economy from external risks

Service exports are no longer being driven by IT services alone but also by more lucrative offerings such as consulting and research and development, analysts and economists told Reuters. India's services exports rose 24.5% on year in October-December 2022, hitting a record \$83.4 billion during the quarter, data released by the Reserve Bank of India (RBI) on Friday showed. *(The Economic Times)*

Goods exports touched \$447 billion in 2022-23; final numbers awaited: Piyush Goyal

India's Commerce and Industry Minister, Piyush Goyal, announced that exports of goods during the 2022-23 fiscal year have reached \$447bn (compared with \$422bn sampled earlier in 2021-22). The final data for goods imported and exported will be collated by April 2023. Besides, service exports were expected to surpass \$320bn in 2022-23. *(The Economic Times)*

New foreign trade policy to promote exports through e-commerce, batteries, farm equipment: Experts

The new Foreign Trade Policy (FTP) 2023, announced recently, will help in promoting exports of sectors from e-commerce, batteries for electric vehicles and farm equipment, experts said on Tuesday. India on March 31 came out with the new policy which aimed at pushing rupee trade, increasing outward shipments to USD 2 trillion by 2030, and promoting e-commerce exports, amid global uncertainties. *(The Economic Times)*

India's March palm oil imports jump on discounts

The rise in palm oil imports by India, the world's biggest importer of vegetable oils, could help Malaysia lower its stocks and support palm oil prices, the traders said. India's palm oil imports rose to 750,000 tonnes last month, up from 586,007 tonnes imported in February, according to an average of estimates from the dealers. *(The Economic Times)*

India has trade deficit with China in electronic components, computer hardware

India's trade deficit with China in 2021-22 has reduced to 83.8% from 86.7% in 2014-15 due to fewer commodities and services exhibiting trade deficit, according to Minister of State for Commerce and Industry Anupriya Patel. The major commodities where India has a trade deficit with China include electronic components, computer hardware, telecom instruments, industrial machinery for dairy, and organic chemicals. *(The Economic Times)*

CBIC waives penalty, interest fee on account of technical glitch

The Central Board of Indirect Taxes and Customs (CBIC) has waived the entire interest payable for the period between April 1 and April 10 to importers on account of challenges owing to technical glitch linked to the electronic cash ledger (ECL). *(The Economic Times)*



Agriculture and Rural Economy

Lumpy Skin Disease, increase in fodder cost: Centre foresees 'stagnation' in milk production

The Centre is foreseeing "stagnation" in milk production and a possible scarcity in the availability of ghee and butter as an impact of the Lumpy Skin Disease (LSD) that took the lives of about 1.89 lakh cattle recently. Union Secretary, Department of Animal Husbandry & Dairying Rajesh Kumar Singh said all options, including import of certain milk products, would be considered by the government if the situation remained unchanged. He said increase in the prices of fodder and its scarcity was another reason for the "price inflation" in milk and its products. The last time when the country imported milk products was in 2011. *(The Hindu)*

Loss in wheat production is minimal, says Centre

Even as farmers' organisations declared huge losses for wheat crops due to untimely rains in the northern parts of the country, the Centre expressed confidence that the loss in production would be very minimum from the target of 112 million tonnes of wheat, in this rabi season. *(The Hindu)*

Rice procurement exceeds 49 mt, a tad below yr-ago

Rice procurement from kharif-grown crops during October-March has reached 492.2 lakh tonnes (lt), which is 0.7 per cent lower than 495.7 lt reported in the year-ago period. Though the procurement for the first time this season dipped, the government may be in a comfortable position to meet any extra demand outside the normal requirement under the food security law since it has been able to achieve 96 per cent of target amid purchases in West Bengal and Assam slated to continue for some more time. *(BusinessLine)*

Govt to amend Coastal Aquaculture Authority law, introduces bill in Lok Sabha

The government on Wednesday introduced The Coastal Aquaculture Authority (Amendment) Bill, 2023 in the Lok Sabha which seeks to decriminalise the offences committed in those geographical areas, so that genuine business activities get a boost. Union Fisheries Minister Parshottam K Rupala introduced the Bill in the lower House amid din. *(BusinessLine)*

About 1.5 lakh farmers practising natural farming in Himachal to be certified under PK3Y in FY24

About 1.5 lakh farmers practising natural farming in Himachal Pradesh would be certified under Prakritik Kheti Khushhal Kisan Yojana (PK3Y) in 2023-24. According to a study, 28 per cent farmers have adopted natural farming techniques on their own through peer-to-peer learning without any training and therefore the focus of PK3Y in this financial year will be consolidation of farmers practising natural farming, said Agriculture Secretary Rakesh Kanwar. *(The Economic Times)*

Wheat quality norms likely to be eased

The Department of Food and Public Distribution is mulling relaxation of the fair and average quality (FAQ) norms for wheat in the ongoing rabi marketing season, food secretary Sanjeev Chopra said on Thursday. *(The Economic Times)*

Mustard seed prices fall below MSP

Prices of mustard seeds, one of the main oilseeds crops of India, have crashed below the minimum support price (MSP). High moisture in mustard due to unseasonal rainfall and cheaper import of other cooking oils like palm, soyabean and sunflower have dragged the mustard prices below the minimum support price (MSP) level. *(The Economic Times)*

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

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. *(The Economic Times)*

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 Economic Times)*

Sugar to become expensive during summer season as production set to fall by 10%

India's year-on-year sugar production is expected to fall by 10% in 2022-23, which is expected to make sugar more expensive during the summer season when demand for cold drinks and ice creams increases substantially. Industry body National Federation of Co-operative Sugar Factories (NFCSF) has pegged India's 2022-23 sugar production at 325 lakh tonnes against 359.25 lakh tonnes in the previous year. *(The Economic Times)*

Samunnati onboards first Farmer Producer Organisation (FPO) on TReDS, completes transaction worth Rs 3.5 cr

Open agri network Samunnati on Wednesday announced that it has onboarded its first Farmer Producer Organisation (FPO) on TReDS and completed a transaction of discounting invoices worth Rs. 3.5 crore through Invoicemart on the platform. While TReDS is popular among Micro, Small, and Medium Enterprises (MSMEs), this is the first

time an FPO has significantly benefited from invoice discounting in the context of FPO financing. *(The Economic Times)*

Govt optimistic about record wheat output despite adverse weather conditions

The government is hopeful of a record wheat production of 112.18 million tonne in 2022-23 (July-June) even as inclement weather conditions in some regions of the country hit grain quality, food secretary Sanjeev Chopra said on Thursday. *(Mint)*



Industry, Manufacturing, Services and Technology

Service sector expansion slows down in March, PMI at 57.8

Even as input cost inflation eases, service sector output expanded at a slower pace in March, the results of a survey among purchasing managers of 400 firms by S&P Global, showed on Wednesday. Another piece of bad news is that there was no notable development on the job scenario. The survey results showed that the Purchasing Managers' Index (PMI) slipped to 57.8 in March as against 59.4 in February. *(BusinessLine)*

India may achieve self-sufficiency in solar module production by FY26

An estimated 110 GW of solar module capacity is expected to be added in the next three years, making India the second-largest PV manufacturer after China. India's cumulative module manufacturing nameplate capacity has more than doubled to 38 GW in March 2023 from 18 GW in March 2022, thanks to the government's Production Linked Incentive (PLI) scheme. *(BusinessLine)*

India plans to get ahead of the curve in 6g telecom technology

The government is ready to put its money where its mouth is. The vision document has suggested a research and development fund of Rs 10,000 crore, led by the government for the next 10 years for 6G. In November this year the World Radiocommunication Conference (WRC), where spectrum standards are set, will meet in Dubai with two key agendas on the table: to consider the needs of 5G advanced technology (or 5G plus) and, also, to set the stage for 6G. *(Business Standard)*

Small & medium IT companies hit by high attrition rate after lockdown, says survey

According to the survey by Micro Small and Medium Enterprises -Export Promotion Council (MSME-EPC), the highest attrition rate of 35% is being seen in small and medium sector technology companies after the lockdown, in which skilled employees leave their companies for higher wages. After this, the attrition rate is 27% in the services sector. Due to this, the hopes of returning to normalcy after the epidemic in these areas have been hit. *(The Hindu)*

I&B ministry signs pact with Amazon India for collaboration in media and entertainment

The ministry of information and broadcasting has signed an agreement with Amazon India for collaboration in the media and entertainment space, with focus on skill building and showcasing made-in-India content to global audiences. Content from National Film Development Corporation and Doordarshan will be screened Amazon's two streaming platforms.

Made-in-India iPhone shipments increase as Apple shifts production from China

As Apple continues to diversify its supply chain and shift production away from China, Made in India iPhones increased in volume and value last year. According to a report by South China Morning Post, the shipment volumes of iPhones manufactured in India increased by 65 per cent year on year in 2022. *(Mint)*

Network Planning Group under PM Gati Shakti approves 4 infra projects

The Network Planning Group (NPG) under the PM Gati Shakti initiative has approved four infrastructure projects related to railways, an official statement said on Friday. In October 2021, PM Gati Shakti - National Master Plan was launched with an aim to develop an integrated and planned infrastructure to reduce logistics costs *(The Economic Times)*.

New PPP model on cards to woo infra sector investors

The finance ministry plans to bring out a new public-private partnership (PPP) architecture and a standard model concession agreement (MCA) framework for various sectors in FY24 to burnish the allure of capital-intensive infrastructure projects, seeking to draw funds by stressing their 'viability and bankability' *(The Economic Times)*.

India March manufacturing PMI hits 3-month high, but job cuts resume

India's manufacturing sector expanded at its quickest pace in three months in March on improved output and new orders, although firms shed jobs for the first time in over a year, a private business survey showed on Monday. Overall, the survey supports views that Asia's third-largest economy is better placed than many to weather the impact of a potential global downturn. The Indian economy was forecast to grow 6.9% this fiscal year and 6.0% next. *(Mint)*



News on Kerala

Kerala Sidco posts first operating profit in 15 years, highest turnover in 7

Kerala Small Industries Development Corporation (Kerala Sidco), a State government public sector undertaking, has managed to post an operating profit during 2022-23 for the first time in 15 years. It has also achieved a seven-year high in turnover at ₹226 crore during the year, according to results approved by the board and announced here. *(BusinessLine)*

Fuel, liquor cess, tax hikes come into effect

Social security cesses on fuel and liquor and tax hikes announced in the 2023-24 budget came into effect on Saturday in Kerala, sparking debate anew over Finance Minister K. N. Balagopal's additional resource mop-up proposals *(The Hindu)*

Kerala's gender Budget share up from 11.5% to 20.9% in five years: Veena

Minister for Women and Child Development Veena George has emphasised the importance of Kerala's gender Budget in promoting gender-sensitive policies and schemes. *(The Hindu)*

Multiple pathways explored for four-year degree programme

The State Higher Education Curriculum Committee, mandated with evolving a framework for curriculum reform in the higher education sector, has mooted multiple pathways for the proposed four-year undergraduate (UG) programme including options to exit after three years.*(The Hindu)*

Need to dissuade students from leaving State by creating research opportunities: Balagopal

Underlining the importance of public financing of education, Mr. Balagopal said Kerala was a model in that respect. As much as 47% of total salaries paid by the State was given to teachers. He also pointed out that Kerala was much ahead of other States when it came to the number of schools, nearly 15,000, whose expenses were borne by the government.*(The Hindu)*

Finance dept. steps in to streamline Medisep scheme

The government has stepped in to prevent the expenditure on Medisep, the Kerala government's health insurance scheme for government employees and pensioners, from going out of hand and to limit the "damages" by putting strictures on huge claims for catastrophic illnesses.*(The Hindu)*

Local bodies record 77.61% Plan spending

Local bodies in the State have recorded a total Plan expenditure of 77.61% in the 2022-23 financial year which ended on Friday. The expenditure figures are lower compared with the previous year when it had touched 88.12%, with many panchayats recording expenditures closer to 100%.*(The Hindu)*

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