



**BANGALORE CHAMBER OF INDUSTRY AND COMMERCE**  
**BCIC – Weekly Digest**

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**1. RBI MPC to maintain ‘prolonged pause’ after keeping repo rate unchanged at 6.5% in April**

The Reserve Bank of India’s (RBI's) rate-setting panel, Monetary Policy Committee (MPC), stopped its rate-hike cycle by retaining the key lending rate at 6.5 per cent. It was widely expected that the MPC would press the pause as continuing rate cuts were not seen as productive.

RBI monetary policy pegs inflation for FY24 at 5.2%.

**Full story: <https://bit.ly/40V7Y0w>**

**2. Govt. slashes windfall tax on crude production to zero; diesel windfall gains tax cut to Rs. 0.5 per litre.**

The government has slashed windfall tax on domestically produced crude oil to nil from Rs 3,500 per tonne effective from 4 April according to a notification.

Further, Special Additional Excise Duty on export of diesel has been cut to Rs 0.5/litre from Re 1/litre. Other than diesel, products like crude, petrol, and ATF have no windfall tax levied.

**Full story: <https://bit.ly/3KKQEFZ>**

**3. Banks want cover for One-time settlement option under ECLGS**

Banks have urged the National Credit Guarantee Trustee Company Ltd (NCGTC) to cover the one-time settlement option for the resolution of stressed loans provided under the Emergency Credit Line Guarantee Scheme (ECLGS), said people with knowledge of the development.

At present, lenders need to initiate legal proceedings to avail of the full credit guarantee coverage provided by the NCGTC under the scheme. One-time settlement schemes are not considered legal recourse and are not covered by the guarantee.

**Full story: <https://bit.ly/3mkmb8q>**

**4. India’s wheat production likely to touch 112 mt**

Last year, the scientists had predicted that the wheat output may touch 112 million tonnes but inclement weather and early heatwave in March had affected both early and late varieties, resulting in yellowing and shrivelling of wheat grain in northern states of the country.

India’s wheat production may set a new record this rabi season and surpass 112 million tonnes owing to multiple factors such as favourable weather conditions and increase of around 1.5 million hectares in the wheat acreage across the country, according to the scientists of the ICAR-Indian Institute of Wheat and Barley Research (IIWBR) in Haryana’s Karnal said.

**Full story: <https://bit.ly/3mhkatD>**

#### **5. India's Forex Reserves drop by \$329 million to \$578.45 bn**

India's forex reserves dropped by \$329 million to \$578.449 billion for the week ended March 31, on decline in gold reserves, the RBI said. The forex kitty had risen handsomely in the previous two reporting weeks and rose by \$5.977 billion to \$578.778 billion for the week ended March 24.

For FY23, the overall kitty has dropped by \$28.86 billion.

**Full story:** <https://bit.ly/40QRDdi>

#### **6. Auction for Green H2 Incentives to kick off in Q1 with cap of Rs.50/kg.**

India plans to give green hydrogen fuel producers incentives worth at least 10% of their costs under a \$2 billion scheme set to begin before the end of June, a top government official said.

New Delhi this year approved a 174.9 billion rupee incentive plan to promote green hydrogen in a bid to cut carbon dioxide emissions and become a major exporter in the sector.

**Full story:** <https://reut.rs/3mdDfgl>

#### **7. Services PMI eases a tad in March**

Despite a loss of momentum, services sector activities remained robust in March due to favourable demand conditions and new business gains.

The seasonally adjusted S&P Global India Services PMI Business Activity Index eased to 57.8 in March from 59.4 in the previous month but remained in growth territory (above 50) for the twentieth successive month.

**Full story:** <https://bit.ly/3nWynN8>

#### **8. World Bank cuts India FY24 GDP growth forecast to 6.3%**

The World Bank and the Asian Development Bank (ADB) slashed their economic growth forecasts for India for 2023-24 (FY24) by 30 and 80 bps to 6.3 and 6.4 per cent respectively, citing risks to the outlook arising from both global and domestic factors.

In its India Development Update, the World Bank said real GDP growth is expected to moderate from 6.9 per cent in FY23 to 6.3 per cent in FY24 because of global slowdown spillovers and slower consumption growth. "The lagged impact of monetary policy tightening, heightened growth uncertainty, and reduced current spending of the government are expected to constrain domestic demand in India in FY24," it added.

**Full story:** <https://bit.ly/3KqTXk6>

## **9. India's Russian oil import now double of nation's top oil supplier Iraq**

India's imports of crude oil from Russia touched a new high of 1.64 million barrels per day in March and is now double of the purchases from Iraq - the nation's traditional top oil supplier. But the purchases appear to have plateaued as growth has slowed.

Russia continued to be the single largest supplier of crude oil, which is converted into petrol and diesel at refineries, for a sixth straight month by supplying more than one-third of all oil India imported, according to energy cargo tracker Vortexa.

**Full story:** <https://bit.ly/3KlJUBH>

## **10. Union Cabinet approves revised domestic gas pricing guidelines**

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has approved the revised domestic natural gas pricing guidelines for gas produced from nomination fields of ONGC/OIL, New Exploration Licensing Policy (NELP) blocks and pre-NELP blocks, where Production Sharing Contract (PSC) provides for Government's approval of prices.

The price of such natural gas shall be 10% of the monthly average of Indian Crude Basket and shall be notified on a monthly basis.

For the gas produced by ONGC & OIL from their nomination blocks, the Administered Price Mechanism (APM) price shall be subject to a floor and a ceiling. Gas produced from new wells or well interventions in the nomination fields of ONGC & OIL, would be allowed a premium of 20% over the APM price. A detailed notification is being separately issued.

**Full story:** <https://bit.ly/3zKJHyw>

## **11. IMF expects less than 3 per cent global economic growth in 2023**

The International Monetary Fund chief the world economy is expected to grow less than 3 per cent this year, down from 3.4 per cent last year, increasing the risk of hunger and poverty globally.

Kristalina Georgieva said growth is expected to remain around 3 per cent for the next five years, calling it "our lowest medium-term growth forecast since 1990, and well below the average of 3.8 per cent from the past two decades." She said slower growth would be a "severe blow," making it even harder for low-income nations to catch up.

**Full story:** <https://bit.ly/3mlUbkk>

## **12. Global trade growth is likely to plummet to 1.7% in 2023 pulled down by the Ukraine conflict and skyrocketing inflation**

Global trade growth in 2023 is still expected to be subpar despite a slight upgrade to GDP projections since last fall, WTO economists said in a new forecast on 5<sup>th</sup> April, weighed down by the effects of the crisis in Ukraine, stubbornly high inflation, tight monetary policy and financial market uncertainty, the volume of world merchandise trade is expected to grow by 1.7 per cent this year, following 2.7 per cent growth in 2022, a smaller than expected increase that was pulled down by a sharp slump in the fourth quarter.

**Full story: <https://bit.ly/3mocpSD>**

### **13. New directions on tax regimes for employers by CBDT.**

The Central Board of Direct Taxes (CBDT) has issued a circular dated April 5, 2023, clarifying how employers will be deducting tax on salaries for the current financial year 2023-24. As per the circular issued, an employee is required to inform the income tax regime that he/she intends to choose for the purpose of TDS on salaries.

Once the intimation is received by an employer, then tax on salary will be deducted accordingly. The employee can choose either the new or an old tax regime, at his convenience.

**Full story: <https://bit.ly/3MpluUM>**

### **14. India likely to add 150k jobs this year in phone manufacturing**

India is expected to generate 150,000 new jobs in mobile manufacturing as leading manufacturers are in search of manpower to meet their expansion plans in the country, according to a report.

Driven by the global shift to manufacture beyond China and the Indian government's production-linked incentive (PLI) scheme, top mobile phone manufacturers and makers of associated devices are planning large-scale expansions in India.

**Full story: <https://bit.ly/3MtoikM>**

### **15. Bengaluru metro's Yellow Line to be opened by July this year: Report**

The Namma Metro Network in Bengaluru is likely to add another crucial line to its network by July. The Yellow Line connecting RV Road in south Bengaluru to Bommasandra in the southeast part of the city is expected to become operational in three months.

Starting from the RV Road station on the Green Line, this new Yellow Line, will intersect with the upcoming Pink Line (Gottigere - Nagawara) at Jayadeva hospital and with Blue Line at Central Silk Board Station and will proceed to Bommasandra.

**Full story: <https://bit.ly/3ZSCoiD>**

### **16. India's gig economy increased 13 times compared to pre-pandemic levels: Report**

India's gig economy has increased 13 times compared to pre-pandemic levels, a report released by work-as-a-service platform Awign titled 'The Power of Gig: Shaping the Future of Work' has revealed.

Over the past three years, the adoption of the on-demand gig model has grown significantly due to a shift in the way enterprises started delegating work, and how talent or jobseekers began approaching employment.

**Full story: <https://bit.ly/3nSpRhT>**

**17. Rising Covid-19 cases in India : Union Health Minister urges states to conduct mock drill on April 10-11.**

Union Health Minister Mansukh Mandaviya on Friday chaired a high-level meeting to discuss the surge in Covid-19 cases in the country and advised states to remain vigilant and prepare for effective management of the virus. He instructed officials to conduct mock drills of all hospital infrastructure on April 10 and April 11.

The meeting came as the number of fresh coronavirus cases in India reached 6,050 on Friday, which is the highest in 203 days (since September last year).

**Full story:** <https://bit.ly/40SdCkb>



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