

# India's service activity growth in April among fastest in 14yrs: PMI

India's services sector growth eased slightly in April but growth of new business and output remained sharp and among the fastest in 14 years amid favourable economic conditions and strong demand, a monthly survey said on Monday. The seasonally adjusted HSBC India Services Business Activity Index fell from 61.2 in March to 60.8 in April, highlighting one of the strongest growth rates seen in just under 14 years. Survey members attributed the latest upturn in output to favourable economic conditions, demand strength and rising intakes of new work. In the Purchasing Managers' Index (PMI) parlance, a print above 50 means expansion,

while a score below 50 denotes contraction. "India's service activity rose at a slightly softer pace in April, backed by a further rise in new orders, with a notable strength in domestic demand," said Pranjul Bhandari, Chief India Economist at HSBC. In addition to buoyant domestic demand, firms noted new business gains from several parts of the world, which collectively underpinned the second-quickest upturn in international sales since the series started in September 2014. On the job front, a few service providers in India showed an increased appetite for new hires in April, amid rising inflows of new business. However, several companies indicated that



payroll numbers were sufficient for current requirements, and the rate of job creation was marginal and softer than that seen at the end of the previous fiscal year. "In response to increased new orders, firms expanded their staffing levels, though the pace of hiring growth decelerated," Bhandari said. On the price front, wage

pressures and higher food prices meanwhile led to another increase in cost burdens, which firms partially passed on to their customers. "Input costs continued to rise sharply, albeit slower than in March, but resulted in squeezed margins for service firms, as only part of the price rise was passed on to clients through output charges,"

Bhandari said. Meanwhile, confidence among service providers towards the year-ahead outlook for business activity improved to a 3-month high. Marketing efforts and efficiency gains, alongside plans to price competitively and predictions that demand conditions will remain favourable,

boosted optimism, the survey said. Meanwhile, the HSBC India Composite PMI Output Index moderated to 61.5 in April, from 61.8 in March, the latest reading was one of the highest seen in close to 14 years and signalled a substantial rate of expansion across the private sector. "In terms of overall activity, aggregate output across both the manufacturing and service sectors rose significantly in April, albeit at a slightly slower pace, indicating sustained health in these sectors," Bhandari said. During April, manufacturers continued to note a stronger increase in new business intakes than service providers. Aggregate sales rose sharply, and at one of the fastest rates since mid-

Check It Daily  
Horoscopes

Your day today

By Dr C.V.B. Subrahmanyam



**Aries:** New contacts at the professional front would bring lucrative opportunities. A very demanding approach can create tensions in your love life.



**Taurus:** A favourable time to start new projects and a happy day of wooing and courtship. Guard against being overly dominating when putting across your views at home.



**Gemini:** Cultivate a harmonious nature to kill your hatred because it is more powerful than love and deadly affects your body. Romantic influence is strong.



**Cancer:** The romantic life is becoming interesting. You are observing your love life, as it is blowing hot and cold. Act immediately as tomorrow may be very late.



**Leo:** You desperately need some activity to keep fit. Festive atmosphere all round keeps everyone in high spirits. On your part develop a harmonious relationship with all and win your opponents by love.



**Virgo:** Visit those who are less fortunate than yourself and help them with their personal problems. Loved ones will be hard to get along with. Group events will be far too expensive for you to organize.



**Libra:** Romantically a glittering bait awaits you to be trapped. Your affairs seem to go well on the surface. There are people in the background who don't wish you well in love. Stomach issues may rise.



**Scorpio:** Some of you will need to keep your temper under control, even under grave provocation. Your childish approach can thwart your romantic aspirations.



**Sagittarius:** You will have to do something different to make your lover enjoy your company. Your efforts at work get recognized, so cash in on this development.



**Capricorn:** Good earning will make you splurge on the romantic front. Speculative activities should be avoided. Those burdened with work will have to do something about the resulting fatigue.



**Aquarius:** Think wisely before loaning money to a friend as early return is not foreseen. Help and assistance will be forthcoming from close ones in getting a matrimonial alliance for the eligible.



**Pisces:** Monetary gains will keep you in a buoyant mood. This is the day when you can find everything topsy-turvy on the professional front. Those in private companies can face a salary cut.

## Concerns on low voter turnout a "myth"; absolute number of voters correct way to analyse: Report

Termining concerns on low voter turnout in the first two phases of 2024 general elections a "myth", an economist at the country's largest lender SBI has said comparing the absolute number of votes cast is a better way to analyse the turnout. Soumya Kanti Ghosh, the group chief economic adviser at SBI, said there has been 0.4 per cent increase in the

absolute number of votes cast in the first two phases. "The unending debates propagated around supposedly low voter turnout in the first two phases of the General Elections 2024 is a myth. A better measure of votes cast is the absolute number of voters," he said in a report. The Election Commission has been working to increase the voting percentage in the remaining phases of the polls. Ghosh, who is also a part

time member of the 16th Finance Commission, said the voting is about 3.1 percentage points below the trend observed in the last general elections of 2019, but was quick to add that the numbers can "swell" in the remaining 5 phases of polls and there will be a "J-shaped" growth. "During 2019, the voting pattern showed a declining trend over the 7 phases, starting at 69.4 per cent and finishing at 61.7 per cent. In 2024, we believe a

reverse phenomenon could be underway, with voting percentage poised for a marked improvement going by the absolute numbers of voting exercised in the first two phases," the report said. In the first two phases of polls till now, there have been salutary changes like higher women participation on an incremental basis, and those in reserved seats as well, it said. The SBI report said Karnataka accounts for

the highest number of increase in voters in 2024, followed by Assam and Maharashtra. A granular analysis of the constituencies shows that the absolute number of votes cast increased by more than 1 lakh in 85 constituencies, whereas in 25 constituencies, there was a status quo. Hence, 60 per cent constituencies exhibited either increase or no marked difference, it said. The Lok Sabha elections

are being held in seven phases and the polling for the third phase is due on Tuesday. "We also believe the scorching summer and sweeping heat waves might have played a spoilsport for a certain percentage of voters," it said. Meanwhile, it also said that 17th Lok Sabha was the most efficient ever as per its model, and 2023 was the most efficient year for the Parliament in terms of bills passed, at par with 1955.

### Sensex declines over 1 pc on heavy selling in Reliance, others

Benchmark equity indices declined on Tuesday, a day after recording sharp gains, with the BSE Sensex falling over 1 per cent due to selling in Reliance Industries, ITC and Bajaj Finance. The 30-share BSE Sensex fell by 801.67 points or 1.11 per cent to settle at 71,139.90. During the day, it plummeted 865.85 points or 1.20 per cent to 71,075.72.

The Nifty declined 215.50 points or 0.99 per cent to 21,522.10. Among the Sensex firms, Bajaj Finance fell by 5.03 per cent after its December quarter earnings failed to cheer investors. Titan, UltraTech Cement, Bajaj Finserv, Reliance Industries, ITC and NTPC were among the other major laggards.

Tata Motors, State Bank of India, Hindustan Unilever, Power Grid, Tech Mahindra and Tata Consultancy Services were the gainers. "Selling intensified towards the end as investors further slashed their positions in key stocks ahead of the Budget while weakness in several Asian indices also contributed to the overall fall. "With just one day left for the Budget, investors want to play it safe although there would not be any big-bang announcement by the government in this budget. Focus would rather shift to US Fed policy but indications are that it may maintain the status quo on interest rates, which could unsettle investors further," said Prashanth Tapse, Senior VP (Research), Mehta Equities Ltd. In the broader market, the BSE midcap gauge declined 0.53 per cent while small-cap index climbed 0.18 per cent. Consumer durables declined 2.40 per cent, capital goods dipped 1.24 per cent, power (1.12 per cent), FMCG (1 per cent), utilities (0.92 per cent) and industrials (0.77 per cent).

## Govt poor approach in GST implement'n, Revenues back to pre-GST levels: Sitharaman



Finance Minister Nirmala Sitharaman on Monday said the government has adopted "a pro-poor approach" while implementing Goods and Services Tax, and despite lower tax rates the revenues as a percentage of GDP have reached the pre-GST level. In a post on X (formerly Twitter), Sitharaman said without GST, states' revenue from subsumed taxes from FY 2018-19 to 2023-24 would have been Rs 37.5 lakh

crore. With GST, states' actual revenue amounted to Rs 46.56 lakh crore. "Despite the GST rate being less than the prescribed Revenue Neutral Rate and COVID-19 affecting the revenues, GST collections (as a percentage of GDP) have now reached the levels they were before GST (both net and gross). "This demonstrates that the Centre & States, collectively, through better tax administration, are able to

collect the same revenue with a lower burden on our taxpayers," she said. GST, which was rolled out on July 1, 2017, had subsumed 17 taxes and 13 cesses into a 5-tier structure, thereby simplifying the tax regime. The turnover threshold for registration rose to Rs 40 lakh for goods and Rs 20 lakh for services (from Rs 5 lakh on average under VAT). GST also reduced 495 different submissions (challan,

forms, declarations, etc) across states to just 12. Sitharaman in a detailed post on GST talked about the origin of GST and its role in streamlining the indirect tax system. She also penned down how GST has benefitted people through a pro-poor approach, while underscoring its role in promoting cooperative and fiscal federalism.

The minister said GST has improved tax buoyancy from 0.72 (pre-GST) to 1.22 (2018-23). Despite compensation ending, state revenues remain buoyant at 1.15, she said. "Reflecting a pro-poor approach, the effective weighted average GST rate has consistently fallen since 2017. The Revenue Neutral Rate was suggested to be 15.3 per cent but was lower at 14.4 per cent in 2017, and it has come down to 11.6 per cent in 2019," she said. Sitharaman said the idea of GST was first mooted dur-

ing the former Prime Minister Atal Bihari Vajpayee-led NDA government.

In 10 years, UPA was unable to achieve political consensus on GST, she said, adding, "under the leadership of Prime Minister Narendra Modi, the necessary consensus was carefully built, and GST Acts were passed by Parliament in 2016".

GST revenues have touched a record high of Rs 2.10 lakh crore in April buoyed by domestic transactions, the minister said. Sitharaman on Monday administered the oath of office to Justice (Retd) Sanjaya Kumar Mishra as first President of the GST Appellate Tribunal (GSTAT) -- body for resolving disputes. Sitharaman said GST lowered taxes on many essential items compared to pre-GST rates. Common items like hair oil and soaps saw tax cut from 28 per cent to 18 per cent.

## Why billionaire investor Warren Buffett needs to relook at India under PM Modi

New Delhi Unaware of the possibilities India now provides for global investors and big conglomerates, Warren Buffett, Chairman and CEO of global investment major Berkshire Hathaway, needs to have a fresh look at a country which is set to become the third-largest economy in the world with a GDP of \$5 trillion.

In the last 10 years, under the visionary leadership of Prime Minister Narendra Modi, the country has progressed well across all economic parameters and is now the fifth-largest nation with a GDP of around \$3.7 trillion (esti-



mate FY24). A decade ago, the country was the 10th largest economy, with a GDP of \$1.9 trillion (current market prices). According to the Finance Ministry, "This 10-year journey is marked

by several reforms, both substantive and incremental, which have significantly contributed to the country's economic progress". At the company's annual meeting on Sunday, Buffett said they

could explore the untapped potential in India as "there may be areas unexplored or unattended to opportunities". "In India, I am sure that there are loads of opportunities" and the question is "do we

have any advantage, in either insight into those businesses or contacts that will make possible for some transactions that participants in India would particularly want us to participate". As Buffett looks for a possible entry into the country, India's GDP growth is set to attain a new peak, sectors like manufacturing and automobiles have started looking up again, and the GST collections are gaining new highs. According to the latest RBI data, India's GDP growth has early signs of rising above 7 per cent -- recorded during the 2020s before the pandemic.

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