



Public Finance

Govt's gross debt rises 2.2% QoQ to Rs 159.53 lakh cr in Q1

The Indian government's total gross debt increased by 2.2% to Rs 159.53 lakh crore in the April-June quarter of this fiscal year, according to a finance ministry report. Public debt accounted for 89.5% of the total liabilities during the quarter. The report also highlighted that trading activities in the secondary market were concentrated in the 7-10-year maturity bucket, with private sector banks being the dominant trading segment. *(The Economic Times)*

States' borrowing cost soars to 23-week high of 7.56%

The borrowing cost for Indian states has increased by 10 basis points to 7.56% at the first weekly debt auction of the third quarter. This is the highest rate in the past 23 weeks. Despite a decline in the average tenor to 13 years, the weighted average cost has risen. Additionally, the spread between the cut-off of 10-year state bonds and the new 10-year G-Secs yield has also increased slightly. *(The Economic Times)*

Finance ministry seeks expenditure proposals from ministries for supplementary demands for grants

The finance ministry on Tuesday invited proposals for funds from various departments and ministries for inclusion in the first batch of supplementary demands for grants for FY24, asking them to be realistic and objective in their assessment of additional requirements. *(The Economic Times)*

Govt has allocated Rs 100 cr for Aspirational Blocks Programme this fiscal: Official

The Indian government has allocated Rs 100 crore for the Aspirational Blocks Programme (ABP) in the current financial year. The ABP aims to improve governance at the block level and enhance the quality of life of citizens. Implemented in 500 aspirational blocks across 329 districts, the government hopes that all 500 blocks will reach the state average in terms of development within three years. *(The Economic Times)*

Centre's fiscal deficit up to August rises to almost 36% of FY24 target

The Central government's fiscal deficit in the first five months of this fiscal year hit 36% of the annual target, up from 32.6% a year before, as the pace of spending slowed a tad in August from the previous month but it still remained higher than the previous year, showed the official data released on Friday. *(The Economic Times)*

e-Kuber to be functional on March 31 for govt transactions: RBI

Reserve Bank of India's core banking solution for the government e-Kuber will be functional on March 31, 2024, which is a Sunday. Usually e-Kuber is not operational on holidays like January 26 (Republic Day), August 15 (Independence Day), and October 2 (Gandhi Jayanti), all second and fourth Saturdays of every month and on all Sundays. The office of Controller General of Accounts, Government of India has advised that in order to

account for all the government transactions relating to receipts and payments in the financial year 2023-24 itself. *(The Economic Times)*

Public sector capex low despite Centre's push

Even though the Centre has accelerated capital expenditure in the past few years, aggregate public-sector capex has declined as a fraction of the Gross Domestic Product (GDP) between FY21 and FY23. *(Financial Express)*

Capex by Railways Touches 59% in H1 of FY24

Capital expenditure by Indian Railways touched ₹1.40 lakh crore, or about 59% of the budgeted estimate, in the first six months of the current financial year. *(The Economic Times)*



Taxation

GST revenue growth slowed to 10.2% in September

Growth in India's gross Goods and Services Tax (GST) revenues slowed to a 27-month low of 10.2% in September, from around 10.8% in the previous two months. However, collections improved 2.3% over August revenues to touch ₹1,62,712 crore. Revenues from domestic transactions, including services imports, were 14% higher than the tax collected from these sources during September 2022. *(The Hindu)*

Centre hikes windfall tax on domestic crude, cuts levy on export of diesel, ATF

The government hiked special additional excise duty (SAED) on crude petroleum to ₹12,100 per tonne with effect from September 30. The windfall tax on domestically produced crude oil was set at ₹10,000 per tonne. Besides, the SAED or duty on export of diesel will be cut to ₹5 per litre, from ₹5.50 per litre currently. *(The Hindu)*

GST Council to mull exempting distilled alcohol used to make liquor from tax

The Goods and Services Tax (GST) Council will discuss exempting distilled alcohol used to manufacture liquor from the indirect tax. High distilled or extra neutral alcohol contains 95% alcohol by volume and is used for producing liquor and for industrial purposes. The council, chaired by the federal finance minister and includes state finance ministers, will also consider a proposal to lower GST on molasses to 5% from 28%. *(The Economic Times)*

GST Council likely to take a call on revising rates on millet products

the GST Council is likely to discuss rates of millet-based products and amendments to provisions related with setting up of GST Appellate Tribunal (GSTAT). It is also expected to review the progress on implementation of 28 per cent uniform duty for online gaming, casinos and horse racing. *(BusinessLine)*

India notifies 28% GST and key changes for overseas online gaming platforms, effective October 1

The Finance Ministry has notified norms for registration by global online gaming platforms providing services in India to provide a level playing field. Another notification sets October 1 as the date for implementing a 28 per cent uniform duty on online money gaming and casinos. *(BusinessLine)*

Gaming industry sees tax liability increasing by 1,400% on DGCI calculation

The Directorate General of GST Intelligence (DGGI) has calculated outstanding dues based on actual bets made on portals since 2017. The bets exceeding Rs 71,000 crore were placed in the case of Games24x7 Pvt Ltd and its affiliates, attracting a Goods and Services Tax (GST) of more than Rs 20,000 crore. *(Business Standard)*



National Accounts and State of the Economy

No Inflation Risk from Rising Oil Prices

The latest spike in oil prices may have a marginal impact on India's FY24 wholesale and retail inflation, said economists. However, they said crude sustaining above the \$90-level could be a downside risk for core inflation as companies begin passing on high input costs. *(The Economic Times)*

Double whammy: Falling household savings and rising financial liabilities can hit demand with an adverse impact on private capex

Net financial savings of households as a percentage of the gross domestic product (GDP) slumped to the lowest in 47 years in FY23. According to the Reserve Bank of India's September bulletin, net financial savings were down to 5.1% of GDP in FY23 from 7.2% in the previous fiscal year. This is a cause for serious concern as the figure was 11.5% in FY21, indicating a severe income crunch and a likely transience of the post-pandemic rise in consumption. *(Financial Express)*

Govt. maintains GPF rate at 7.1%

This is the 15th successive quarter that govt has maintained status quo for rates paid out on government employees' retirement savings. *(The Hindu)*

India to clock GDP growth of 6.5% in FY24: Former NITI Aayog Vice Chairman Rajiv Kumar

The Indian economy will grow at around 6.5 per cent in the current fiscal as the country's macroeconomic situation is benefiting from the reforms that have been taken up in the last nine years by the Narendra Modi-led government, former NITI Aayog Vice Chairman Rajiv Kumar said on Monday. *(Financial Express)*

NABARD lists Social Bonds on BSE

The bank had raised ₹1,040 crore through this offering, which would be used to refinance the Union government's drinking water project in Telangana. *(The Hindu)*

India well-positioned to achieve 9-10% GDP growth, says Uday Kotak

India is well positioned to achieve a gross domestic product (GDP) growth of 9-10% even as the global economy slows down, says veteran banker Uday Kotak. His statement came during the India Today Mumbai Conclave 2023 on Wednesday. *(Financial Express)*

UBS maintains India's FY24 GDP target at 6.2%, expects economic momentum to soften, see current account deficit around 1.7% of GDP

The state of Indian economy is a key point of discussion as the country awaits the key rate decision from the Reserve Bank of India in less than 24 hours. While the expectation is

that of a pause, UBS maintains its views that “India’s GDP will grow 6.2% YoY in FY24E (vs consensus’ 6.1% and the RBI’s 6.5%). We continue to expect economic momentum to soften in upcoming quarters on the lagging impact of monetary tightening, weather-related uncertainty and global headwinds.” *(Financial Express)*



Banking and Monetary Policy

Small Savings Schemes Rates Unchanged

The finance ministry on Friday kept unchanged interest rates for 11 of the 12 small savings schemes for the December quarter, but raised the rate for five-year recurring deposits by 20 basis points from previous three months to 6.7%. *(The Economic Times)*

RBI appoints Muneesh Kapur as Executive Director

The Reserve Bank of India (RBI) has appointed Muneesh Kapur as Executive Director (ED) with effect from October 3, 2023. Over a span of nearly three decades in the Reserve Bank, Kapur has worked in the areas of macroeconomic policy and research and monetary policy in the Department of Economic Policy and Research and Monetary Policy Department in RBI, per a central bank statement. He also served as Adviser to Executive Director, International Monetary Fund during 2012-15. *(BusinessLine)*

Banks propose easing top up of study loans for higher studies

Banks in India have proposed to the Reserve Bank of India (RBI) that the first unpaid education loan should be reclassified as 'standard' and have the repayment period extended. This proposal aims to help students who choose to gain work experience before pursuing higher studies. Currently, if a borrower partially repays an existing loan, it is classified as 'restructured', resulting in higher interest rates for borrowers taking out a fresh loan. *(The Economic Times)*

Banks should focus on CASA to rein in margin pressures: Report

India Ratings also expects operating costs to sustain with ongoing investments in technology, and the banking system would continue to see lower slippages (gross slippage less upgrades and recoveries of 0.5%-0.6% and credit costs (1%-1.3%) that could give them the wherewithal to withstand near-term pressures. The asset quality metrics for public sector banks and private banks are converging and profitability is at about steady state. *(The Economic Times)*

India’s banks are making \$64 billion from a freebie

India saw over 10 billion cashless transactions in August, with most of them being online and cost-free. However, customers using mobile-phone wallets to pay bills over 2,000 rupees are subject to a 1.1% fee. Despite concerns about the lack of profit motive, India's payment revenue reached \$64bn last year, making it the fourth highest globally. *(The Economic Times)*

Banks' fraud account classification faces legal challenges: No personal hearings, potential court battles ahead

Banks in India will not provide a personal hearing to companies before classifying them as 'fraud' accounts, but will re-evaluate the decision if legally challenged. The procedure, which aims to codify the steps to classify companies with outstanding loans of ₹50 crore

or more as fraud accounts, follows a Supreme Court direction in March 2023 to provide a hearing to borrowers before such a step is taken. Some bankers and legal experts believe the procedure may lead to court disputes. (*The Economic Times*)

30 banks on UDGAM portal to help people claim, search unclaimed deposits: RBI

The Reserve Bank of India (RBI) has announced that 30 banks have been included on the UDGAM (Unclaimed Deposits - Gateway to Access information) portal, which allows individuals to search and claim unclaimed deposits. Initially launched with seven banks, the portal now covers around 90% of unclaimed deposits in the Depositor Education and Awareness (DEA) Fund. Major public sector lenders, foreign banks, and private sector lenders are included in the list. (*The Economic Times*)

Customers can now choose from multiple card networks from October 1, 2023

From October 1, banks will provide customers the option to choose from multiple card networks like Visa, MasterCard, and Rupay for their debit, credit, and prepaid cards. On July 5, the Reserve Bank of India (RBI) had released a draft circular on changing the arrangements between card networks and banks and non-bank entities authorised to issue cards. (*Business Standard*)

RBI maintains status quo, keeps repo rate unchanged at 6.5%

The central bank decided to keep the repo rate unchanged at 6.50 per cent and stance of 'withdrawal of accommodation. The RBI governor said, "After a detailed assessment of the evolving macroeconomic and financial developments and the outlook, RBI's Monetary Policy Committee decided unanimously to keep the Policy Repo Rate unchanged at 6.5 per cent." (*Financial Express*)



External Sector

Economists revise CAD estimates for FY24 after it narrowed to 1.1% in Q1

Economists have revised their estimates for India's current account deficit (CAD) for FY2024 after it narrowed to 1.1 per cent of the gross domestic product (GDP) in April-June quarter of the current fiscal year from 2.1 per cent in the year-ago quarter, but widened sequentially from 0.2 per cent registered in the fourth quarter of last fiscal, according to the data released by the RBI. "We expect tailwinds to BOP to have peaked in Q1FY24 and the remainder of FY2024 to be clouded with uncertainties, amid 1) rising crude oil prices and 2) weak capital flows. (*Financial Express*)

U.S. keeps distance on Muizzu's plan to end Indian military presence in Maldives

The U.S. government, on Tuesday, did not weigh in on Maldives president-elect Mohamed Muizzu saying he would fulfil his election promise and begin the process of removing Indian military personnel from the country. "This is a matter between the Maldives and India of course," the U.S. State Department's Principal Deputy Spokesperson Vedant Patel said at the daily press briefing. (*The Hindu*)

Trudeau says Canada not looking to 'escalate' situation, vows to engage constructively with India

Prime Minister Justin Trudeau on Tuesday said Canada was not looking to "escalate" the situation with India amid the diplomatic row between the two countries over the killing

of a Khalistani separatist and asserted that his government will continue to have "constructive relations" with New Delhi. (*The Hindu*)

Nepal wants to develop cordial and friendly relations not only with India and China but with all others: Foreign Minister Saud

Nepal wants to develop cordial and friendly relations not only with India and China but also with all other countries in the world, including the US, on the basis of mutual benefits, Foreign Minister Narayan Prakash Saud has said. Saud, who accompanied Prime Minister Pushpa Kamal Dahal 'Prachanda' during his just concluded visit to China. (*The Economic Times*)

'India deserves...': Russia's Vladimir Putin lauds growth under PM Modi, seeks greater representation for country

Vladimir Putin showered praise on Prime Minister Narendra Modi on Thursday and spoke about his country's plan to create a 'new world'. The Russian President also stressed the need to 'adapt international law to currently needs' during an event in Moscow. Influential nations such as India, he opined, deserved a greater say in global affairs. (*Mint*)

India considering more incentives for UAE wealth funds

India and the United Arab Emirates (UAE) on Thursday discussed incentives that could encourage greater investments in India by sovereign wealth funds from the Middle East country. Already in the budget of 2020 the government had exempted income from dividend, interest of long-term capital gains from tax arising from an investment made in India in a company or enterprise involved in the business of developing and maintaining infrastructure. (*Financial Express*)

India-UK Free Trade Agreement to be signed by month-end

UK Prime Minister Rishi Sunak will travel to India late October to sign the ambitious agreement that is expected to spur two-way trade in goods and services between the two economies as well as increase capital flows in the form of foreign direct investment. (*Financial Express*)

Strengthening ties: British companies in India register strong growth

There are more than 635 British companies in India, with a combined turnover of approximately Rs 4.88 trillion, employing over 600,000 people, according to the Britain Meets India (BMI) 2023 report that mapped the latest trends in UK investment in India. As many as 147 companies have met the qualifying criteria and have been featured in the BMI Growth Tracker. They achieved an average growth rate of 46 per cent. (*Business Standard*)

UAE investors eye infra, education, food processing, fin sectors: Goyal

Investors from the UAE are keen to invest in different sectors in India such as clean energy, infrastructure, education, healthcare, food processing, and financial services, Commerce and Industry Minister Piyush Goyal said here on Thursday. (*Business Standard*)

Global infra faces losses worth \$300 bn due to climate change: Report

The global annual average loss (AAL) in key infrastructure sectors due to disasters and climate change is currently estimated to be between \$301 billion and \$330 billion, according to a report by the Coalition for Disaster Resilient Infrastructure (CDRI). If health and education infrastructure, along with building stock, are included, the range escalates to \$732 billion to \$845 billion. (*Business Standard*)

India invites Brazilian industries to be part of its growing supply chain

India has invited Brazilian companies to participate in its growing supply chain with a view to strengthen economic ties between the two countries, an official statement said on Thursday. Commerce Secretary Sunil Barthwal, who was in Brazil from October 1 to 4, also discussed ways to promote trade between the two countries. *(Business Standard)*

Crude prices beyond \$100 per barrel to create large, organised chaos: Puri

Petroleum and Natural Gas Minister Hardeep Singh Puri on Wednesday warned of “organised chaos” if crude oil starts selling at over \$100 per barrel. Saudi Arabia and Russia announced they will continue existing production cuts till the end of the year hours after Puri made the comments at the ongoing ADIPEC oil and gas conference in Abu Dhabi. *(Business Standard)*

NIIF launches \$600 mn India-Japan bilateral fund in collaboration with JBIC

The National Investment and Infrastructure Fund Limited (NIIF), a state-owned entity, unveiled a \$600 million (Rs 4,900 crore) India-Japan Fund on Wednesday. This venture is in collaboration with the Japan Bank for International Cooperation (JBIC), a financial institution backed by the Japanese government. This marks NIIF's inaugural bilateral fund. The target corpus of \$600 million will see a 51 per cent contribution from JBIC and a 49 per cent input from the Indian government, as stated in NIIF's press release. *(Business Standard)*

SEBI asks MCX to put launch of new platform on hold

Multi Commodity Exchange of India (MCX) on Friday said the country's markets regulator has asked the company to put on hold the proposed go-live of its new commodity derivatives platform planned for next week. *(The Hindu)*



Agriculture and Rural Economy

Lower prices for tomatoes, chillis and LPG may have pulled food inflation down last month

Retail food inflation may have eased in September, thanks to cooling tomato prices and a reduction in LPG cylinder prices, even as onion prices rose further during the month, a CRISIL study on food plate costs suggested. *(The Hindu)*

Kharif sowing ends with a bang

The Indian Government declared the end of the kharif sowing season after farmers increased the area under many crops including paddy, sugarcane, maize, ragi, bajra (millets) and soyabean. Paddy coverage up 2% but area under pulses, cotton and oilseeds dips. *(BusinessLine)*

Prices of six key crops above MSP in agri-terminal markets

Prices of six out of nine kharif-grown crops, whose arrivals have commenced at various agricultural produce marketing committee (APMC) yards across the country, are ruling above their respective minimum support prices (MSPs). While soyabean is near the support rate, moong (green gram) and bajra (millet) are ruling lower in leading producing States. *(BusinessLine)*

Maize exports come to a halt as domestic prices surge

India's maize (corn) exports have come to a virtual halt as rising domestic prices have affected its competitiveness in the global market with Pakistan taking advantage of its currency depreciation. *(BusinessLine)*

Erratic monsoon impacts agrochemicals offtake

The agrochemical industry faced a double whammy this kharif season. Due to the delayed and erratic spread of monsoon, the demand was impacted in crops such as cotton, soyabean as farmers chose to apply less inputs on weather uncertainty during the cropping season. The agrochemicals industry also faced pricing pressure in case of generics due to falling prices in China, the largest supplier of raw materials. *(BusinessLine)*

GM mustard fails to meet the weight norm for release as seed

India's first genetically modified mustard crop Dhara Mustard Hybrid (DMH-11) failed to meet the minimum weight criterion required for commercial release as a seed. However, no discrepancy has been found in the claims regarding its yield and oil content, highly-placed sources said. *(BusinessLine)*

Coffee exports down a tad on lower green beans offtake

The country's coffee exports fell marginally in volume during the first half of the current financial year on reduced off-take of green beans. But shipments value increased. Exporters said the outlook for the remaining year would depend on the crop size, which is seen influenced by erratic weather pattern. *(BusinessLine)*

Rural reprieve pushed India's unemployment rate to 1-year low in Sept: CMIE

India's unemployment rate dropped to a one-year low in September as joblessness in rural areas fell despite weak monsoon rains. The overall joblessness rate slid to 7.09% last month, from 8.10% in August, data from private research firm Centre for Monitoring Indian Economy showed. *(Business Standard)*



Industry, Manufacturing, Services and Technology

Tata Motors to reskill 50% staff to transition to EV manufacturing by 2027

Tata Motors, a leader in the four wheeler passenger Electric Vehicles (EV) segment in India, said it is implementing a multi-pronged strategy to upskill its workforce to be future-ready to transition to the EV landscape. *(The Hindu)*

Homegrown ReNew finds place in '15 Climate Tech Companies to Watch' list

Homegrown green energy player ReNew has found a place in the top '15 Climate Tech Companies to Watch' list, prepared by US-based MIT Technology Review. "I am proud to share that the prestigious MIT Technology Review has listed ReNew in its inaugural list of 15 Climate Tech Companies to Watch', a new global list highlighting established businesses and startups that have the greatest potential to substantially reduce greenhouse-gas emissions and climate threats," Sumant Sinha, founder, Chairman and CEO of ReNew, said. *(Business Standard)*

Sun Pharma files new drug application with USFDA for investigational medicine to treat alopecia

The new drug application filing for deuruxolitinib with the USFDA is based on two pivotal Phase III trials, which included over 1,200 patients, across more than 135 clinical trial sites, the company said. *(The Economic Times)*

Kalyan Jewellers to launch 33 more showrooms in India before Diwali

Indian jewellery retailer Kalyan Jewellers plans to open 33 new showrooms in India before Diwali. The company will unveil showrooms in Kalyan and Candere formats across the country. In addition, Kalyan Jewellers signed six letters of intent for franchised showrooms in the south region and five more for showrooms in the Middle East. *(The Economic Times)*



News on Kerala

Kerala registers 12% growth in GST revenues in September

Union Finance Ministry figures released on October 1 put the GST revenue collection of Kerala in September 2023 at ₹2,505 crore. It was ₹2,246 crore in September 2022. *(The Hindu)*

Keraleeyam industrial expo in Kerala capital to feature hundreds of stalls

Hundreds of stalls are being lined up for the industrial expo being organised as part of Keraleeyam to be held in Thiruvananthapuram in November. *(The Hindu)*

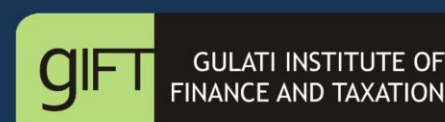
Special attention will be given to infrastructure development in schools, says Minister

Speaking after inaugurating the newly constructed high-tech building of the Sarvajana Higher Secondary School at Sulthan Bathery in Wayanad on Thursday, Mr. Sivankutty said the government had spent ₹3,800 crore for infrastructure development in schools, including construction of new buildings. *(The Hindu)*

Over 4,000 street vendors register for PM SVANidhi aid scheme

The Kudumbashree District Mission has sanctioned loans to 4,000-odd street vendors in the district under the Central government's PM Street Vendors AtmaNirbhar Nidhi, popularly known as PM SVANidhi. *(The Hindu)*

GULATI INSTITUTE OF FINANCE AND TAXATION
GIFT Campus, Chavadimukku,
Sreekariyam, Thiruvananthapuram, Kerala - 695017
Phone : 0471 2596970, 2596980, 2590880, 2593960
Fax : 0471 2591490
Email : giftkerala@gmail.com



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