



Public Finance

LIC presents dividend cheque of Rs 1,831 crore to Finance Minister Nirmala Sitharaman

LIC Chairman Siddhartha Mohanty presented the dividend cheque as the government's share of dividend in the presence of Department of Financial Services Additional Secretary MP Tangirala, the insurer said in a statement. The dividend was approved by the shareholders in the annual general meeting held on August 22, it said. (*The Economic Times*)

Re-jig of banks' investment rules to boost govt debt appetite: Bankers

The Indian central bank's removal of the cap on how much a bank can invest in bonds they intend to hold to maturity will boost lenders' appetite for government securities and benefit their bottom lines, four bankers said on Wednesday. The Reserve Bank of India (RBI) did away with the ceiling on the held-to-maturity (HTM) category of investments on Tuesday, as part of a broader re-jig of classification and valuation norms. (*Business Standard*)

Pain for India's \$350 billion state bonds is good, say investors

Global fund managers are applauding a move by India to deregulate the prices of bonds sold by the country's states, which could spur overseas interest in the \$350 billion market even if there are short-term losses. The liberalization will allow for a greater differentiation among the states, which have widely varying levels of growth, debt and wealth, say overseas investors including Aberdeen Asset Management Asia Ltd. (*Mint*)

ADB commits concessional loan to India under Green Financing facility

The Asian Development Bank (ADB) on Sunday assured India to provide concessional loans under the Green Financing facility to help in achieving its vision. ADB President Masasugu Asakawa, who is in Delhi to attend the G20 Leaders' Summit, on Sunday met Finance Minister Nirmala Sitharaman. During the bilateral meeting, both discussed the outcome of G20 India Presidency and ADB contribution to G20 work streams under the Finance Track as well as the Sherpa Track. (*The Economic Times*)

'Misleading': Centre refutes Opposition's claims of 'overspending' on G20 Summit in Delhi

The central government on Monday refuted allegations of 'overspending' for the recently concluded G20 Summit in New Delhi, claiming that the funds were allocated towards permanent asset creation and other infrastructure development, and not just for hosting the summit. According to the budget for 2023-24, the government had allocated Rs 990 crore for the G20 presidency. (*Financial Express*)



'Say bye to diesel': Centre warns automakers of higher taxes in pollution fight

The Union road transport minister on Tuesday said he will propose an additional 10% tax on diesel vehicles and warned automakers of even higher levies to force them away from diesel-burners and cut fuel emissions and pollution. *(The Hindu)*

EU, India to start dialogue on carbon tax concerns today

The European Union and India are set to begin a series of consultations on concerns regarding implementation of the Carbon Border Adjustment Mechanism (CBAM). The CBAM transitional phase starts in just two weeks and the discussion process, starting on Thursday through a video meeting, is aimed at reaching an understanding on issues such as possible equivalence of carbon credit trading systems, verification processes, compliances, and application of the 'common but differentiated responsibilities' principles. *(BusinessLine)*

India's corporate tax collections seen in line with budget estimates: Govt official

India's corporate tax collections must be looked at over a longer period of time and the full-year numbers are likely to be in line with budget estimates, the country's economic affairs secretary said on Thursday. "We should not look at a few months' data and try to find a long-term trend over there... my sense is that whatever numbers are there in terms of budget estimates and revenues, those will be realised," Ajay Seth told reporters. *(The Economic Times)*



National Accounts and State of the Economy

Retail inflation dropped to 6.8% in Aug as veg, edible oil prices fall

Fall in vegetable and edible oil prices pushed retail inflation based on Consumer Price Index (CPI) below 7 per cent in August to 6.8 per cent. It was 7.4 per cent in July. However, cereal prices are still high. Experts do not see any change in policy repo rate next month when the Monetary Policy Committee (MPC) will meet. *(BusinessLine)*

We don't see a slowdown in India: IBM's Patel

Tech major IBM does not see a slowdown in the Indian market and continues to be bullish on the region as digitisation and automation continues to increase, according to Sandip Patel, Managing Director, IBM India and South Asia. This comes as the technology sector globally has been seeing macroeconomic headwinds affect the demand environment, and a slowdown looms in the market. *(BusinessLine)*

Rajasthan records highest inflation in August, 13 states higher than the national average

The impact of high prices was uneven across states, with Rajasthan recording the highest inflation rate at 8.6%, easing from 9.7% in the previous month, whereas Delhi had the lowest rate at 3.1%. However, Rajasthan was not the only state to record high inflation, as three others, Haryana, Telangana and Odisha, also noted 8%+ numbers. *(The Economic Times)*

Fitch retains India's FY24 growth forecast at 6.3 pc, flags inflation risks

Fitch Ratings on Thursday retained India's growth forecast for the current fiscal at 6.3 per cent citing economic resilience despite tighter monetary policy and exports weakness, but upped year-end inflation projection on El Nino threat. The Indian economy grew 7.8 per cent in the April-June quarter of current fiscal on strong services sector activity and robust demand. *(Financial Express)*



Banking and Monetary Policy

RBI asks lenders to release all original property documents within 30 days of loan settlement

The Reserve Bank of India (RBI) has asked lenders to release all the original movable/ immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account. *(The Hindu)*

RBI decides to discontinue I-CRR in a phased manner

The Reserve Bank of India has decided to discontinue the incremental Cash Reserve Ratio (I-CRR) in a phased manner. "Based on an assessment of current and evolving liquidity conditions, it has been decided that the amounts impounded under the I-CRR would be released in stages so that system liquidity is not subjected to sudden shocks and money markets function in an orderly manner," the RBI said in a circular. *(The Hindu)*

RBI places 15 NBFCs in the upper layer under scale-based regulations

The Reserve Bank of India (RBI) has zeroed in on 15 non-banking finance companies (NBFCs), including LIC Housing Finance, Bajaj Finance, Shriram Finance, Tata Sons, and Cholamandalam Investment and Finance Company, placing them in the Upper Layer (NBFC-UL) under Scale Based Regulations (SBR) for non-bank lenders. *(BusinessLine)*

RBI revises banks' investment portfolio norms, effective from FY25

The RBI has issued revised guidelines for the classification, valuation, and operation of the investment portfolio of commercial banks based on feedback received on a discussion paper issued in January 2022. The revised directions, effective April 2024, include principle-based classification of investment portfolios, tightening of regulations around transfers to/from the held-to-maturity (HTM) category and sales out of HTM, inclusion of non-SLR securities in HTM subject to certain conditions, and symmetric recognition of gains and losses. *(BusinessLine)*

Faster loan growth rate over deposits could spur rise in FD rates: Report

Bank deposit rates in India are expected to rise as bank credit growth outpaces deposit growth. In the first five months of the financial year, bank credit increased by 9.1% to Rs 124.5 lakh crore, while deposits grew by 6.6%. The merger of HDFC with HDFC Bank has widened the credit-deposit gap. *(The Economic Times)*

Banks push for low-cost CASA

Banks, especially the public sector ones, have started aggressively pursuing low-cost current account and savings account (CASA) deposits. And they are using innovation

methods like deploying direct selling agents, giving perks to employees and others, multiple senior bankers. *(Financial Express)*

Credit growth to moderate to 13.2 pc in FY24; NPAs will improve further: Icra

Credit growth in the banking system is expected to moderate to 12.1-13.2% in the current fiscal, down from 15.4% in the previous year, according to rating agency Icra. The agency also predicts a decrease in the Gross Non-Performing Assets (GNPA) ratio to 2.8-3% by March 2024. *(The Economic Times)*

Commercial papers, certificate of deposits are back in vogue

With the Reserve Bank of India (RBI) mandating banks to maintain an incremental CRR of 110% of net demand and time liabilities NDTL, and the resulting squeeze on liquidity, CD issues once again increased. Moreover, deposit growth at 13.2 percent is still lagging the credit growth, which was 14.2 percent as of end August. *(The Economic Times)*



External Sector

Ahead of festive season, Nepal to import 20,000 MT sugar from India

Ahead of the festive season, Nepal is set to import 20,000 metric tonnes (MT) of sugar from India, which meets at least 70% of the Himalayan country's domestic annual demand of approximately 3,00,000 MT. *(The Hindu)*

India, Russia exploring use of Northern Sea Route, Eastern Maritime Corridor

At talks on widening maritime cooperation, India and Russia on Wednesday also discussed the possibility of exploring new transport corridors like the Northern Sea Route (NSR) and the Eastern Maritime Corridor (EMC) between Vladivostok and Chennai and both sides also agreed that Indian seafarers will be trained on Polar and Arctic waters at the Russian Maritime Training Institute in Vladivostok, which is equipped with simulators. *(The Hindu)*

G-20 Summit 2023 | Japan keen to deepen military ties with India amid 'harsh' security environment

Japan sees India as an "indispensable" partner in the Indo-Pacific and is keen to develop deeper defence cooperation to ensure maritime security in the region, Prime Minister Fumio Kishida said on September 10. *(The Hindu)*

Project connecting India to Europe via Middle East 'largest cooperation project' in history: Netanyahu

Welcoming the announcement of the ambitious India-Middle East-Europe Economic Corridor (IMEC), Israeli Prime Minister Benjamin Netanyahu has described it as the "largest cooperation project in our history" that will "change the face of the Middle East, Israel, and will affect the entire world". *(The Hindu)*

India's external debt-service ratio at 5.3% within comfort zone, says Finance Minister

India's external debt of \$624.7 billion at March-end 2023 with a debt-service ratio of 5.3% is within the comfort zone and modest from a cross-country perspective, Finance Minister Nirmala Sitharaman has said. *(The Hindu)*

G-20 Summit 2023 | Resuming Black Sea grain trade will cool global food inflation: Finance Minister Sitharaman

The G-20 leaders' recommendation to revive the Black Sea Grain Initiative (BSGI) to help the movement of grains, food, and fertilisers from Russia and Ukraine to the rest of the world, would help ease inflation in several countries, but may not affect India's own inflation trajectory much, Finance Minister Nirmala Sitharaman said. *(The Hindu)*

WTO flags trade concerns over proposed EU carbon border tax

The World Trade Organization (WTO) on Tuesday flagged unilateral environmental measures such as the mechanism and other EU Green Deal measures, along with the US' Inflation Reduction Act, as trade concerns. *(The Economic Times)*

India, Saudi Arabia to double trade to \$100 billion: Piyush Goyal

India and Saudi Arabia can look at doubling bilateral trade to \$100 billion in the coming years from about \$52 billion at present while making it more balanced, commerce and industry minister Piyush Goyal said on Monday. *(The Economic Times)*

India, Brazil to work for expansion of PTA with Mercosur bloc

India and Brazil on Sunday agreed to work together for the expansion of India-Mercosur preferential trade agreement (PTA) to further promote economic ties, an official statement said. Mercosur is a trading bloc in Latin America, comprising Brazil, Argentina, Uruguay and Paraguay. *(The Economic Times)*



Agriculture and Rural Economy

Fertilizer industry on 'wait and watch' mode after China bans urea export

The Indian fertilizer industry is on a "wait and watch mode" after China has banned urea exports and is not in a hurry to secure supplies of any fertilizer. This may help prevent any global price rise as demand in India is one of the key factors that influence rates because of import dependence. *(BusinessLine)*

India's rice exports could decline to 4-year low: FAO

The FAO said should India's export restrictions continue, its rice exports will decline to a four-year low of 16.3 mt in 2023-24 and, in turn, cut the export surplus in Brazil, Uruguay and Vietnam in 2024-25, the FAO said. *(BusinessLine)*

Kharif rice production unlikely to fall, but pulses, oilseeds output may drop

The government is confident of meeting the rice production target of 111 million tonnes (mt) in current kharif season after the surge in sowing area and a conducive weather in main growing regions. However, pulses and oilseeds production may drop, officials said, adding that surplus production in chana during the rabi season this year may help in meeting the shortfall in pulses while import may marginally go up in case of edible oils. *(BusinessLine)*

Coffee Board plans doubling production over the next 10 years

The State-run Coffee Board has mooted a proposal to double India's coffee production over the next 10 years through increasing productivity in the traditional growing states,

while bringing in new areas of around 2 lakh ha under cultivation in the non-traditional regions. *(BusinessLine)*

Fertilizer sales surge 57% above target in Aug, leave Centre worried

There has been an unprecedented jump of 57 per cent from target in sales of key fertilisers — urea, DAP and complex — during August, when monsoon was 36 per cent deficient across the country. As higher sales have a direct link with subsidy, the government has decided to implement a two-pronged strategy — to reduce usage and check diversion towards non-farm use. *(BusinessLine)*

Pulses prices stabilise as rains revive over major growing states

After a steady surge, prices of pulses, except those of urad and masoor to some extent, are showing signs of stabilising amid a revival of monsoon rains over major growing areas of Maharashtra and Karnataka, and on expectations of a rise in imports. *(Business Standard)*

The changing face of rural India

Indian villages are no longer about rickety roads, tattered clothes, and frail bodies. Rural connectivity has transformed aspirations. There is increased economic activity and better women participation in the workforce. All this bodes well for consumer durables demand. *(BusinessLine)*

India rice production might fall by 2 mn tonnes due to dry Aug, says USDA

India's rice production for the 2023-24 season might drop by 2 million tonnes (mt) due to a dry August, according to the US Department of Agriculture (USDA). The USDA's latest crop outlook indicates that India's expected rice production for the year will be approximately 132 mt, reflecting the impact of below-average monsoon rains in August on the kharif crop. *(Business Standard)*

Govt seeks to allay concern over 'retaliatory' duty cut on US apples

India's recent move to remove additional 'retaliatory' duty on eight products from the United States (US), including apples and walnuts, would not have any negative impact on the domestic producers, the government clarified on Tuesday, even as the issue threatened to snowball into a political slugfest between the ruling and Opposition parties. *(Business Standard)*

India's tea producers urged to improve quality, move up the value chain

The Indian tea industry needs to improve quality and claw back its position in exports, additional secretary with the commerce ministry, Amardeep Singh Bhatia, said on Friday. Addressing the annual general meeting of the Indian Tea Association, Bhatia said that India's share in world exports has declined. "Our competitors from Kenya, Sri Lanka have increased their share in the global markets during the period." *(Business Standard)*



Industry, Manufacturing, Services and Technology

July industrial output rises by 5.7%, a 5-month high gain

India's industrial output grew 5.7% in July, the fastest pace in five months, despite the second successive month of contraction in consumer durables, aided by an 8% surge in

electricity generation, a 10.7% rise in mining output and slightly healthier manufacturing growth of 4.6%.*(The Hindu)*

Oil India to invest Rs 25,000 crore for net zero by 2040

State-owned Oil India Ltd is planning to invest Rs 25,000 crore in clean energy projects to achieve its net zero carbon emission goal by 2040. The plans include reducing gas flaring, commercializing stranded gas, setting up renewable electricity generation capacity, building green hydrogen and biogas plants, and converting pipelines to flow gas. *(The Economic Times)*

Govt considering making NavIC mandatory: Everything you need to know

The government has convinced Apple to adopt NavIC in some of its models and it is also planning to give incentives to manufacturers for using domestic chips that support NavIC.*(Business Standard)*

Paper manufacturers could see 8-10% decline in revenue this fiscal: Crisil Ratings

Indian paper manufacturers are expected to experience a decline in revenue of 8-10% this fiscal year, compared to a growth of 30% last year, due to lower realizations and intense competition. However, volume is projected to increase by 5-7%. The packaging paper segment is the largest in India, followed by writing and printing paper. Crisil Ratings anticipates a 6-8% growth in packaging paper volume and a 3-5% growth in writing and printing paper volume. *(The Economic Times)*

Cement prices up for the 2nd time this month in eastern India

Cement prices have been raised for the second time this month in eastern parts of India, while remaining steady in other regions. Weak monsoon rains in August helped boost demand, resulting in price increases of 3-10% earlier this month. Cement prices are now at record highs in the Kolkata region, at around Rs 410 per bag, and at a pan-India high of Rs 435 per bag in Odisha. *(The Economic Times)*

LIC sells over 2% stake in Sun Pharma for Rs 4,699 crore

LIC on Thursday said it has sold 2 per cent of its holding in Sun Pharma for Rs 4,699 crore via open market sale. Following the share sale, there is a decrease of 2 per cent in holding during the period from July 22, 2022 to September 13, 2023. *(Financial Express)*



News on Kerala

Kerala's revenue collection in 2021-22 decreased by 10 per cent compared to 2017-18: CAG report

States have been significantly overestimating CSS receipts. CSSs are typically co-financed by the Centre and the states, and the central grant under the CSS is only received when the states release their own contribution. Unsurprisingly, poorer states find it harder to reliably avail central CSS grants under this model.

(The Economic Times)

CAG flags shortcomings in social security pension distribution

The Comptroller and Auditor General of India (CAG) has detected shortcomings and loopholes in the manner in which social security pensions are distributed in the State,

especially the direct-to-home (DTH) mode of disbursement through the primary agricultural credit societies (PACS). *(The Hindu)*

No power tariff hike on the cards: Kerala CM Pinarayi Vijayan

Seeking to allay concerns regarding the possibility of yet another hike in power tariff, Chief Minister Pinarayi Vijayan has said the government does not intend to transfer the additional financial burden created by the recent scrapping of long-term power contracts on consumers. *(The Hindu)*

Midday meal scheme: State deposits funds into account

The State government on Wednesday directly deposited Rs.209.68 crore into the Director of General Education's single nodal account in connection with the midday meal scheme, said Minister for General Education V. Sivankutty on Thursday. *(The Hindu)*

Revenue arrears of govt. at ₹28,258.39 cr., says CAG report

The revenue arrears of the State government, as on March 31, 2022 stood at a whopping ₹28,258.39 crore, a report of the Comptroller and Auditor General of India (CAG) on the State's revenue sector has revealed. *(The Hindu)*

46-lakh Kudumbashree women to go 'Back to school'

The 'Back to School' campaign, organised with support of the General Education department, will see the Kudumbashree neighbourhood group members return to classrooms on holidays from October 1 to December 10. *(The Hindu)*

Steps to resolve deficiencies in Medisep: Balagopal

The government is taking all steps to resolve the deficiencies in Medisep, the health insurance scheme for government servants and pensioners, Finance Minister K.N. Balagopal said in the Assembly on Tuesday. *(The Hindu)*

KFON does not entail financial liability to govt.: Kerala CM

Kerala CM said misleading allegations were now being raised by taking into account just the maintenance cost for one year, instead of that for seven years. *(The Hindu)*

Power generation from renewable sources increases by 26.6% last fiscal

Total generation from small hydro, wind, and solar energy sources went up from 1,713.30 million units in 2021-22 to 2,169.06 mu in 2022-23, the Power System Statistics Report for 2022-23 says. *(The Hindu)*

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