



Public Finance

PM Modi launches Viksit Bharat Sankalp Yatra to promote central schemes

Prime Minister Narendra Modi on Wednesday launched the 'Viksit Bharat Sankalp Yatra', a nationwide programme aimed at reaching out to citizens who are eligible for various central schemes but have not benefited so far. He flagged off five specially designed IEC (Information, Education and Communication) vans from Khunti to mark the launch of the yatra. Similar vans were flagged off from other districts across the country having significant tribal population. (*The Economic Times*)

Rs 5,000 cr sovereign green bond sale to test demand amid higher rates

The Reserve Bank of India will auction Rs 5,000 crore (\$600 million) of five-year notes Friday. The debut sale in January raised 80 billion rupees, garnering a so-called greenium — higher valuation because of its environmentally beneficial characteristics — of six basis points over the benchmark yield. Policymakers will get a first taste of what that means for India's plans to affordably finance its transition toward green energy via market borrowing. (*Business Standard*)



Taxation

'Direct tax mop-up to cross FY24 target of ₹18.23-lakh cr.'

The government will exceed the ₹18.23 lakh crore direct tax collection target set for the current fiscal, CBDT Chairman Nitin Gupta said. The economy is doing well, and we will get a better picture of full-year tax collection once the third instalment of advance tax numbers come in by December 15, Mr. Gupta told reporters. As per government data, net direct tax collections between April 1 and November 9 this fiscal has swelled 22% to ₹10.60 lakh crore. (*The Hindu*)

Finance Ministry cuts SAED on crude: Impact on ONGC, Oil India & major fuel exporters

The Finance Ministry lowered the Special Additional Excise Duty (SAED), known as windfall gain levy on domestically produced crude, to ₹6300 per tonne from ₹9800. This decision has been taken as crude prices saw some moderation earlier. This will likely impact oil exploration companies such as ONGC and Oil India. SAED or duty on the export of diesel will decrease to ₹1 per litre from ₹2 per litre currently. The duty on jet fuel or ATF and petrol, bound for export, will continue to be NIL, according to a Finance Ministry notification. (*BusinessLine*)

India working towards increasing tax capacities of developing nations

The international community has been categorical that the existing tax laws are near obsolete and thus cannot address the tax challenges of the ever-increasing digitalisation

and globalisation of the economy. Huge efforts are being made in framing the solutions to address the challenges of the digital economy. Indian Presidency identified increasing tax capacities of developing countries as core to the success of any transformation of international tax architecture- achieving growth and improving domestic resource mobilisation goals being the concomitant gains. (*BusinessLine*)



National Accounts and State of the Economy

Retail inflation eases to four-month low of 4.87%

India's retail inflation pace eased to a four-month low of 4.87% in October from a tad over 5% in September, with the rise in vegetables prices easing to 2.7% from 3.4% even though overall consumer food price inflation remained virtually unchanged at 6.6%. While base effects from last October, when retail prices surged 6.8%, helped cool the headline inflation rate, some deceleration was also seen in prices of non-food items such as services, clothing and footwear as well as fuel and light. Aided by the LPG cylinder price cuts, fuel and light costs dropped 0.4% from last October's levels. (*The Hindu*)

Wholesale prices remain in deflation zone in October

India's wholesale prices remained in deflationary mode for the seventh month in a row in October, with the Wholesale Price Index (WPI) reflecting an inflation of -0.52% from -0.26% in September. Wholesale price inflation stood at 8.4% in October 2022, creating a high base effect for last month's index. On a month-on-month basis, the WPI was up 0.4% in October. The wholesale food index was up 1.07% in October compared to last year, with food prices up 1% sequentially from September levels as well. (*The Hindu*)

Fall in commodity, energy prices fuels India Inc's Q2FY24 earnings

Corporate earnings got a big boost from the fall in commodity and energy prices in July-September 2023 (Q2FY24) despite a slowdown in revenue growth during the quarter. The combined net profits of 3,123 firms that have declared their results so far were up 38 per cent year-on-year (Y-o-Y) to Rs 3.07 trillion in Q2FY24, up from Rs 2.24 trillion a year ago. Earnings were, however, down 3.5 per cent on a sequential basis from Rs 3.18 trillion in April-June (Q1) FY24. (*Business Standard*)



Banking and Monetary Policy

Covering climate change risks poses a major challenge for insurance industry

Growing risks associated with climate change is fast emerging as the biggest challenge for the insurance industry. Right from loss of life due to cyclones to covering the damages of private property induced by flash floods and other natural calamities, insurance companies are gearing up to manage risks associated with climate change. (*BusinessLine*)

Microfinance industry adds 80 lakh new women clients to its fold in FY23

The microfinance industry (MFI) in the country added 80 lakh new women clients to its fold during 2022-23, taking the total number of low-income women clients to 6.64 crore

across 729 districts through 12.96 crore active loans as of March 2023, according to India Microfinance Review FY23 report. In FY23, the microfinance industry saw growth in portfolio outstanding as well as improvement in portfolio quality when compared with FY22 – an ideal situation with augurs well for the sector. (*BusinessLine*)

NBFC-MFIs largest provider of microfinance: Report

Microfinance Industry Network (MFIN), an umbrella body of microfinance institutions (MFIs) of the country, in its report said that NBFC-MFIs are the largest provider of micro-credit amongst other regulated entities. In a report of the MFI sector prepared by MFIN for the year 2022-23, it said that in the microfinance space, NBFC-MFIs provided finance with loan outstanding of Rs 1,38,310 crore as on March 31, 2023, accounting for 39.7 per cent of total industry portfolio. (*The Economic Times*)

Personal assets at risk, promoters to rush to settle dues

Fearing the loss of their personal assets after a recent Supreme Court ruling, promoters of companies under insolvency proceedings are expected to rush to settle their pending dues with banks. Following the ruling, lenders can now liquidate personal assets such as residential properties, shares and bonds, gold and jewellery, of these promoters. Legal experts say this will force such promoters and directors to come forward voluntarily to settle dues, which in turn will boost the recovery from bad loans. (*Financial Express*)

RBI increases risk weights on consumer credit exposure of banks, NBFCs to 125% from 100%

A day after barring Bajaj Finance Ltd. from sanctioning and disbursing loans under its two lending products 'eCOM' and 'Insta EMI Card' with immediate effect, the Reserve Bank of India (RBI), which has been red flagging about the rising unsecured loan books of certain Regulated Entities (REs), on Thursday issued regulatory measures towards consumer credit and bank credit to Non Banking Financial Companies (NBFCs.) increasing risk weights by an additional 25 percentage points to 125%. (*The Hindu*)



External Sector

Festival gold rush widens India's trade deficit to new high in October

India's merchandise trade deficit surged to a record \$31.5 billion in October as festival demand led to a sharp increase in imports of gold and silver, even as exports registered positive growth, aided by a favourable base. According to data released by the commerce department on Wednesday, merchandise exports grew at the fastest pace (6.2 per cent) in 11 months to \$33.6 billion in October. Imports rose at the fastest pace (12.3 per cent) in 13 months to \$65.03 billion. (*Business Standard*)

India, ADB sign \$400-million loan pact for urban reforms

Asian Development Bank (ADB) will extend a \$400-million "policy-based loan" to the Indian government to support its urban reform agenda for creating quality urban infrastructure, improving service delivery and promoting efficient governance systems, the finance ministry said on Friday. (*The Economic Times*)

Pilot launch of upgraded electronic bank realisation certificate system for exporters from Nov 15

The Commerce Ministry on November 15 will do a soft launch of the revamped electronic bank realisation certificate for self-certification by exporters to promote ease of doing business for traders. An electronic Bank Realisation Certificate (eBRC) is an important document for exporters and is issued by a bank as a confirmation that the exporter has received the payment from a foreign buyer against the export of goods or services. *(The Economic Times)*

India, Russia plan mega business meet in Moscow on December 19

India and Russia are planning a mega business meet on December 19 in Moscow amid unprecedented surge in trade volume and growing interests in investments. The meet will focus on several tracks -- 'Financial Cooperation', 'Cooperation in Pharmaceuticals and Healthcare', 'Support for Innovation and Entrepreneurship', 'Trade and Logistics', 'Tourism and Cultural Relations', and 'Digital Transformation and E-commerce', ET has learnt. *(The Economic Times)*

India's palm oil, sunoil imports rise to record highs; soyoil drops

India's imports of palm oil and sunflower oil in 2022/23 surged by 24% and 54%, respectively, to record highs on a rebound in consumption and as both oils were available at a steep discount compared to rival soyoil, a leading trade body said on Monday. Higher purchases by the world's biggest importer of vegetable oils could help to lower palm oil stocks in Indonesia and Malaysia and support benchmark futures. The buying could reduce inventories in sunflower oil-producing Black Sea countries. *(The Economic Times)*

US and EU impose countervailing duty on Indian products over RODTEP scheme

India is facing countervailing duty (CVD) actions from the United States and the European Union on at least two products due to their utilization of the Remission of Duties or Taxes on Export Products (RODTEP) scheme. RODTEP, introduced by the Indian government to replace the Merchandise Export Incentive Scheme (MEIS), aims to refund levies on exported goods. However, the US and EU contend that this scheme does not align with the rules prescribed by the World Trade Organization (WTO). *(The Economic Times)*

Global trade ministers unite in the US for deal to cut China dependence

Trade ministers from 14 countries are poised to announce a significant development in the Indo-Pacific Economic Framework (IPEF) as they finalize agreements on two additional pillars - clean energy & infrastructure and tax & anti-corruption. The signing of an agreement on resilient supply chains is also anticipated later this week. The move reflects a strategic alliance aimed at strengthening diplomatic and economic ties while reducing dependence on China in the post-COVID era. *(The Economic Times)*

Piyush Goyal meets USTR Katherine Tai; discusses ways to promote trade, investments

Commerce and Industry Minister Piyush Goyal met the US Trade Representative (USTR) Katherine Tai and discussed ways to further boost trade and investments between the two countries. Goyal is in the US for a four-day visit. He reached San Francisco on November 13. He also met Dukgeun Ahn, Minister of Trade, Korea, and Gan Kim Yong, Minister of Trade and Industry, Singapore. *(The Economic Times)*

Hope to find 'landing point' that works for both in India-UK FTA: Jaishankar

The free trade agreement (FTA) is very much the focus of the India-UK relationship today and India is hopeful of finding a "landing point" in the negotiations that works for both sides, External Affairs Minister S Jaishankar has said. At a special Diwali Reception organised by the High Commission of India at Westminster Central Hall near the Houses of Parliament here on Monday evening, Jaishankar addressed a large diaspora gathering during which he described the bilateral relationship with the UK as a "positive force" for the world. *(The Economic Times)*

Tesla to double component imports from India, says Piyush Goyal

Tesla Inc, the world's most valued automotive company, plans to double its component imports from India, commerce and industry minister Piyush Goyal said Tuesday in a post on social media platform X. *(The Economic Times)*

COP28 President-designate praises India for its energy transition vision

COP28 President-designate Dr. Sultan Al Jaber on November 12 praised India, the current hosts of the Presidency of the G20, for its energy transition vision even as he acknowledged the critical need for a "new paradigm" in climate finance to ensure every country across global south adopts low carbon development. *(The Hindu)*

No trade talks with India till Khalistani terrorist Hardeep Singh Nijjar murder probe completes, says Canada

Canada Trade Minister Mary Ng said that trade talks with India will remain on hold due to the investigation pending into the Khalistani terrorist Hardeep Singh Nijjar murder case, Bloomberg reported. *(Mint)*

'The rise of China is a reality, but...,' EAM S Jaishankar reflects on India-China relations

Speaking on the India-China relations, External Affairs Minister of India, Dr S Jaishankar said that the rise of China is a reality but there is an equal reality that is the rise of India. *(Mint)*

Indo-German development plans to cover Benin, Ethiopia

India and Germany are in talks to expand their development cooperation programme in partnership with key third countries, according to persons aware of the matter. In 2022, the two countries established a programme for work on sustainability and agriculture in four countries: Peru, Malawi, Ghana and Cameroon. Officials indicated that New Delhi and Berlin are looking to expand this into Benin and Ethiopia in climate change related programmes. *(Mint)*



Agriculture and Rural Economy

Efforts on to promote non-GM cotton

Almost 98 per cent of the 12 million-odd hectares of cotton grown in India is under Bt cotton. The genetically modified cotton technology, which was introduced in the early 2000s, has engulfed the whole of the country's cotton acreage and made traditional non-GM cotton varieties disappear. *(BusinessLine)*

As kharif paddy harvest gets delayed, area under wheat continues to trail

Wheat acreage continues to trail during the oncoming rabi season sowing. The area under wheat was down by 11.4 per cent at 48.51 lakh hectares (lh) compared with 54.73 lh a year ago. A higher acreage can boost the chances of achieving the government target of 114 million tonnes (mt) for the current season when a shorter than normal winter has been predicted. *(BusinessLine)*

Digital agriculture can boost low, middle-income economies

Digital agriculture could contribute an estimated \$500 billion annually to the low and middle-income countries (LMIC) economies by 2033, a report said. The latest findings from the “State of the Digital Agriculture Sector: Harnessing the Potential of Digital for Impact Across Agricultural Value Chains in Low-and Middle-Income Countries” report highlight the transformative potential of digital agriculture (D4Ag) across LMICs. *(BusinessLine)*

SC defers GM mustard hearing to Nov 21; experts say trials may be delayed

Scientists and experts have expressed concern that any inordinate delay in hearing the case could put further trials of DMH-11 under ICAR (Indian Council of Agricultural Research) supervision in the slow lane. This is due to the optimal time for planting mustard hybrids, suitable for the main growing regions of north India, ending in the first week of November. *(Business Standard)*

FCI sells 2.84 lakh tonnes of wheat at average ₹2,234/quintal in latest e-auction

The government, through the Food Corporation of India (FCI), sold 2.84 lakh tonnes (lt) of wheat in the open market sale scheme through e-auction on November 15, which is about 95 per cent of 3 lt of total quantity offered for sales to the processors. After raising the offered quantity in the auction, the government has been able to lower the selling rates of wheat. *(BusinessLine)*

FCI rice purchase down 4% till Nov 15

Rice procurement by the Food Corporation of India for the government’s buffer stocks has declined 4.4 per cent year-on-year to 161.3 lakh tonnes (lt) as of November 15 since the marketing season began on October 1. It was 9 per cent lower at the end of October than the year-ago period, indicating higher purchases made in the past fortnight as the gap has been reduced. *(BusinessLine)*



Industry, Manufacturing, Services and Technology

ONGC plans to invest ₹1 lakh crore to set up two petrochemical plants

India's top oil and gas producer ONGC plans to invest about ₹1 lakh crore in setting up two petrochemical plants to convert crude oil directly into high-value chemical products as it prepares for energy transition, top company officials said on Wednesday. *(The Hindu)*

Industrial output growth slides to three-month low

India’s industrial output growth slid to a three-month low of 5.8% in September from a 14-month high of 10.3% in August, with manufacturing growth halving to 4.5% from the 9.3% recorded in the previous month. *(The Hindu)*

Wheels India eyes new orders to sustain export growth in current fiscal.

Wheels India Ltd. (WIL), which is eyeing 20% growth in exports in FY24, expects to win orders for light and medium construction wheels; larger tractor wheels, and fabrication and hydraulic cylinder business, managing director Srivats Ram told analysts in a call. *(The Hindu)*

Made-in-India Honda Elevate to debut in Japan next year

Japanese automaker Honda is set to export its India-made mid-sized SUV, Elevate, to the Japanese market in Spring 2024. Manufactured by Honda Cars India Ltd (HCIL) in its Tapukara production facility in Rajasthan, this marks the first instance of a product from HCIL being exported to the regulated Japanese market. *(The Economic Times)*

India's maiden A350 aircraft takes ferry flight, to join Air India fleet soon

Air India flew its first ferry flight of the A350-900 plane with a new look, showing a big change for the airline. They shared a picture of the plane's journey from Singapore to Toulouse, and it is due for delivery in December 2023 after some final work. *(The Economic Times)*



News on Kerala

KFC launches MSME bill discounting platform

The Kerala Financial Corporation (KFC) on Friday launched the Kerala MSME Bill Discounting Platform, a mechanism for ensuring liquidity to micro, small, and medium enterprises (MSMEs) by discounting their outstanding bills. KFC said it has partnered with Receivables Exchange of India Ltd (RXIL), a Reserve Bank of India-approved company, to start the platform. RXIL is a venture of the Small Industries Development Bank of India (SIDBI) and the National Stock Exchange of India (NSE). *(The Hindu)*

Central policies denying State ₹57,400 cr. this fiscal: Minister

Finance Minister K.N. Balagopal on Friday accused the Centre of launching an intensified offensive against the State on the fiscal front. Adverse Central policies will deprive the State of ₹57,400 crore in Central transfers and loan approvals in the current fiscal, Mr. Balagopal said in a statement on the State's financial status. While the borrowing limit has been whittled down by ₹19,000 crore, the Revenue Deficit Grant, compared to last year, is down by ₹8,400 crore. The State also stands deprived of GST compensation to the tune of ₹12,000 crore. With its tax share from the divisible pool down from 3.58% to 1.925% under the 15th Finance Commission, the State also loses another ₹18,000 crore, according to him. *(The Hindu)*

Govt. extends curbs on spending by another year

Battling fiscal crunch, the State government has issued orders extending the curbs on spending on certain items, including the purchase of vehicles for government offices, by another year. The curbs on refurbishment of government buildings and purchase of furniture and vehicles for government institutions and offices will continue for another year, a Finance department order issued on November 8 said. *(The Hindu)*

ONGC likely to begin exploration for rare earths in Kerala-Konkan basin in 3 months

Undeterred by their failed attempts to strike oil and gas in the Kerala-Konkan basin, researchers of the Oil and Natural Gas Corporation (ONGC) are planning to search for rare earth elements (REE) in the basin. Geoscientists of the corporation would set sail for the offshore areas in the basin for geological field workshops once the weather turns conducive. The ONGC is looking for the presence of rare metals such as lithium, which are of great industrial demand, from the 19 wells it had abandoned earlier in the Kerala-Konkan basin where the researchers had failed to hit oil and gas, Sushma Rawat, director (exploration), ONGC said. *(The Hindu)*

City set to host Tourism Investors' Meet on Nov. 16

The capital city is all set to host the first focused Tourism Investors' Meet (TIM) on November 16, showcasing an array of investment options in destinations, products and initiatives. Tourism Minister P.A. Mohammed Riyas said here on Monday that investors, business leaders and stakeholders representing travel and tourism industry from across the country and abroad had confirmed participation in TIM. Mr. Riyas said the State government had plenty of landed and physical assets at its disposal at locations of immense tourism possibilities all over Kerala, which could be developed in a sustainable manner to turn the entire State into a prime all-weather experiential tourism hub. *(The Hindu)*

Centre delaying dues citing technicalities, says Balagopal

Finance Minister K.N. Balagopal has said the Union government is delaying the payment of what is due to the State on flimsy grounds, citing technical reasons. The Union government owed the State a chunk of what it had already spent as well as its other dues. The denial of payments is a violation of the spirit of the Centre-State relationship. The State and the Centre are not locked in a slave-and-master relationship, the Minister said at a press conference in Kochi on Monday. *(The Hindu)*

State nets record revenue of ₹273 crore from mining

Even as the State has been reeling under a severe financial crisis, the Department of Mining and Geology has netted a record revenue in the first half of the current fiscal, riding high on improved tax collection coupled with growth in average consumption. The department has collected a total of ₹273.97 crore till October 31 in the current fiscal, registering a growth of around 70% compared to the corresponding period in the previous fiscal. *(The Hindu)*

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