



Public Finance

India govt bond yields edge lower as crude oil prices, US peers drop

Indian government bond yields fell on Wednesday as a drop in U.S. peers and oil prices from their recent highs improved investor sentiment. The 10-year benchmark bond yield closed at 7.3408% after ending at 7.3769% in the previous session. Oil prices dipped, with the benchmark Brent crude contract comfortably below the \$90-per-barrel mark, as concerns about slowing European demand offset worries about Middle East supply disruptions stemming from the Israel-Hamas conflict. (*Business Standard*)

Govt cautious of unexpected spike in sovereign bond yields: Official

The Indian government is cautious about the "unexpected" spike in government bond yields and may take remedial action, if necessary, a government official said on Monday. India's 10-year benchmark bond yield was trading at 7.37%, up by over 20 basis points in the last month. The government will show "progressive improvement" in lowering its overall debt in the next few years and bring its fiscal deficit below 4.5% of GDP by 2025/2026, the official said. (*Business Standard*)

Looking to cut debt burden, says Finance Minister Nirmala Sitharaman

Finance Minister Nirmala Sitharaman has stated that the government is focused on reducing its debt burden and has been practicing responsible spending to avoid burdening future generations. The aim is to bring down the fiscal deficit to 4.5% of GDP by FY26. Sitharaman also emphasized the need for reforming multilateral institutions in order to effectively address global challenges. The government has been cautious of its debt levels and is exploring strategies to reduce it. (*The Economic Times*)

Centre earns Rs 776 crore from scrap disposal in three years, says Union Minister Jitendra Singh

The Centre has earned Rs 776 crore disposing of scrap in the three special cleanliness campaigns undertaken by all government offices across the country in the last three years, Union Minister of State for Personnel Jitendra Singh said on Wednesday. A large chunk of this revenue -- Rs 176 crore -- has been earned in the last 20 days of the ongoing special cleanliness campaign 3.0, he said. (*The Economic Times*)



Taxation

States cannot impose additional charges on generation, inter-state electricity supply: Centre

The Union Power Ministry emphasised that States cannot levy taxes or duties on the generation or the inter-State supply of electricity under the guise of additional charges or fees on generation from any source—thermal, renewable or hydro power. (*BusinessLine*)

'Super rich' incomes' share ebbing amid middle-class mobility: CBDT

India's tax base has widened sharply since 2013-14, with individuals moving up the income ladder and the proportion of super-rich taxpayers' incomes declining, the Central Board of Direct Taxes (CBDT) said. The overall number of income tax (I-T) returns filed by individuals has risen from 3.36 crore to 6.37 crore through assessment years 2013-14 to 2021-22. *(The Hindu)*

Online gaming companies get ₹1 lakh crore GST show cause notices so far

GST authorities have issued show cause notices worth ₹1 lakh crore to online gaming companies for tax evasion so far. The government has amended the GST law, making it mandatory for overseas online gaming companies to register in India from October 1. The GST Council had in August clarified that 28% Goods and Services Tax (GST) would be levied on full value of bets placed on online gaming platforms. *(The Hindu)*

MNCs may face Rs 11,000 cr retro tax demand after SC ruling

Several multinational companies headquartered in the Netherlands, Switzerland and France could be staring at retrospective tax demands for close to ₹11,000 crore on dividend income repatriated from India, following a Supreme Court ruling last week. The apex court held that the 5% rate would be available only to companies based in countries with which India had notified a double taxation avoidance agreement (DTAA) allowing it. In the absence of this, companies have to pay 10% tax on dividend income.

Finance Ministry notifies prospective 18% GST on parent company's guarantees

GST mechanism for corporate guarantee will have a prospective effect, a Finance Ministry notification has made it clear. As recommended by the GST Council on October 7, the parent company's corporate guarantee to its subsidiary for a bank loan will attract 18 per cent GST, recommended GST Council on Saturday. This means if the corporate guarantee were ₹100 crore, then ₹18 lakh would be the GST liability. *(BusinessLine)*

Despite higher taxation, India now second largest crypto market: Report

Notwithstanding 30 per cent tax on gains and TDS (Tax Deducted at Source) at the rate of 1 per cent, India remains among the top crypto markets in the world, a 2023 global report on crypto by Chainalysis says. *(BusinessLine)*



National Accounts and State of the Economy

Drying liquidity, rising crude prices weighed down financial conditions: Crisil Index

Drying liquidity and rising crude prices weighed down financial conditions in September. Domestic financial conditions were tighter in September relative to the previous month, CRISIL's Financial Conditions Index (FCI) shows. The index value moderated to 0.2 in September compared with 0.5 the previous month. A higher index value indicates easier financial conditions and vice versa *(BusinessLine)*

State government securities cut-off rises 4 bps to 7.69 per cent despite decline in tenor: ICRA

The weighted average cut-off of state government securities (SGS) jumped to 7.69 per cent in the weekly auction on October 23, 2023, the highest so far in FY2024, from 7.65 percent

last week, according to ICRA. This increase in cost is despite the decline in the weighted average tenor to 12 years from 14 years, said Aditi Nayar, Chief Economist; Neetika Shridhar, Assistant Vice-President; and Jaspreet Kaur, Senior Analyst; ICRA, in a report. *(BusinessLine)*

India's GDP growth seen at 6.2% in FY24, fastest among major economies: Reuters poll

India's gross domestic product (GDP) is expected to grow 6.2% in the fiscal year ending in March 2024, being the fastest-growing major economy this fiscal year, according to a Reuters poll.



Banking and Monetary Policy

CRA to replace pension funds as FIP in account aggregator ecosystem

The Reserve Bank of India (RBI) announced on Thursday that the Central Recordkeeping Agency (CRA) will replace Pension Funds as the Financial Information Provider (FIP) in the Account Aggregator (AA) ecosystem. The RBI modified certain sections of the Account Aggregator (AA) in the master direction on Non-Banking Financial Company (NBFC) by stating that some entities eligible to join the AA ecosystem as Financial Information Users (FI-U) must join as Financial Information Providers (FIP) provided they possess the specified financial information and meet the criteria outlined for FIPs. *(Business Standard)*

Kerala Gramin Bank win Assocham excellence award

Kerala Gramin Bank has won four prestigious Assocham awards at the 18th Assocham Annual Summit & Awards on Banking & Financial Sector Lending Companies namely "Bharat @ 100: Financial Transformation in Amrit Kaal" held in Mumbai. The Bank was conferred with the titles of winner in Best Digital Initiative, Best Customer Experience, Best Risk and Cyber Security Initiatives and was the runner up in Outstanding Financial Performance. *(BusinessLine)*

Fintechs face high stress on risk build-up, fraud in unsecured portfolios: Report

Fintechs have done a better job of addressing the credit gap in the country than their private peers, by lending more to under-served and new-to-credit (NTC) customers. However, these entities face higher risk build-up in their portfolios and are prone to higher delinquencies. *(BusinessLine)*

RBI unhappy with rate transmission in MFI loans

"What's prevailing now goes against the intent of the March 2022 guidelines, which overhauled several practices of the MFI business, including lifting the 10 per cent cap in pricing. This was aimed at reducing borrowing rates for MFI customers, but the situation on the ground is very different," said a highly placed source aware of the matter. *(BusinessLine)*

Lenders flag rising delinquencies in small ticket unsecured retail loans post RBI caution

A fortnight after RBI cautioned banks against unprecedented growth in unsecured retail loans and asked them to grow "sensibly", large banks and NBFCs have flagged increased risks and delinquencies in some small-ticket segments. *(BusinessLine)*

RBI directs banks to appoint whole time directors

The Reserve Bank of India (RBI) has instructed banks to enhance their senior management teams by appointing at least one whole-time director, in addition to the managing director, within four months. The RBI highlighted the importance of establishing effective senior management teams in banks to handle current and future challenges. *(The Economic Times)*

RBI Governor says no interest rate cuts for now

Interest rates will remain high, and any change will depend on the way the world evolves, Reserve Bank of India Governor Shaktikanta Das said on Friday, highlighting fresh uncertainties that have emerged in the global economy in the fortnight since the latest Monetary Policy review. *(The Hindu)*

Small Loans spark big concerns as stress levels rise

A remarkable shift has unfolded in the world of banking over the past decade in India. This time, it's not the mega loans to corporate giants that are making bankers nervous. The latest cause for concern is much smaller in scale: Consumer loans, each less than ₹50,000. These loans have reshaped the risk landscape, leaving lenders and investors on the edge *(Mint)*

RBI likely to have rolled over a part of \$5-billion forex swap to boost liquidity

On April 28, 2022, the RBI concluded a sell-buy foreign exchange swap under which banks bought US Dollars from the central bank and simultaneously agreed to sell the same amount of dollars at the end of the swap period. The maturity of the swap, which was due on October 23, would have released around ₹40,000 crore into the banking system as purchases of dollars by the RBI inject rupee liquidity into the banking system. *(The Economic Times)*

Banks told to plan NRI week in January

The government has asked banks to look at organising a non-resident Indian (NRI) week in January, aligning with the annual Pravasi Bhartiya Divas, to attract more capital from NRI investors and also understand their issues and provide an instant redressal forum. *(The Economic Times)*



External Sector

Biden says progress on India-Middle East-Europe Economic Corridor could be one of the reasons for Hamas' attack on Israel

U.S. President Joe Biden has said that he is convinced that one of the reasons why Hamas launched a terrorist attack on Israel was because of the recent announcement during the G-20 Summit in New Delhi on the ambitious India-Middle East-Europe Economic Corridor that integrates the entire region with a network of railroad. *(The Hindu)*

Sri Lanka approves free tourist visas for visitors from India, six other countries

Sri Lanka on October 24 waived visa fee for Indians and tourists from six other countries, as part of its efforts to boost tourist arrivals and help rebuild the island nation's battered economy following last year's financial crash. India has remained Sri Lanka's top source market for many years. This year, over 2 lakh Indian tourists — constituting 20% of the total tourist arrivals — have visited the island nation until September. *(The Hindu)*

Saudi Prince wants Israel and Palestine to follow Indian model to end violence in the Middle East

Saudi Arabia's Prince Turki al-Faisal recently spoke about the ongoing violence in the Middle East, making references to historical events in India. The Saudi prince condemned both Hamas and Israel for their attacks on civilians, emphasizing the importance of peaceful resistance. *(The Economic Times)*

Nawaz Sharif, ex-Pakistan PM vows to build 'good ties' with India, says 'wants to resolve Kashmir issue'

Former Pakistan prime minister Nawaz Sharif on Saturday vowed to establish “good relations” with India and said that Islamabad wants to “resolve the Kashmir issue with grace”. *(The Economic Times)*

US Republican candidate Vivek Ramaswamy impressed with PM Modi, calls 'India a reliable partner'

Indian-American Republican candidate for the United States Presidential Polls Vivek Ramaswamy has been impressed with Indian Prime Minister Narendra Modi and called India a reliable partner. *(Mint)*

El Salvador charges a \$1,000 fee on travellers from India and Africa to combat migration to the US

El Salvador is charging passengers from Africa or India a \$1,000 fee, in an apparent bid to curb migration to the US through the Central American country. People traveling on passports from India or any one of more than 50 African nations will be obliged to pay the fee, El Salvador’s port authority said in a statement on its website dated October 20. *(Mint)*

Indian steel mills hold back on export offers as China brings down steel prices further in global markets

As China drops price of the most traded steel offerings (the benchmarked hot rolled coils) by at least \$19 per tonne to just \$537 per tonne for export markets, down 3 -5 per cent month-on-month, the Indian exporters have either stalled offers or continue to hold back trade with Middle East, South East Asian nations and also Europe. *(BusinessLine)*

India's crude oil imports hit 12-month low in September

The import of crude oil by India, the world’s third-largest importer, hit a 12-month low of 17.80 million tonnes (MT) in September this year largely on account of lower requirement due to autumn refinery maintenance and lower consumption during monsoons. *(BusinessLine)*

Coal shipment to India fall 9 per cent in nine months of 2023: Bimco

Coal shipments to the world’s second-largest importer of seaborne coal, India, in the first nine months of 2023 fell by 9 per cent y-o-y. This is thanks to a 12 per cent y-o-y increase in domestic coal mining replacing imports and electricity production continuing to rise despite lower production from hydropower, said a report by Bimco, the world’s largest international shipping association. *(BusinessLine)*

ADB okays \$400-mn loan to improve urban services in India

The Asian Development Bank (ADB) has approved a \$400-million policy-based loan to India for sub-programme 2 of the Sustainable Urban Development and Service Delivery Programme. The programme aims to support the government’s reform agenda for

improving the quality of urban life through the creation of high-quality infrastructure, assured public services, and efficient governance systems. *(BusinessLine)*

India expected to surpass Japan, Germany by 2030 to become third largest economy: S&P Global Market Intelligence

With expanding consumer market and a large industrial sector, Indian economy is set to surpass Japan and Germany by 2030, S&P Global Market Intelligence has said in its latest commentary. At present, India is ranked fifth in terms of the size of its economy at \$3.7 trillion in 2023-24. *(BusinessLine)*

Prolonged Persian Gulf crisis can affect India's economic activity: FinMin

As the Israel-Hamas conflict is further aggravating, a Finance Ministry report on Monday apprehended that the worsening of the fraught geopolitical situation may impact the Indian economy. However, it expects the strong economic fundamentals to overcome such unforeseen situation. *(BusinessLine)*

India to press for clean tech transfer through JVs at US-led IPEF talks

India will press for enhanced access to clean energy technologies for its companies through joint ventures and collaborative finance under the Indo-Pacific Economic Framework's (IPEF) clean energy pillar (pillar three) as negotiators of the US-led grouping are making efforts to push the talks towards conclusion at the on-going sixth negotiation round in Malaysia, sources have said. *(BusinessLine)*

India's steel mills, exporters prepare for CBAM

The European Union (EU) has reportedly sent a list of energy auditors and accredited verifiers to various steel mills and manufacturing units of India so as to carry out emission audits across products in the wake of the Carbon Border Adjustment Mechanism (CBAM) entering the transition phase. *(BusinessLine)*

Govt initiates talks on green hydrogen exports to EU nations

The Centre has initiated discussions for possible export of green hydrogen to France, Italy and Germany. The government is sending the proposals through the Ministry of External Affairs. India is targeting other European Union nations such as Netherlands, Austria and Sweden for its green hydrogen exports. Exports are sought under Article 6.2 of the Paris Agreement. *(BusinessLine)*



Agriculture and Rural Economy

Agtech platform Arya.ag launches blockchain-processed farm loans

Grain commerce platform Arya.ag has launched agri loans on the blockchain. Warehouse receipt loans disbursed on its fintech arm and NBFC, Aryadhan, shall be processed on its blockchain to offer users absolute trust and transparency. *(BusinessLine)*

NCEL begins exporting white rice

The newly set up Indian cooperative export body National Cooperative Exports Ltd (NCEL) has begun to execute its non-basmati white rice orders by shipping its first consignments to Mauritius. *(BusinessLine)*

Onion prices up 50% in last 10 days, high demand, low supply to blame

Onion prices have gone up by 25-50 per cent in the national capital region and the essential commodity is now retailing in the range of Rs 50-70 per kg, depending on the quality. *(Business Standard)*

Over 20% of India reeling under drought, says US weather agency

Even as 2023 heads to be ranked as the warmest year on record globally, at least a fifth of India is undergoing drought, US national weather agency National Oceanic and Atmospheric Administration (NOAA) has said. Drought conditions were confirmed over northern, eastern, and coastal southwestern parts of India on the India Drought Monitor, covering about 21.6 per cent of the nation, which is about the same as last month. *(BusinessLine)*

Reservoir water levels drop 21% year-on-year amid weak monsoon

The slowing pace of monsoon rains over the past week has aggravated the decline in water levels of major reservoirs, which now stand 21% below the previous year's levels. *(Mint)*

Finance ministry may grant NREGS Rs 28,000 cr more, over and above budgeted Rs 60,000 cr

Nearly 95% of the budgetary allocation for FY24 has already been released. The additional funds will be included in the first batch of supplementary demands for grants and will bring the total outlay for the scheme closer to last year's level of ₹90,000 crore. The government aims to maintain its fiscal deficit target of 5.9% of GDP by cutting wasteful expenditures and reallocating savings. *(The Economic Times)*

Continuing rural woes: No cogent evidence yet of a rural revival, the problem is more than cyclical

The latest set of numbers put out by the leading fast moving consumer goods companies doesn't inspire much confidence about the state of demand in rural India. Nor do many other proxy markers of the rural economy, like farm credit/exports or reservoir water levels, which indicate that the consumption demand in the rural sector hasn't really recovered from the shock of the second wave of Covid. *(Financial Express)*



Industry, Manufacturing, Services and Technology

India becomes AIIB's top market for funding infrastructure projects

Given the sheer size of infrastructure development taking place across the country, India has emerged as the biggest project funding market for the Asian Infrastructure Investment Bank (AIIB), a top bank official said on Wednesday. Stating that financing of a lot more new infrastructure projects is under discussion for next. *(The Economic Times)*

How a climate-proofed MSME sector can drive Tamil Nadu's EV leadership

Climate-related extreme events such as heatwaves and floods are already impacting life, livelihoods and productivity in India; With a thriving MSME sector, Tamil Nadu can demonstrate how becoming a global EV manufacturing hub can be achieved while ensuring a just and inclusive transition *(The Hindu)*

World's largest smartphone glass company to make in India from 2024

Corning Inc, the world's largest maker of smartphone cover glass, will begin manufacturing the product in India by the end of 2024 through its joint venture with Noida-based contract manufacturer Optiemus Infracom Ltd, which will be called Bharat Innovation Glass Technologies. *(Business Standard)*

India's solar module manufacturing capacity can exceed 70 GW by 2027: IEA

India, which accounts for 3 per cent of the global solar PV market, is expected to meet its 2030 target to have half of its electricity capacity be non-fossil well before the end of the decade, it added. *(BusinessLine)*

Infosys signs 5-year deal with smart Europe GmbH

Through this strategic collaboration, Infosys will help smart Europe GmbH redefine the online EV buying experience and apply state-of-the-art machine learning (ML) models to accurately forecast sales and after-sales demand. *(Financial Express)*

Asian Paints Q2 profit rises 53.3% to Rs 1,232.39 cr, revenue remains flat on erratic monsoon, delayed festive season

Asian Paints on Thursday posted profit for the quarter ended September 2023 at Rs 1,232.39 crore, up 53.3 per cent in comparison to Rs 803.83 crore during the corresponding quarter of last year, marginally higher from the estimates. It posted revenue from operations at Rs 8,451.93 crore, up 0.3 per cent as against Rs 8,430.60 crore during the second quarter of FY23. *(Financial Express)*

Will aviation industry turn profitable as it heads towards duopoly?

There was optimism in the air and opulence on ground as Air India Express (AIX) unveiled its new brand identity at a glitzy event in Mumbai last week. The mood was celebratory and reason was hard to miss. AIX began operations in 2005 connecting cities in South India to West Asia. It has largely been a profitable venture but growth has been stagnant due to its limited fleet size. *(BusinessLine)*



News on Kerala

100-day Ujjevanam campaign launched

Kerala will become the first State in the country without people living in extreme poverty, Minister for Local Self-Governments M.B. Rajesh has said. *(The Hindu)*

KSHEC to organise workshops

The Kerala State Higher Education Council (KSHEC) will organise workshops for master trainers for the implementation of four-year undergraduate programmes in Kerala University on November 3 and 4, and in the Cochin University of Science and Technology and Sree Sankaracharya University of Sanskrit on November 6. *(The Hindu)*

From driving tractors to harvesters, women to the fore of farm activities

Women who once shared the lower rungs of agricultural action are increasingly engaging themselves in activities such as driving tractors or operating soil tillers and combined harvesters which were once considered tough and reserved for men. *(The Hindu)*

Forest dept. pilots AI-based app for faunal survey in Mankulam

Furthering its foray into the domain of Artificial Intelligence (AI) for forest conservation, the Forest department has piloted an identification tool for an invertebrate faunal survey in Mankulam forest division in Idukki. Developed by the Government Engineering College, Idukki, the AI-based application enabled easy identification of known species of butterflies with a high level of accuracy that relies on a robust image database. *(The Hindu)*

KAU prepares flood vulnerability maps for agro-ecological zones

The College of Climate Change and Environmental Science, Kerala Agricultural University, has prepared flood vulnerability maps for different agro-ecological zones in the State. Flood Vulnerability Index (FVI) is an important tool for urban planning and urgent decision-making for flood-risk reduction *(The Hindu)*

Biodiversity board eyes innovative solutions through ideation challenge

The Kerala State Biodiversity Board (KSBB) is organising a novel 'ideation challenge' which invites college students, start-ups and the public in general to come up with innovative solutions to problems and challenges in conserving the State's biodiversity and promoting sustainable use. *(The Hindu)*

State to set up graphene unit

The Cabinet on Wednesday decided to establish a graphene production facility as a pilot project in the State. Graphene, a material produced from graphite, is in high global demand for its use in making electronics, sensors, coatings, composites, and biomedical devices. The Cabinet cleared the proposal to establish the exploratory facility for ₹237 crore in public-private partnership (PPP) mode. It has not specified the location of the facility. *(The Hindu)*

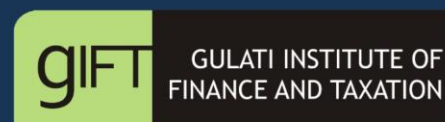
Vaccination mission completed in State

All three phases of Intensified Mission Indradhanush 5.0 (IMI 5.0) have been completed in the State, a statement issued by the Health department on Thursday said. In IMI 5.0 phase 3, 86 % of the targeted children below the age of five years and 100% of the targeted pregnant women could be administered the vaccines. *(The Hindu)*

Kerala will become carbon-neutral by 2050: Minister K.N. Balagopal

Haritha Theertham, a model project launched by the Kareepra grama panchayat to use water from abandoned quarries for irrigation, inaugurated *(The Hindu)*

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