



Public Finance

Govt's fiscal deficit rises to 39.3% of annual target in first half of FY24

Central government's fiscal deficit touched 39.3% of the full year target in the first half of the current financial year, slightly higher than 37.3% recorded in the year-ago period. In actual terms, the fiscal deficit or the gap between expenditure and revenue worked out at ₹7.02 lakh crore at the end of September 2023, showed data released by the Controller General of Accounts (CGA). (*The Hindu*)

FY24 services procurement from GeM seen Rs 1.5 lakh crore

The Government e-Market (GeM) portal was launched on August 9, 2016, for online purchases of goods and services by all the central government ministries and departments. GeM CEO P K Singh said that services procurement was just Rs 3,069 crore in 2019-20 but reached Rs 65,957 crore in FY23. (*The Economic Times*)



Taxation

GST collection jumps 13% YoY to ₹1.72 lakh crore in October

Goods and Services Tax (GST) revenue collection jumped by 13% YoY to ₹1.72 lakh crore in October this year. This is the second highest-ever GST revenue collection ever. Notably, this is the second highest gross GST revenue collection next to April month of this financial year. Out of the total gross GST, ₹30,062 crore is CGST, ₹38,171 crore is SGST, ₹91,315 crore is IGST and ₹12,456 crore is cess. The total revenue of Centre and the States in October stood at ₹72,934 crore for CGST and ₹74,785 crore for SGST. (*Mint*)

Income tax returns hit record 76.5 mn for AY 2023-24

The number of income tax returns (ITRs) for assessment year (AY) 2023-24, filed by 31 October, stood at a record 76.5 million, up 11.7% from the comparable period of the previous year, the Central Board of Direct Taxes (CBDT) said. Further, the total number of ITRs filed in FY 2023-24 for all assessment years stood at 78.5 million, compared with 77.8 million filed in FY 2022-23, the statement said. (*Mint*)

GST Evasion: Government expecting ₹50,000 crore mop-up on recovery of dues, multiple notices sent

The Indian government is expected to recover ₹50,000 crore in evaded Goods and Services Tax (GST) in FY24, Business Standard reported. This amount is over double that of what was recovered in FY23 and is likely to potentially be the highest annual tax collection, it added. In FY24, GST officials have so far identified evasions amounting to ₹1.36 lakh crore; and have already recovered ₹14,108 crore of this. In FY23, an evasion of ₹1.01 trillion was detected, resulting in a recovery of ₹21,000 crore. (*Mint*)

Windfall gain tax on domestically produced crude raised to ₹9,800 per tonne

The Finance Ministry on Tuesday raised the Special Additional Excise Duty (SAED), better known as windfall gain levy on domestically produced crude, to ₹9,800 per tonne from ₹9,050. The change will take effect on November 1. This decision has been taken as crude prices saw some rise earlier. This will likely impact oil exploration companies such as ONGC and Oil India. *(BusinessLine)*

Remuneration to a director for providing corporate guarantee to be taxed under GST: CBIC

Remuneration or consideration received, directly/indirectly by a serving or separated director, for providing corporate guarantee will be treated as taxable value for GST, the Central Board of Indirect Taxes & Customs (CBIC) has said. This is part of a clarificatory circular, sent by CBIC to its field formations, for implementation of GST Council's recommendations pertaining to taxability of personal guarantee and corporate guarantee. *(BusinessLine)*



National Accounts and State of the Economy

Almost half of the salaried class in India aren't eligible for paid leaves

According to the report, 46.8 per cent of the regular wage/salaried persons and casual labourers in the country are not eligible for paid leaves. "Paid leave included leave during sickness, maternity or such leave as an employee was eligible to take without loss of pay, as per the conditions of employment. The situation was assessed excluding the paid off-days/holidays, which an enterprise normally allows to its employees," the PLFS report notes. *(BusinessLine)*

India's Q2 GDP number will surprise on the upside: RBI governor Das

India's second-quarter gross domestic product (GDP) growth figure, in all probability, will surprise everyone on the upside, Shaktikanta Das, governor of the Reserve Bank of India (RBI), said on Tuesday at the Business Standard BFSI Insight Summit 2023. He added that the biggest challenge to the global economy is the evolving geopolitics and its fallout with regard to financial markets and global growth. *(Business Standard)*

Retail inflation for industrial workers eases to 4.72 pc in September

Retail inflation for industrial workers eased to 4.72 per cent in September, compared to 6.91 per cent in August this year, mainly due to lower prices of certain food items and cooking gas. "Year-on-year inflation for the month stood at 4.72 per cent compared to 6.91 per cent for the previous month (August 2023) and 6.49 per cent during the corresponding month (September 2022) a year before," a labour ministry statement said. *(The Economic Times)*



Banking and Monetary Policy

Over 11 billion UPI transactions recorded in Oct, purchases cross Rs 17 lakh cr

Over 11 billion transactions worth Rs 17.16 lakh crore via Unified Payments Interface (UPI) took place in October, the National Payments Corporation of India (NPCI) said on Wednesday. The transaction amount of Rs 17.16 lakh crore in October was due to festival season, it said. *(The Economic Times)*

RBI issues regulations to govern payment aggregators in cross-border transactions

The Reserve Bank of India (RBI) on Tuesday issued regulations aimed at governing entities that facilitate payment and settlement for online cross-border export/import transactions. These regulations encompass Payment Aggregators (PAs), which are entities that support the processing of domestic transactions in online mode. *(The Economic Times)*

RBI 'closely' watching high attrition at some private banks: Shaktikanta Das

Reserve Bank of India (RBI) Governor Shaktikanta Das addressed concerns regarding attrition within some private sector banks, highlighting that the central bank is closely monitoring the situation. Speaking at the annual BFSI Insight Summit organized by Business Standard, Das emphasized that the RBI is actively examining this issue as a part of its regulatory supervision efforts. *(The Economic Times)*

RBI's floating rate savings bonds: Why should investors invest in them?

As RBI has now allowed retail investors to apply for floating rate savings bonds via its Retail Direct Portal, there is a recent addition to the number of fixed income instruments one can opt for. For the uninitiated, subscription to these bonds is done in the form of cash (up to ₹20,000 only). The bonds may be held by a person resident in India in their individual capacity or joint basis or on any or survivor basis or on behalf of a minor as father/ mother or legal guardian. *(Mint)*

Co-op Banks should approach RBI's Dept of Supervision for a change in name

The Reserve Bank of India (RBI) has directed cooperative banks desirous of changing their name to approach the Department of Supervision (DoS) of the concerned Regional Office for the grant of no objection certificate (NOC), clearly stating the reasons for such change. The approval of the General Body of the bank will be mandatory at the time of submitting such requests to RBI. *(BusinessLine)*

Reserve Bank of India may conduct OMO auction in first week of Nov

Bond market participants expect an open market operation (OMO) auction in the first week of November as the banking system liquidity is expected to ease on the back of government spending and maturity of bonds. According to market participants, the Reserve Bank of India (RBI) will issue a notification on OMO sales by October 31. *(Business Standard)*

RBI Governor stresses importance of governance amid healthy financial numbers

The Reserve Bank of India (RBI) wants to ensure that the strong financial performance of banks and non-banking finance companies (NBFCs) does not camouflage certain basic governance deficiencies, said Governor Shaktikanta Das. He observed that the financial

numbers of the Indian banking and NBFCs (top 25 NBFCs, which represent 75-80 per cent of this sector) sectors at the moment are healthy and robust at the aggregate as well as at the individual entity level. *(BusinessLine)*

State Bank of India's debt sale could prove costly for other lenders: Bankers

The decision by State Bank of India, the country's top lender, to accept slightly higher-than-expected yields at its Tier-II bond sale on Wednesday is likely to push up the cost of borrowing for other lenders, bankers said. SBI raised 100 billion rupees (\$1.20 billion) through 15-year Tier-II bonds with a 10-year call option at an annual coupon of 7.81%, compared with market expectations of between 7.72% and 7.78%. *(The Economic Times)*



External Sector

Services exports decline 2.7 pc to USD 28.42 bn in September

In September, India's services exports witnessed a year-on-year decline of 2.7 per cent, totaling USD 28.42 billion, according to the Reserve Bank of India. Simultaneously, services imports also saw a significant decrease, with a sharper decline of 10.3 percent, reaching approximately USD 14.59 billion. *(The Economic Times)*

India's oil imports from Russia fall in October

India's Russian oil imports eased in October after prices climbed although supply from Saudi Arabia rose, according to preliminary data from ship tracking agencies Kpler and Vortexa. India, the world's third biggest importer and consumer of oil, has been binging on Russian oil sold at a discount after Russia was shunned by some western countries following its invasion of Ukraine last year. *(The Economic Times)*

India calls for initiating formal talks on WTO's dispute settlement body reforms

India has called for starting formal negotiations by WTO members to reform the dispute settlement body of the World Trade Organisation, as the present informal deliberations are creating hindrance for several nations to participate in the talks, an official said. The official added that formal talks on the subject can help in arriving at some kind of consensus by the 13th ministerial conference (MC), the highest decision making body of the WTO, in Abu Dhabi in February next year. *(The Economic Times)*

Drugs worth USD 650 bn trafficked globally; need insight sharing on emerging trends: CBIC

With the illegal drug trade touching USD 650 billion globally and having a devastating economic impact, CBIC Chairman Sanjay Kumar Agarwal on Monday called upon international customs authorities to share insights and advanced detection techniques in drug-related crimes. *(The Economic Times)*

India, Sri Lanka relaunch talks on economic, technology cooperation

India and Sri Lanka have relaunched the negotiations for the Economic and Technology Cooperation Agreement (ECTA) after a five year hiatus, the government said Wednesday. The two sides held the 12th round of negotiations on the ETCA in Sri Lanka from October 30-November 1. They had held 11 rounds of bilateral talks from 2016 to 2018. after which the talks were paused. *(The Economic Times)*

Centre imposes minimum export price of \$800 per tonne on onions till December 31

The Indian government on Saturday imposed a \$800 per tonner minimum export price on onions being shipped from the subcontinent amid an increase in the cost of the root vegetable across the country. "Export of onions is 'free'. Minimum Export Price (MEP) of US \$800 F.O.B per Metric Ton (MT) is imposed till 31st December, 2023," a notification from the Directorate General of Foreign Trade (DGFT). (*The Economic Times*)

Govts need to collaborate to facilitate cross border trade: Piyush Goyal at G7 trade ministers meet

Commerce and Industry Minister Piyush Goyal on Saturday urged the countries participating in the G7 trade ministers meeting to enhance collaboration on a regulatory framework to facilitate cross border trade. The Group of Seven (G7) trade ministers meeting was held in Osaka, Japan. (*The Economic Times*)

India, UK trade ministers review progress of talks on proposed FTA

India and the UK on Saturday reviewed the progress of negotiations of the proposed free trade agreement (FTA), talks for which have reached the final stage. The progress was reviewed by Commerce and Industry Minister Piyush Goyal and UK Secretary of State for Business and Trade Kemi Badenoch in Osaka, Japan. (*The Economic Times*)

India requests Mozambique to expeditiously clear tur dal consignments at ports

India, which is dependent on pulse imports to meet the domestic shortages, on Friday flagged its concern over the delay in tur (pigeon pea) dal shipments from Mozambique and requested the African nation to expeditiously clear consignments at its ports. (*The Economic Times*)

Mango exports up 19 pc to USD 47.98 million during April-August; US top destination

India's mango exports rose 19 per cent to USD 47.98 million during the April-August period this fiscal, the commerce ministry said on Friday. In volume terms, the shipments increased to 27,330.02 tonnes during the first five months of this fiscal from 22,963.78 tonnes in the year-ago period, it said. (*The Economic Times*)

Avocados to buckwheat: India is shipping in more fitness and less binge

India's rising preference for healthy foods is showing up in its imports, with a surge in inbound shipments of avocado, dry fruits, buckwheat and olives, even as those of ice-creams, cakes and confectionery, and salad dressings decline. There is also more demand for and higher imports of fruits and vegetables, amid a general sway towards natural immunity boosters since the pandemic. (*The Economic Times*)

US to withdraw key proposal on digital trade

The United States has decided to withdraw its support for an initiative at the World Trade Organisation on free cross-border data flows without localisation, a move that strengthens India's approach on retaining control over its data. (*The Economic Times*)

'India-Australia relations mature enough to respect sensitivities'

The relationship between India and Australia is mature enough to respect sensitivities, such as those in the dairy and certain agricultural sectors, in the bilateral Economic Cooperation and Trade Agreement (ECTA), said Peter Dutton, Australian Opposition Leader and former Defence Minister. (*BusinessLine*)

WTO members must discuss treatment of crypto currency under e-commerce: GTRI report

WTO member countries must prioritise discussions on crypto currency under the ongoing e-commerce negotiations at the forum—one at the multilateral level on moratorium on import duties on e-transmissions and the other a limited-group joint sector initiative encompassing e-commerce rules—before members start taking liberties with its interpretation leading to disputes, per a report by research body Global Trade and Research Initiative (GTRI). *(BusinessLine)*

India considers smart billing to stay below West's price cap on Russian oil

India is experimenting with smart ways of billing for Russian oil imports, by excluding freight, insurance and other logistics costs, to stay within the West's price cap of \$60 per barrel and avoid economic sanctions in the face of rising price of Russian Urals, sources have said. *(BusinessLine)*

India, Bangladesh open rail link, power, port projects

Prime Minister Narendra Modi and his Bangladesh counterpart Sheikh Hasina on Wednesday launched three India-assisted development projects, two of which are expected to boost trade and improve connectivity with the Northeastern states. "In this journey of nine years, the inauguration of the Akhaura-Agartala rail link today is a historic moment. *(Mint)*

Russia eases norms for Indians to open accounts in Russian banks.

The Russian government has simplified norms for Indian nationals who are seeking to open bank accounts in the country. The accounts in Russian lenders could now be opened "remotely", as per an update shared by the Russian Embassy in India on November 1. *(Mint)*



Agriculture and Rural Economy

Govt allows processors to double wheat buys, total allocation hiked by 50%

Concerned over recent increase in wheat and atta prices, the Food Ministry an increase in the quantity offered for sales through weekly e-auction by 50 per cent to 3 lakh tonnes. It also allowed traders to buy double the quantity they are currently entitled to. The new changes will come into effect from November 1. *(BusinessLine)*

Demand, supply mismatch pushing up vegetable inflation frequently: CRISIL

Higher growth in vegetable demand relative to supply in the recent past has led to an upward trend in inflation, with spikes becoming more frequent. A study by rating agency Crisil found that vegetable inflation has been the most volatile in the food category, in fact. Inflation volatility is detrimental for both consumers and farmers and also sidetracks policymakers in the short term, necessitating frequent and repeated price-smoothing measures. *(Business Standard)*

Low farm output sparks economic fears

The country's agricultural production is likely to be affected by the El Nino-induced vagaries of weather and climate. According to the Ministry of Agriculture and Farmers

Welfare's first advance estimates of agricultural production, the output of almost all kharif crops, barring tur (pigeon pea) is lower. *(BusinessLine)*

Fertilizer subsidy bill in FY23 seen at ₹2.3-2.5 lakh cr.; may drop 25% in FY24: FAI

The government's fertiliser subsidy will rise to ₹2.3-2.5 lakh crore in this fiscal but the bill may fall by 25% in the 2023-24 financial year with moderation in global prices, according to industry body FAI. Fertilisers Association of India (FAI) expressed concern that the fixed cost of urea has not been increased affecting the viability of urea plants. *(The Hindu)*

Rice procurement down 9% in October

Rice procurement in the first month of the 2023-24 marketing season (October-September) has declined by 9 per cent, which officials attributed it as in sync with the production estimates released by the Ministry of Agriculture last weekend. The drop comes after a head start in the first fortnight. *(BusinessLine)*

FCI has sold 30 lakh tonnes of wheat in open market so far

The Indian government, through the Food Corporation of India (FCI), has sold 2.88 lakh tonnes (lt) of wheat in the open market through an auction on November 1, which is nearly 96 per cent of the 3 lt of the total quantity offered for sales to the processors. With higher allocation for the auction, the government has been able to contain the rising trend in wheat prices. *(BusinessLine)*

Storage level drops to 71% of capacity

According to the weekly bulletin on live storage issued by Central Water Commission (CWC), storage in the reservoirs dropped to 71 per cent or 126.120 billion cubic metres (BCM) of the 178.784 BCM capacity. This is lower than the 127.591 BCM last week. The level is 8 percentage points lower than last year and 20 percentage points lower than the last 10 years' average. Barring the Central region, the level dropped in all other regions this week. *(BusinessLine)*

Erratic rains force farm labour to stick to NREGS

In an unusual trend, demand for work under the government's flagship rural job scheme grew at a fast pace in the monsoon season this fiscal year while remaining subdued in the key summer months when such demand typically stays elevated, according to the official data. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

Core industries' output slips to 4-month low of 8.1 per cent in September 2023

The eight core industries' output growth eased in September 2023 to 8.1 per cent, lower than August's 14-month high of 12.1 per cent. The Government has now revised upwards the August 2023 print to 12.5 per cent. The latest reading is also lower than the 8.3 per cent growth recorded in September last year. *(BusinessLine)*

Intel partners 8 ODMs to quicken laptop manufacturing in India

Intel has announced its collaboration with eight Indian Electronics Manufacturing Services (EMS) companies and Original Design Manufacturers (ODMs) to accelerate laptop manufacturing in India. This includes Bhagwati Products, Dixon Technologies

India, Kaynes Technology India , Optiemus Electronics , Panache Digilife , Smile Electronics , Syrma SGS Technology , and VVDN Technologies . For some of these companies, this marks their first foray into laptop manufacturing. *(BusinessLine)*

Hotel industry wants Govt to roll-back VAT hike

The association will also meet Deputy Chief Minister Ajit Pawar soon and appraise him of the difficulties and problems faced by the industry after the VAT hike. *(BusinessLine)*

Diamond industry plans to cut bank financing by a third

India's diamond industry plans to reduce its bank financing requirements by a third, targeting \$4 billion for the current fiscal year, down from \$6 billion in FY23. This comes amid a slowdown in global demand. Traders are focusing on clearing existing inventory rather than accumulating more, which would necessitate additional borrowing. *(The Economic Times)*

Small industries backbone of Indian economy: Rajnath Singh

Defence Minister Rajnath Singh emphasized the pivotal role of small industries in the country's economy, stating that they create more employment opportunities than larger companies. During the inauguration of the 'India Manufacturing Show' in Bengaluru, Singh credited small industries with stabilizing the economy and ensuring a more equitable distribution of wealth. *(The Economic Times)*



News on Kerala

Power tariffs revised, KSERC gives nod for average hike of 20 paise per unit

The Kerala State Electricity Regulatory Commission on Thursday issued interim orders revising the power tariffs, including that of the domestic category, for an eight-month period from November 1 this year to June 30, 2024. The Commission has allowed an average increase of only 20 paise per unit in the tariffs overall, although the Kerala State Electricity Board (KSEB) had sought 40.6 paise per unit. *(The Hindu)*

Keraleeyam all set to showcase State's cultural, social achievements to world.

All arrangements for Keraleeyam, a week-long festival organized by the State government to showcase the State's achievements, are complete. Chief Minister Pinarayi Vijayan will inaugurate Keraleeyam at Central Stadium at 10 a.m. Minister for General Education V. Sivankutty who is the chairman of the organising committee will deliver the welcome address. Chief Secretary V. Venu who is also the Keraleeyam general convener will present the report. *(The Hindu)*

Kerala Agricultural University inks MoU with ANERT for solar power project on KAU campuses.

The Kerala Agricultural University (KAU) inked a memorandum of understanding (MoU) with the Agency for New and Renewable Energy Research and Technology (Anert) on Wednesday for a 'green power project' on KAU campuses. Through this initiative, the KAU is aiming to become the first university in the country to be fully run on green energy. *(The Hindu)*

Kerala's draft export policy seeks to tap global market heavily.

Seeking to unlock the full potential of the global demand for a wide range of high-quality goods and services from Kerala, the State Government has drawn up a comprehensive draft Export Promotion Policy (EPP), proposing a slew of incentives and other institutional supports for stakeholders. *(BusinessLine)*

Keraleeyam gets wishes from Amartya Sen, Romila Thapar, Amjad Ali Khan, Somanath, T.M. Krishna.

Hailing Kerala as the only State in the country that can rival China in education and health, Nobel-winning economist Amartya Sen has said each State should think about what it can achieve by focusing on the goals that the country needs to achieve. He was speaking in a video message at the inaugural event of the State government's Keraleeyam event here on Wednesday. *(The Hindu)*

Kozhikode is the first City of Literature in India.

Kozhikode is one of the two latest entrants into the Unesco Creative Cities Network from India. Unesco published the list of 55 new creative cities on Tuesday, World Cities Day, in which Kozhikode has been given the tag of City of Literature, the first to hold the title in the country. Gwalior in Madhya Pradesh is the other creative city on the list, having bagged the City of Music tag. *(The Hindu)*

First phase of Kerala's poverty eradication programme over; 30,658 families have come out of extreme poverty

A total of 30,658 families (47.89%) out of 64,006 extremely poor families, identified as part of the State government's wide-ranging poverty eradication programme, have moved out of extreme poverty as per the latest status report. Chief Minister Pinarayi Vijayan on Wednesday declared the completion of the first phase of the program to eradicate poverty, which was launched as per a decision taken in the first Cabinet meeting of the current Left Democratic Front (LDF) government on May 20, 2021. *(The Hindu)*

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