



Public Finance

EPFO likely to start interest credit from Monday

In some good cheer for subscribers who are still waiting for deposit of interest in their provident fund accounts, the retirement fund body is expected to start crediting interest for 2021-22 from Monday (October 31). (*BusinessLine*)

At Karnataka GIM, MoUs signed for ₹7.6 lakh crore investment

The Global Investors Meet in Karnataka is off to a great start as the State has received more-than-expected investments. The State Industries Minister, Murugesh Nirani, said it has signed MoUs for investments of around ₹7.6 lakh crore across industrial sectors and cities. Adani Group, Sterlite Power and JSW Group were the major companies to announce investments. (*BusinessLine*)

India's April-Sept fiscal deficit touches ₹6.2 lakh cr., tax receipts rise

India's fiscal deficit in the first half of the financial year through September rose to ₹6.2 lakh crore from ₹5.27 lakh crore a year earlier, though rising tax collections helped offset a higher subsidy bill. The fiscal deficit for the April to September period touched 37.3% of annual estimates, official data showed on Monday, as the government spent more on fertiliser, food and fuel subsidies. (*The Hindu*)

EPFO to increase age ceiling for calculation of pension to 42 years from 35

EPFO has decided to increase the age ceiling for calculation of pension. The maximum age for calculation of pension to be increased to 42 years from 35 years. (*The Economics Times*)

States borrowing cost remains elevated at 7.83 per cent

Market borrowing cost for the states remained high with the average yield hitting 7.83 per cent at the auctions held on Tuesday, which is a paltry 1 basis points lower than the last auction of state securities. Seven states raised Rs 10,700 crore at Tuesday's auction of state government securities (SGS), which is just about half of the Rs 20,800 crore indicated for the week. The weighted average cut-off slipped to 7.83 per cent from 7.84 per cent last week, despite the rise in weighted average tenor to 15 years from 13, Icria said in a note. (*The Economics Times*)



Taxation

Pre-deposit to appeal under erstwhile Central Excise, Service Tax laws possible only in cash, says CBIC

Central Board of Indirect Taxes & Customs (CBIC) has said that pre-deposits for appeals in cases related to erstwhile Central Excise Duty and Service Tax can be made only in cash

and not through Electronic Cash Ledger. Experts feel such a move aims to nullify rulings by various High Courts in favour of taxpayers. (*BusinessLine*)

Re-focus efforts on revenue mobilization: CBIC to officials

Central Board of Indirect Taxes and Customs (CBIC) expects officials to pay special attention to key areas of work—improving tax compliance and revenue augmentation—in the second half of the financial year, according to an official update. (*Mint*)

Relief for small biz. Govt sets the ball rolling on decriminalisation of GST Act

The threshold limit for launching criminal proceedings under the GST will be raised to ₹20 crore and the property of offenders below the set threshold will not be attached, as per the changes to the GST Act being thought about, the sources said. This and more such laissez-faire proposals will be put up before the GST Council during the second week of November. (*BusinessLine*)

GST collection over Rs 1.51 trillion in October, second highest ever

India's tax collection from the sale of goods and services increased to Rs 1.51 trillion in October, driven by festive demand, higher rates, and better tax compliance. (*Business Standard*)

CBDT unveils draft common ITR form

Barring one category, all income-tax payers will soon get a common return form, as Central Board of Direct Taxes (CBDT) has released draft common income-tax return and invited suggestions from stakeholders. Suggestions can be submitted by December 15, following which the Income-Tax Department will finalise the common form and notify it. Normally, new forms are notified just before April 1. (*BusinessLine*)



National Accounts and State of the Economy

India jobless rate rises in Oct led by sharp rise in rural unemployment

India's overall jobless rate climbed in October, led by a sharp rise in rural unemployment after the end of monsoon crop harvesting season, according to a private research firm. (*Business Standard*)

Growth next year to be better than IMF projections: Chief Economic Adviser

Chief Economic Adviser V. Anantha Nageswaran on Monday said India is expected to clock better growth than IMF's projections next year aided by enhanced capital formation. Recently, the International Monetary Fund (IMF) projected 6.8% real growth for this year and 6.1% for next year for India. (*The Hindu*)

Unemployment rate surges to 7.77% in Oct against 6.43% in Sept: CMIE

As per the CMIE, the rural unemployment rate stood at 8.04% in October as against 5.84% in September while the urban unemployment fell to 7.21% compared to 7.7% in September. Further, the rise in the unemployment rate in October was accompanied by a small fall in the labour participation rate (LPR) from 39.3% in September to 39% in October. (*The Economics Times*)

Women attain just 74% of men's wealth at retirement; gender wealth gap in APAC largest in India at 64%: report

Women, on average, are expected to reach retirement with just 74% of the wealth accumulated by men, a new global study - The 2022 WTW Global Gender Wealth Equity report by advisory, broking and solutions company WTW has revealed. ([The Economics Times](#))

High inflation rate mainly a consequence of exogenous price shocks: Bhide

The high inflation rate in the last three quarters is mainly a consequence of the 'exogenous' price shocks and addressing the issue will require coordinated policy efforts, Reserve Bank of India (RBI) Monetary Policy Committee (MPC) member Shashanka Bhide has said. Mr. Bhide further said the inflationary pressures are high and it certainly is a test for India's inflation targeting framework. ([The Hindu](#))

Gold demand dips as inflation hits rural buyers

India's gold consumption in the months of October to December could fall by around a quarter from a year ago as inflation depresses rural demand, the World Gold Council (WGC) said on Tuesday. The lower purchases in the world's second-biggest gold consumer could weigh on prices, which are trading near their lowest level in more than two-years. Falling demand for gold imports could also help to narrow India's trade deficit and support the rupee. ([The Hindu](#))

Keeping an 'Arjuna's eye' on inflation, says RBI Governor

The Reserve Bank of India's constant endeavor is to keep an "Arjuna's eye" on inflation, which is its primary target, according to Governor Shaktikanta Das. Noting that domestic inflation remains elevated, he said RBI is closely monitoring the inflation trends as well as the effect of its past actions. The central bank's view is that price stability, sustained growth and financial stability need not be mutually exclusive. ([BusinessLine](#))



Banking and Monetary Policy

RBI governor Shaktikanta Das cautions on backdoor entry in financial space

The use of technology has made financial entities more efficient, but it has also led to backdoor entry of unregulated players into the financial space that often do not abide by norms, Reserve Bank of India (RBI) Governor Shaktikanta Das said on Friday. ([Business Standard](#))

Small sized loans of upto Rs 10 crores now account for 60% of bank loans, says RBI Dy Guv

Small is emerging to be beautiful for commercial banks and the mainstay of their business. The share of smaller loans – of up to Rs.10 crore – in total loans has increased to 60 per cent in 2022 from 45 per cent in 2014 according to RBI deputy governor Michael Patra. Capturing the evolution of the financial landscape in the country over the past 50 years, Patra underscored that the patterns of financial intermediation are shifting. ([The Economics Times](#))

Currency in circulation declines in Diwali week for the first time in 20 years, shows SBI Research

SBI Research in its latest Ecowrap report showed that currency in circulation declined during this year's busy Diwali week for the first time in 20 years. Innovations in technology have changed the Indian payment system over the years and the Indian cash-led economy now has changed to a smartphone-led payment economy, the report stated. *(The Economics Times)*

RBI's e-rupee pilot takes off; Day 1 bond trade deals hit Rs 275 crore

The Reserve Bank of India's (RBI's) maiden test of its central bank digital currency (CBDC) being used for secondary market trades in government securities (G-secs) went off without a hitch on Tuesday, with 48 trades being carried out for a total of Rs 275 crore. *(Business Standard)*

Rupee marks biggest monthly losing streak since 1985, braces for Fed move

The rupee weakened sharply versus the US dollar on Monday as the greenback strengthened globally ahead of a likely rate hike by the Federal Reserve later this week. A flurry of dollar purchases by oil importers also dragged the rupee lower, dealers said. The domestic currency settled at 82.78 per US dollar on Monday against 82.47 per dollar at close on Friday. So far in 2022, the rupee has depreciated 10.2 per cent against the greenback. *(Business Standard)*

BOE raises key interest rate by 75 bps, its biggest hike in 33 years

The Bank of England raised interest rates to 3% on Thursday from 2.25%, its biggest rate rise since 1989 as it warned of a "very challenging" outlook for the economy. Thursday's decision - the biggest in 33 years apart from a failed attempt to support the pound on Black Wednesday in 1992 - was in line with economists' expectations in a Reuters poll, but was not unanimous. *(The Economics Times)*

RBI holds MPC meeting to discuss report on missing inflation target

As per law, the RBI's mandate is keep retail inflation within the 2%-6% target but inflation had exceeded the upper limit for the three quarters ended September, making it necessary for the RBI to write to the government detailing the reasons for the breach, and the roadmap it has to bring it below 6%. The contents of the letter will not be released by the RBI, it has been clarified. *(The Hindu)*

Unprofitable, growing bad assets: The tale of existential crisis at RRBs

Last month, the finance ministry issued draft guidelines setting the criteria for the listing of regional rural banks (RRBs) on the stock exchange. The guidelines included listing banks that have earned an operating profit of more than Rs 15 crore in three out of the past five financial years, a net worth of Rs 300 crore and a capital adequacy ratio above the required 9 per cent in the past three years. *(Business Standard)*

Deposit rates may rise 105 bps due to 190 bps repo rate hike: SBI report

With the share of current and savings account (CASA) deposits at 45 per cent in the banking system, a 190 basis points (bps) increase in repo rate could at best translate into a 105-bps increase in deposit rates. This is because it is only the 55 per cent of the term deposits that would need rate adjustments, resulting in a less than full adjustment of deposit rates to repo rate, a report by State Bank of India's (SBI) economic research department said on Monday. *(Business Standard)*



External Sector

India, smaller nations talk trade via Rupee accounts

India is in talks with about a dozen smaller countries as the government seeks to expand bilateral trades through bespoke rupee accounts and internationalise indigenous payment modes. The object is to bypass the dollar-denominated trades through baby steps and creating an alternative payment ecosystem other than the global SWIFT platform. *(The Economics Times)*

India likely to start next month free trade pact negotiations with Gulf Cooperation Council, say sources

Experts believe the GCC region holds huge trade potential and a trade pact will help in further boosting India's exports to that market. GCC is a union of six countries in the Gulf region that includes Saudi Arabia, UAE, Qatar, Kuwait, Oman and Bahrain. In May, India had implemented a free trade agreement with the UAE. *(The Economics Times)*

The mystery of missing \$12bn in India-China trade

Vastly varying trade data from India and China have left experts searching for clues to explain the mismatch. While China has claimed that trade with India touched \$103 billion in the first nine months of 2022, India's data show that bilateral trade stood at just \$91 billion. *(Mint)*

Parliamentary panel plans to discuss effect of rupee depreciation on trade

Rupee has been under pressure since the beginning of this year, in tandem with other emerging market currencies in the aftermath of rate hikes by the US Federal Reserve sparked foreign fund outflows. The domestic currency plunged to its lifetime low of 83 against the US dollar earlier in October and it continues to remain above Rs 82. *(The Print)*

India permits duty-free exports of 6 lakh tonnes paddy to Nepal

The Indian Government has permitted duty-free exports of six lakh tonnes (lt) of paddy (rice in husk) to Nepal in a move that is seen as helping the Himalayan nation meet its food security. In a notification issued on Monday night (October 31), the Ministry of Finance said the quantity permitted will be from the date of notification -October 31, 2022. *(BusinessLine)*



Agriculture and Rural Economy

Andhra Pradesh: Tobacco growers press for farmer-friendly policies

Federation of All India Farmer Associations (FAIFA) on Friday expressed concern over high taxation, stringent regulations, low crop production, lack of export incentives and the menace of smuggled cigarettes and urged policy makers to take steps to lessen problems plaguing them. *(The Hindu)*

Scientific community welcomes environmental clearance to GM mustard

Scientists associated with the National Academy of Agricultural Sciences (NAAS) and the Trust for Advancement of Agricultural Sciences (TAAS) welcomed the recent approval by the Ministry of Environment, Forests and Climate Change for environmental release of genetically modified (GM) mustard hybrid for cultivation. *(The Hindu)*

Wheat prices surge to record high

Wheat prices in India have soared to a record high in agricultural produce marketing committee (APMC) yards and wholesale outlets despite arrivals during October 1-30 increasing to a 7-year high. *(BusinessLine)*

PMFBY premium: States oppose Centre's plea

The Centre wants to ensure timely settlement of claims under crop insurance scheme Pradhan Mantri Fasal Bima Yojana (PMFBY) and has proposed some amount should be deposited by States as well as insurers before the enrolment begins but the initiative is being opposed by both stakeholders. *(BusinessLine)*

Rice procurement up 12% on early start but drops 60% in UP

Rice procurement has increased 12 per cent to 114.33 lakh tonnes (lt) during the first month of the current procurement season (October-September). The grain's purchase is up by 8 per cent in Punjab and Haryana compared with the year-ago period. *(BusinessLine)*

Centre 'doubles' fertilizer subsidy as prices see a surge

Considering the huge increase in the prices of fertilizers in global market, the Centre has 'doubled' the fertilizer subsidy for this rabi season. A meeting of the Union Cabinet here on Wednesday approved a subsidy of ₹51,875 crore to Nitrogen (N), Phosphorus (P), Potash (K) and Sulphur (S) for Phosphatic and Potassic (P&K) fertilizers for the ongoing rabi season. *(The Hindu)*

Sowing hope: Nearly 54% jump in early wheat planting, shows data

According to initial data from the department of agriculture, wheat has been sown in around 54,000 hectares till October 28. This is 54 per cent more than the same period last year. In total, wheat is sown in around 30.5 million hectares of land in the full season. *(Business Standard)*

Rural development ministry seeks additional Rs 25,000 cr fund for MGNREGS

The rural development ministry has sought additional funds of about Rs 25,000 crore for the MGNREGS, in a clear indication of a rise in demand for work. About 181 crore person days of work has also been generated under the programme so far. *(Business Standard)*

As rural demand weakens, FMCG distributors offer more credit to retailers

Rural demand has been a pain point for fast-moving consumer goods (FMCG) companies for the last six quarters, but the situation has now worsened with distributors being forced to extend more credit to retailers. Also, the frequency with which distributors procure stocks from companies has reduced. *(Business Standard)*

DAP, potash subsidy slashed

The Cabinet on Wednesday increased the subsidy rates for nitrogen (N), but cut the support for phosphorus (P), potash (K) and sulphur (S) under the Nutrient-Based Subsidy (NBS) scheme for current rabi season from the rates fixed for the kharif season. Based on

the new rates, total cost of subsidy is estimated at ₹51,875 crore for rabi season. *(BusinessLine)*

Why GM mustard is needed

In an unprecedented move, the Genetic Engineering Appraisal Committee (GEAC), which is a nodal authority to approve genetically modified (GM) crops in India, has cleared the way for commercial cultivation of GM mustard. *(BusinessLine)*



Industry, Manufacturing, Services and Technology

Logistics industry better equipped to weather macroeconomic headwinds

The logistics industry as a whole is now better equipped at sustaining the macroeconomic changes of various geographies, despite the slowing of global economic activity. Businesses are taking advantage of market fluctuation to reduce the risk of unanticipated supply chain disruptions and to remain competitive. *(BusinessLine)*

PLI for leather, footwear industry coming soon

The Centre is likely to soon finalise a proposal to extend the Production Linked Incentive (scheme) for leather and footwear, a highly labour-intensive sector, to promote manufacturing and employment generation in both large and small cities across the country. *(BusinessLine)*

Core sector output grows 7.9% in September

Production of eight infrastructure sectors expanded by 7.9% in September – the highest in three months – on account of better show by coal, fertilizer, cement and electricity segments, according to official data released. *(The Hindu)*

Government Extends PLI Scheme For Telecom And Networking Products To 42 Beneficiaries

The Ministry of Communications granted approval to 42 companies including 28 MSMEs under PLI Scheme for Telecom and Networking Products. Out of which 17 companies have applied for additional incentive of 1% under design-led manufacturing criteria. *(Business Standard)*

India's e-logistics sector to become \$9 billion dollar industry by FY26: Redseer

India's e-logistics sector is predicted to become a \$9 billion dollar industry from the \$2 billion market size in FY21, according to Redseer Strategy Consultants. *(BusinessLine)*

EdTech sector sees spate of M&A deals

The Indian EdTech sector has seen a flurry of mergers and acquisitions (M&A) -- 37 in all -- since January this year, as consolidation picks up in the industry. *(BusinessLine)*

Monthly EV registrations cross 1-lakh mark for the first time in Oct

Monthly electric vehicle registrations (all segments) in the country surpassed the one lakh mark, for the first time ever, in October — thanks to strong growth in the electric two-wheeler segment. *(BusinessLine)*

Manufacturing activity records strong growth in October: survey

The manufacturing sector in India showed strong growth in October as the Purchasing Managers' Index (PMI) moved to 55.3 in October, as against 55.1 in September. Importantly, this was accompanied by a good rise in employment. *(BusinessLine)*

India Inc's balance sheet now much stronger than in the pre-pandemic era: Deepak Parekh

Deepak Parekh, Chairman, HDFC Ltd. said that corporate India's balance sheets are now much stronger than what they were in the pre-pandemic era. Capacity utilisation levels are nearing 75 per cent, and this is conducive for fresh investments. *(BusinessLine)*

India's manufacturing sector shows robust hiring outlook of 57% for Q3, shows TeamLease survey

Companies in the manufacturing sector in India projected a strong hiring outlook for the October-December quarter with 57% of the employers keen to increase their talent pool during the period, according to a survey by TeamLease Services. *(The Economic Times)*

Car dispatches up in October amid strong demand

Shipment of passenger vehicles by carmakers to showrooms rose on a fast clip last month amid continuing strong customer demand in the local market and easing of supply constraints. *(The Economic Times)*

Centre clears 20 projects under National Technical Textiles Mission

The government has cleared 20 strategic research projects worth around Rs 74 crore in the areas of specialty fibre, agro-textiles, smart textiles, protective gear, sports textiles and geo textiles segment under its flagship programme National Technical Textiles Mission. *(The Economic Times)*

Commerce ministry plans DPIIT cell to spur industry

A cell in the Department for Promotion of Industry and Internal Trade (DPIIT) will "ideate, implement and monitor" the mammoth task of India's industrial development strategy if a proposal by the ministry of commerce and industry is accepted by the Union cabinet. *(Mint)*

Time for Made-in-India passenger aircraft, says PM Narendra Modi

Prime Minister Narendra Modi on Sunday said he could foresee that India would soon be manufacturing big passenger aircraft that would proudly bear the words 'Made in India'. He was speaking at the foundation stone ceremony of the Tata-Airbus C-295 aircraft manufacturing facility in Vadodara, Gujarat. *(Business Standard)*

Indian air carriers may post \$2.5-b loss this fiscal: CAPA

Amid global headwinds, Indian airlines will continue to post losses. Aviation consultancy firm CAPA India has revised its estimate for airlines' losses for FY23. In its previous report, CAPA had estimated a cumulative loss of \$1.4-1.7 billion; however, now it has raised the estimates to \$2.5 billion. *(BusinessLine)*

Services PMI recovers to 55.1 in Oct after hitting six-month low in Sept

India's services activity recovered slightly in October after hitting a six-month low in September, as favourable demand for services continued to underpin increases in new business and output amid inflationary pressures gathering pace. *(Business Standard)*

India Inc's Q2 show largely better than expectations, say brokerages

Brokerages say Indian Inc's Q2 performance largely appears better so far, as industry heavyweights reported strong numbers, led by financials and automobiles. *(BusinessLine)*

India's steel industry now 2nd biggest, target is to double crude steel output in 10 years: PM Modi

Prime Minister Narendra Modi said India has set a target to double the crude steel production capacity from 154 million tonnes per annum now to 300 million tonnes per annum in the next 9 to 10 years in an order to boost indigenous capabilities. *(The Hindu)*



News on Kerala

DGGI unearths ₹420-crore GST frauds of last fiscal

The Kochi zonal unit of the Directorate General of GST Intelligence (DGGI) for Kerala and Lakshadweep regions has unearthed GST irregularities to the tune of ₹420 crore on various counts during the 2021-22 financial year *(The Hindu)*.

More local bodies in Thiruvananthapuram opt for 'green' cover against coastal erosion

A small but growing number of local bodies are opting for eco-friendly methods to protect their riverbanks and the coast. The Pothencode block panchayat in the district has received the go-ahead from the Kerala State Biodiversity Board (KSBB) for a ₹9 lakh project which envisions a green cover of mangroves along a 5.3 km backwater stretch *(The Hindu)*.

Survey in Munnar forest division hints at its rich biodiversity stock, identifies 170 bird species

The first bird survey held in the Munnar forest division has spotted as many as 170 bird species including 11 vulnerable and 21 endemic bird species. According to officials, the survey significantly hinted at the rich biodiversity of the division, which is more in news for being an area prone to man-animal conflict *(The Hindu)*.

Centre clears climate resilient agri-value chain modernisation project for Kerala

A nearly ₹2,000-crore project to modernise food and nutritional security of the State through agro ecology-based climate-resilient farming systems was cleared by the Department of Economic Affairs of the Union government on Friday *(The Hindu)*.

Property tax payment in local bodies to be made fully online

The Local Self-Government Department is all set to shift property tax payment in all local bodies to a fully online system. Close to 70% of urban local bodies have implemented the fully online payment system 'Sanchaya' for property tax payment, while the same has been implemented in all panchayats. An automatic messaging system will be implemented for taxpayers to be notified closer to the payment deadline *(The Hindu)*.

The 'Kerala Model:' a mixed bag of successes and spectacular failures

A paper which looked at six decades of the 'Kerala Model of Development' has termed the results a mixed bag: of success stories in human development and "spectacular failure" of

the State in critical areas like employment creation, management of public finance and delivery of economic services. The paper "Kerala 'Model' of Development Revisited: A Sixty-Year Assessment of Successes and Failures" by the economist K. P. Kannan has been published by the Centre for Development Studies (CDS), Thiruvananthapuram (*The Hindu*).

Kerala records 29% growth in GST collection in October

The growth trend in Goods and Services Tax (GST) revenues has continued in October also for Kerala, with the State reporting a 29% growth over October 2021. But experts also feel that the collection should have been higher in October given the perceived surge in spending during the post-COVID Onam festival season (*The Hindu*).

All buildings in Kerala to have unique number

All buildings in the State will henceforth have a unique building number, enabling the retaining of the same building number even after ward delimitation exercises taken up during local body elections. The Local Self-Government department last week issued orders to this effect (*The Hindu*).

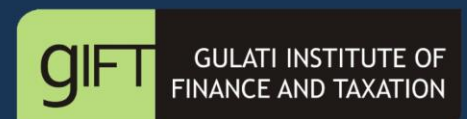
Kerala, Maharashtra, Punjab top 2020-21 Performing Grade Index

Kerala, Maharashtra, and Punjab have topped the 2020-21 Performing Grade Index (PGI) that assesses school education at the district level, the Union education ministry said in a report on Thursday. Arunachal Pradesh emerged as the least performing in the seventh slot, the lowest allocated to any state this year (*Hindustan times*)

Kerala govt revokes decision to enhance retirement age of PSU employees

The Kerala government on Wednesday announced rolling back its decision to enhance the retirement age of employees of all state PSUs to 60 years. A decision to this effect was taken during a cabinet meeting chaired by Chief Minister Pinarayi Vijayan (*The Economic Times*)

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