



Public Finance

No going back. Law does not allow refund of NPS funds to States: FinMin

State governments of Rajasthan, Chhattisgarh, and Jharkhand will not get money deposited to date under the National Pension System (NPS), Finance Ministry told Lok Sabha citing PFRDA regulations. The Ministry also made it clear that there is no proposal at the Central level to go back to the old scheme. (*BusinessLine*)

India government invests over Rs 5,000 cr more in SWAMIH Investment Fund I to help homebuyers

SWAMIH Investment Fund I is India's largest social impact fund aiming to provide priority debt financing for the completion of stressed, brownfield and RERA registered residential projects that fall in the affordable, mid-income housing category. The fund is sponsored by the Ministry of Finance, Government of India and is managed by SBICAP Ventures, a State Bank Group company. (*The Economic Times*)

Budget may provide funds to encourage agri startups

The government is likely to allocate funds to provide low interest loans and tax incentives to encourage startups in the agricultural sector in the upcoming budget. It will support startups in the field of artificial intelligence (AI), machine learning (ML), remote sensing, big data, block chain, internet of things (IoT), Geographic Information System (GIS) technology, and the usage of drones and robots to transform the agricultural sector. (*The Economic Times*)

On track to meet fiscal deficit target of 6.4%, says Finance Minister Sitharaman

Finance minister Nirmala Sitharaman Wednesday said the government is on course to meet the FY23 fiscal deficit target of 6.4% of GDP and asserted that there is no fear of stagflation. Replying to the debate on the first batch of Supplementary Demands for Grants 2022-23 in Lok Sabha, the finance minister said the government is committed to the path of fiscal consolidation. (*The Economic Times*)

Rs 64,000 cr investment proposal for J-K; Rs 2,500 cr already received: Govt

The Jammu and Kashmir government has reported investment proposal to the tune of Rs 64,000 crore of which over Rs 2,500 crore has already been received, Lok Sabha was informed on Tuesday. (*The Economic Times*)

Centre spent over Rs 3,700 crore on advertisements since 2017, Anurag Thakur tells Rajya Sabha

The union government has spent a total of Rs 3,723.38 crore on advertisements in the last five years, Union Information and Broadcasting minister Anurag Thakur told the Parliament on Thursday. According to a written reply tabled by Thakur in the Rajya Sabha, the Centre through the Central Bureau of Communication (CBC), spent over Rs 1,200 crore on advertisements in 2017-18, its highest in five years. (*Financial Express*)



Budget may tweak new I-T regime, bring new ITR form

The Budget may see changes in the new income tax regime which prescribes lesser tax but without any exemption. It is also expected to lay the roadmap for implementing the new Income Tax Return form. Finance Minister Nirmala Sitharaman, in her Budget speech of FY21 announced a new and simplified personal income tax regime wherein income tax rates will be significantly reduced for individual taxpayers who forgo certain deductions and exemptions. *(BusinessLine)*

GST evasion of Rs 23,000 cr by gaming firms being investigated: MoS to LS

GST evasion of about Rs 23,000 crore by gaming companies between April 2019 and November 2022 is being investigated by the tax officers, Minister of State for Finance Pankaj Chaudhary said on Monday. In a written reply to a question in the Lok Sabha, the minister said the Enforcement Directorate has attached proceeds of crime of more than Rs 1,000 crore in several cases related to Cyber and Crypto assets frauds wherein online gaming etc have been used for siphoning the proceeds. *(Business Standard)*

Direct tax revenue growth accelerated to 24.3% by November

India's net direct tax collections picked up pace over the past month to touch ₹8.77 lakh crore by November 30, 24.3% higher than the same period a year ago and constituting nearly two-third of the Budget target for 2022-23. The direct tax kitty, net of refunds, had crossed ₹7 lakh crore by September 17, 23.3% higher than 2021-22, but that growth had slowed to 16.3% by October 8, when net direct tax collections stood at ₹7.45 lakh crore. *(The Hindu)*

GST Council meeting: Panel for raising threshold for offences to Rs 2 cr

The all-powerful GST Council, which is scheduled to meet on December 17, will likely to take up changes in the prosecution provisions under the GST regime, in which a committee of officials has proposed increasing the monetary limit to Rs 2 crore from the current Rs 1 crore, set as a minimum amount of tax evaded for arrest in non-cognizable and bailable offences under the regime. *(Business Standard)*

GST Council's fitment panel clarifies tax levy on SUVs, UPI transactions

The Goods and Services Tax (GST) Council's fitment panel has said sports utility vehicles (SUVs) are subject to a 22 per cent compensation cess if they fulfil certain conditions. Also, the panel, which comprises revenue officials of the Centre and the states, has said incentives to banks for promoting RuPay/BHIM-UPI transactions are "not taxable". *(Business Standard)*

CBDT seeks detailed report on the top 15 taxpayers in each region

The Central Board of Direct Taxes (CBDT) on Thursday directed senior tax officials to submit a detailed analysis of advance tax collections, including the third instalment, and the names of the top 15 taxpayers in each region in the current fiscal year. *(Business Standard)*



National Accounts and State of the Economy

Retail inflation falls below 6% mark for first time in 2022

Cooling vegetable and edible oil prices drove India's retail inflation down to 5.88% in November from 6.77% in October, the first time since January this year that consumer prices have risen slower than the 6% tolerance threshold set for the central bank. Food price inflation faced by consumers eased to an 11-month low of 4.67% from over 7% in October, but rural consumers faced a greater burden with a 5.2% price rise in food items, compared to just 3.7% for their urban peers. *(The Hindu)*

Fitch expects 25 bps increase from RBI, cuts 2023-24 growth hopes to 6.2%

Fitch Ratings on Tuesday pared its 2023-24 growth expectations for India to 6.2% from the 6.7% level it had predicted in September, with global growth expected to slip to just 1.4% in 2023 as opposed to 1.7% estimated earlier - the weakest expansion since 2008. Ahead of the central bank's monetary policy review to be unveiled on Wednesday, the global rating agency said it expects the Reserve Bank of India (RBI) to increase the policy rate to 6.15% this month and retain this level through 2023. *(The Hindu)*

The race to \$1trillion economy among states: Who gets there first?

As India goes through a phase of sustained economic recovery post Covid-19 pandemic, a number of states have set themselves ambitious targets for their gross state domestic product (GSDP) to hit \$1 trillion. The bigger the state's economy, the better placed it is to reach that proverbial milestone. *(Business Standard)*

Current account deficit likely to hit 10-year high

Analysts have projected India's current account deficit (CAD) for the second quarter to reach nearly a 10-year high on firm oil prices and a weak rupee which has put further pressure on the trade deficit. The median forecast of 18 economists in a poll conducted by Reuters showed \$35.5 billion CAD in Q2, which is 4.3 per cent of India's GDP. Forecasts ranged from \$24.5 billion to \$40 billion, or 3.3-4.7 per cent of GDP. *(The Telegraph Online)*

Room for Indian economy to move up the ladder: Uday Kotak

"There are opportunities to move up the ladder, to be among the top three in the world, and its realisation would depend on certain metrics, including economic performance in terms of absolute GDP and absolute per capita income instead of the purchasing power parity (PPP) comparison," he said at CII Global Economic Policy Summit 2022 here. Kotak said the country has become the fifth largest in the world at about \$3.2 trillion and has huge potential. *(The Economic Times)*

ADB keeps India's GDP growth unchanged at 7%

Asian Development Bank (ADB) has kept its outlook for India's economic growth unchanged at 7 per cent for the current fiscal year while forecasting a weaker-than-previously expected pace for developing Asia. ADB's 7 per cent growth projection for fiscal 2022-23 (April 2022 to March 2023), unchanged from its September forecast, compares to 8.7 per cent GDP growth in 2021-22. *(The Economic Times)*

Former RBI Governor Raghuram Rajan says Indian economy would be lucky to see 5% growth

Former Reserve Bank of India (RBI) Governor Raghuram Rajan on Wednesday in a chat with Congress leader Rahul Gandhi claimed that India would be lucky if it achieves 5 per cent growth next year. He said that next year is going to be more difficult than this one. "Of course, this one had a lot of difficulties with the war and all that. Growth is going to slow in the world. People are raising interest rates that bring down growth," he said. (*The Economic Times*)

India will grow at 7-8% next year, Rajan's views will change about economy: Union Minister Gajendra Shekhawat

Union Minister Gajendra Shekhawat on Friday said former RBI governor Raghuram Rajan will soon come to change his views on Indian economy, which, according to Rajan, will be lucky to have a growth rate of 5 per cent next year. Countering Rajan's assessment of Indian economy, Shekhawat said that all major institutions, including the World Bank, have predicted that the country's growth rate next year will be between 7 and 8 per cent. (*Financial Express*)

India growing faster than official data shows, says Credit Suisse

India is growing faster than what is captured by the country's official data, and it presents a case for an upgrade of equities outlook, a Swiss brokerage said on Thursday. Upgrading Indian equities to 'benchmark' from 'underweight', Credit Suisse said there is a scope for a growth of up to 14 per cent on the benchmark indices. (*Financial Express*)



Banking and Monetary Policy

NPA percentage under ECLGS stood at 3.9% of loan guaranteed: MoS Finance Bhagwat Karad

The percentage of Non-Performing Assets (NPAs) of loan accounts under the ECLGS stood at ₹13,964.58 crore, or 3.89% of the loan guaranteed, Parliament was informed on Monday. Replying to a question, Minister of State for Finance Bhagwat Karad said the Emergency Credit Line Guarantee Scheme (ECLGS) introduced in May 2020 as part of Aatmanirbhar Bharat Abhiyaan, had benefited 1.19 crore borrowers with guarantee amounting to ₹3.58 lakh crore as on November 30, 2022. (*The Hindu*)

Centre not to make public RBI's report on inflation

The government on Monday ruled out making public the RBI report detailing the reasons why the central bank could not keep inflation within the targeted 6% upper limit for the three consecutive quarters. It was the first time since the monetary policy framework came into effect in 2016 that RBI had to give an explanation to the government. (*The Hindu*)

Banks wrote off NPAs in excess of ₹10 lakh cr. in last 5 years: FM

Banks have written off bad loans worth ₹10,09,511 crore in the last five fiscal years, Finance Minister Nirmala Sitharaman told Parliament on Tuesday. The non-performing assets (NPAs), including those for which full provisioning has been made on completion

of four years, are removed from the balance sheet of the bank concerned, Ms. Sitharaman said in a reply to the Rajya Sabha. *(The Hindu)*

Real rates turn positive as inflation slows, peak in view'

India's real interest rate has turned positive after headline retail inflation eased below 6% for the first time this year, analysts said, suggesting that the peak policy rate is now close. The RBI has raised repo rate by 225 basis points since May, taking the terminal rate to 6.25%, to curb inflationary pressures. Inflation had stayed above the central bank's repo rate for this year, implying a negative real rate. *(The Hindu)*

RBI advises fintechs to focus on governance, data protection issues

In a meeting with select financial technology (fintech) entities and their industry associations on Wednesday, the Reserve Bank of India (RBI) advised these new-age firms to focus on governance issues, data protection, and regulatory compliance, while playing a transformative role in the financial systems through their innovations. *(Business Standard)*

NBFCs seen growing at 10-12% in FY23 and FY24: ICRA Ratings

Led by retail-focused players, non-banking financial companies (NBFCs) are likely to close the current fiscal and the next with a loan growth of 10-12% and see about 50 basis points improvement in profitability, a report said. According to IcrA Ratings, retail-focused NBFCs are expected to grow 12-14% while the housing finance companies may grow at 10-12%. The forecast is based on the asset quality improvement and the overall pick up in credit demand. *(The Hindu)*

Banks must scale up investments in technology: RBI Deputy Governor

The rapid rise of digital platforms has raised new challenges, including unregulated digital lending apps, cryptocurrencies and cyberattacks, according to MK Jain, Deputy Governor of the Reserve Bank of India. He also said Indian banks and financial institutions should increase investments in technology as their legacy systems may not be suited to rapid changes in product design and computation. *(BusinessLine)*



External Sector

Foreign Exchange Market Volatility in Southeast Asia

Indians' savings is turning into stocks and bonds from the conventional real estate and gold at an accelerated pace that has the potential to change the capital dynamics. Rating agency Crisil forecasts financial savings to rise to Rs. 315 lakh crores, or 74 percent of the GDP by 2027, from Rs. 135 lakh crores or 57 percent last fiscal. *(The Economic Times)*

Government asks trade bodies, banks to explore opportunities for trade in rupee with more countries

The government has asked trade bodies and banks to explore opportunities for trade in rupee with more countries after having facilitated rupee trade with Russia, Mauritius and Sri Lanka. The Indian banks have already opened special vostro rupee accounts (SVRA) with banks of these three nations, operationalising the rupee trade arrangement. *(The Economic Times)*

Bank credit to exporters shrinks 25% as exports dip in October

Exports contracted in October after a gap of 19 months. Data released by the Reserve Bank of India (RBI) showed that the export credit from banks has seen a 25.1% dip to Rs 16,909 crore at the end of October 21, 2022, compared with what it was a year ago. *(The Economic Times)*

India, China trade deficit at \$51.5 billion during April-October this fiscal

The trade deficit difference between imports and exports between India and China touched \$51.5 billion during April-October this fiscal, the Parliament was informed on Friday, December 9, 2022. *(The Hindu)*

India, UAE want to use their relationship to shape changing world: EAM Jaishankar

India and the UAE which have inked a landmark trade deal have seen a "veritable transformation" in their ties which are now beginning to have a broader ripple impact, External Affairs Minister S. Jaishankar said on Monday, emphasising that they want to use this relationship to shape the changing world. *(The Hindu)*

Ukraine and India's foreign trade

The Russian invasion of Ukraine and the subsequent war sparked rapid and dramatic increases in some global trade prices, particularly for fuel products, wheat and fertiliser for which Russia and Ukraine are major exporters. It is now clear that these price changes were not due to actual changes in total supply, which remained largely unchanged (although source locations and trade routes shifted). *(BusinessLine)*



Agriculture and Rural Economy

Rice prices up 9% as kharif output dips

Production of rice is down due to deficient rainfall in some rice-growing States driving the prices of the cereal. The monthly average wholesale price of rice increased to ₹3,999 a quintal in November (provisional) against ₹3,675 a quintal in January, recording a growth of 8.81 per cent. *(BusinessLine)*

Cotton rules at premium to global rates

Indian cotton prices are ruling firm above ₹65,000 a candy (356 kg), but the trend has left the trade divided over reasons for lower arrivals this season. In view of the firm trend in prices, which are 20 per cent higher than global rates, the natural fibre consumption will likely be lower, stakeholders say. *(BusinessLine)*

To tame wheat prices, Govt to review open market sale in Jan

The Indian government will decide next month if it should resume the open market sale scheme (OMSS) for wheat during January-March, or release some quantity through the public distribution system by restoring the previous quotas of states. *(BusinessLine)*

Sugar production may see marginal fall in 2022-23 on extended rains

In the 2021-22 season that ended in September, sugar production — after accounting for diversion towards ethanol — was estimated around 35.9 million tonnes. This year, initial

reports indicated that production could be around 36.5 million tonnes. Now, a section of the industry feels it could be closer to 35 million tonnes. *(Business Standard)*

‘Wheat output, procurement will be normal next season’

Relying on increased minimum support price (MSP) and ‘normal’ production of wheat in the current rabi season, the government has expressed hope that it would be able to buy a sufficient quantity of the grain next year, which will help it to augment the stock in the Central Pool. *(BusinessLine)*



Industry, Manufacturing, Services and Technology

Capital, consumer goods output under pressure as demand, investments slow

Capital goods, consumer durables and nondurables bore the brunt of contraction in the index of industrial production (IIP) as output declined year-on-year and compared to the pre-covid period of 2019-20, signifying low demand and investments in the economy. *(Business Standard)*

Wholesale price rise dropped to 5.85% in November

India’s wholesale price inflation fell sharply to 5.85% in November from 8.4% in October, thanks to a broad-based dip in price rise led by food items whose inflation slipped from 6.5% in October to just 2.2%. The Commerce and Industry Ministry said the decline in inflation in November is ‘primarily contributed by fall in prices of food articles, basic metals, textiles, chemicals & chemical products and paper & paper products’ compared November 2021. *(The Hindu)*

Specialty steel PLI: Govt selects 67 entries with ₹42,500-cr investment

The government has selected around 67 applications from domestic players under the PLI Scheme for specialty steel, the Ministry of Steel said in a statement. “This will attract committed investment of Rs. 42500 Crore with a downstream capacity addition of 26 million tonne and employment generation potential of 70000,” it said. *(Mint)*

Automobile retail sales soar to record high in November : FADA

Automobile retail sales in India clocked best-ever performance last month aided by robust registrations across segments including passenger vehicles, two-wheelers and commercial vehicles, automobile dealers' body FADA said on Friday. The overall automobile retail sales rose by 26% to 23,80,465 units last month, as compared with 18,93,647 units in November 2021. *(The Hindu)*

Industrial production contracts by 4.2% in October

The factory output as measured by the Index of Industrial Production (IIP) contracted by 4.2 per cent in October, on account of de-growth in the manufacturing sector and poor demand for consumer goods. *(The Hindu)*

Revenue growth in FMCG sector pegged at 7-9% driven by price hikes in FY23: CRISIL Ratings

FMCG players' revenue is expected to grow at 7-9 per cent in this fiscal compared to about 8.5 per cent in the last fiscal largely driven by price hikes amidst inflationary pressures,

as per an analysis by CRISIL Ratings. However, the rating agency pointed out that volumes are likely to grow in the range of 1-2 per cent lower than 2.5 per cent per cent growth in the last fiscal. *(BusinessLine)*

Indian steel mills cut production in November on slowing demand, fall in exports

The country's steel exports fell 53 per cent (nearly halved) year-on-year in November to 3,38,000 tonnes because of weakened global cues perpetuated by downturn in the metal cycle while mills here cut back on production indicative of the slowing down demand. *(BusinessLine)*

Startups to contribute \$200 billion by 2027: Nasscom chief

The National Association of Software and Services Companies (Nasscom) has said that startups will play a big role in the country's journey to become a \$5-trillion economy. NASSCOM Chairman Krishnan Ramanujam has said that the startup ecosystem is estimated to contribute \$200 billion by 2027. *(BusinessLine)*

India can't miss 4th industrial rev, opportunity won't come again: PM Modi

India cannot afford to miss the fourth industrial revolution, Prime Minister Narendra Modi on Sunday, while stressing that such "repeated opportunities" would not come again. Addressing a gathering after launching developmental projects in Maharashtra, PM Modi said India had already missed out on making the most out of the industrial revolutions in the past. *(Business Standard)*

Textiles PLI 2.0 likely to attract smaller players by early 2023, say officials

The Textile Ministry is working to finalise the second edition of the Production Linked Incentive (PLI) scheme for garments, made ups and home textiles, with lower minimum investment and turnover requirements to attract small and medium entities, by early next year, officials said. *(BusinessLine)*

New-age agritechs will potentially drive \$34 billion in GMV by 2027: report

Agritech companies in India are expected to drive the next wave of technology-led transformation, with a growth rate of about 50% over the next five years. Thereby, they are projected to open a \$34 billion market by 2027 from an estimated gross merchandise value (GMV) of \$4 billion today, per new projections by investment banking firm Avendus Capital. *(The Economic Times)*

Public sector OMC losses at ₹27,276 crore in H1: Oil Minister

Public sector oil marketing companies (OMCs) have reported cumulative losses of ₹27,276 crore during the first six months of FY23 against a profit before tax (PBT) of ₹28,360 crore in H1 FY22, Oil Minister HS Puri informed the Lok Sabha. *(BusinessLine)*

India may split planned mega refinery into several refineries: Reports

India is considering building several refineries instead of a single mega plant planned with Saudi Aramco and Abu Dhabi National Oil Company (ADNOC), due to challenges in acquiring land, three sources familiar with the matter said. *(Business Standard)*

Indian steel mills see improved activity on export front

Indian steel mills are witnessing renewed activity on the export front with queries and orders picking up after nearly two months of lull. Prices have seen a firming up too. Trade sources say export offers are up 5-8 per cent over the last 10 days while prices of some of

the key offerings like HRC coils and plates are up 5–7 per cent over the same period. [\(BusinessLine\)](#)

The rise of rural manufacturing

A steady stream of investments in rural locations over the last two decades has ensured that 42% of factories and 62% of fixed capital is in the rural side. [\(The Hindu\)](#)

With global recession looming, MSMEs can shield Indian economy: Narayan Rane

Emphasising how India's G20 Presidency year is crucial for the industry and all stakeholders associated with the MSME sector, Union Minister for MSME Narayan Rane on Monday said that India must strive hard for self-reliance. [\(The Economic Times\)](#)



News on Kerala

KU to collaborate with Russian university

Kerala University will collaborate with Yaroslav-the-Wise Novgorod State University (NovSU) in various disciplines and provide scholarships for students of both universities. The areas of the academic tie-up were formalised during a meeting held at Kerala University on December 7. A delegation, led by Yury Borovikov, Acting Rector of NovSU, decided on the contours of the proposed agreement with Kerala University Registrar K.S. Anilkumar and other senior officials. [\(The Hindu\)](#)

Climate change action plan seeks bigger Budget pie

The State Action Plan on Climate Change 2023-2030 (SAPCC 2.0) has sought a bigger share in the budget pie for key sectors that have scope for implementing climate change adaptation projects. The 330-page document, released on December 7, notes that the departments of Agriculture, Animal Husbandry and Dairy Development, Environment, Fisheries, Health, Water Resources, Forests, Local Self-Government, Revenue, and Disaster Management have “great scope” for implementing climate change adaptation programmes. [\(The Hindu\)](#)

Israel keen to cooperate with State in agriculture, tourism sectors: official

Israel has expressed willingness to consider cooperation with Kerala in the sectors of agriculture and tourism. Consul General of Israel to South India, Tammy Ben Haim informed Chief Minister Pinarayi that they would favourably consider the possibilities of cooperation [\(Business Standard\)](#).

Satellite survey of inhabited areas in ESZs published

An expert committee chaired by former Calcutta High Court Chief Justice Thottathil B. Radhakrishnan, which has been tasked with demarcating inhabited areas coming within Eco Sensitive Zones (ESZs) in the State, has published the findings of the satellite survey undertaken by the Kerala State Remote Sensing and Environment Centre (KSREC). [\(The Hindu\)](#)

Kerala's road infra set to see a big leap, says Nitin Gadkari

Kerala's road infrastructure development will be on par with that of developed countries like the United States when the work on the three economic corridor projects — about

990-km distance of which passes through the State — is completed by 2025, Union Minister for Road Transport and Highways Nitin Gadkari has said. (*The Hindu*)

LED bulbs saved energy, but consumers ended up paying more, says CAG report

Equipping homes with energy-efficient LED bulbs under the Domestic Efficiency Lighting Programme (DELP) helped save electricity and reduce CO2 emissions in Kerala, but the scheme also resulted in consumers paying more than was needed and the Kerala State Electricity Board (KSEB) “earning undue profit,” the Comptroller and Auditor General (CAG) has found. (*The Hindu*)

Kerala constitutes high-level committee for setting up floating solar projects

Kerala government on Wednesday constituted a high-level committee for exploring the possibility of installing floating solar plants in brackish or saline water bodies and reservoirs which are not suitable for agricultural and fishing purposes. (*The Economic Times*)

Enforcement agencies seized 3,083 kg gold till November this year; Kerala accounts for maximum seizures

Enforcement agencies have seized 3,083 kg of gold till November this year, with Kerala accounting for the maximum number of seizures, Parliament was informed Monday. Gold seizures across the country have gone up this year when compared to 2,383 kg seized in the 2021 calendar year and 2,154 kg in 2020. In 2019, 3,673 kg of gold was seized. (*The Economic Times*)

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