



Public Finance

Finance Commission terms of reference takes a conservative stance

A government gazette notification announcing the formation of the 16th Finance Commission is not yet ready, as the name of the members and the chairperson have not finalised. Among the names in contention are at least one former secretary from the finance ministry, it is understood. But in every other respect, a government source said a press release announcing the commission's terms of reference (ToR) was candid. *(Business Standard)*

India braces for a Rs 50,000 crore rise in its subsidy bill for FY24

India's overall subsidy bill may surge by ₹50,000 crore this fiscal year because of increased expenditure on fertiliser, cooking gas and food security. The government expects to meet this higher spending from savings under other heads in its ₹45-lakh crore FY24 budget. *(The Economic Times)*

New Finance Commission may tweak formula; SDGs, climate could get more weight

The government is likely to ask the next Finance Commission to consider a higher weight for the human development index (HDI) and sustainable development goals (SDGs) while recommending the distribution of resources among states. It may also ask the commission to weave in climate goals in its formula. The government is currently finalising the terms of reference for the 16th Finance Commission, which is likely to be set up shortly. *(The Economic Times)*

Fiscal deficit touches 45% of full-year target in October

The government's fiscal deficit at the end of October touched 45 per cent of the full-year budget estimate, according to data released by the Controller General of Accounts (CGA) on Thursday. In actual terms, the fiscal deficit—the difference between expenditure and revenue—was ₹8.03-lakh crore during the April-October period of 2023-24. *(BusinessLine)*

Better tax collection helps limit fiscal deficit at 45% of Budget Estimate

Sustained growth in tax collections helped the Centre limit fiscal deficit (difference between income and expenditure) during April-October period to 45 per cent of the budget estimate for FY24. The period under consideration also showed strong growth in capital expenditure. With this, the expectation is that the Centre will be able to contain the deficit within the budget estimate of ₹17.87-lakh crore i.e. 5.9 per cent of GDP or perhaps even lower than that. *(BusinessLine)*



Taxation

Mechanism to file appeals under GST amnesty scheme now available on GST portal

The Finance Ministry has come out with a detailed procedure for filing an appeal under the amnesty scheme for GST assesses. Officials expect that this scheme will facilitate a large number of taxpayers who could not file appeals in the past within the specified time period. *(BusinessLine)*

I-T department discovers Rs 10,000 crore tax evasion by online retailers

The income tax (I-T) department has discovered tax evasion of about Rs 10,000 crore over three years. The evasion is reported to have been done by online retailers selling products via social media platforms such as Instagram and Facebook. The I-T department has sent notices to 45 brands operating across the country, the report said. Other companies will likely be sent similar notices soon. *(Business Standard)*



National Accounts and State of the Economy

India's GDP to moderate to 5.0-5.5% in second half of FY24: Acuite

Key factors such as adverse spillover from the anticipated (albeit somewhat delayed) global slowdown, dilution of pent-up demand (especially in services), and lagged impact of domestic monetary tightening, among others, are expected to moderate India's second half (H2 FY24) GDP growth to 5.0-5.5 per cent, according to Acuite Ratings and Research. *(BusinessLine)*

Indian economy grows 7.6% in July-Sep quarter: Govt data

India's economy grew at a much faster pace than expected in the July-September quarter, helped by government spending and manufacturing. Asia's third-largest economy expanded 7.6 per cent in the September quarter, much faster than the 6.8 per cent forecast in a Reuters poll of economists and the Reserve Bank of India's estimate of 6.5 per cent. *(BusinessLine)*



Banking and Monetary Policy

Small finance banks wants RBI to clear doubt about micro loan risk weightage

The small finance banks (SFBs) are an anxious lot nowadays as the Reserve Bank of India did not specifically mention on whether microfinance loans are exempted from the higher risk weightage norm recently issued by the regulator *(The Economic Times)*

Additional housing loans for stalled real estate projects to be treated as standard credit

The Reserve Bank of India (RBI) has informed banks that additional housing loans for stalled real estate projects, revived under the government's Special Window for Affordable and Mid-Income Housing (SWAMIH) scheme, can be considered standard loans. This move aims to support the completion of stalled projects. However, the borrower must not own more than two residential properties in a stalled project, and failure to meet payment terms will revert the account to non-performing status. *(Business Standard)*

Centre checks on banks' cyber fraud readiness

The government on Tuesday took stock of the preparedness of the banks and other financial institutions in tackling the challenges arising from cybersecurity in the financial services sector and increasing digital payment frauds. The government has already suspended seven million mobile numbers on account of suspicious transactions, financial services secretary Vivek Joshi said. *(The Economic Times)*

Penalties rise as RBI turns up scrutiny of banks, NBFCs

The Reserve Bank of India (RBI) has slapped penalties totalling ₹71.4 crore in 56 cases in the year so far as it enhanced scrutiny of banks, non-banks and other regulated entities, data compiled by Mint showed. In comparison, the banking regulator levied fines of ₹26 crore across 34 cases in all of last year. *(Mint)*

Indian banks set a decadal record with 123,000 hirings in FY23

Indian banks witnessed their highest hiring numbers in a decade in FY23, and the trend is expected to continue in FY24, with top banking sector officials expecting a surge in headcount growth. This growth is likely to surpass the previous year's record and potentially set an all-time high. *(The Economic Times)*

Lending rates rise faster than deposit rates in October

On the deposit side, the weighted average domestic term deposit rate (WADTDR) on outstanding rupee term deposits went up to 6.75 percent in October 2023 from 6.69 percent in September 2023. The weighted average domestic term deposit rate (WADTDR) on fresh rupee term deposits moved to 6.31 per cent in October 2023 from 6.32 per September 2023. *(The Economic Times)*



External Sector

India to step up coking coal shipments from Russia

India will step up imports of coking coal, a key material in steel manufacturing, from Russia, as cargoes from top supplier Australia drop and steel mills struggle with rising prices, three government sources and an industry executive said. *(The Economic Times)*

Manmade fibre textiles exports to rise 75% by 2030: Textile industry

Buoyed by the Production Linked Incentive (PLI) scheme and free trade agreements with the UAE and Australia, the industry expects India's exports of manmade fibre (MMF) textiles to increase 75% to \$11.4 billion in 2030 from around \$6.5 billion in 2021-22. *(The Economic Times)*

India needs to position itself as global mfg hub as China witnessing repeated outbreaks: GTRI

With China witnessing repeated outbreaks of respiratory ailments, India can position itself as a global manufacturing hub by enhancing its supply chain capabilities and investing in healthcare infrastructure, think tank GTRI said in a report. India can leverage its workforce and manufacturing potential in sectors like mobile phones and laptops, the Global Trade Research Initiative (GTRI) said. *(The Economic Times)*

Commerce ministry working to remove trade barriers, boost exports in sub-Saharan Africa, Gulf nations

The commerce ministry is working to address issues related to non-tariff barriers and market access for domestic products in sub-Saharan African countries like Nigeria, Ethiopia, Ghana and Gulf nations to boost India's exports, an official said. *(The Economic Times)*

Seen huge increase in imports from India, says Swedish Financial Markets Minister

Higher interest rates and various military conflicts may have dampened global economic demand, but imports of Indian goods to Sweden have registered a "huge increase" this year, Niklas Wykman, Minister for Financial Markets, Sweden, said to Bhaskar Dutta. In 2022, Sweden's imports of Indian goods were at 12.15 billion Swedish Krona while exports to India were at 17.3 billion. *(The Economic Times)*

India's bilateral FTA with Singapore and as part of Asean needs to be studied together: GTRI

Think-tank GTRI on Sunday suggested that the government study the bilateral free trade agreement with Singapore and as part of the Asean bloc together while reviewing its trade pact with the 10-nation grouping. Singapore is a member of 10-nation Asean bloc with which India has a free trade agreement in goods since 2010. Separately, India also implemented a comprehensive free trade agreement (FTA) with Singapore in 2005. *(The Economic Times)*

Require multilateral discussion under a WTO body, say India, South Africa and Egypt

India, South Africa and Egypt have told the World Trade Organisation (WTO) that the informal discussions on dispute settlement reforms - initiated and led by the US last year - are not a substitute for multilateral talks and favour the participation of the resource-rich delegations. *(The Economic Times)*

As local exotic flowers bloom, imports wilt

Wedding planner Mukta Kapoor recently had a client request an arrangement of locally grown nargis flowers (daffodils). And she's not the only one. There's a growing trend of Indians opting for domestic produce, as opposed to imported blooms. India's increasing cultivation of exotic flowers such as orchids, carnations and tulips is meeting the rising demand. Regulations are also keeping overseas supplies in check. *(The Economic Times)*

Pakistan beats India by 10 votes to secure Vice Chair post at UNESCO

"Pakistan has been elected, with overwhelming support, as Vice Chair of UNESCO Executive Board (term 2023-25) from the Asia Pacific Group at the ExB Session. Grateful to all members for their trust and support. Is deeply committed to cooperative multilateralism and looks forward to working together with all members to promote our

common objectives and to defend shared values and UNESCO principles," said Pakistan's foreign ministry in a post on social media platform X. *(Mint)*

Railways to invite global firms to manufacture hydrogen trains

India proposes to invite expression of interest from global players to manufacture hydrogen-powered trains in the country based on technology being developed indigenously. Indian Railways is developing a prototype of a train that will be powered by hydrogen fuel cells—making for a more environment-friendly locomotive than traditional diesel-powered ones. *(Mint)*

Joe Biden to miss COP28 climate summit: U.S. official

President Joe Biden will miss the latest U.N. climate summit in Dubai, after two years of attending the talks in hopes of highlighting U.S. leadership, a U.S. official said Sunday. *(The Hindu)*



Agriculture and Rural Economy

No new issue in agri till permanent solution on public stockholding: India at a WTO meet

India has told a WTO grouping with a major interest in farm trade that it will not discuss any new issue in the agriculture segment like imposition of export restrictions before a permanent solution is found with regard to public stockholding of food grains, an official said. This position was cleared during a mini-ministerial virtual meeting of about 28 WTO (World Trade Organisation) member countries on agriculture issues on November 28. *(The Economic Times)*

No new issue in agri till permanent solution on public stockholding: India at a WTO meet

India has told a WTO grouping with a major interest in farm trade that it will not discuss any new issue in the agriculture segment like imposition of export restrictions before a permanent solution is found with regard to public stockholding of food grains, an official said. This position was cleared during a mini-ministerial virtual meeting of about 28 WTO (World Trade Organisation) member countries on agriculture issues on November 28. *(The Economic Times)*

At WTO, India faces questions on free foodgrains, rice export ban

India may need to give clarifications on the WTO-compatibility of its recently-announced five year extension for the PM Garib Kalyan Ann Yojna (PMGKAY) free foodgrains scheme and share more details on reasons guiding its ban on export of non-basmati rice at the three-day WTO Committee on Agriculture. *(BusinessLine)*

Set up special courts to expedite agri-related cases

Farm-related issues seem to be taking a backseat in Indian courts. Two recent developments are a pointer to the treatment of one of the priority sectors in the country. *(BusinessLine)*

Urea sales up 15% in October helped by higher imports

Urea sales in October increased by 15 percent from a year ago whereas the overall consumption during the first half of the fiscal surged by 8 per cent. Both the timing and volume of imported urea is decided by the government and executed by four canalising agencies. *(BusinessLine)*

Pulses imports double in H1 as erratic rain affects output

Per the latest official data, pulses imports in volumes saw an increase of close to 113 per cent to over 14.85 lakh tonnes (lt) during the April-September period of financial year 2023-24 compared with 6.98 lt in the same period a year ago. *(BusinessLine)*

Rural economy sluggishness could impact growth

While urban demand has continued to be robust, the rural engine has run on a slightly different track. Post Covid, there had been a gradual albeit belated recovery in rural consumption since late 2022, aided by moderation in retail inflation, sizeable correction in agri-input costs and an improvement in rural wages. *(BusinessLine)*

Fertilizer subsidy crosses 70% of Budget allocation in 7 months of FY24

The government's fertilizer subsidy bill may exceed ₹2-lakh crore in current fiscal as it has crossed 70 per cent of the Budget allocation of ₹1.75-lakh crore in the last seven months. But with rising subsidy level, the retail prices of non-urea fertilizers are likely to remain stable as the government has assured to take the burden. *(BusinessLine)*



Industry, Manufacturing, Services and Technology

Rs 8.45 trillion & rising: Orders flood major capital goods firms

India's leading capital goods and engineering firms are in the midst of one of their busiest seasons, with the combined orderbook surging past Rs 8 trillion in value. As on September 30, 2023, 13 of India's top 15 listed capital goods and engineering firms, for which data for the September 2023 quarter was available, had a total orderbook worth Rs 8.45 trillion — a number unseen at least since 2018-19. *(Business Standard)*

Manufacturing PMI rises to 56 in Nov as cost inflation hits 40-month low

Indian manufacturing industry continued to perform well in November. After slowing in October, growth of output gathered pace as strengthening client demand and more favourable input supply boosted production volumes. Picking up from October's eight-month low of 55.5 to 56.0 in November, the seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) indicated a stronger improvement in operating conditions. *(Business Standard)*

Railways to invite global firms to manufacture hydrogen trains

India proposes to invite expression of interest from global players to manufacture hydrogen-powered trains in the country based on technology being developed indigenously. *(Mint)*

Jewellery trade moves to expose shell companies, curb illegal fund flows

The initiative to trace UBOs in the jewellery trade is being led by the main industry body Gem & Jewellery Export Promotion Council, which had introduced the 'MYKYC' regime in

2019 in the wake of the Nirav Modi-Mehul Choksi scam, making it mandatory for members to reveal UBOs of companies and IDs and personal details of proprietors of domestic firms. *(The Economic Times)*



News on Kerala

Kerala's farm workers have been the highest paid since FY15

Kerala paid the highest wage to agriculture labourers, ₹764.3 a day, more than double the national average. Data shows that this has been the case every year, since FY15. On the other hand, a labourer who did the same amount of work made a mere ₹229.2 per day in Madhya Pradesh, the lowest wage in the country. *(BusinessLine)*

Administrative sanction accorded for 'green energy hub' scheme

Main components of ₹92-lakh scheme are pilot projects in green hydrogen and establishing a centre of excellence in green hydrogen

Panels to monitor prices of essential commodities, recommend steps to overhaul Supplyco

State-level committee chaired by the Chief Secretary will review prices every four months, district-level panels will make suggestions on market intervention. Another committee will look into Supplyco's problems

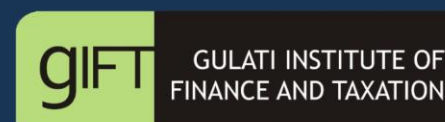
Kerala govt. clears ₹30-cr. proposal for integrated hub for Agriculture dept.

The hub will bring the department and allied agencies under one umbrella in a modernised office environment and facilitate prompt service to the farming community, say dept. officials

Digital transformation award for Kerala health department's scheme

Kerala Health department's digital platform, for the project 'Ashadhara', has won the digital innovations in health sector award at the 12th Digital Transformation Conclave 2023, which concluded at Ladakh recently, a statement issued by the Health department said.

GULATI INSTITUTE OF FINANCE AND TAXATION
GIFT Campus, Chavadimukku,
Sreekariyam, Thiruvananthapuram, Kerala - 695017
Phone : 0471 2596970, 2596980, 2590880, 2593960
Fax : 0471 2591490
Email : giftkerala@gmail.com



An Autonomous Institution of Government of Kerala

Disclaimer: This compilation on important news items relating to Finance, Taxation and Indian economy by GIFT from various newspapers and e-resources aims at providing an update to our esteemed readers. GIFT does not guarantee the accuracy or validity of the information provided. It is not a commercial product and all the copyrights remain with those of the respective copyright holders. Images are sourced from the web.