



Public Finance

High-capex budget likely in bid to offset global slump

The Centre is likely to press ahead with its high capital expenditure plan in the upcoming budget to counter a deepening global slowdown that may dent India's economic recovery. A "balanced approach" will be central to this budget even though it will be this govt's last full budget, as revenues next year are unlikely to be as buoyant and the turbulence in the global economy is expected to have some impact on India. (*The Economic Times*)

States seek more fiscal support, autonomy in meet with finmin

Ministers from state governments and Union territories on Friday pitched for greater financial support and flexibility, tax changes that will support local industries, and specific social sector and infrastructure projects at a pre-budget consultation with finance minister Nirmala Sitharaman. (*Mint*)

Defining Climate Finance and What It Means For India

Defined by the United Nations Framework Convention on Climate Change, climate finance refers to finance through local, national or transnational sources, particularly drawn from public, private and other sources, to help in mitigation and adaptation of actions that will help address climate change. (*Entrepreneur*)



Taxation

GST collections stand at Rs 1.46 lakh cr in November, 11% rise YoY

GST collections for November stood at Rs 1,45,867 crore, which were up by 11 per cent year-on-year, according to data released by the Finance Ministry on Thursday. Monthly GST revenues have been more than Rs 1.4 lakh crore for nine straight months now. (*The Economic Times*)

Online gaming tax, tribunal to top GST Council agenda

The Goods and Services Tax Council is expected to discuss two key reports – one on taxation of online gaming, horse racing and casinos and another dealing with the setting up of GST Appellate Tribunal as it meets on December 17 via video-conferencing. The Group of Ministers on setting up of the GST Appellate convened by Haryana deputy chief minister Dushyant Chautala has finalised its report. (*Financial Express*)

Rationalisation in long-term capital gains tax structure on the anvil

The finance ministry is looking at rationalising long-term capital gains tax structure by bringing parity between similar asset classes and revising the base year for computing indexation benefit to make it more relevant, an official said on Friday. Currently, shares

held for more than one year attract a 10 per cent tax on long-term capital gains. *(The Economic Times)*

AMFI seeks to raise TDS limit to ₹50,000 per annum

The mutual fund industry has urged the government to increase the threshold for withholding tax (TDS) on dividend to ₹50,000 per annum from the current level of ₹5,000 per annum. In a pre-Budget representation, the Association of Mutual Funds in India (AMFI) said the current threshold for TDS on dividend has been causing hardship to retail investors particularly when TDS on banks' fixed deposit was raised from ₹10,000 to ₹40,000 a couple of years ago. *(BusinessLine)*

CGST rules amended for transfer of anti-profiteering body's cases to competition panel

With less than two days to go for the formal integration of the National Anti-Profiteering Authority (NAA) with CCI, the Centre has now taken steps to facilitate transfer of pending cases to the competition watchdog. The Central Goods and Service Tax Rules, 2017, have been amended to facilitate the transfer of cases, sources close to the development said. *(BusinessLine)*

Budget may not be right time to restructure capital gains tax: Revenue secretary

The new alternative tax regime should be incentivised to encourage more taxpayers to adopt it, says Revenue Secretary Tarun Bajaj in an interview with Shrimi Choudhary. Bajaj, who super annuates today, suggests this could be done by raising the lower tax slab up to Rs 7-7.5 lakh, from the current Rs 2.5 lakh. *(Business Standard)*

Centre cuts windfall tax on crude oil output, diesel exports

The Central Government on Thursday reduced to less than half the windfall tax on crude oil to ₹4,900 (\$60.34) per tonne, as per a government order. The government has also slashed the export tax on diesel to ₹8 per litre. *(Mint)*



National Accounts and State of the Economy

India's July-September economic growth rate slows to 6.3 per cent amid rising policy rates, weak manufacturing

India's economic growth pace halved to 6.3 per cent in July-to-September, amid rising repo rates and contraction in manufacturing output. "Real GDP or GDP at Constant (2011-12) Prices in Q2 2022-23 is estimated at ₹38.17 lakh crore, as against ₹35.89 lakh crore in Q2 2021-22, showing a growth of 6.3 percent as compared to 8.4 percent in Q2 2021-22," the government said in a press release. *(The Economic Times)*

India annual GDP growth to slow in September quarter as COVID effect fades

Annual growth in the Indian economy likely slowed in the July-September quarter as COVID distortions faded, economists said ahead of GDP data due on Wednesday that will provide clues about its resilience in the face of global economic turmoil. *(The Economic Times)*

Heat stress may wipe out 4.5% of India's GDP, cost 34mn jobs by 2030

Heat stress is likely to wipe out 4.5% of India's GDP – between \$150-250 billion – by 2030, but using alternative and innovative energy-efficient technologies to meet its cooling needs will open an investment opportunity of \$1.6 trillion by 2040 for the country, a World Bank study released on Wednesday said. *(The Economic Times)*

Remittances to lower income countries ease in 2022: World Bank

The World Bank said cash transfer to lower-income countries rose around five percent to \$626 billion in 2022. Remittance flow is projected to slow further in 2023. Cash transfers to low- and middle-income countries eased this year, with rising prices taking a toll on migrants' incomes, the World Bank said Wednesday. *(Mint)*

Outstanding power sector dues of States decline by ₹24,680 crore

It is expected that strict implementation of the LPS rules will bring back financial viability of the power sector in the country and would attract investment to ensure reliable 24x7 electricity to the consumers. The implementation of late payment surcharge (LPS) rules has led to an improvement in recovering outstanding dues of suppliers including Gencos, transmission companies and traders with dues declining by ₹24,680 crore, Power Ministry said on Wednesday. *(BusinessLine)*

Govt plans pilots on new direct benefit transfer model for fertilisers

In a significant step, the Centre is planning to conduct pilots in a few districts of the country on a modified version of the direct benefit transfer (DBT) in fertilisers that would establish some connection between land holding and the nutrient's consumption. *(Business Standard)*



Banking and Monetary Policy

RBI's modified digital lending norms to come in effect from Dec 1

The Reserve Bank's modified guidelines on digital lending that seek to protect customers from exorbitant interest rates by certain entities and also check unethical loan recovery practices will come into effect from December 1st. Under the new norms, all loan disbursements and repayments are required to be executed only between the bank accounts of the borrower and the regulated entities (like banks and NBFCs) without any pass-through/ pool account of the Lending Service Providers (LSPs). *(Business Standard)*

Bank credit grows at 17.2% from 7% in September quarter, says RBI data

Bank credit growth improved to 17.2 per cent in the September quarter 2022 from 7 per cent in the year-ago period, reflecting pick-up in economic activities. Aggregate deposits growth (y-o-y), which remained in the close range of 9.5-10.2 per cent since June 2021, stood at 9.8 per cent in September 2022. Private sector bank group has been outpacing public sector banks, foreign banks and regional rural banks in deposit mobilisation, the RBI said *(Business Standard)*

Reserve Bank of India issues framework for Indian banks' foreign biz

The Reserve Bank of India (RBI) has put in place a framework to allow overseas subsidiaries and branches of Indian banks and financial institutions to undertake activities not specifically permitted in the Indian domestic market. The framework also

specifies the applicability of these instructions to International Financial Services Centres in India, including Gujarat International Finance Tec-City (GIFT City). *(Business Standard)*

India, UAE central banks discuss rupee, dirham trade

The Central banks of India and UAE are discussing a concept paper on promoting bilateral trade in rupee and dirham with a view to reduce transaction cost, a top official said on Friday. India and the UAE had already signed a free trade agreement (FTA) in February to give a fillip to bilateral trade and economic ties. The Central banks of both the countries will discuss the standard operating procedures and modalities, he told reporters here. *(The Hindu)*

Favourable regulations offer tailwinds for digital lending sector: apex body

Regulations boosted customer confidence in fintech lending as a result disbursement increased by 216% over the last year, said Fintech Association for Consumer Empowerment (FACE), a self-regulatory body for fintech lenders. Implementation of RBI's digital lending guidelines brought tailwinds for the industry as it set clear rules and standards, boosting the confidence of the customers, fintech lenders and other market participants, observed Sugandh Saxena, CEO at FACE. *(The Hindu)*



External Sector

Foreign direct equity investments from top-6 nations shrink in H1

Foreign direct equity investments from six out of the top-10 investing countries/regions Mauritius, United States, United Kingdom, Netherlands, Germany, and Cayman Islands witnessed a contraction during the first half of the financial year compared to the year-ago period. *(Business Standard)*

India-Australia FTA to kick off on Dec 29, boost trade relations for decades to come

The Confederation of Indian Alcoholic Beverage Companies (CIABC) earlier hailed Australia's approval of the India-Australia Free Trade Agreement (FTA). Now, Barry O'Farrell - Australia's High Commissioner to India - has said that the agreement will provide both nations with new opportunities for market access and will ensure Australia and India's friendship for decades to come: The Australia-India FTA will enter into force on December 29, O'Farrell added. *(Mint)*

UK committed to new free trade deal with India: Rishi Sunak

British Prime Minister Rishi Sunak on Monday reiterated the United Kingdom's commitment to a Free Trade Agreement (FTA) with India as a part of the country's wider focus on enhancing ties with the Indo-Pacific region, according to the news agency PTI. *(Mint)*

India's G20 plans will focus on counter-terrorism, supply chain issues

India's G20 plans will include a special focus on counter-terrorism, supply chain disruption, and "unity" in world affairs, sources said here on Tuesday. India will take over the G20 presidency on December 1 and the next summit will be held here in 2023. *(The Hindu)*

Looking forward to India's G20 leadership, says Singapore High Commissioner

Singapore is looking forward to India's leadership in Group of Twenty (G20) nations, said High Commissioner Simon Wong on Thursday as he congratulated New Delhi on officially assuming the presidency of G20 from today. *(ThePrint)*

Looking forward to supporting India's G20 presidency next year: White House

The United States is looking forward to supporting India's G-20 presidency next India formally takes over the presidency of the group of the world's richest economies on Thursday. *(The Hindu)*



Agriculture and Rural Economy

Reinventing Indian agriculture through IoT and AI

Over the last decade, the Indian agri ecosystem has gone through a rapid transformation, made possible due to the emergence of agtech segment, which has created investment opportunities. It has resulted in production increasing and logistics turning efficient. Advances in agtech are hugely relevant to the country's economy today. *(BusinessLine)*

Farmer leaders seek PM's intervention on GM-mustard

Even as the Supreme Court has agreed to hear the matter regarding 'environmental release' of the country's first genetically modified (GM) food crop, several farmer leaders have sought the intervention of the prime minister to stop field trials of GM-Mustard variety DMH-11 and also withdrawal of the government approval. *(BusinessLine)*

IIL, CIFE tie-up to develop fish vaccines

Indian Immunologicals Limited (IIL), a Hyderabad-based vaccine manufacturer, has announced plans to develop vaccines for fresh water fish. Several fish vaccine candidates are currently being evaluated for commercialisation. *(BusinessLine)*

Centre allows sales of insecticides through e-commerce firms

The online trade in agro-chemicals in the country is poised to take off with the Centre allowing sales of insecticides through an e-commerce entity. The latest move by the Centre is expected to help agro-chemical manufacturers to set up their online platforms, besides attracting the interests of e-commerce giants such as Amazon and Flipkart among others, experts said. *(BusinessLine)*

ICRISAT, ADB develop high-resolution spatial maps to assess impact of floods, droughts

Scientists at ICRISAT, in association with the Asian Development Bank (ADB), have developed high-resolution spatial maps that enable cropland mapping for insurance claims and governments. The spatial maps cover the whole of South Asia, which is home to 1.9 billion people and 230 million hectares of net cropped area. *(BusinessLine)*

Wheat, flour prices soar, expected to remain high till new crop arrives

In the past one month, prices of wheat and flour have soared by 5 per cent and 4 per cent, respectively, and commodity watchers expect them to remain high till the new crop arrives, which is bad news for the consumers of the two essential commodities. *(Business Standard)*

Govt plans pilots on new direct benefit transfer model for fertilisers

In a significant step, the Centre is planning to conduct pilots in a few districts of the country on a modified version of the direct benefit transfer (DBT) in fertilisers that would establish some connect between land holding and the nutrient's consumption. Currently, the version of DBT in fertilisers involves farmers purchasing their fertilisers through point of sale (PoS) devices after undergoing Aadhaar authentication. *(Business Standard)*

Investment in agri tech startups jumps 2-fold to \$4.6 bn in FY22

Investment in technology startups in the agriculture and food sector jumped over twofold to \$4.6 billion during the last fiscal on the back of higher inflow in restaurant marketplace and e-grocery, according to a report by AgFunder and Omnivore. "Total investment in agrifoodtech startups for India's fiscal year (FY) 2022 stood at \$4.6 billion, up 119 per cent from FY2021. Deal volume also increased to 234 in FY2022 as compared to 189 deals in FY2021," according to the report titled 'India AgriFoodTech Investment Report 2022'. *(BusinessLine)*

Govt. forms panel to look into MGNREGA's efficacy

The Sinha committee has been tasked to study the various factors behind demand for MGNREGA work, expenditure trends and inter-State variations, and the composition of work. It will suggest what changes in focus and governance structures are required to make MGNREGA more effective. *(The Hindu)*

SC worried over effect of GM crops on livelihood of women farm labourers

The Supreme Court on Wednesday expressed concern about the plight of thousands of women agricultural labourers in rural areas, traditionally engaged in de-weeding, who will be part of the human cost if the government permits the commercial cultivation of herbicide-tolerant crops such as GM mustard in India. *(The Hindu)*

Paddy Procurement Up 9%

The government's paddy procurement for the central pool rose over nine per cent to 306.06 lakh tonnes so far in the ongoing 2022-23 kharif marketing season, according to the food ministry data. Higher quantities of paddy were purchased from Punjab, Haryana, Chhattisgarh and Telangana. *(The Economic Times)*

Demand for Mgnregs Work Expands 21% in November

Demand for work under the Mahatma Gandhi National Rural Employment Guarantee scheme saw a sharp rebound of 21% in November after falling for two consecutive months. Official data showed that demand for work in the individuals category rose by 20.9% to 22.5 million, the highest since July, while demand by households was up by 19.3% to 18.5 million. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

Govt mulls selling 5%-10% stake in Coal India, Hindustan Zinc, Rashtriya Chemicals

India plans to sell small stakes in state-run firms including the world's biggest coal miner and Asia's largest zinc producer, to ride a stock market boom and boost revenue in the

final quarter of the financial year, according to people familiar with the matter. *(The Economic Times)*

Infrastructure output slows down to 0.1% in October, lowest in 20 months

The growth of core sector industries slowed down to 0.1% in October as against 8.7% same month last year, government data showed on Thursday. Production of eight infrastructure sectors had expanded by 7.8% in September, the highest in three months. The production of fertilizers, steel, coal and electricity generation increased in October 2022 over the corresponding month of last year while crude oil, natural gas, refinery products, and cement output recorded negative growth rate. *(The Economic Times)*

National retail trade policy roll-out gathers steam

The Department for Promotion of Industry and Internal Trade (DPIIT) in the Ministry of Commerce and Industry has circulated the new draft of the National Retail Trade Policy to various Ministries and department. The main objective of which is facilitation of modernisation and digitisation of retail trade plus streamlining retail trade and development of all formats of retail trade sector. *(BusinessLine)*

PNGRB amends natural gas norms to hasten infra growth

The Petroleum Natural Gas Regulatory Board (PNGRB) has amended regulations dealing with natural gas pipeline tariff, authorisation and capacity as it moves towards a unified tariff regime from FY24, and to fast track the laying of pipelines and related infrastructure. *(BusinessLine)*

Paper industry urge PM to resolve coal supplies crunch

The Indian Agro & Recycled Paper Mills Association (IARPMA) has reached out to the Prime Minister Narendra Modi on coal shortage faced by the domestic paper and pulp industries which has compelled many mills to cut down their production or force closure. *(BusinessLine)*

Coal India to boost production; aims to achieve FY23 output target

State-owned Coal India said it will further boost production in the coming months and is optimistic that the company will achieve the output target set for the current financial year. Coal India (CIL), which accounts for over 80 per cent of domestic coal production, is eyeing an output of 700 million tonnes (MT) for FY'23. *(The Economic Times)*

Weak demand, global slowdown to drag semiconductor industry revenues: Gartner

The global semiconductor industry is likely to report a decline in revenues in 2023, owing to weak demand and fears of recession in the global economy. Research firm Gartner has projected a 3.6 per cent decline in revenues at about \$596 billion in 2023, as against 4 per cent growth at close to \$618 billion in 2022. *(BusinessLine)*

Industry urges govt. to establish 'India Rare Earths Mission' to reduce reliance on China

To counter India's reliance on China for imports of critical rare earth minerals, industry has urged the government to encourage private sector mining in the sector and diversify sources of supply for these strategic raw materials. To encourage private players to mine such minerals, it was suggested to set up an 'India Rare Earths Mission', manned by professionals, like the India Semiconductor Mission and make their exploration a critical component of the Deep Ocean Mission plan of the government. *(The Hindu)*

Telcos seek regulatory framework to levy usage charge on OTTs, exemption for small players

After the Department of Telecom has proposed to define OTT players providing call and messaging service as telecom service providers (TSPs), the Cellular Operators Association of India Director General SP Kochhar said that charges may be limited based on usage of the network without burdening over-the-top (OTT) players in micro, small and medium enterprise segment. *(Mint)*

Retail inflation for industrial workers eases to 6.08 pc in Oct, shows data

Retail inflation for industrial workers rose to 6.08 per cent in October from 6.49 per cent in September 2022 mainly due to lower prices of certain food items, according to the govt data released *(Business Standard)*

Economic uptick boosts credit offtake beyond 20% in retail, services

The credit offtake remained robust across sectors — farming, industry, services, and retail — in October, the start of a busy season, on increased demand amid economic upturn and festivals. *(Business Standard)*

Electrical and kitchen appliances industry to report 8-10% revenue growth in FY23: Crisil

The organised electrical and kitchen appliances industry is expected to report 8-10% growth this fiscal, driven by greater consumer preference for branded products, according to a note by Crisil Ratings. *(Mint)*

India's manufacturing PMI hits 3-month high in November

Manufacturing sector is picking up pace as Purchasing Managers' Index (PMI) improved to 55.7 in November against 55.3 in October, said S&P Global. *(BusinessLine)*



News on Kerala

Provide more fiscal powers to states; expedite approval for SilverLine project: Kerala FM to Centre

Kerala Finance Minister KN Balagopal on Friday urged the Centre to provide more fiscal powers to the states as well as increase the shareable proportion of the GST collections. Besides, he asked the central government to expedite approval for the semi-high-speed railway line or the Silverline project from Thiruvananthapuram to Kasargod. The project is mired in controversies. *(The Hindu)*

Perishable goods export dips as open-sky policy of Centre and 18% IGST take a toll

The exporters from Kerala are facing headwinds with the export of perishable goods from the State declining by around 30-40% chiefly driven by the open-sky policy of the Centre and the recent introduction of Integrated Goods and Services Tax (IGST) on export. Kerala had been exporting around 6,000 to 7,000 tonnes of perishable goods, mainly fruits and vegetables, marine products, meat products and flowers, to various countries in West Asia and Europe a month. *(The Hindu)*

Long road to recovery for tourism as foreign tourist arrivals sluggish

The State recorded a 1.4% increase in domestic tourist arrivals in the first three quarters of the 2022 when compared to the corresponding pre-pandemic period in 2019, according to the statistics compiled by the Department of Tourism. The foreign tourist arrivals continue to remain sluggish, showing that there is still a long road to complete recovery. *(The Hindu)*

KITE plans to set up 9,000 robotic labs in 2,000 high schools

Kerala Infrastructure and Technology for Education (KITE), the edtech arm of the State government, is setting up 9,000 robotic labs in 2,000 high schools. Chief Minister Pinarayi Vijayan will inaugurate the robotics labs, to be taken up through Little KITEs, the largest ICT network of students in the country, here on December 8. State Finance Minister K.N. Balagopal will be the chief guest at the inauguration. *(The Hindu)*

Water supply and sewerage projects under AMRUT 2.0 scheme get Centre's nod

The Ministry of Housing and Urban Affairs has approved 222 water supply and sewerage projects amounting to ₹1,938.52 crore submitted by various urban local bodies in the State under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0 scheme. The cleared projects include 199 water supply-related projects amounting to ₹1,738.03 crore submitted by 81 urban local bodies and 23 sewerage projects amounting to ₹104.63 crore submitted by the Thiruvananthapuram Corporation. *(The Hindu)*

Teacher-student ratio of 1:40 to be retained

The Cabinet on Wednesday decided to retain the teacher-student ratio of 1:40 in aided high schools in the State for the 2022-23 academic year. As per the Right to Education Act, the teacher-student ratio in high school (Classes IX and X) is 1:45. However, to protect high school teachers in the aided sector, a concessional ratio of 1:40 had been allowed for staff fixation. This waiver was extended every year through orders. *(The Hindu)*

Kerala registers an MMR of 19 in SRS, experts dispute it

Kerala has registered an incredible maternal mortality ratio (MMR) of 19 (per one lakh live births) according to the latest Sample Registration System (SRS) special bulletin on Maternal Mortality in India (2018-20) brought out by the office of the Registrar General of India. According to this latest bulletin, Kerala's MMR, which was the lowest in the country at 30 in 2017-19, dropped by another 11 points in 2018-20 to 19. *(The Hindu)*

Kerala University and NII researchers bag U.S. patent for peptide complex discovery

A Kerala University (KU) faculty, along with her former colleague at the National Institute of Immunology (NII), New Delhi, has received a U.S. patent for 'peptide complex with immunomodulatory and anti-inflammatory function.' Viji Vijayan, an assistant professor in Kerala University's Biochemistry department, and Sarika Gupta, staff scientist, NII, had collaborated on the discovery as principal investigator and scientist mentor respectively. *(The Hindu)*

Russia a major market for Kerala Tourism: Mohamed Riyas

Russia has been an important market for Kerala tourism and this partnership is bound to gain further strength in the post-pandemic era as the State has drawn up ambitious plans to add a lot of unexplored destinations to its tourism map, said tourism minister PA Mohamed Riyas. *(The Economic Times)*

Govt's paddy procurement up 9 pc at 306 lakh tonnes so far this year

The government's paddy procurement for the central pool rose over nine per cent to 306.06 lakh tonnes so far in the ongoing 2022-23 kharif marketing season, according to the food ministry data. Higher quantities of paddy were purchased from Punjab, Haryana, Chhattisgarh and Telangana. *(The Economic Times)*

Kerala secures Rs 817-crore loan from KfW for Green Energy Corridor projects

Kerala has secured Rs 817-crore loan from KfW, a German state-owned investment and development bank, for implementation of Green Energy Corridor (GEC) projects of Kerala State Electricity Board (KSEB). *(The Economic Times)*

Kerala sets up high-level working group for Hydrogen Economy Mission

The Kerala government on Wednesday constituted a Kerala Hydrogen Economy Mission with a high-level working group to contribute strategic inputs, facilitate partnerships, collaborations, and assistance to the Mission. *(The Economic Times)*

Govt allows Rs 1,800 cr to distribute welfare pension of two months before Christmas

Finance minister KN Balagopal on Wednesday said that the department has allowed the Kerala Social Security Pension Limited Rs 1,800 cr to distribute the welfare pensions. The pension was not given to the beneficiaries for the last two months due to financial constraints. *(Mathrubhumi)*

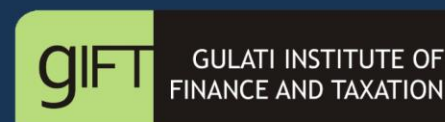
4000 govt employees getting welfare pension also; big liability for state if ineligible not removed from list, says FM

Finance Minister K N Balagopal said there are many ineligible people in the list of welfare pensioners in the state. He said that after a strict inspection those not eligible will be removed from the pension list. If not, it would be a major liability for the state, the minister said while talking to a private channel ahead of the state budget. *(Kaumudi Online)*

Unprecedented changes in education sector in six years: Kerala Finance Minister

Finance Minister K.N. Balagopal has said that there have been unprecedented changes in the education sector in Kerala, which has the largest number of schools in the country, in the last six years. *(The Hindu)*

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



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