



Public Finance

Centre proposes 'concurrent audit' of multi-state cooperative societies

Multi-State Co-operative Societies (MSCS) with a turnover or deposits above an amount to be specified will be subject to concurrent audit, the Centre has proposed. The proposal is part of the Multi State Co-operative Societies (amendment) Bill, 2022, introduced by B. L. Verma, Minister of State for Cooperation in the Lok Sabha on Wednesday. ([BusinessLine](#))

Call for one-time Budget allocation to pay Govt dues to healthcare providers

Healthcare providers have urged the Government to make a budgetary allocation to settle payments due to them for services provided through the Government schemes. Nathealth claims the reimbursements for completed treatments are not made on time, and in most cases, remain unpaid even for 2-3 years. ([BusinessLine](#))

FinMin allows PSUs to invest in debt schemes of all mutual funds

The finance ministry in an office memorandum on Wednesday allowed public sector undertakings (PSUs) to invest in debt schemes of all mutual funds. Earlier, provisions limited central public sector enterprises (CPSEs) to investment in public sector mutual funds only, in which the government held more than 50 per cent share. ([Business Standard](#))

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

The government of India has invested over Rs 5,000 crore in the SBICAP Ventures-backed SWAMIH Investment Fund I, set up under the Special Window for Affordable and Mid-Income Housing, taking its final close to Rs 15,530 crore. This is amongst the biggest corpus raised by any funds in India in the last few years. ([The Economic Times](#))

India foodgrain subsidy bill to surge 30% to \$33 billion this year: Source

India's spending on subsidised foodgrain to the poor may rise to Rs 2.7 lakh crore (\$32.74 billion) this fiscal year, as the government continues to provide support to the poor at least until December, according to a government official and a document reviewed by Reuters. ([The Economic Times](#))



Taxation

Awaiting action. GST rejig likely only after 2024 LS polls

Rationalisation of Goods & Services Taxes (GST) likely to be put off for post general election i.e., 2024. "GST rates are critical not just from an inflation point of view, but also it is a highly politically sensitive issue. We may see a complete overhaul of GST rates once the Lok Sabha election got over in 2024," a senior Government official told businessline.

Retail inflation based on Consumer Price Index (CPI) has been above the upper tolerance level of the targeted range of 2-6 percent and likely to stay for some more time. While the median rate of 4 per cent is a remote possibility. (*BusinessLine*)

GST council likely to consider decriminalisation of GST law in 17 December meet

The Goods and Services Tax (GST) Council scheduled to meet virtually on 17 December, is likely to discuss decriminalisation of offences under GST law, along with raising the threshold of launching prosecution to ₹20 crore, from ₹5 crore at present, news agency PTI quoted officials as saying. (*Mint*)

Moderating oil prices in 2023 could help phase out windfall tax, says Fitch

Fitch Ratings on Tuesday said it expects the government to phase out the windfall tax on domestic oil production next year in line with the moderation in the international crude oil prices. The agency also expects oil marketing companies (OMCs) to partly recoup the losses suffered as a result of a freeze on the retail prices of petrol and diesel this year. (*BusinessLine*)

GST Council meeting: Trace and curb of gutkha firms' tax evasion on agenda

The Goods and Services Tax (GST) Council is likely to take up in its upcoming meeting a group of ministers' (GoM's) report proposing strict measures to trace and curb tax evasion by pan masala and gutkha companies, a senior finance ministry official told Business Standard. The Council had tasked the panel of state finance ministers, headed by Odisha Finance Minister Niranjana Pujari, with examining the feasibility of levying GST on some evasion-prone commodities such as pan masala and gutkha based on the installed capacity of their units rather than actual production. (*Business Standard*)

Cut excise duty on CNG till gas is included in GST: Kirit Parikh panel

The Central government should moderate the excise duty levied by it on CNG till natural gas is included in GST regime, recommended the Kirit Parikh committee. Natural gas currently isn't in the ambit of GST though central excise duty, state VAT and central sales tax continue to be applicable on the fuel. (*Mint*)

GST collection to help achieve FY23 revenue growth target

GST collections will help achieve FY23 revenue growth target on the indirect taxes front, despite the impact of duty cuts on central excise and customs mop-up, a top official said on Wednesday. Central Board of Indirect Taxes & Customs Chairman Vivek Johri said the government's cuts in duties will make collections on customs and central excise challenging for the current fiscal. (*Mint*)

Online gaming industry okay with 28% GST on gross gaming revenue, but not on entry amount

Online skill-based gaming industry is fine with the government raising GST on online gaming from 18 per cent to 28 per cent but it should be levied only on gross gaming revenue (GGR) and not on contest entry amount as could hit the USD 2.2-billion sector, say industry players. There are reports that upcoming GST Council may consider imposing a 28 per cent Goods and Services Tax (GST) on the total amount rather than the current practice of 18 per cent on GGR (*The Economic Times*)



National Accounts and State of the Economy

India Inc's profit declines sharply to 3.48% of GDP in Q2 of FY23

The corporate profit to gross domestic product (GDP) ratio declined sharply in the previous two quarters, reversing the steep rise seen in the second half of financial year 2020-21 (FY21) and FY22. The corporate profit to gross domestic product (GDP) ratio declined sharply in the previous two quarters, reversing the steep rise seen in the second half of financial year 2020-21 (FY21) and FY22. (*Business Standard*)

World Bank raises India's FY23 growth forecast to 6.9%

The World Bank on Tuesday raised its FY23 growth forecast for India by 40 basis points to 6.9%, citing the economy's relative resilience to external headwinds and the "strong" growth out-turn in the September quarter. This is the first upgrade of India's FY23 growth forecast by any multilateral body this year, following a series of downward projections in recent months due to global turmoil. (*Financial Express*)

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*)



Banking and Monetary Policy

Bank credit grew almost 17% in fortnight ended Nov. 18: RBI

Indian banking system's outstanding credit grew by 16.96% for the fortnight ended November 18, the Reserve Bank said on Friday. The bank credit grew to ₹133.29 lakh crore for the fortnight ended November 18 this year as against ₹113.96 lakh crore on November 19, 2021, the Reserve Bank of India (RBI) said. (*The Hindu*)

Is the time right for RBI to moderate rate hikes?

There is increased expectation that the global central banks including US Federal Reserve and the RBI could moderate the policy rate hikes going forward. While the Fed's action will impact the decision of other central banks including RBI, that will not be the prime driver. (*BusinessLine*)

MPC minutes suggest further repo rate hikes to tackle rising inflation

The minutes of the monetary policy committee (MPC) deliberation for the August monetary policy review indicated more interest rate hikes in the coming months as the retail inflation remained elevated, even as panel members noted that it may have peaked. (*Business Standard*)

RBI soft-pedals on rate hikes, but may not have hit the brakes yet

The Reserve Bank of India (RBI) on Wednesday raised the policy repo rate by 35 basis points (bps) to 6.25%, downshifting gears from consecutive increases of 50 bps, and scaled down GDP growth hopes for the year to 6.8% from 7%, even as Governor Shaktikanta Das exuded confidence about the economy being resilient and asserted that “the worst of inflation” was behind us. *(The Hindu)*

Anonymity achieved in all retail CBDC wallet-to-wallet dealings done so far

All the wallet-to-wallet transactions of the central bank digital currency (CBDC) in the retail segment are anonymous as those transactions are not reflected in the core banking system of banks — a feature that shall boost customer confidence to use the digital rupee in India. *(Business Standard)*

RBI to introduce new functionality for UPI payments, allowing multiple debits

RBI governor Shaktikanta Das announced an additional function for Unified Payments Interface (UPI) platforms that would allow multiple debits. Mr. Das was effusive in his praise for the digital payment system in his address at the conclusion of the three-day Monetary Policy Committee’s (MPC) meeting. *(The Hindu)*

In King Cash's castle: Businesses in disarray, RBI to take a closer look

Last week, the Reserve Bank of India (RBI) held a stock-taking meeting with the Cash Logistics Association (CLA). A key issue that figured in the discussions was ATM cassette-swaps — lockable trays for cash replenishment, as opposed to loose loading. Introduced on April 18, 2018, they were to be added, the RBI had made clear, in a phased manner to cover “at least one-third of ATMs” every year. The process was to be completed by FY21. *(Business Standard)*

Trade settlement in rupee: Govt, RBI devise country-specific plan

The central government and the Reserve Bank of India have devised a country-specific plan towards implementation of overseas trade in rupee, people aware of the matter said. To start with, a small number of banks will be allowed to manage cross-border transactions in domestic currency with a particular country. *(Business Standard)*

Loan write-offs are above board

During the last five years — from 2017-18 to 2021-22 — scheduled commercial banks (137) wrote off non-performing assets (NPAs) worth ₹9,91,640 lakh crore out of which 12 public sector banks accounted for ₹7,27,330 crore. *(BusinessLine)*

UPI transactions up 650% at semi-urban and rural stores: PayNearby

UPI transactions across rural- and semi-urban retail counters of PayNearby rose 650 per cent year-on-year for the 10-month period ended October 31. In terms of volumes, UPI transactions were higher by 500 per cent. *(BusinessLine)*

RBI announces extension on HTM bond books dispensation till March 2024

The Reserve Bank of India (RBI) said on Wednesday it has extended the dispensation of an enhanced limit of the held-to-maturity (HTM) portfolio for government bonds till March 31 next year, enabling banks to better manage their investment portfolios. *(Business Standard)*

UPI to now allow blocking money for multiple debits, paves way for ASBA

The Reserve Bank of India (RBI) on Wednesday enhanced the capabilities of the Unified Payments Interface (UPI) by introducing a 'single-block-and-multiple debits' functionality, which allows a customer to enable a payment mandate against a merchant by blocking funds for specific purposes in his/her bank account which can be debited, whenever needed. *(Business Standard)*

RBI ready to inject more cash, if needed: Das

The Reserve Bank of India is ready to inject additional cash through Liquidity Adjustment Facility (LAF) operations if need arises, Governor Shaktikanta Das said on Wednesday. "The RBI remains nimble and flexible in its liquidity management operations. So, even though the RBI is in absorption mode, we are ready to conduct LAF operation that injects liquidity as may be needed," Mr. Das said, while announcing the central bank's monetary policy decision to raise key lending rate by 35 basis points (bps). *(The Hindu)*

Don't create 'fear psychosis' on privacy concerns: RBI governor Shaktikanta Das

Asserting that the newly-introduced Central bank digital currency (CBDC) does not leave any trail with a bank, RBI governor Shaktikanta Das on December 7 said there is no need to create a "fear psychosis" in the minds of people over privacy concerns. *(The Hindu)*

Wide gap between bank credit and deposit growth seen declining

Bank credit growth may be continuing to outpace growth in deposits by a long margin — a point that the Reserve Bank of India (RBI) has taken note of — but analysts believe the gap will start to narrow going into the next year. *(Business Standard)*



External Sector

High current account deficit manageable: RBI Governor Shaktikanta Das

India's current account deficit may be worsening by the month, RBI governor Shaktikanta Das said the flows would enable it to manage the situation within the parameters of viability. *(The Economic Times)*

India's foreign exchange reserves up at \$550.142 billion

India's foreign exchange reserves rose for the third straight week to cross \$550 billion, weekly data released by Reserve Bank of India data showed. The reserves rose \$2.890 billion in the week ending November 25 to \$550.142 billion, helped by rise in foreign currency assets while reserves held in gold shrunk. *(The Economic Times)*

Weak global demand affecting India's merchandise exports and imports, says RBI Governor Das

Reserve Bank of India Governor Shaktikanta Das while announcing a rate hike highlighted that slowing global demand is weighing on India's merchandise imports and exports. *(The Economic Times)*

India, Belarus to explore trade settlement in Indian rupees

The trade settlement arrangement, finalised by the RBI in July, entails Indian importers depositing rupees in special accounts that overseas banks open with lenders in India and

clearing the dues of Indian exporters from surplus balances in these rupee accounts. *(The Economic Times)*

India seeks to agree Rupee-Dirham trade payment plan in January

The central banks of India and the United Arab Emirates are discussing a mechanism to facilitate rupee-dirham trade to lower the cost of transactions, India's ambassador to the UAE, Sunjay Sudhir, had said last month. *(Mint)*

Sri Lanka to resume talks on stalled trade pact with India

Sri Lanka will soon resume talks with India on the stalled Economic and Technological Cooperation Agreement (ETCA), authorities said, as Colombo looks to trade pacts and foreign direct investments (FDIs) to rebuild its crisis-hit economy. *(BusinessLine)*

India's role in finding common ground among G20 members appreciated, says EAM S Jaishankar

Speaking in Parliament on the first day of the winter session, the minister said India's G20 presidency is an opportunity to showcase the country to the world and this will be done through cultural activities, regional festivals, technology programmes and several other initiatives. *(The Economic Times)*

\$4-trillion: The world faces an economic loss the size of Germany. Can India absorb the impact?

The world economy has been taking continuous hits for a while and India has been feeling the pain. With experts estimating a \$4-trillion loss in economic output between now and 2026, how much should India worry? *(The Economic Times)*

Govt working on ways to contain surge in imports of non-essential goods

According to commerce ministry's data, imports during April-October this fiscal have increased to USD 436.81 billion as against USD 328.14 billion in the same period last year. Trade deficit for April-October 2022 has widened to USD 173.46 billion as against USD 94.16 billion in April-October 2021. *(The Economic Times)*

Weak global demand affecting India's merchandise exports and imports, says RBI Governor Das

Reserve Bank of India Governor Shaktikanta Das while announcing a rate hike highlighted that slowing global demand is weighing on India's merchandise imports and exports. After a successful run for many quarters merchandise exports contracted by a massive 16.7 percent to USD29.8 billion in October-- the first contraction in 19 months. *(The Economic Times)*

India remains net importer of steel in November

India continued to be a net importer of steel in November, for the second consecutive month this fiscal, with imports at 600,000 tonnes, indicative of a global slowdown in metal cycle and consistent pressure on price of domestic offerings. Imports exceed exports of finished steel by 262,000 tonnes and rose 92 per cent on a year on year basis, a report by the Steel Ministry. *(BusinessLine)*



Agriculture and Rural Economy

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

The government's fertiliser subsidy will rise to ₹2.3-2.5 lakh crore in this fiscal but the bill may fall by 25% in the 2023-24 financial year with moderation in global prices, according to industry body FAI. Fertilisers Association of India (FAI) expressed concern that the fixed cost of urea has not been increased affecting the viability of urea plants. It also pointed out that the industry is running on a very thin margin, which is hampering new investments in this sector. *(The Hindu)*

India may issue 'green bonds' to partly fund National Mission on Natural Farming

The Cabinet will soon take a call on the Agriculture Ministry's ₹2,481-crore proposal to launch National Mission on Natural Farming (NMNF), to be implemented from the current fiscal until 2025-26. The NMNF will target to bring into its fold 7.5 lakh farmers to practice non-chemical natural farming on 7.5 lakh hectares. *(BusinessLine)*

Sri Lanka reaches out to NDDDB and Amul for technical assistance

In a bid to scale up its dairy production to become self-sufficient, Sri Lanka has sought technical assistance from India's National Dairy Development Board (NDDDB) and market leader Amul, reviving a collaboration that the island attempted in the late-1990s, but failed to take forward. *(BusinessLine)*

Agriculture sector remains resilient; Rabi sowing off to strong start: RBI

Reserve Bank Governor Shaktikanta Das on Wednesday said the agriculture sector remains resilient, and the rabi sowing has got off to a strong start. However, India is expecting some moderation in kharif production due to uneven rainfall. *(Business Standard)*

After complaints, Centre set to prioritise wages for MGNREGS site supervisors

Heeding to persistent complaints from Mates or site supervisors that their wages under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) are inordinately delayed, the Union Rural Development Ministry has devised a protocol to prioritise payment to Mates. *(The Hindu)*

Wheat Prices seen at Record

The wholesale prices of wheat have been hovering near the psychologically sensitive level of ₹30 per kilogram at major consuming centres of the country. In most parts of the country, wheat prices are trading in the range of ₹27/kg to ₹29.50/kg, which is 30-40% above the minimum support price (MSP) of ₹20.15/kg. *(The Economic Times)*

Wheat Output Likely to Rise by 5 MT This Year: Singh

Farmers in India are likely to sow wheat across 31.5 million hectares, which will be 1.5 million hectares more than last year, said Gyanendra Singh, director of ICAR-IIWBR, which is the apex body for wheat cultivation in the country. *(The Economic Times)*



Industry, Manufacturing, Services and Technology

Govt works to nudge industry off fossil fuel to green energy

The government is working on a long-term strategy to make Indian industry eco-friendly, electrifying industries that use gas and fossil fuels and moving others to harness green hydrogen. *(Mint)*

Layoffs deemed illegal if not carried as per Industrial Disputes Act: Yadav

Amid reports of mass layoffs, Labour and Employment Minister Bhupender Yadav said any retrenchment and layoffs are illegal if not carried out as per the provisions of the Industrial Disputes Act. *(Business Standard)*

Global airline industry set to post \$6.9 billion loss in 2022: IATA

The global airline industry is projected to report a lower loss at \$6.9 bn in 2022, mainly due to stronger passenger yields and cost control by carriers amid rising fuel prices, according to the International Air Transport Association (IATA). *(Business Standard)*

Pass fresh order; review fines to save domestic tyre industry: NCLAT to CCI

Appellate tribunal NCLAT has directed the Competition Commission to pass a fresh order in the matter of alleged cartelisation by tyre companies, citing the need to re-examine arithmetical and inadvertent errors as well as to review the penalty to save the domestic tyre industry. *(Business Standard)*

India's public cloud services market likely to reach \$13 billion by 2026: IDC

India's overall public cloud services market (PCS) is expected to reach \$13 billion by 2026. The PCS market is growing at a compound annual growth rate (CAGR) of 23.1 per cent for 2021-26, according to a report by International Data Corporation (IDC). *(BusinessLine)*

Govt sets up different task forces to encourage local electronics manufacturing

Telecom Minister, Ashwini Vaishnaw, chaired a round-table with the local telecom equipment manufacturers on Saturday in which he said the government has set up task forces to boost the production-linked incentive (PLI) scheme in the telecom component manufacturing sector. *(BusinessLine)*

Govt mulls PLI scheme for toys with ₹3,500 cr outlay

Toy production in India is set to get a big push with the government actively considering the extension of the Production Linked Incentive (PLI) scheme to the sector with a proposed outlay of about ₹3,500 crore, according to sources. *(BusinessLine)*

Start-up funding drops 35% in 11 months of 2022

Funding in Indian start-ups has dropped by 35 per cent to \$24.7 billion in 2022 Year to date (YTD) from \$37.2 billion in the same period last year, according to Tracxn Geo Quarterly Report: India Tech 2022. *(BusinessLine)*

Govt push, saturation in tier-I cities will push IT industry to smaller towns: Everest report

A strong push by the government coupled with saturation in tier-I cities and reluctance on the part employees to return to cities — after they went home during Covid — will force Indian IT companies to move at a faster pace to tier-2/3 cities. Currently, most of these tier-2/3 centres are being leveraged as a spoke/satellite and business continuity planning location to support tier-1 hubs. *(BusinessLine)*

Services sector buoyant in November, overseas orders rise first time since COVID-19 onset

India's services sector continued to rebound in November, recording the fastest output growth in three months, with new orders accruing at the highest pace since August, as per the S&P Global India Services Purchase Managers' Index (PMI) which rose to 56.4 from 55.1 in October. A reading of 50 on the PMI indicates no change in business activity levels. *(The Hindu)*



News on Kerala

Discriminatory clause in Khadi board Act to be amended

An outdated clause in the Kerala Khadi and Village Industries Board Act, 1957 which discriminates against people with leprosy and hearing/speech impairment is up for revision. A bill seeking its amendment was introduced in the State Assembly on Monday and referred to the subject committee. *(The Hindu)*

Five-member committee to study stumbling blocks in coir sector

The government has appointed a five-member external committee, headed by Sankar Krishnapillai, Professor of Mechanical Engineering, IIT Madras, to study the problems in the State's coir sector, Industries Minister P. Rajeeve has said. The committee includes K. Balan, Professor of Civil Engineering who has done several studies related to the sector; P.V. Divya, Civil Engineering Professor, IIT Palakkad; Rakesh Krishnan, Associate Professor, School of Management Studies, the Cochin University of Science and Technology; and the chairman of the Coir Corporation. *(The Hindu)*

Adani's \$900 million Indian port build restarts as villagers end protest

Construction on a \$900 million port in Kerala, southern India resumed on Thursday after protesters from a mainly Christian fishing village ended a blockade of the Adani Group site. The port has strategic importance for both India and Adani's owner Gautam Adani, an ally of Prime Minister Narendra Modi, as on completion it will be the country's first container transshipment hub, rivalling Dubai, Singapore and Sri Lanka. *(The Economic Times)*

Kerala facing 'unprecedented financial crisis', says state Finance Minister K N Balagopal

Kerala Finance Minister K N Balagopal on Tuesday said the state is reeling under unprecedented financial crisis and attributed the "distorted" financial policies of the Centre, the outbreak of COVID-19 pandemic and recurring natural disasters as reason for the poor economic condition. The minister, however, made it clear that the Left

government was moving ahead with a "clear road map" and financial discipline to overcome the crisis and resolve the issues. *(The Economic Times)*

Closed down Coke factory property to be given to Kerala govt, protesters up in arms

The Plachimada Struggle Solidarity Committee, which through its long drawn struggle saw to the closure of the Coca-Cola factory in Palakkad district in 2004, is getting ready for another battle with the multi-American beverages giant. *(The Economic Times)*

"Made-in-Kerala" brand to find global market for unique products

The Kerala government is gearing up to introduce the "Made-in-Kerala" brand for its unique products being manufactured in the state. The objective is to certify the quality of own products of the state and to help them find national and international markets, state Industries Minister P Rajeeve told the Assembly. *(The Economic Times)*

Kerala to become 100% renewable energy-based State by 2040, says CM

Kerala aspires to become a 100% renewable energy-based State by 2040 and net carbon neutral by 2050, Chief Minister Pinarayi Vijayan has said. The Chief Minister was inaugurating the India Climate and Development Partners' Meet, hosted by the State government and the World Bank, and releasing the Kerala State Action Plan on Climate Change 2023-2030 (Kerala SAPCC 2.0). *(The Hindu)*

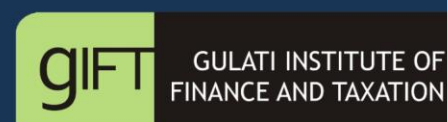
Financial crisis due to external factors: Balagopal

Attributing Kerala's financial woes to "external factors", especially the limits on borrowing imposed by the Union government and non-releasing of thousands of crores of funds due to it, Finance Minister K.N. Balagopal told the Assembly on Tuesday that the current crisis the State was facing was unprecedented. *(The Times of India)*.

Action plan on climate change identifies nine districts in State as most vulnerable

The Kerala State Action Plan on Climate Change 2023-2030 (Kerala SAPCC 2.0) released here on Wednesday identifies nine districts as most vulnerable in terms of overall inherent vulnerability and envisions mitigation strategies for avoiding approximately 57,000 ktCO₂ from various sectors by 2030. *(The Hindu)*

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